

MINUTES OF REGULAR MEETING  
OF  
CYPRESS FOREST PUBLIC UTILITY DISTRICT

July 3, 2007

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

The Board of Directors of Cypress Forest Public Utility District, Harris County, Texas, met in regular session, open to the public, on the 3rd day of July, 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
Vacant	Assistant Vice President

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

Also present for all or part of the meeting were the following: Webb Holland, Doug Cole, Bill Spaulding, Margaret Spaulding, Dave Normand, Greg DiCioccio, and Jim Reed, residents; Fred Jones, appointed Director; Esther Flores of Tax Tech, Inc. and Laura Flores; Salim Joubran and Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Kim Shelnett of Myrtle Cruz, Inc.; Mark Thorpe of Aqua Services, L.P. ("Aqua Services"); Barbara Payne of Payne Communications; Greer Pagan of Allen Boone Humphries Robinson LLP ("ABHR"); and Justine M. Cherne, Recording Secretary.

APPROVE SWORN STATEMENT, OFFICIAL BOND AND OATH OF OFFICE

The Board next considered approving the Sworn Statement, Bond, and Oath of Office executed by Fred P. Jones as an appointed officer. Following review and discussion, Director Smyth moved that the Board approve Director Jones' Sworn Statement, Bond, and Oath of Office, copies of which are attached. Director Jackson seconded the motion, which was approved by unanimous vote.

REORGANIZE THE BOARD AND AUTHORIZE EXECUTION OF DISTRICT REGISTRATION FORM

The Board next considered reorganizing the Board and electing new officers. Following discussion and review, Director Smyth moved that Director Jones be appointed as Assistant Vice President, that the remaining Directors continue in their current officer positions, and that the Board authorize the execution of the District Registration Form for filing with the Texas Commission on Environmental Quality, a copy of which is attached. Director Jackson seconded the motion, which was approved by unanimous vote.

DISCUSS OPEN MEETINGS ACT TRAINING REQUIREMENTS

Mr. Pagan next reported that legislation passed during the 79<sup>th</sup> Regular Session of the Texas Legislature requires each elected or appointed public official to complete a course of training of not less than one and not more than two hours regarding the responsibilities of the governmental body and its members under the Texas Open Meetings Act, Chapter 5512, Government Code. He noted that newly elected or appointed directors must complete the requisite training within 90 days of taking the oath of office, which is October 1, 2007. He stated that the Texas Attorney General provides the requisite training on its website or by a DVD at no charge. No action was taken by the Board.

CONFLICT OF INTEREST DISCLOSURE

Mr. Pagan next reviewed with the Board Chapter 176 of the Texas Government Code, which requires directors and consultants to disclose certain conflicts of interest. He reviewed with the Board the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District within seven days of a disclosable conflict arising. He explained that failure to make a disclosure required under Chapter 176 is a Class C misdemeanor. He encouraged the Board to contact ABHR if assistance is needed in determining whether a conflict requires disclosure or in making a required disclosure.

RECEIVE PUBLIC COMMENTS

Director Petrick opened the meeting to receive public comments. There were no public comments.

CONSENT AGENDA:

APPROVE MINUTES

TAX ASSESSOR/COLLECTOR'S REPORT, INCLUDING PAYMENT OF BILLS AND ANY NECESSARY COLLECTION ACTION

BOOKKEEPER'S REPORT, INCLUDING PAYMENT OF BILLS AND REVIEW OF INVESTMENTS AND BUDGET

ENGINEER'S REPORT, INCLUDING LONG-TERM MAINTENANCE PLAN

OPERATOR'S REPORT

The Board requested that the engineer's report be removed from the Consent Agenda for discussion. Upon a motion made by Director Jackson and seconded by Director Jones, the Board voted unanimously to approve the items on the Consent Agenda except for the engineer's report. Copies of the tax assessor/collector's report, the bookkeeper's report, and the operator's report are attached.

ADDITIONAL ACTION ITEMS FROM THE BOOKKEEPER, DISCUSS BUDGET

Ms. Shelnutt next reviewed with the Board a revised page of the bookkeeper's report and two additional checks for expense reimbursement and meeting expenses. Following review and discussion, Director Smyth moved that the Board approve the revised report and additional checks, approve reimbursement of eligible expenses, and authorize attendance at the Association of Water Board Directors winter conference. Director Jackson seconded the motion, which was approved by unanimous vote.

Ms. Shelnutt reviewed with the Board a draft operations budget for fiscal year ending September 20, 2008. Discussion ensued regarding certain line items.

