

MINUTES  
CYPRESS FOREST PUBLIC UTILITY DISTRICT

April 2, 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 2nd day of April, 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 Fred Novotny, resident of the District; Mary Matthews, Barb Smith, and Myron Shemek of the Champion Forest Maintenance Fund, Inc. (the "CF HOA") and residents of the District; Mary DuBois of Acclaim Energy Advisors; Kim Shelnett of Myrtle Cruz, Inc.; Esther Flores of Tax Tech, Inc.; Salim Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Joel Cullins of Preventative Services, LP; Andrew Phelps of Environmental Development Partners, LLC ("EDP"); Josh Fort of Champions Hydro-Lawn, Inc.; and Greer Pagan and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director DiCioccio opened the meeting for public comments. Mr. Novotny addressed the Board to request that the District's residents have an opportunity to vote on any proposals from Harris County regarding potential acquisitions of District park property for trail development between Meyer Park and Cypress Forest Park for the Cypress Creek Greenway and/or flood control improvements. A copy of Mr. Novotny's Public Comment Card is attached. There being no additional 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

Upon a motion made by Director Normand and seconded by Director Vanis, the Board voted unanimously to approve the items included on the Consent Agenda,

including the minutes of the meeting held March 5, 2019. Copies of the bookkeeper's report, tax assessor/collector's report, and operator's report are attached.

#### ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection items.

#### ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt responded to Director Vanis' questions regarding the District's budget for capital improvement items.

#### ELECTRICITY PROPOSAL AND CONTRACT

The Board reviewed a Pricing Report and Summary from Acclaim Energy Advisors containing information regarding the District's current contract for electricity services, electricity market pricing trends, pricing offers, and a recommendation for electricity services beginning at the December 1, 2019, expiration of the District's current contract with Constellation New Energy, Inc. Copies of the Pricing Report and Summary are attached. Following review and discussion, Director Fryfogle moved to authorize Director Fryfogle to execute an electricity contract with Hudson Energy on behalf of the District for a 60-month term beginning at the expiration of the District's current contract and for a price not to exceed 5% of the offer price included in the Pricing Report. Director Vanis seconded the motion, which was approved by unanimous vote.

#### ENGINEER'S REPORT

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

Mr. Joubran reported on the status of 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 reviewed and recommended approval of Change Order No. 1 to the contract with Horseshoe Construction, Inc. ("Horseshoe") to decrease the contract in the amount of \$77,900.00 and Pay Estimate No. 5 in the amount of \$70,470.00. The Board determined that Change Order No. 1 is beneficial to the District. After review and discussion, Director Vanis moved to (1) approve Change Order No. 1 in the amount of \$77,900.00 as a decrease to the contract with Horseshoe Construction, Inc., based upon the Board's finding that the change order is beneficial to the District and the engineer's recommendation; and (2) Pay Estimate No. 5 in the amount of \$70,470.00. Director Petrick seconded the motion, which passed by unanimous vote.

Ms. Cherne reported that she was contacted by two residents regarding their dissatisfaction with Horseshoe's disturbance and restoration of their properties and a request for Director contact information. Mr. Cullins reported on his efforts to coordinate with the residents and Horseshoe's plan for satisfying the residents' concerns. Following discussion, the Board requested that Ms. Cherne forward the

District's website link to Ms. Charron. The Board additionally requested that Mr. Cullins notify Horseshoe to keep the construction areas tidy.

Mr. Joubran responded to Board members' questions and comments regarding Pepe Engineering's evaluation and proposed alternate recommendation for repairs related to a low spot along the concrete trail located approximately 500 feet west of the bridge on Champion Forest Drive over Cypress Creek and within the leased-back acreage of the Raveneaux Country Club tract. He stated that the repairs are pending additional evaluation of the alternate recommendation for Board presentation.

#### PROPOSED RAVENEAUX TRACT DEVELOPMENT AND LEASE TRACT MAINTENANCE

Director Petrick reported on discussions with Michael Bloch and David Key of the Raveneaux Country Club regarding the status of a proposed development project for the Raveneaux Country Club tract and the possible sale of a portion of the tract by the owner to a group of members of the Raveneaux Country Club.

Director Petrick stated that Mr. Key informed him that Mr. Bloch has agreed to the location of the District's reclaimed water plant site and execution of the easements and related documents required by the District for the site. Director Petrick reported that he notified Pepe Engineering to perform surveying services and prepare a legal description of the proposed reclaimed water plant site to forward to ABHR to prepare an easement and related release documents per prior Board approval.

#### DEVELOPMENT AND MAINTENANCE OF PARKS AND TRAILS AND COMMUNICATIONS WITH HARRIS COUNTY REPRESENTATIVES

Director Normand reported on matters related to the development and maintenance of park facilities and trails in Cypress Forest Park. Additional discussion ensued regarding proposed repairs for a low spot along the concrete trail located approximately 500 feet west of the bridge on Champion Forest Drive over Cypress Creek and within the leased-back acreage of the Raveneaux Country Club tract.

