

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

May 1, 2018

The Board of Directors (the "Board") of Cypress Forest Public Utility District, (the "District"), met in regular session, open to the public, on the 1st day of May, 2018, at the Cypress Forest Public Utility District Administrative Building, 16215 Champion Forest Drive, Spring, Texas 77379, inside the boundaries of the District, and the roll was called of the members of the Board:

Gregory DiCioccio	President
Thomas J. Petrick	Vice President
David Normand	Secretary
John N. Parker	Assistant Secretary
James B. Fryfogle	Assistant Vice President

and all of the above were present except Director Parker, thus constituting a quorum.

Also present for all or part of the meeting were Judy Barker, Mike O'Shea, and Vernon Vanis, residents of the District; Kim Shelnett of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Andrew Phelps of Environmental Development Partners, LLC ("EDP"); Esther Flores of Tax Tech, Inc.; Les Griffith of Champions Hydro-Lawn, Inc. ("CHL"); and Greer Pagan and Justine M. Cherne of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

Director DiCioccio opened the meeting to receive public comments. Mr. Vanis addressed the Board to request updated information regarding construction within Cypress Forest Park. There being no additional public comments, Director DiCioccio closed the meeting to public comments.

PROPOSED RAVENEAUX COUNTRY CLUB ("RAVENEAX") TRACT DEVELOPMENT PROJECT

Mr. Pagan that reported he was copied on an email from David Key of the Raveneaux to the District's consultant, Nathan Hekimian of Sueba Construction, Inc., forwarding a conceptual layout for a proposed development project for a portion of the Raveneaux tract. He stated that he does not know whether the email contained adequate information for Mr. Hekimian's review pursuant to the District's Raveneaux Redevelopment Agreement.

CONSENT AGENDA:

APPROVE MINUTES

FINANCIAL AND BOOKKEEPING, INCLUDING PAYMENT OF BILLS

TAX ASSESSMENT AND COLLECTION, INCLUDING PAYMENT OF BILLS

ENGINEERING, INCLUDING LONG-TERM MAINTENANCE PLAN

OPERATION OF DISTRICT FACILITIES

Upon a motion made by Director Petrick and seconded by Director Normand, the Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meeting held April 3, 2018. Copies of the bookkeeper's report, tax assessor/collector's report, engineer's report, and operator's report are attached.

TRAVEL REIMBURSEMENT GUIDELINES

The Board discussed the District's guidelines for reimbursement of eligible expenses for the Association of Water Board Directors ("AWBD") conferences. Following review and discussion, Director Normand moved to approve payment of three per diems for the AWBD summer conference. Director Fryfogle seconded the motion, which was approved by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt reviewed two additional checks for payment of invoices from CHL and a deposit refund. Following review and discussion, Director Normand moved to approve payment of the two additional invoices. Director Fryfogle seconded the motion, which was approved by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection actions.

HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on matters discussed during a recent Champion Forest Maintenance Fund meeting.

DEVELOPMENT AND MAINTENANCE OF PARKS AND TRAILS

Director Normand reported on matters related to the development and maintenance of park facilities and trails in Cypress Forest Park, including the status of irrigation system repairs and operation. He reported on the status of the drainage structure repair project within Cypress Forest Park pursuant to the District's contract

with WadeCon, LLC, including a change in the sequence of construction due to the contractor's failure to obtain a permit for the project in advance. Discussion ensued regarding additional repairs needed in the park. Following discussion, Director Normand and Mr. Joubran concurred to coordinate a site visit to identify additional repairs to be addressed in the park.

Mr. Joubran recommended replacing several locations of the Cypress Forest Park concrete walking trail. Following review and discussion, Director Normand moved to authorize additional concrete quantities to the District's contract with WadeCon, LLC to replace several locations of the Cypress Forest Park walking trail as recommended.