ADDITIONAL ACTION ITEMS FROM THE TAX ASSESSOR/COLLECTOR

Ms. Flores reported that she circulated a signature card to add Mr. Jones to the bank account.

ADDITIONAL ACTION ITEMS FROM THE ENGINEER

FINAL REPORT ON ANALYSIS OF FLOOD PLAIN MAPS

Mr. N. Joubran made a presentation on the findings of the investigation into the Tropical Storm Allison Recovery Project Flood Plain effects on properties within the District, a copy of which is attached. The Board stated that the presentation should be placed onto the District's web site.

EMERGENCY WATER SUPPLY CONTRACT

Mr. N. Joubran next reported that the engineer for Harris County Water Control Improvement District No. 116 ("WCID 116") stated informally that the Board of Directors of WCID 116 has no objections to the District proceeding with the preparation

of an interconnect agreement and project design. He stated that the proposed provisions of an agreement are that the District will fully finance the project, there will not be a meter installed, and that WCID 116 would have an opportunity to review the proposed project plans for comment prior to bidding. Following review and discussion, the Board authorized ABHR to draft an interconnect agreement for consideration at next month's meeting and for consideration by the Board of Directors of WCID 116.

#### UPDATE ON HOT WAX AUTO RATE ORDER COMPLIANCE

Mr. N. Joubran updated the Board on the actions 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 sketch of the grease trap layout was received within the deadline set by the Board. He stated that the grease trap and plans do not meet the requirements and recommended forwarding to the owner of the Hot Wax Auto Salon a letter which outlines items to be addressed. Following review and discussion, the Board authorized Pepe Engineering to forward such a letter with a 30-day deadline for compliance and requested Aqua Services to sample the discharge from the facility to ensure compliance with the District's Rate Order.

#### ADDITIONAL ENGINEERING ITEMS

Mr. N. Joubran reported that the contractor has completed the conduit, conductors, and contractor installation for the well motor at Water Plant No. 1. He stated that the 90 KVAR capacitor has been delivered and installation has been delayed by heavy rains. The Board requested that the operator review the driveway at the water plant site and provide a recommendation for alleviating the standing water at the site.

Mr. N. Joubran reported that a copy of the hydraulic and hydrologic report prepared by Brown & Gay Engineers, Inc. for the proposed development of the Raveneaux Country Club tract has been provided to Pepe Engineering. Following discussion, the Board concurred that no additional action was necessary.

Following review and discussion, Director Smyth moved that the Board approve the engineer's report. Director Jackson seconded the motion, which was approved by unanimous vote. A copy of the engineer's report is attached.

#### ADDITIONAL ACTION ITEMS FROM THE OPERATOR

Mr. Thorpe reviewed action items undertaken since the last meeting. A copy of a list of action items is attached.

#### CONSIDER CUSTOMER CORRESPONDENCE

No customer correspondence was presented.

## CONDUCT HEARING ON TERMINATION OF WATER SERVICE

Mr. Thorpe reported that the customers on the termination list were delinquent by more than 50 days and had been given written notice 10 days prior to this meeting of the opportunity to appear before the Board of Directors to explain, contest or correct the utility service bill and to show reason why the utility service should not be terminated because of nonpayment. Following discussion, Director Jackson moved that since the residents were neither present at the meeting nor had presented any written statement on the matter, the utility service to those residents be terminated in accordance with the District's Rate Order. Director Smyth seconded the motion, which was approved by unanimous vote.

## AUTHORIZE REPAIR AND MAINTENANCE ITEMS

There were no additional repair and maintenance items.

## ADOPT AMENDED RATE ORDER

The Board next discussed amending the District's Rate Order to include increased fees and rate structure changes approved at the June 15, 2007, special meeting. Following review and discussion, Director Smyth moved that the Board adopt an Amended Rate Order, effective as of June 15, 2007. Director Jackson seconded the motion, which was approved by unanimous vote. A copy of the Amended Rate Order is attached.

## PUBLIC COMMUNICATIONS

Ms. Payne next reviewed a report on the number of hits to the District's web site for the months of May through the beginning of July 2007, a copy of which is attached.

Ms. Payne distributed a revised draft newsletter for review and discussed scheduling a brown bag lunch for August with a presentation on conversion to surface water from a representative of the North Harris County Regional Water Authority. She stated that the newsletter should be distributed in approximately 15 days.

Ms. Payne stated that she will review a communications strategic plan at next month's meeting.

The Board next reviewed a proposal in the approximate amount of \$5,202 from Computer Parts and Electronics for the installation of audio-visual equipment into the District's meeting room, a copy of which is attached. Following review and discussion, Director Smyth moved that the Board approve the proposal as presented. Director Jackson seconded the motion, which was approved by unanimous vote. The Board requested that ABHR contact the District's insurer to determine whether the equipment will be covered for theft.

