

MINUTES  
CYPRESS FOREST PUBLIC UTILITY DISTRICT

June 5, 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 5th day of June, 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 Alice Kanayan, Vernon Vanis, Cherie Vanis, Jake Vanis, James Jarvis, and Brooke Jarvis, residents of the District; Greg French of the Raveneaux Country Club ("Raveneaux"); Kim Shelnutt 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.; and Greer Pagan and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

CERTIFICATE OF ELECTION

The Board considered approving a Certificate of Election, reflecting the election of David Normand and Vernon Vanis to the Board of Directors of the District, each for a four-year term. After review and discussion, Director Petrick moved to approve the Certificate of Election and the distribution of same to Directors Normand and Vanis, and direct that the Certificate of Election be filed appropriately and retained in the District's official records. Director Fryfogle seconded the motion, which passed by unanimous vote.

DIRECTORS' SWORN STATEMENTS, OFFICIAL BONDS, AND OATHS OF OFFICE

The Board reviewed the Sworn Statements, Oaths of Office, and Official Bonds for Director Vanis and the Sworn Statements and Oaths of Office for Director Normand. After review and discussion, Director Petrick moved to approve the Sworn Statements, Oaths of Office, and Official Bond and direct that the Oaths of Office be filed with the

Secretary of State and the documents retained in the District's official records. Director Fryfogle seconded the motion, which passed by unanimous vote.

#### REORGANIZE THE BOARD AND ELECT OFFICERS

The Board considered reorganizing. Following discussion, Director Petrick moved to appoint Director Vanis as Assistant Secretary and reappoint the remaining Directors to their current officer positions. Director Normand seconded the motion, which passed by unanimous vote.

#### DISTRICT REGISTRATION FORM

The Board reviewed an updated District Registration Form reflecting the terms of the newly elected directors and the reorganization of the Board. Following review and discussion, Director Normand moved to authorize execution of the District Registration Form and direct that the form be filed with the Texas Commission on Environmental Quality and retained in the District's official records. Director Petrick seconded the motion, which passed by unanimous vote.

#### OPEN MEETINGS ACT TRAINING REQUIREMENTS

Mr. Pagan reviewed requirements for each elected or appointed public official related to completing a course of training of not less than one and not more than two hours regarding the responsibilities of a governmental body and its members under the Texas Open Meetings Act, Chapter 551, Government Code within 90 days of taking the oath of office.

#### CONFLICT OF INTEREST DISCLOSURE AND LIST OF LOCAL GOVERNMENT OFFICERS

Mr. Pagan reviewed a memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission. A copy of the memorandum is attached.

The Board reviewed a List of Local Government Officers that the District is required to maintain pursuant to Chapter 176 of the Texas Local Government Code. After review and discussion, Director Normand moved to approve and authorize execution of the List of Local Government Officers and direct that the list be retained in the District's official records. Director Petrick seconded the motion, which passed by unanimous vote.

## PUBLIC COMMENTS

Director DiCioccio opened the meeting to receive public comments. There being no public comments, Director DiCioccio closed the meeting to public comments.

## PROPOSED RAVENEAUX TRACT DEVELOPMENT PROJECT AND LEASE TRACT MAINTENANCE

Mr. Pagan reported that the District's consultant, Nathan Hekimian of Sueba Construction, Inc., has performed an initial review of a conceptual layout for a proposed development project for a portion of the Raveneaux tract provided by the architect for the project. He stated that Mr. Hekimian's preliminary report will be distributed soon. He stated that he does not know whether there is adequate information for Mr. Hekimian's review to confirm compliance with the District's Raveneaux Redevelopment Agreement.

Discussion ensued regarding maintenance of the leased tract. Following discussion, the Board requested that Mr. Joubran conduct an informal inspection of the leased tract while on site for the District's drainage system repair project within Cypress Forest Park.

## 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

The Board concurred to remove the bookkeeper's and engineer's reports from the Consent Agenda. Upon a motion made by Director Petrick and seconded by Director Fryfogle, the Board voted unanimously to approve the remaining items included on the Consent Agenda, including the minutes of the meeting held May 1, 2018. Copies of the tax assessor/collector's report and operator's report are attached.

## ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt presented two additional checks for payment of an invoice for bookkeeping services and a pay estimate for the drainage system repair project within Cypress Forest Park. Ms. Shelnutt responded to Director Vanis' questions regarding cash flow and budget matters. Following review and discussion, Director Petrick moved to approve the bookkeeper's report, including execution of the two additional checks. Director Fryfogle seconded the motion, which was approved by unanimous vote. A copy of the bookkeeper's report is attached.

## ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

Ms. Flores reported on the District's preliminary assessed value and reviewed delinquent tax accounts. Following review and discussion, Director Petrick moved to authorize the District's delinquent tax attorney to proceed with the collection of delinquent taxes. Director Normand seconded the motion, which was approved by unanimous vote.

## HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on matters discussed during recent meetings held by the Champion Forest Maintenance Fund and Champion Forest Twelve Homeowners Association.

## 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. He discussed the status of the drainage system repair project within Cypress Forest Park. He stated that areas of erosion and the quality of the hydro-mulch treatment need to be addressed.

Director Normand reported on irrigation system operation and maintenance matters. He stated that he will include an item in next year's park budget for replacing old sprinkler heads as they wear out with new sprinkler heads costing \$200.00 each.

## ADDITIONAL ENGINEERING ACTION ITEMS

Mr. Joubran presented the engineer's report, a copy of which is attached.

Mr. Joubran reported on the status of the design of the project to rehabilitate the existing sanitary sewer collection line in Champion Forest, Sections 1 and 2, and certain segments of the trunk lines. He requested authorization to prepare bidding documents and advertise for bids in the amount of \$2,500.00. Discussion ensued regarding the District's budget and long-term maintenance plan. Following review and discussion, Director Petrick moved to authorize preparation of the bidding documents and advertisement for bids for the project. Director Normand seconded the motion, which was approved by unanimous vote.

Mr. Joubran reviewed an updated Capital Improvement Plan and reported that he obtained a proposal for televising the sanitary sewer lines in Champion Forest, Section 3, in an amount not to exceed \$52,698.00. He reviewed a proposed schedule for the televising and stated that any needed repairs would be expected to begin mid-2019. Discussion ensued regarding the budgeted amount for anticipated repairs. Following review and discussion, Director Vanis moved to authorize televising of the sanitary

sewer lines in Champion Forest, Section 3, in an amount not to exceed \$52,698.00. Director Fryfogle seconded the motion, which was approved by unanimous vote.

Mr. Joubran reported on the status of the drainage system repair project within Cypress Forest Park pursuant to the District's contract with WadeCon, LLC. He stated that the project is substantially complete and the contractor is working on punch list items. He reviewed a request from WadeCon, LLC to perform additional hydro-mulch treatments to stabilize the slopes and prevent erosion between the concrete sidewalk and Cypress Creek, west of the Champion Forest bridge, in the amount of \$2,000.00. Discussion ensued regarding Pepe Engineering's and the Harris County Flood Control Drainage District's inspection procedures for the project. Following review and discussion, Director Normand moved to approve WadeCon, LLC's request to perform additional hydro-mulch treatments in the amount of \$2,000.00, subject to Mr. Joubran's review of the hydro-mulch treatments. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Joubran presented and recommended approval of Pay Estimate Nos. 1 and 2 in the amounts of \$93,387.60 and \$103,410.90, respectively, payable to WadeCon, LLC for the drainage system repair project within Cypress Forest Park. Copies of the pay estimates are attached to the engineer's report. Following review and discussion, Director Fryfogle moved to approve the pay estimates as presented. Additional discussion ensued regarding the District's budget and cash flow, and anticipated reimbursement amounts to be received from the Federal Emergency Management Agency ("FEMA") for repair of the District's facilities damaged by Hurricane Harvey. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Joubran reported on the status of the construction of an eight-inch water line along Louetta Road to serve an eight-acre commercial tract pursuant to the District's contract with Canyon Construction Company, Inc. ("Canyon") and Development Financing Agreement with District & Urban (Texas) Inc. He discussed delays to the construction schedule caused by additional utilities found on the site and additional pipeline easement requirements. He reported on emergency repairs made to the District's existing water main due to leaks found during construction. He discussed soils testing required by the City of Houston for the project and reviewed a proposal from The Murillo Company for soil testing services in an amount not to exceed \$4,593.00. A copy of the proposal is attached to the engineer's report. Following review and discussion, Director Vanis moved to approve the proposal. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Joubran reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$70,467.75 submitted by Canyon for the eight-inch water line construction project. A copy of the pay estimate is attached to the engineer's report. Mr. Joubran reminded the Board that District & Urban (Texas) Inc. is paying the pay estimates for the project pursuant to its Development Financing Agreement with the District.

