

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

June 4, 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 4th day of June, 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 Martin Ndukwe, resident of the District; Barb Smith, Myron Shemek, and Bruce Rolloff of the Champion Forest Maintenance Fund, Inc. (the "CF HOA") and residents of the District; Chief Michael Combest, Captain Aaron Strain and Captain Steve Ener, Harris County Constable's Office Precinct 4; Kim Shelnett of Myrtle Cruz, Inc.; Esther Flores of Tax Tech, Inc.; Kathryn Foss of Municipal Financial Services; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Andrew Phelps of Environmental Development Partners, LLC ("EDP"); and Jane Miller of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

Director DiCioccio opened the meeting for 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

Upon a motion made by Director Petrick 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 May 7, 2019. Copies of the bookkeeper's report, tax assessor/collector's report, and operator's report are 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.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

There were no additional financial or bookkeeping action items.

HOMEOWNERS ASSOCIATION MATTERS

Ms. Smith addressed the Board to request consideration of a proposal for sharing the costs of the CF HOA's contract with Harris County Constable Precinct 4 for security services. Chief Combest stated that the proposal would provide for expanded deputy patrol to include the boundary of the District. Mr. Rolloff reviewed a document containing a chart and graph of the CF HOA's projected expenses and income through 2021. A copy of the CF HOA's 2019 budget and a document containing a chart and graph is attached. Mr. Rolloff suggested adding an assessment to the District's utility bill to provide income to pay for the proposed security services. Discussion ensued regarding the District's insurance. Ms. Smith discussed the CF HOA's budget limitations and stated that the CF HOA would like to add a fourth deputy to the security services contract for the approximate amount of \$72,000.00. Following review and discussion, the Board concurred to table this item for additional discussion at the July meeting.

RECEIVE EVO DISTRICT ANALYSIS AND METRICS REPORT

Ms. Foss presented a draft EVO District Analysis and Metrics Report, a copy of which is attached. Ms. Foss additionally discussed how other municipal utility districts include security fees in their utility bill fees.

PROPOSED RAVENEAUX TRACT DEVELOPMENT, LEASE TRACT MAINTENANCE, AND RECLAIMED WATER SUPPLY PROJECT

Director Petrick reported on his conversations with Michael Bloch, owner of the Raveneaux Country Club tract, regarding the easements needed for the meter station and connection facilities for the District's proposed reclaimed water plant facility.

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 irrigation matters.

ENGINEER'S REPORT, WASTEWATER CONVEYANCE PROJECT, AND RECLAIMED WATER SUPPLY PROJECT (CONTINUED)

Mr. Joubran presented the engineer's report, including an updated long term Capital Improvement Plan and short term cash flow analysis. A copy of the engineer's report is attached.

Mr. Joubran reported that, as part of the District's long term Capital Improvement Plan and per prior Board authorization, televising of the sanitary sewer lines in Champion Forest Section 3 and the review and validation of the field inspection findings have been completed. Mr. Joubran discussed the extent of rehabilitation and point repair work needed, including review of encumbrances within the area of repair, and the proposed budget and schedule for the proposed rehabilitation of the sanitary sewer facilities within Champion Forest, Section 3. He requested authorization to prepare the plans and specifications and the bidding documents for the project in an amount not to exceed \$7,476.00. Discussion ensued regarding ensuring appropriate contractor coordination with the homeowners impacted by the project. Following review and discussion, Director Vanis moved to authorize Pepe Engineering to prepare the plans and specifications and the bidding documents for the rehabilitation of the sanitary sewer facilities within Champion Forest, Section 3, in an amount not to exceed \$7,476.00. Director Normand seconded the motion, which was approved by unanimous vote.