## DISCUSS PROPOSED DEVELOPMENT PROJECT

There was no update regarding the proposed development of 67 townhomes on the 7.5 acres of the Raveneaux Country Club tract currently located within the District's boundaries. Mr. Kindred and Mr. Jordan have not provided the information requested by the Board.

## REPORT ON PARK MATTERS

Director Petrick updated the Board on park matters. He reported on a meeting he attended with Mr. N. Joubran, Mr. S. Joubran, Mr. Pagan, and Joe B. Allen to discuss park and trail development matters related to the proposed development project for the Raveneaux Country Club tract. Director Petrick stated that he met with the Trail Committee, which consists of representatives from the Champion Forest Maintenance Fund, the Champion Forest Garden Club, and the homeowners associations for Champion Forest, Sections 11 and 12, to discuss an action plan for development of a trail on the Raveneaux Country Club tract. He stated that the committee would like to move forward with a proposal to connect Meyer Park to the Kickerillo/Mischer Preserve in development at Harris County MUD No. 468. He stated that JP/Raveneaux Partners, LP is open to the plan. He stated that the Church of Jesus Christ of Latter-Day Saints is in favor of a trail located behind the temple and is not in favor of a sidewalk on Cypresswood Drive. He stated that the proposed trail on the Raveneaux Country Club tract is part of an overall trail system plan to connect all of Harris County's parks along Cypress Creek and will need to be submitted to Harris County for approval and possible partnership opportunities. He stated that Harris County will maintain the trails once constructed. He reported that Harris County will build a bridge that will connect Meyer and Collins Parks. He stated that Harris County has acquired four acres and is working to acquire more acreage to provide for park development between Collins Park and T C Jester Boulevard.

Mr. Petrick stated that the timing for development of a trail plan on the Raveneaux Country Club tract is critical because the hydrology study for the tract has been approved. Mr. Pagan reported that the engineer working on the proposed development of the Raveneaux Country Club tract stated that the plat is close to being ready for submission to the City of Houston. Director Smyth noted that development of the trail plan will be an effort between the community, the developer and Harris County. Following discussion, Director Smyth moved that, based on Director Petrick's evaluations, the Board authorize Directors Petrick and Smyth to accept a proposal from a Park Planner in an amount not to exceed \$25,000 for development of a Park Plan for a proposed trail to be located on the Raveneaux Country Club tract, and to authorize Director Petrick to forward letters to JP/Raveneaux Partners, LP and Harris County to request consideration of the trail. Following additional discussion regarding Park Planners, Director Jackson seconded the motion, which was approved by unanimous vote.

## DISCUSS STRATEGIC PARTNERSHIP AGREEMENT

Mr. Pagan reported that the City of Houston (the "City") will consider the possibility of entering into a Strategic Partnership Agreement with the District later this year. He discussed the procedures for entering into and the terms of Strategic Partnership Agreements with the City. Following discussion, the Board concurred to proceed forward with the process of entering into such an agreement at such time as the City is ready to proceed. Mr. Pagan stated that he will keep the Board apprised of the status of the City's process for entering into such an agreement.

## TECHNOLOGY: GIS

The Board concurred to receive a presentation on the Geographical Information System at the August regular meeting.

## DISCUSS MATTERS RELATED TO NHCRWA

Director Smyth reported on the North Harris County Regional Water Authority ("NHCRWA") Board meeting held on June 4, 2007. A copy of Director Smyth's written report on the NHCRWA Board meeting is attached. No action was taken by the Board.

## DISCUSS OPERATIONS OF KLEINWOOD REGIONAL WASTEWATER TREATMENT PLANT AND JOINT POWERS BOARD MEETING

Director Lynch had previously distributed the minutes of the June meeting of the Joint Powers Board to provide an update on the operations and maintenance of the Kleinwood Regional Wastewater Treatment Plant. A copy of the minutes of the Joint Powers Board meeting is attached. No action was taken by the Board.

## DISCUSS MATTERS RELATED TO HOMEOWNERS ASSOCIATION MEETINGS

Director Petrick reported on a meeting of and activities related to the Champion Forest Maintenance Fund and irrigation issues. No action was taken by the Board.

## DISCUSS ITEMS FOR INCLUSION ON THE NEXT MEETING AGENDA

The Board next discussed items for inclusion on the agenda of the regular August meeting.

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

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE FOR THE MINUTES OF THE JULY 3, 2007, BOARD MEETING]

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Secretary, Board of Directors

(SEAL)

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