

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

October 1, 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 1st day of October, 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 Directors Petrick and Fryfogle, thus constituting a quorum.

Also present for all or part of the meeting were Alice Kanayan and John Taylor, residents of the District; Tiffany Miller, Cassie Smith, and Erin Lopez of the Brill Elementary School Parent Teachers Organization and residents of the District; Stella Miller and Violet Lopez, students of Brill Elementary School and residents of the District; Mary Matthews of the Champion Forest Maintenance Fund, Inc. (the "CF HOA") and resident of the District; Kim Shelnett of Myrtle Cruz, Inc.; Esther Flores and Patrick Flores of Tax Tech, Inc.; Shannon Waugh of Off Cinco; Nabil Joubran of Pepe Engineering, Ltd.; Andrew Phelps of Environmental Development Partners, LLC ("EDP"); Josh Fort of Champion Hydro-Lawn, Inc.; and Greer Pagan and Justine M. Cherne of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

Ms. Lopez and Ms. Smith thanked the Board for the District's sponsorship of the playground area shades installation project at Brill Elementary School.

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 Normand, the Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meeting held September 3, 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 actions.

2019 TAX RATE

Ms. Flores stated that notice of the District's public hearing regarding adoption of the proposed 2019 tax rate was published as required. Director DiCioccio opened the public hearing regarding adoption of the District's tax rate and upon receiving no comments from the public, the Board concurred to close the public hearing. Following discussion, Director Normand moved to: (1) adopt an Order Levying Taxes for the 2019 tax year, levying a tax rate of \$0.29 per \$100 assessed valuation, with \$0.04 allocated for debt service and \$0.25 allocated for maintenance and operation expenditures; (2) authorize execution of an Amendment to Information Form; and (3) direct that the order and form be filed appropriately and retained in the District's official records. Director Vanis seconded the motion, which passed by unanimous vote. The Board confirmed its intention that the 2019 tax levy includes a debt service component for the calendar year ending December 31, 2020, and a maintenance tax component for the fiscal year ending September 30, 2020.

HARRIS COUNTY APPRAISAL DISTRICT ("HCAD") BOARD ELECTION

Mr. Pagan explained the procedures for nominating a candidate for the Board of Directors Election for HCAD. Following discussion, the Board concurred to take no action.

RENEWAL OF PROMISSORY NOTE

Mr. Pagan stated that the necessary documents for refinancing the District's Promissory Note with the Bank of Texas will be ready for Board action at the November 5, 2019, meeting.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt presented one additional check for Pay Estimate No. 11 in the amount of \$46,889.26, for payment to Horseshoe Construction, Inc. 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 (the "SS Repair Project"). Ms. Shelnutt and Mr. Phelps responded to Director Vanis' questions regarding line item variances in the budget versus actual for capital projects and purchase of water for fiscal year ending September 30, 2019. Following review and discussion, Director Vanis moved to approve the additional check as presented. Director Normand seconded the motion, which was approved by unanimous vote.

The Board discussed Directors' attendance at the Association of Water Board Directors' ("AWBD") Fall Seminar scheduled for October 30, 2019. Following discussion, Director DiCioccio moved to authorize Directors' attendance at AWBD's

Fall Seminar. Director Normand seconded the motion, which was approved by unanimous vote.

HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on topics discussed at the CF HOA's monthly meeting. Ms. Mathews discussed CF HOA matters. Following discussion regarding Champion Forest Eleven Homeowners Association, Inc. ("CF 11 HOA"), the Board concurred to authorize Director Vanis to attend the CF 11 HOA meeting.

PUBLIC COMMUNICATIONS

Ms. Waugh reviewed a draft version of the District's newly created website. The Board provided comments and concurred to additionally review the website and provide comments to Director Petrick. Following review and discussion, Director Vanis moved to approve the website and authorize replacement of the District's current website with the newly created website, subject to final revisions. Director DiCioccio seconded the motion, which was approved by unanimous vote.

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

Mr. Pagan updated the Board on the status of outstanding amendments to the District's Lease Agreement and Agreement for Reclaimed Water Service with Cypress/Raveneaux, LLC.

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

Director Vanis discussed a public presentation given by the Harris County Flood Control District ("HCFC") to the Cypress Creek Flood Control Coalition identifying the Cypress Forest Park as an area of detention. Mr. Pagan stated that HCFC has not contacted the District to request use of Cypress Forest Park for detention.

Director Normand reported on matters related to the development and maintenance of park facilities and trails in Cypress Forest Park, including replacement of an irrigation meter, and mowing and flower bed maintenance.

ENGINEER'S REPORT

Mr. Joubran presented the engineer's report, a copy of which is attached. Mr. Joubran stated that the District's Capital Improvement Plan has been updated.

Mr. Joubran reported on the status of the design of the project to rehabilitate the sanitary sewer facilities within Champion Forest, Section 3. He requested authorization to prepare bidding documents and advertise for bids in an amount not to exceed \$3,000.00. Mr. Joubran discussed an overview of the project in response to Board

members' questions. Following review and discussion, Director Normand moved to authorize preparation of the bidding documents and advertisement for bids for the project. Director Vanis seconded the motion, which was approved by unanimous vote.

Mr. Joubran reported on the status of the District's SS Repair Project. He stated that re-routing of the sanitary sewer line under Champion Drive due to the location of other utilities in the original route has been completed. Mr. Joubran recommended approval of an additional 35 calendar days to the contract and Pay Estimate No. 11 in the amount of \$46,889.26, for payment to Horseshoe Construction, Inc. for the SS Repair Project. Copies of the request for additional contract time and the pay estimate are attached to the engineer's report. After review and discussion, Director Vanis moved to approve adding 35 calendar days to the contract and Pay Estimate No. 11, as presented. Director DiCioccio seconded the motion, which passed by unanimous vote.

WASTEWATER CONVEYANCE PROJECT

Mr. Joubran stated that, as previously reported, Champions Municipal Utility District's project to construct a sanitary force main line to convey wastewater to the Kleinwood Regional Wastewater Treatment Plant ("KRWTP"), through Cypress Forest Park, including the tie-in to the District's trunk lines in Cypresswood Drive, is complete. Mr. Joubran reported on coordination with Persons Services and EDP to reduce sewage flow through the sanitary sewer trunk lines during the upcoming lining project for the manhole located in the esplanade at the Champion Forest Drive intersection.

RECLAIMED WATER SUPPLY PROJECT (CONTINUED)

In response to Board members' questions, Mr. Joubran reported on the status of evaluating alternate location(s) for the District's proposed reclaimed water plant facilities.

KRWTP OPERATIONS

Mr. Phelps reported on KRWTP maintenance and operation matters, including the status of replacing a roof and motor control center facilities.

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

Mr. Phelps reviewed customer correspondence requesting a waiver of a late fee in the amount of \$1,062.51 for a July, 2019 utility bill due to non-receipt of the bill. Mr. Phelps stated that the customer promptly paid a copy of the bill and enrolled in electronic billing so that the incident does not happen in the future. Mr. Phelps reviewed the payment history on the account. Following review and discussion, Director Normand moved to authorize a one-time waiver of the late fees for the account. Director Vanis 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 Vanis and passed by unanimous vote.

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

Director DiCioccio reported that the NHCRWA meets October 7, 2019.

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 the meeting agenda. Following discussion, the Board concurred to hold its regular meeting at 5:00 p.m. on November 5, 2019.

There being no other matters to come before the Board, the meeting was adjourned.

[SIGNATURE PAGE FOR THE MINUTES OF THE OCTOBER 1, 2019, BOARD MEETING]

Secretary, Board of Directors

(SEAL)



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