Mr. Joubran updated the Board on Pepe Engineering's coordination with the Kleinwood Joint Powers Board's ("KJP") engineering consultant, AEI Engineering, LLC ("AEI"), on a proposed alternate site for the KJP's meter station and connection facilities for the District's proposed reclaimed water plant facility. He stated that AEI's design of the proposed facilities is on hold pending the Board's concurrence on the site location for the facilities. Mr. Joubran reviewed a sketch of the proposed alternate site for the meter station and connection facilities located on unencumbered park property. A copy of the sketch is included in the engineer's report. Following review and discussion, the Board concurred to approve the proposed alternate site for the meter station and connection facilities for the District's proposed reclaimed water plant facility as presented.

Mr. Joubran updated the Board on the design of the District's generator replacement and electrical system upgrades project at water plant no. 2. He reported on the design team's (Hatch Associates Consultants, Inc., EDP, and Pepe Engineering) review of the third party evaluation required by the Federal Emergency Management Agency ("FEMA") and performed by Neil Technical Services Corporation. He stated that the evaluation determined that the estimated costs for the proposed electrical control center upgrades in the amount of \$500,000.00 would not be eligible for reimbursement by FEMA as necessary costs. Mr. Phelps stated that he will coordinate with FEMA to determine whether a portion of the costs for relocating the control center to a higher location within the plant are eligible for reimbursement by FEMA as mitigation costs. Mr. Joubran stated that the plans and specifications for the District's

generator replacement and electrical system upgrades project at water plant no. 2 will be re-submitted for final agency review and approval.

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, including Pepe Engineering's coordination with the contractor on any homeowner concerns. He stated no pay estimates were submitted by Horseshoe Construction, Inc. Mr. Joubran discussed the schedule for televised inspection of Champion Forest Section 4 in 2022.

Mr. Joubran reported on Pepe Engineering's coordination with the contractor for Champions Municipal Utility District's project to construct a sanitary force main line to convey wastewater to the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP"), through Cypress Forest Park, including the tie-in to the District's trunk lines in Cypresswood Drive and possible rehabilitation of the manhole in the esplanade at the intersection of Champion Forest Drive. He stated that Persons Services began construction on May 6th and initial installation through Cypress Forest Park property is anticipated to be completed at the end of the week. He discussed his coordination with new field staff for the Church of Jesus Christ for Latter Day Saints on clarifying the District's ownership of the work site.

KRWTP OPERATIONS

There was no additional discussion regarding KRWTP operations.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS, INCLUDING CUSTOMER CORRESPONDENCE AND BILLINGS

Mr. Phelps reported on the one-time adjustment made to Mr. Ndukwe's utility bill in the amount of \$570.19 pursuant to the District's current policy and as previously authorized by the Board. Mr. Phelps stated that the adjustment included calculating an average of three months of usage, excluding the high usage month, removal of all late penalty charges and disconnect fees, and reducing all deposit fees. He stated that Mr. Ndukwe has made the first payment of the six-month payment plan and paid the current amount due. Mr. Phelps reported that Mr. Ndukwe's current balance is \$987.99.

Mr. Ndukwe addressed the Board and stated that he disagreed with the amount of the adjustment made to his bill because he did not use the amount of water read by the meter and he believes the meter was faulty due to replacement of the meter by EDP. Following discussion, the Board requested that Mr. Ndukwe contact EDP for any additional information regarding his utility bill.

Mr. Phelps reviewed a request for adjustment of a residential utility bill for reconnection fees in the amount of \$150.00. No action was taken by the Board.

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.

MATTERS RELATED TO THE NHCRWA

A summary of items discussed during the monthly meeting of the NHCRWA is included in the attached engineer's report.

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

The Board discussed the services provided in the District's Residential Solid Waste Collection Contract with WCA expiring September 30, 2019. The Board additionally discussed that the contract contains automatic successive one-year renewals unless a 60-day termination notice is provided.

PUBLIC COMMUNICATIONS

The Board 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 July 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 JUNE 4, 2019, BOARD MEETING]

Secretary, Board of Directors

(SEAL)



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