Mr. Joubran discussed proposed construction management services for the drainage structure repair project within Cypress Forest Park pursuant to the District's contract with WadeCon, LLC. Following review and discussion, Director DiCioccio moved to approve construction management services for Pepe Engineering in the amount of \$3,331.50. Director Normand seconded the motion, which was approved by unanimous vote.

ADDITIONAL ENGINEERING ACTION ITEMS AND WASTEWATER CONVEYANCE PROJECT

Mr. Joubran reported on the schedule for the project to construct an eight-inch water line along Louetta Road to serve an eight-acre commercial tract pursuant to the District's Development Financing Agreement with District & Urban (Texas) Inc. and contract with Canyon Construction Company, Inc.

Mr. Joubran reported that the engineering consultant for Champions Municipal Utility District ("Champions MUD") has requested the Board's approval of a revised alignment in place of the alignment previously approved by the Board for an easement through portions of Cypress Forest Park for Champions MUD's projects consisting of: (1) construction of a sanitary force main line to convey its wastewater to the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP"); and (2) installation of an effluent water main line. Mr. Joubran stated that the City of Houston has requested that the sanitary force main be installed in a location that avoids going under the existing lake in Cypress Forest Park. He reviewed a map of the proposed revised alignment and discussion ensued, including regarding a discrepancy in the proposed alignment and the alignment previously approved by the Board. Following review and discussion, the Board concurred to deny approval of the revised alignment. The Board concurred to decline alignment options that include draining the existing lake in Cypress Forest Park.

RECLAIMED WATER SUPPLY PROJECT

Mr. Joubran reported on the status of a Preliminary Engineering Report ("PER") containing analysis and design recommendations for storage and distribution facilities

for the District's proposed receipt of reclaimed water from the effluent reuse treatment facility to be constructed in the vicinity of the KRWTP. He stated that the PER has been revised to address Board members' comments. He reported that a final PER will be issued for Board review after a coordination meeting is held with the Harris County Flood Control District's Watershed Group to discuss and ensure the alternatives being considered in the PER are conceptually acceptable to the county regulators whose approval would be needed at final design stage.

Mr. Joubran discussed a meeting attended by Pepe Engineering, Director Petrick, and management representatives of Raveneaux to discuss Raveneaux's participation in the District's reclaimed water project as an end-user. He stated that certain information regarding Raveneaux's proposed facilities and usage will need to be provided to the KRWTP's consultants for inclusion in the permit application currently being prepared for submission to the Texas Commission on Environmental Quality (the "TCEQ").

Discussion ensued regarding storage options, finalization of the PER, and permitting matters for the proposed effluent reuse treatment facility.

Director Petrick reported that the KRWTP's consultants plan to submit the permit application for authorization for re-use of domestic reclaimed water to the TCEQ during the third week of May, 2018. He additionally reported on the meeting he attended with Raveneaux's management representatives and Pepe Engineering to discuss proposed terms for a Reclaimed Water Provider Agreement between the District and Raveneaux, including reclaimed water rates. He reported on coordination with the District's consultants on preparation of the agreement. He discussed the District's cost for reclaimed water and the impact of Alternative Water Use Credits to be issued to the District by the North Harris County Regional Water Authority (the "NHCRWA") for use as an offset against NHCRWA fees. Director Petrick stated that if a Reclaimed Water Provider Agreement between the District and Raveneaux is not ready for submission with KRWTP's permit application, Raveneaux will need to submit an application at a later date. Mr. Pagan stated that he believes the permit application requires inclusion of a form Reclaimed Water Provider Agreement that can be executed at a later date. Discussion ensued regarding the proposed Reclaimed Water Provider Agreement. Following discussion, Director Fryfogle moved to approve the proposed terms of the Reclaimed Water Provider Agreement between the District and Raveneaux as discussed and authorize execution of the agreement. Director Petrick seconded the motion, which was approved by unanimous vote.

Director Petrick moved to authorize execution of a Provider Certification for KRWTP's permit application for authorization for re-use of domestic reclaimed water for submission to the TCEQ. Director Fryfogle seconded the motion, which was approved by unanimous vote.