Following review and discussion, Director Normand moved to approve the pay estimate. Director Fryfogle seconded the motion, which was approved by unanimous vote.

#### WASTEWATER CONVEYANCE PROJECT

Mr. Joubran reported that the engineering consultant for Champions Municipal Utility District ("Champions MUD") has requested the Board's re-approval of the alignment previously approved by the Board on April 3, 2018, for an easement through portions of Cypress Forest Park for Champions MUD's projects consisting of: (1) construction of a sanitary sewer force main to convey its wastewater to the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP"); and (2) installation of an effluent water main line. He reviewed an exhibit of the proposed route of the sanitary sewer force main dated March 26, 2018, a copy of which is attached. Discussion ensued regarding the impact of the proposed alignment on the District's anticipated storage and distribution facilities for its reclaimed water supply project and Raveneaux's facilities as an end-user of the District's reclaimed water supply project. Mr. Joubran stated that he anticipates Champions MUD will need additional approval for the alignment from Raveneaux and the Harris County Flood Control District. Following review and discussion, Director Vanis moved to re-approve Champions MUD's proposed alignment for a sanitary sewer force main and reclaimed water line easement per the exhibit dated March 26, 2018. Director Petrick seconded the motion, which was approved by unanimous vote.

#### RECLAIMED WATER SUPPLY PROJECT

Mr. Joubran presented an updated draft Preliminary Engineering Report 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. Mr. Joubran presented a proposal for final engineering design of the facilities for the District's reclaimed water supply project in an amount not to exceed \$269,274.00. A copy of the proposal is attached to the engineer's report. Discussion ensued. No action was taken by the Board.

Mr. Joubran reported that the engineering consultant for the Kleinwood Joint Powers Board (the "KJPB") has requested the Board's approval of a 20-foot access easement from Cypresswood Drive to serve the KRWTP's reclaimed water distribution facilities to be located at Champion Forest Drive. He reviewed an exhibit of the proposed access easement, a copy of which is attached. Following review and discussion, the Board concurred that it was amenable to granting an access easement to the KJPB after the District has finalized the design of its reclaimed water supply facilities.

## 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 reported on two insurance payments received by the District for damages caused by Hurricane Harvey to the District Administrative Building and Water Plant No. 2. He discussed continued coordination with the District's insurance carrier and FEMA 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.

Mr. Joubran reported on the status of Hatch Associates Consultants, Inc.'s design of the District's generator replacement and electrical system upgrades project at Water Plant No. 2.

## ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS AND CONDUCT HEARING ON TERMINATION OF WATER SERVICE

Director DiCioccio commended EDP for its handling of a customer service matter.

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 Petrick 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 Normand and passed by unanimous vote.

## NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Director DiCioccio reported on the monthly meetings of the NHCRWA and noted that the engineer's report contains an update on the meetings.

## PUBLIC COMMUNICATIONS

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

Director Vanis recommended that the Board consider becoming members of the Cypress Creek Flood Control Coalition.

## MEETING SCHEDULE AND AGENDA

The Board discussed items for inclusion on the agenda of its July 3, 2018, meeting at 5:00 p.m. at the District's Administrative Building.

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



[SIGNATURE PAGE FOR THE MINUTES OF THE JUNE 5, 2018, BOARD MEETING]

  
Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes <u>Page</u>
Memorandum regarding Conflict of Interest Disclosure.....	2
Tax Assessor/Collector's report.....	3
Operator's report.....	3
Bookkeeper's report.....	3
Engineer's report.....	4
Exhibit of the proposed route of the sanitary sewer force main dated March 26, 2018 .....	6