

MINUTES OF SPECIAL MEETING
OF
CYPRESS FOREST PUBLIC UTILITY DISTRICT

August 31, 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 31st day of August, 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
Linn Jensen Smyth	Assistant Secretary
Fred P. Jones	Assistant Vice President

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

Also present for all or part of the meeting were the following: Doug Cole, Rozann Janecek, Jim Hughson, Wendy Fryfogle, Roy Riley, Ross Richardson and James Reed, residents; Don Hand of Greenwood Properties, Inc.; Kim Jackson of the *Houston Chronicle*; Michael Murr of Murr Incorporated; Barbara Payne of Payne Communications; Greer Pagan of Allen Boone Humphries Robinson LLP ("ABHR"); and Justine M. Cherne, Recording Secretary.

RECEIVE PRESENTATION ON PARK AND TRAIL PLAN

Mr. Murr presented a preliminary feasibility study of a proposed Park and Trail Plan. A copy of the plan is attached. He responded to questions from Board members and meeting attendees, and Board members responded to questions from meeting attendees.

APPROVE PARK AND TRAIL PLAN

Director Petrick next discussed planning and financing for the proposed Park and Trail Plan. He stated that the next step for the District is to form teams to negotiate

with landowners for right-of-way acquisition and to coordinate with the community, businesses, and political representatives. He stated that additional details are needed for the proposed plan before the Board is able to consider calling an election for approval of Park Bonds to finance the plan. Following review and discussion, Director Smyth moved that the Board accept the Park and Trail Plan as presented and authorize Director Petrick to form teams to meet with the various constituents to move the plan forward. Director Petrick seconded the motion. Additional discussion ensued regarding the composition of the teams. The Board concurred that the teams would consist of two Board members and citizens. The motion passed by unanimous vote.

RAVENEAUX DEVELOPMENT

Director Smyth reported that additional information regarding the plans for development of the Raveneaux Country Club tract has been contradictory. She stated that the plans for the project continue to fluctuate. Director Jones reported that he attended a meeting of the Board of Directors of Kleinwood MUD and that the engineer and attorney generally reported on activities being undertaken to connect the tract to their utility system. He stated that he will continue to attend the meetings of the Board of Directors of Kleinwood MUD to monitor the status of the project.

ADOPT ORDER CALLING BOND ELECTION

No action was taken by the Board.

SET PAY FOR ELECTION OFFICIALS

No action was taken by the Board.

ADOPT RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY OF THE BOARD OF DIRECTORS DURING THE 2007 ELECTION

No action was taken by the Board.

REVIEW AND APPROVE VOTING RIGHTS ACT SUBMISSION LETTER TO THE U.S. DEPARTMENT OF JUSTICE

No action was taken by the Board.

REVIEW AUDITOR PROPOSALS

The Board next reviewed proposals for fiscal year-end auditing services received from BKD, LLP, McCall, Gibson & Company, PLLC, David L. Merritt, P.C., Null-Lairson, PC, Mark L. Roth, CPA, and Sandersen, Knox, & Belt, LLP. Following review and discussion, the Board requested to receive presentations on the proposals received

from McCall, Gibson & Company, PLLC, Mark L. Roth, CPA, and Sandersen, Knox, & Belt, LLP at the September regular meeting.

PUBLIC COMMUNICATIONS

Ms. Payne next reviewed a Strategic Communications Plan, including strategies for outreach opportunities. Following review and discussion, Director Smyth moved that the Board approve the Strategic Communications Plan. Director Jones seconded the motion, which was approved by unanimous vote. A copy of the Strategic Communications Plan is attached.

COMMITTEE ASSIGNMENTS AND PROCEDURES

The Board next discussed committee assignments, communication, and the procedures for handling any action to be investigated by the committees. Director Smyth presented a proposed Flow Chart for communication procedures, a copy of which is attached. Following review and discussion, Director Jones moved that the Board adopt the procedures outlined in the flow chart. Director Smyth seconded the motion, which was approved by majority vote after additional discussion, with Director Lynch opposed.

DEVELOPMENT OF A BUSINESS PLAN

There was no discussion regarding development of a business plan.

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

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE FOR THE MINUTES OF THE AUGUST 31, 2007, BOARD MEETING]

Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

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