

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

July 3, 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 3rd day of July, 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
Vernon Vanis	Assistant Secretary
James B. Fryfogle	Assistant Vice President

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

Also present for all or part of the meeting were Mary Matthews and Rishi Persaud, residents of the District; Barb Smith of the Champion Forest Maintenance Fund, Inc. (the "CF HOA") and resident of the District; Andrew Phelps of Environmental Development Partners, LLC ("EDP"); Kim Shelnett of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd.; Laura 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.

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 AND LEASE TRACT MAINTENANCE

Mr. Pagan reported that the District's consultant, Nathan Hekimian of Sueba Construction, Inc., has prepared an initial report of his 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 the report was forwarded to David Key of the Raveneaux Country Club. He stated that the information provided to Mr. Hekimian was conceptual and inadequate for determining whether the proposed development project would be in compliance with the District's Raveneaux Redevelopment Agreement.

Director Normand distributed a status report regarding maintenance of the drainage system and the trails and cart paths on the lease tract. He requested that the Directors and Mr. Pagan review the status report for discussion at the August regular meeting. Discussion ensued regarding maintenance of the lease tract.

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 meetings held May 15, and June 5, 2018. Copies of the bookkeeper's report, tax assessor/collector's report, engineer's report, and operator's report are attached.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Phelps reported that the District's main sanitary sewer line is blocked by a homeowner's four-inch tap line that dropped into the District's line at 16010 Stratton Park. He stated that the excavation and repair of the homeowner's line is the homeowner's responsibility per the District's Amended Rate Order. He noted that the homeowner's pool, deck, and landscaping encroach into the sanitary sewer easement. Mr. Persaud addressed the Board to request that the District pay for the repair if the blockage is caused by the District. Following discussion, the Board authorized EDP to provide a copy of the video inspection of the District's line to Mr. Persaud for use by his plumber.

Mr. Phelps reported that removal of overgrown and dead vegetation and trimming of trees is needed at the water plant no. 1 plant site. Mr. Griffith recommended obtaining a cost estimate from his tree subcontractor for the work. Following discussion, Director Fryfogle moved to authorize tree trimming and removal of overgrown and dead vegetation from the water plant no. 1 plant site in an amount not to exceed \$3,000.00. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Phelps reported on the status of payments by Champions Municipal Utility District ("Champions MUD") to the District for use of the emergency interconnect water line from March 16, 2018 to June 20, 2018, pursuant to the District's Emergency Water Supply Agreement with Champions MUD (the "EWS Agreement"). He stated the EWS Agreement requires Champions MUD to pay the District's base rate of \$1.20 per 1,000

gallons plus North Harris County Regional Water Authority's ("NHCRWA") fee for use of the interconnect. He reported that Champions MUD is requesting a reduction in the amount it must pay to reflect the District's actual cost of water. Following discussion, the Board concurred to decline Champions MUD's request for a change in the payment provision included in the EWS Agreement.

Mr. Phelps reported that the District's lift station no. 2, lift pump no. 1 has failed. He stated that the estimated costs to repair and replace the pump are \$7,000.00 and \$10,500.00, respectively. Following discussion, Director Vanis moved to authorize replacement of the pump in the amount of \$10,500.00. Director Fryfogle seconded the motion, which was approved by unanimous vote.

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.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") CONFERENCES

The Board discussed topics presented at the AWBD summer conference and reviewed Directors' conference expenses. Following review and discussion, Director Vanis moved to approve reimbursement of eligible expenses for the AWBD summer conference and to authorize Directors' attendance at the winter conference. Director Petrick seconded the motion, which was approved by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt reported that check nos. 3698 and 3697 were replaced with check nos. 3734 and 3735 due to a printing error and an adjusted Director per diem amount, respectively. Following review and discussion, Director Petrick moved to approve the bookkeeper's report, including execution of the two replacement checks. Director Vanis seconded the motion, which was approved by unanimous vote.

Ms. Shelnutt responded to Board members' questions regarding cash flow and budget matters, including the impact of Hurricane Harvey on the District's budget.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection actions.

DIRECTOR ASSIGNMENTS AND BOARD COMMITTEES

The Board discussed Director Assignments and Board Committees.

