

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

January 8, 2019

The Board of Directors (the "Board") of Cypress Forest Public Utility District, (the "District"), met in regular session, open to the public, on the 8th day of January, 2019, 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
James B. Fryfogle	Assistant Vice President
Vernon Vanis	Assistant Secretary

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

Also present for all or part of the meeting were Alice Kanayan, resident 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 Shelnutt of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Esther Flores of Tax Tech, Inc.; Les Griffith and Josh Fort of Champions Hydro-Lawn, Inc. ("CHL"); and Greer Pagan and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

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

CONSENT AGENDA:

APPROVE MINUTES

FINANCIAL AND BOOKKEEPING, INCLUDING PAYMENT OF BILLS

TAX ASSESSMENT AND COLLECTION, INCLUDING PAYMENT OF BILLS

OPERATION OF DISTRICT FACILITIES

The Board reviewed corrections to the minutes of the Board meeting held December 4, 2018. Upon a motion made by Director Vanis and seconded by Director Petrick, the Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meeting held December 4, 2018, as corrected. Copies of the bookkeeper's report, tax assessor/collector's report, and operator's report are attached.

PROPOSED RAVENEAUX TRACT DEVELOPMENT AND LEASE TRACT MAINTENANCE

There was no discussion regarding the status of a proposed development project for the Raveneaux Country Club tract.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection items.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

There were no additional financial or bookkeeping action items.

The Board discussed the Texas Water 2019 conference scheduled April 2 - 5, 2019. Following discussion, Director Petrick moved to authorize Directors' attendance at the conference. Director Fryfogle seconded the motion, which was approved by unanimous vote.

ANNUAL DISCLOSURE STATEMENTS

Mr. Pagan reported that in accordance with the District's Investment Policy, the District's bookkeeper and Investment Officer, are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. He stated that the disclosure statements are filed annually with the Texas Ethics Commission. Following review and discussion, Director Vanis moved to accept the annual disclosure statements of the bookkeeper and Investment Officer, and direct that the disclosure statements be filed appropriately and retained in the District's official records. Director Petrick seconded the motion, which was approved by unanimous vote.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Pagan reported on the District's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on a meeting of the CF HOA held December 14, 2018.

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 reported that Trees

for Houston is scheduled to deliver approximately 150 donated trees to Cypress Forest Park soon for planting by Bella Terra Care, Inc.

Director Normand reported on pond drainage, sidewalk flooding, and sidewalk erosion matters. He stated that a sidewalk is collapsing on the east side of the park due to a collapsing storm sewer pipe south of the Cypresswood lake. Discussion ensued. Following discussion, the Board authorized Mr. Joubran to review the site to determine the repairs needed and the preliminary estimated cost of the repairs.

Director Normand recommended authorizing CHL to proceed with temporary repairs of the void under the sidewalk to prevent additional sidewalk erosion under the bridge as previously approved by the Board. Director DiCioccio stated that Harris County Flood Control District ("HCFCD") is not scheduled to perform permanent repairs to the area soon. Mr. Fort explained how the proposed repairs would be performed. Following discussion, the Board concurred to authorize CHL to proceed with the repairs.

In response to Director DiCioccio's inquiry, Mr. Joubran stated that the silt fence from the drainage system repair project within Cypress Forest Park remains temporarily installed to prevent debris from entering the storm water inlet. He stated that a permanent solution should be explored at a later date.

Directors Petrick and Normand and Mr. Pagan reported on a meeting held with representatives of Harris County Precinct 4 ("HCP4") and HCFCD regarding potential acquisitions of District property for trail development between Meyer Park and Cypress Forest Park for the Cypress Creek Greenway. Discussion ensued.

The Board discussed correspondence from the Harris County Engineering Department requesting access to perform an appraisal of a portion of the District's park property for potential acquisition for the Cypress Creek Greenway, including a copy of the Texas Landowner's Bill of Rights.

Following review and discussion, the Board concurred to authorize the Committee consisting of Directors Petrick and Normand to continue to meet with Mr. Pagan and representatives of HCP4, HCFCD, and Raveneaux Country Club regarding potential acquisitions of District property for trail development for the Cypress Creek Greenway between Meyer Park and Cypress Forest Park and/or flood control improvements. The Board concurred to authorize the Harris County Engineering Department to access the District's park property for appraisal services.

ENGINEER'S REPORT

Mr. Joubran presented the engineer's report, a copy of which is attached. He stated that the District's Capital Improvement Plan will be updated monthly to reflect the status of the projects.