The Board discussed an Offer to Purchase previously received from the Harris County Engineering Department for an 11.6707-acre tract of land for trail development. Additional discussion ensued regarding ongoing discussions between Director Petrick, Dennis Johnston, Precinct 4 Parks Director, and representatives of Harris County Flood Control District regarding potential acquisitions of District property for trail development between Meyer Park and Cypress Forest Park for the Cypress Creek Greenway and/or flood control improvements. Following discussion, Director Petrick stated that he will follow up with Mr. Johnson to schedule a meeting regarding the matter.

#### HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on District topics discussed during a meeting of the

CF HOA held March 27, 2019.

Ms. Smith reported on CF HOA matters, including transfer of the annual Fourth of July and National Night Out events to the Champion Forest Women's Club. Following discussion, the Board concurred to continue its participation in the National Night Out event.

#### WASTEWATER CONVEYANCE PROJECT

Mr. Pagan reported on coordination with the attorney for Champions Municipal Utility District and Pepe Engineering regarding proposed amendments to the agreements related to Champions M.U.D.'s pending 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.

#### RECLAIMED WATER SUPPLY PROJECT

Director DiCioccio reported that the permits have been received for the proposed effluent reuse treatment facility to be constructed in the vicinity of the KRWTP.

#### KRWTP MATTERS

Director Vanis reported that the KRWTP's Joint Powers Board is scheduled to meet on April 3, 2019, and discussed operations and maintenance matters reported on during the March 6, 2019, meeting of the KRWTP's Joint Powers Board.

#### HURRICANE HARVEY RELATED MATTERS

Mr. Phelps stated that recommended facility improvements are included in the operator's report. He responded to Board members' questions regarding EDP's continued coordination with the Federal Emergency Management Agency ("FEMA") on additional reimbursements to the District for the costs of damages caused by Hurricane Harvey and approval of the District's pending mitigation and generator replacement projects. Mr. Phelps reported that the third party evaluation required by FEMA 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 has been completed and the report will be distributed upon completion.

#### ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Phelps recommended removing 29 delinquent inactive utility accounts, totaling \$5,869.36, from the District's list of delinquent utility accounts and forwarding the accounts to a collections agency. Following review and discussion, Director Normand moved to approve the recommended actions for the delinquent inactive utility accounts. 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 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 Petrick and passed by unanimous vote.

#### AMENDED AND RESTATED WATER CONSERVATION PLAN

Mr. Phelps reported on preparation of the Water Conservation Plan Annual Report and Five-Year Implementation Report on the Water Conservation Plan. Mr. Pagan stated that the Texas Commission on Environmental Quality rules require that the District review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2019. The Board reviewed an Amended and Restated Water Conservation Plan.

After review and discussion, Director Normand moved to: (i) approve the Water Conservation Annual Report and Five-Year Implementation Report, direct that the reports be filed appropriately and retained in the District's official records, and authorize EDP to submit the reports to the appropriate government agencies; and (ii) adopt an Order Adopting Amended and Restated Water Conservation Plan, direct that the order be filed appropriately and retained in the District's official records, and authorize EDP to submit the Amended and Restated Water Conservation Plan to the appropriate government agencies. Director Vanis seconded the motion, which passed by unanimous vote.

#### ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Mr. Pagan stated that the Texas Commission on Environmental Quality rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2019, prior to May 1st. The Board reviewed an Amended and Restated Drought Contingency Plan. 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 and direct that the order be filed appropriately and retained in the District's official records. Director Vanis seconded the motion, which passed by unanimous vote.

## ANNUAL REVIEW AND REPORT ON IDENTITY THEFT PREVENTION PROGRAM

Mr. Phelps reviewed an annual report on the District's Identity Theft Prevention Program, a copy of which is included in the operator's report. He stated that the report indicates there were no significant incidents of identity theft detection. Following review and discussion, the Board concurred with Mr. Phelps' recommendation to continue implementation of the program without changes.

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

Director DiCioccio briefly reviewed items discussed during the monthly meeting of the NHCRWA.

## RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board concurred to table this item.

## RESIDENTIAL SOLID WASTE COLLECTION CONTRACT WITH WCA WASTE CORPORATION ("WCA")

The Board discussed the District's Residential Solid Waste Collection Contract with WCA expiring September 30, 2019. Mr. Pagan stated that the contract contains automatic successive one-year renewals unless a 60-day termination notice is provided. Additional discussion ensued regarding WCA's procedures for handling yard waste.

## REQUEST FROM BRILL ELEMENTARY PARENT TEACHER ORGANIZATION

Following review and discussion of correspondence from the Brill Elementary Parent Teacher Organization requesting that the District sponsor playground area shades at the school, the Board concurred to table this item pending additional review.

## PUBLIC COMMUNICATIONS

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

## 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 May 7, 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 APRIL 2, 2019, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



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