INTERLOCAL AGREEMENT FOR WATER WISE PROGRAM

The Board reviewed an Interlocal Agreement with the Harris-Galveston Subsidence District for sponsorship of students' participation in the Water Wise Program at Brill Elementary School. Following review and discussion, Director Vanis moved to authorize execution of the agreement and direct that the agreement be filed appropriately and maintained in the District's official records. Director Fryfogle seconded the motion, which was approved by unanimous vote.

HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on matters discussed during a recent meeting of the CF HOA.

Ms. Smith reported on CF HOA activities, including landscaping, irrigation, lighting, and tree trimming. She reported that the management company for the CF HOA will begin holding office hours at the District's Administrative Building from 10:00 a.m. to 2:00 p.m. during the first and third Wednesdays of each month.

The Board discussed amending the District's Amended Letter Agreements with the seven homeowners associations located within the District expiring October 5, 2018. Following discussion, Director Petrick moved to authorize execution of Amended Letter Agreements with the seven homeowners associations to extend the District's payments for 80% of the electricity costs for street lights until October 5, 2023. Director Fryfogle seconded the motion, which was approved by unanimous vote.

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 trees damaged by lightning strikes. Discussion ensued regarding the Champion Forest Garden Club's maintenance of the flower bed.

ADDITIONAL ENGINEERING ACTION ITEMS

Mr. Joubran reported on the status of the drainage system repair project within Cypress Forest Park. He stated that the project is substantially complete and the

contractor is working on punch list items. He presented and recommended approval of Pay Estimate No. 3 in the amount of \$139,992.30, payable to WadeCon, LLC. A copy of the pay estimate is attached to the engineer's report. Following review and discussion, Director Petrick moved to approve the pay estimate as presented. Director Fryfogle 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"). Mr. Joubran discussed soils testing required by the City of Houston for the project. He presented and recommended approval of Pay Estimate No. 2 in the amount of \$10,854.45 submitted by Canyon and an invoice in the amount of \$1,358.00 submitted by The Murillo Company for soil testing services. Mr. Joubran reminded the Board that District & Urban (Texas) Inc. is paying the pay estimates and invoices for the project pursuant to its Development Financing Agreement with the District. Copies of the pay estimate and invoice are attached to the engineer's report. Following review and discussion, Director Vanis moved to approve the pay estimate and invoice as presented. Director Normand seconded the motion, which was approved by unanimous vote.

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.

WASTEWATER CONVEYANCE PROJECT

Mr. Joubran reported there was no update on 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.

RECLAIMED WATER SUPPLY PROJECT

The Board considered a request from the Kleinwood Joint Powers Board to extend the deadline for implementation of the Reclaimed Water Supply Agreement from June 30, 2018, to August 31, 2018. Following discussion, Director Normand moved to authorize extension of the deadline as requested. Director Petrick seconded the motion, which was approved by unanimous vote.

Director Petrick reported on access options for the KRWTP's reclaimed water distribution facilities. Discussion ensued regarding the anticipated schedule for delivery of reclaimed water to the District.

KRWTP MATTERS

Director Petrick reported on KRWTP operations and maintenance matters.

HURRICANE HARVEY RELATED MATTERS

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, including a delay in the schedule.

NHCRWA

Director DiCioccio reported on the monthly meeting of the NHCRWA and noted that the engineer's report contains a summary of topics discussed during the meeting.

PUBLIC COMMUNICATIONS

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

Director Petrick reported on the schedule for installing wireless internet in the District Administrative Building.

MEMBERSHIP IN CYPRESS CREEK FLOOD CONTROL COALITION

Director Vanis recommended that the Board consider becoming a supporting member of the Cypress Creek Flood Control Coalition at no cost to the District. Following discussion, Director Vanis moved to authorize the District's supporting membership in the Cypress Creek Flood Control Coalition. Director Petrick seconded the motion, which was approved by unanimous vote.

MEETING SCHEDULE AND AGENDA

The Board discussed items for inclusion on the agenda of its August 7, 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 JULY 3, 2018, BOARD MEETING]

A handwritten signature in blue ink, appearing to read "David Johnson", written over a horizontal line.

Secretary, Board of Directors

(SEAL)



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