KRWTP MATTERS

Director Petrick reported on the operations and maintenance of the KRWTP, including a new budget adopted by the KRWTP.

HURRICANE HARVEY RELATED MATTERS

Mr. Phelps discussed the status of the District's application to the Federal Emergency Management Agency ("FEMA") and submission of insurance claims for reimbursement of the costs for damages resulting from Hurricane Harvey. He discussed anticipated reimbursement from FEMA for recommended improvement and mitigation actions for the District's facilities and stated that the amounts remain unknown at this time.

EMERGENCY PREPAREDNESS

Mr. Phelps discussed EDP's preparation of the District's facilities for emergency operations. He recommended obtaining proposals for emergency messaging services with the District's residents. Following discussion, the Board concurred to discuss emergency messaging service options after the AWBD summer conference.

ANNUAL FILING OF CRITICAL LOAD SPREADSHEET

Mr. Pagan discussed annual filing requirements for the District's Critical Load Spreadsheet, which lists the facilities operated by the District that receive electricity and is provided to various entities, including CenterPoint Energy and Harris County, for emergency purposes. He stated that the Critical Load Spreadsheet was submitted to the District's consultants for review and updates. After review and discussion, Director Petrick moved to authorize annual filing of the Critical Load Spreadsheet with the appropriate entities. Director Normand seconded the motion, which carried by unanimous vote.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS, INCLUDING CUSTOMER CORRESPONDENCE

Mr. Phelps reported that the pump for the District's water plant no. 2, booster pump no. 2, needs to be replaced for an estimated cost of \$14,800.00 plus \$2,200.00 for labor. Following discussion, Director Fryfogle moved to authorize replacing the pump as recommended. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Phelps presented and reviewed with the Board a draft Consumer Confidence Report, a copy of which is included in the operator's report. Following review and discussion, Director Normand moved to authorize mailing of the finalized Consumer Confidence Report and filing of the certificate of mailing with the TCEQ. Director

Petrick seconded the motion, which was approved by unanimous vote. Director Petrick requested that Mr. Phelps prepare an article regarding the Consumer Confidence Report for publication in the Champion Forest Women's Club Newsletter.

Mr. Phelps reviewed customer correspondence requesting an adjustment to high residential utility bills caused by a leaking irrigation pipeline that occurred while the home was vacant due to flooding from Hurricane Harvey. He reviewed the historical usage on the account and reported that the leak has been repaired. Following review and discussion, the Board concurred to deny the request.

CONDUCT HEARING ON TERMINATION OF WATER SERVICE

The Board conducted a hearing on the termination of water service. Mr. Phelps presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Normand moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Fryfogle and passed by unanimous vote.

ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board conducted an annual review of the District's Drought Contingency Plan. Mr. Phelps reviewed recommended changes to the plan to simplify the trigger points and include a voluntary stage. After review and discussion, Director Normand moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject. Director Fryfogle seconded the motion, which carried by unanimous vote.

NHCRWA

Director DiCioccio reported that the monthly meeting of the NHCRWA is scheduled for May 7, 2018.

PUBLIC COMMUNICATIONS

The Board discussed articles for publication in the Champion Forest Women's Club Newsletter.

MEETING SCHEDULE AND AGENDA

The Board discussed items for inclusion on the agenda of its June 5, 2018, meeting at 5:00 p.m. at the District's Administrative Building. The Board concurred to meet at 5:00 p.m. on May 15, 2018, at the District's Administrative Building to canvass the 2018 Directors Election.

There being no other matters to come before the Board, the meeting was adjourned.

[SIGNATURE PAGE FOR THE MINUTES OF THE MAY 1, 2018, BOARD MEETING]

A handwritten signature in black ink, appearing to read "David W. ...", is written over a horizontal line. The signature is fluid and cursive.

Secretary, Board of Directors

(SEAL)



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