

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

March 5, 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 5th day of March, 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 except Director Petrick, thus constituting a quorum.

Also present for all or part of the meeting were Robert Jackson, resident of the District; Mary Matthews, Barb Smith, Bruce Roloff, and Myron Shemek of the Champion Forest Maintenance Fund, Inc. (the "CF HOA") and residents of the District; Kathryn Foss of Municipal Financial Services; Mary DuBois of Acclaim Energy Advisors ("Acclaim"); Andrew Phelps of Environmental Development Partners, LLC ("EDP"); Kim Shelnutt of Myrtle Cruz, Inc.; Esther Flores of Tax Tech, Inc.; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Les Griffith and Josh Fort of Champions Hydro-Lawn, Inc. ("CHL"); and Greer Pagan and Justine M. Cherne of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

There were no 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 Vanis and seconded by Director Fryfogle, the Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meeting held February 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

There were no additional financial or bookkeeping items.

PROPOSED RAVENEAUX TRACT DEVELOPMENT AND LEASE TRACT MAINTENANCE

There was no update on the status of a proposed development project for the Raveneaux Country Club tract. Discussion ensued regarding a possible sale of a portion of the tract by the owner to a group of members of the Raveneaux Country Club.

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, including installation of mulch for some of the trees.

The Board discussed an Offer to Purchase received from the Harris County Engineering Department for an 11.6707-acre tract of land for trail development, a copy of which is attached. 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.

HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on District topics discussed during a meeting of the CF HOA held February 27, 2019. Mr. Joubran reported on the repair of a residential phone line due to improper marking by the telephone company and discussed the procedures and schedule for landscape repairs related the District's repair project for the sanitary sewer collection lines in Champion Forest Sections One and Two and trunk lines along Champion Drive.

Ms. Smith reported on CF HOA matters.

PROPOSAL FOR EVO DISTRICT ANALYSIS AND METRICS REPORT

Ms. Foss presented a brochure and engagement letter for compilation of an EVO Report in the annual amount of \$3,950.00 and a one-time set-up fee of \$1,750.00. A copy of the brochure is attached. She stated an EVO Report will capture the District's

historical five-year financial, operational, and tax data and convert it into representational charts, graphs, and “dashboard” summaries, as well as provide data from similar districts, to assist directors with financial planning and budgeting. Following review and discussion, Director Vanis moved to authorize execution of the engagement letter as presented. Director Fryfogle seconded the motion, which was approved by unanimous vote. The Board concurred to appoint Director Fryfogle as the District’s liaison with Ms. Foss.

LETTER OF AUTHORIZATION FOR ELECTRICITY PROPOSAL

Ms. DuBois presented a document summarizing trends in the electricity market and electricity consultant services provided by Acclaim, including auditing of the District’s electricity bills for accuracy. A copy of the document is attached. Ms. DuBois recommended that the Board consider reviewing electricity prices to determine whether to enter into an electricity agreement that begins at the termination of the District’s current agreement with Constellation New Energy, Inc. in December, 2019. Following discussion, Director Fryfogle moved to authorize execution of a Letter of Authorization for the Request of Historical Energy Information to provide the necessary authorization for Acclaim to obtain electricity pricing for review at the April regular meeting. Director Normand seconded the motion, which was approved by unanimous vote. The Board concurred to appoint Director Fryfogle as the District’s liaison with Ms. DuBois.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME

The Board reviewed the District’s Annual Report for filing with the appropriate information depositories by March 31, 2019, in accordance with the District’s Continuing Disclosure of Information Agreements and as required by SEC Rule 15c2-12. Following review and discussion, Director Normand moved to approve the Annual Report and direct that the report be filed appropriately and retained in the District’s official records. Director Vanis seconded the motion, which was approved by unanimous vote.

PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board conducted an annual review of the District’s Procedures for Continuing Disclosure Compliance and concurred that no action was necessary.

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 discussed the schedule for the project, including rain delays. He recommended approval of a time extension to the District’s construction contract with Horseshoe Construction, Inc. in the amount of 37 days. Following review and

discussion, Director Vanis moved to approve the time extension as recommended. Director Normand seconded the motion, which was approved by unanimous vote.

Mr. Joubran reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$62,974.80, submitted by Horseshoe Construction, Inc. A copy of the pay estimate is included in the attached engineer's report. Following review and discussion, Director Normand moved to approve the pay estimate as recommended. Director Vanis 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"). He reviewed and recommended approval of Pay Estimate No. 4 and Final submitted by Canyon in the amount of \$33,743.90, for payment by District & Urban (Texas) Inc. pursuant to its Development Financing Agreement with the District. A copy of the pay estimate is included in the attached engineer's report. Following review and discussion, Director Vanis moved to approve the pay estimate as recommended. Director Fryfogle seconded the motion, which was approved by unanimous vote.

Mr. Joubran responded to Board members' questions and comments regarding Pepe Engineering's evaluation and recommendation for repairs related to a low spot along the concrete trail located approximately 500 feet west of the Champion Forest Drive bridge over Cypress Creek and within the leased-back acreage of the Raveneaux Country Club tract. A copy of CHL's cost estimate for the recommended repairs in the amount of \$19,380.00 is included in the attached engineer's report. Discussion ensued regarding possible modifications to the cost estimate to add additional drainage. Following review and discussion, Director Vanis moved to approve CHL's cost estimate, subject to modifications as discussed. Director DiCioccio seconded the motion, which was approved by unanimous vote.

Mr. Joubran responded to Board members' questions and comments regarding two separate inquiries received by Pepe Engineering regarding possible annexation and the availability of utility capacity to serve a tract of land located west of the District's western boundary and south of Louetta Road.

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

Mr. Joubran briefly reviewed a summary of items discussed during the monthly meeting of the NHCRWA included in the engineer's report.

WASTEWATER CONVEYANCE PROJECT

There was no update regarding Champions Municipal Utility District'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

There was no update regarding the proposed effluent reuse treatment facility to be constructed in the vicinity of the KRWTP or the District's reclaimed water supply project.

KRWTP MATTERS

Mr. Phelps reported that the KRWTP's Joint Powers Board is scheduled to meet on March 6, 2019, to discuss operations and maintenance matters.

HURRICANE HARVEY RELATED MATTERS AND ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Phelps 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. Joubran stated 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 is delayed by rainy weather. He reported that the plans for the project have been submitted to the regulatory agencies for review and comment.

Discussion ensued regarding the recommended facility improvements included in the operator's report.

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 Vanis and passed by unanimous vote.

AMENDED AND RESTATED WATER CONSERVATION PLAN

The Board concurred to defer this item.

AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

The Board concurred to defer this item.

PUBLIC COMMUNICATIONS

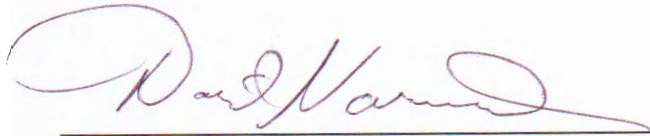
The Board and Ms. Smith discussed articles for publication in the Champion Forest Women's Club Newsletter.

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 April 2, 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 MARCH 5, 2019, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



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