Mr. Joubran reported on the status of Horseshoe Construction, Inc.'s televising performed in preparation for the District's repair project for the sanitary sewer collection lines in Champion Forest Sections One and Two and trunk lines along Champion Drive. He recommended approval of Pay Estimate No. 1 in the amount of \$32,265.45 submitted by Horseshoe Construction, Inc. Following review and discussion, Director Vanis moved to approve the pay estimate as recommended. 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. He stated the project continues to be delayed due to scheduling conflicts with required personnel from ExxonMobil Pipeline Company ("Exxon") pursuant to the District's Right-of-Way Consent Agreement with Exxon. He stated Exxon has tentatively scheduled its field personnel to be on-site January 14 and 15, 2019.

WASTEWATER CONVEYANCE PROJECT

Mr. Joubran discussed the status of Champions Municipal Utility District's ("Champions MUD") 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 reported that award of the construction contract for Champions MUD's projects continues to be withheld, pending resolution of matters with Champions Golf Course and possible rerouting of the sanitary force main due to a possible relocation of the KRWTP's proposed effluent metering station.

RECLAIMED WATER SUPPLY PROJECT

The Board discussed the status of the proposed effluent reuse treatment facility to be constructed in the vicinity of the KRWTP and the District's reclaimed water supply project. Mr. Joubran reported that consent from the owners of the Raveneaux Country Club for the proposed location of the District's reclaimed water plant within acreage leased to the owners remains pending. He stated that Pepe Engineering is awaiting the Board's final comments prior to issuing the final Preliminary Engineering Report for the District's proposed storage and distribution facilities for the reclaimed water supply project.

Mr. Joubran stated that the Kleinwood Joint Powers Board is unable to finalize the location of the KRWTP's reclaimed water metering station and associated facilities and Champions MUD is unable to finalize the route of its effluent water main line until the District has finalized the location of its reclaimed water plant. He discussed additional easements and/or easement modifications that may be necessary to accommodate any change in the locations of the effluent metering station and the effluent water main line. Discussion ensued regarding information related to the District's proposed location of its reclaimed water plant previously forwarded to

representatives of the Raveneaux Country Club. Following discussion, Director Petrick moved to authorize Pepe Engineering to perform surveying services and prepare a legal description of the proposed site of the District's reclaimed water plant to forward to ABHR to prepare an easement and related release documents in an amount not to exceed \$3,000.00, subject to Director Petrick's confirmation of approval of the location by the owners of the Raveneaux Country Club. Director Vanis seconded the motion, which was approved by unanimous vote.

KRWTP MATTERS

Director Petrick reported on KRWTP operations and maintenance matters.

HURRICANE HARVEY RELATED MATTERS

Mr. Phelps updated the Board on EDP's continued coordination with the Federal Emergency Management Agency ("FEMA") on additional reimbursements to the District for damages caused by Hurricane Harvey and approval of the District's pending mitigation and generator replacement projects. He stated that, as previously reported, FEMA is requiring a third party evaluation to validate the assessment made for the condition of the existing electrical equipment in connection with the District's generator replacement and electrical system upgrades project at water plant no. 2. He stated that Neil Technical Services Corporation is performing the evaluation and preparing a report for an estimated cost of \$2,000.00.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Phelps discussed implementation of the District's water leak bill adjustment policy in response to Director Vanis' inquiry.

Mr. Phelps reviewed the results of an annual fire hydrant inspection performed in the District. He recommending performing the listed repairs for the fire hydrants in the estimated amount of \$15,100.00. A copy of the listed repairs is attached to the operator's report. Following review and discussion, Director Vanis moved to approve the fire hydrant repairs as recommended. Director Petrick 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 prior to the meeting, in accordance with the District's Rate Order, 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 Vanis and passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Director DiCioccio noted that a summary of items discussed during the monthly meeting of the NHCRWA was included in the engineer's report.

PUBLIC COMMUNICATIONS

The Board discussed articles for publication in the Champion Forest Women's Club Newsletter and information for posting on the District's website.

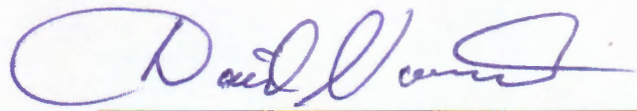
Director DiCioccio reported on public communications regarding trash collection matters. He stated Felix DeLeon is the new District representative for WCA Waste Corporation of Texas.

MEETING SCHEDULE AND AGENDA

The Board discussed its meeting schedule and items for inclusion on its meeting agenda. Following discussion, the Board concurred to hold its regular meeting at 5:00 p.m. on February 5, 2019, 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 JANUARY 8, 2019, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	1
Tax Assessor/Collector's report	1
Operator's report.....	1
Engineer's report.....	3