

MINUTES OF SPECIAL MEETING
OF
CYPRESS FOREST PUBLIC UTILITY DISTRICT

May 22, 2007

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The Board of Directors of Cypress Forest Public Utility District, Harris County, Texas, met in special session, open to the public, on the 22nd day of May, 2007, at the Cypress Forest Public Utility District's Administrative Building, 16215 Champion Forest Drive, Spring, Texas 77379, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Michael J. Lynch, Jr.	President
Thomas J. Petrick	Vice President
Deborah L. Jackson	Secretary
William J. Lawrence	Assistant Vice President
Linn Jensen Smyth	Assistant Secretary

all of said Directors were present except Directors Jackson and Lawrence, thus constituting a quorum.

Also present for all or part of the meeting was: Eric Moore of Hot Wax Auto Salon; Keith M. Buchanan, Jim Reed, Ken Barker, Clay Snear, and Fred Jones, residents; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe"); Gus Gustafson of Aqua Services, L.P. ("Aqua Services"); and Greer Pagan of Allen Boone Humphries Robinson LLP ("ABHR").

ADOPT ORDER CANVASSING RETURNS AND DECLARING RESULTS OF BOND ELECTION

The Board reviewed the results of the May 12, 2007, Bond Election which indicated that 82 votes were cast for and 233 votes were cast against the issuance of bonds and the levy of taxes in payment of the bonds. Director Petrick thanked the citizens and the judges for their participation in the Bond Election. The Board concurred that the election has resulted against the issuance of the \$20,000,000 bonds described in the Proposition submitted in the election, with more than the necessary majority of the voters voting at the election voting against said Proposition. Following review and discussion, Director Smyth moved that the Board adopt the Order

Canvassing Returns and Declaring Results of Bond Election. Director Petrick seconded the motion, which passed by unanimous vote. A copy of the Order is attached.

CONSIDER REQUEST FOR CONSENT TO ENCROACHMENT

The Board next considered a request for consent to an encroachment into the District's utility easement by an existing pool and decking located at 11726 Manningtree Lane. Mr. Buchanan stated that when he purchased the home, the pool and decking existed and he did not know that they encroached into the utility easement. He stated that during the course of trying to sell the home, a new survey determined that the pool and decking is extending approximately three feet into a twenty-foot wide Utility Easement located along the east end of the property. He stated that the buyer's lender will not allow the buyer to finance the property without receiving consent to the encroachment. He stated that he has received and distributed such consents from AT&T and CenterPoint Energy. Mr. Pagan stated that the District's rights to require removal of the encroachment to operate or maintain the District's facilities are preserved in the proposed consent to encroachment document previously distributed. Mr. Joubran discussed the storm sewer located within Harris County's road. Following review and discussion, Director Petrick moved that the Board approve the request for consent to encroachment. Director Smyth seconded the motion, which was approved by unanimous vote. A copy of the Consent to Encroachment is attached.

DISCUSS UTILITY SERVICES FOR HOT WAX AUTO

Mr. Gustafson reminded the Board what actions have been previously undertaken regarding the illegal utility connection into the Conoco gas station by the Hot Wax Auto Salon located at 9302-B Louetta Road. He stated that a sample of the discharge from the commercial establishment contained a high amount of grease. He stated that the owner of the Hot Wax Auto Salon had been told to contact the District's engineer to begin the process to obtain utility service under the District's Rate Order. Discussion ensued regarding the provisions of the District's Rate Order. Following review and discussion, Director Smyth moved that the Board allow continued utility service to the Hot Wax Auto Salon, subject to the following conditions:

1. No engine cleaning is to be performed until a grease trap is properly installed;
2. An application for utility service must be provided to the District's engineer with plans and specifications for a grease trap within 30 days of the May 22, 2007, meeting for review by the Board of Directors at the July regular meeting; and
3. The grease trap must be installed by the August 7, 2007, meeting of the Board of Directors.

Director Petrick seconded the motion, which was approved by unanimous vote.

If Hot Wax Auto Salon fails to comply with any of these conditions, the District may terminate services as authorized by the District's Rate Order.

GIS PRESENTATION

Director Petrick updated the Board on the testing of the Geographical Information System and stated that a presentation of section one should be ready for review at the July regular meeting of the Board.

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

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE FOR THE MINUTES OF THE MAY 22, 2007, BOARD MEETING]

Secretary, Board of Directors

(SEAL)

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