

MINUTES  
CYPRESS FOREST PUBLIC UTILITY DISTRICT

October 4, 2011

The Board of Directors (the "Board") of Cypress Forest Public Utility District, Harris County, Texas (the "District"), met in regular session, open to the public, on the 4th day of October 2011, 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:

Fred P. Jones	President
Greg DiCioccio	Vice President
Michael J. Lynch, Jr.	Secretary
Thomas J. Petrick	Assistant Secretary
David Normand	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present for all or part of the meeting were the following: Alice Kanayan and Debbie Donahue, residents of the District; Kim Shelnett of Myrtle Cruz, Inc.; Esther Flores of Tax Tech, Inc.; Nabil Joubran of Pepe Engineering, Ltd.; Gus Gustafson of SWWC Services, Inc.; Greer Pagan of Allen Boone Humphries Robinson LLP; Justine M. Cherne, Recording Secretary; and persons listed on the attached attendance sheet.

Director Jones called the meeting to order.

PUBLIC COMMENTS

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

CONSENT AGENDA:

APPROVE MINUTES

FINANCIAL AND BOOKKEEPING, INCLUDING PAYMENT OF BILLS

TAX ASSESSMENT AND COLLECTION, INCLUDING PAYMENT OF BILLS

ENGINEERING, INCLUDING LONG-TERM MAINTENANCE PLAN

OPERATION OF DISTRICT FACILITIES

Minutes of the regular and special meetings of the Board of Directors held on September 6, 2011, and on September 15, 2011, were previously distributed. Upon a motion made by Director Petrick and seconded by Director Lynch, the Board voted unanimously to approve the Consent Agenda. Copies of the bookkeeper's report, the tax assessor/collector's report, the engineer's report, and the operator's report are attached.



## ADDITIONAL TAX ASSESSMENT COLLECTION ACTION ITEMS

There were no additional tax assessment and collection action items.

### 2011 TAX RATE

Ms. Flores stated that notice of the District's meeting today to adopt the proposed 2011 tax rate was published. She reviewed the most recent certified value for the District. Director Jones opened the public hearing regarding adoption of the District's tax rate and upon receiving no comment from the public, the Board concurred to close the public hearing. Director Normand moved to adopt the Order Levying Taxes for the 2011 tax year, levying a tax rate of \$0.324 per \$100 assessed valuation, with \$0.16 allocated for debt service and \$0.164 allocated for maintenance and operation expenditures, authorize execution of the Amended Information Form, and direct that such documents be filed appropriately and retained in the District's official records. Director Lynch seconded the motion, which passed by unanimous vote. The Board confirmed its intention that the 2011 tax levy includes a debt service component for the calendar year ending December 31, 2012, and a maintenance tax component for the fiscal year ending September 30, 2012.

### NOMINATE A CANDIDATE FOR THE BOARD OF DIRECTORS OF HCAD

Mr. Pagan reported that Glenn Peters of Horsepen Bayou M.U.D. has served on the Board of Directors of the Harris County Appraisal District ("HCAD") for a number of years and is seeking re-election. He stated that Mr. Peters has received nominations as a candidate for this year's election.

### ADDITIONAL ENGINEERING ACTION ITEMS

The Board reviewed a draft budget for a proposed capital improvement plan for years 2012 through 2015. Discussion ensued regarding possible participation in an effluent reuse project and revenue and borrowing options for the proposed capital improvement projects. Following discussion, the Board requested Mr. Joubran to analyze the estimated costs for spot repair of the sanitary sewer line located in Champion Forest Section 2 for review at next month's meeting. The Board additionally concurred to review an analysis of water and sewer rate increases.

### RESOLUTION EXPRESSING INTENT TO REIMBURSE

The Board reviewed a Resolution Expressing Intent to Reimburse the District's General Operating Fund from future bond proceeds to finance the repairs to the drainage channel located at the extension of Champion Drive and adjacent to 9301 Cypresswood Drive. Following review and discussion, Director Petrick moved to adopt the resolution and direct that the resolution be filed appropriately and retained in the District's records. Director DiCioccio seconded the motion, which was approved by unanimous vote.



## ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt reviewed four additional checks for payment of tree root feeding, meeting expenses, and per diems. She stated that the additional checks will be included on next month's bookkeeper's report. Following review and discussion, Director Petrick moved to approve payment of the additional checks. Director DiCioccio seconded the motion, which was approved by unanimous vote.

Ms. Shelnutt recommended opening two additional District bank accounts for deposit of refunds and payment of operating expenses. Following discussion, Director DiCioccio moved to authorize opening the two additional bank accounts, subject to attorney review. Director Normand seconded the motion, which was approved by unanimous vote.

## ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Gustafson reported on the status of the repair of a break in the District's sanitary sewer line located in Champion Forest Section 4.

## CONDUCT HEARING ON TERMINATION OF WATER SERVICE

Mr. Gustafson reviewed a list of top ten residential and commercial usage accounts. He reported on his review of two of the accounts because they are unusually high.

The Board conducted a hearing on the termination of water service. Mr. Gustafson reported that the customers included on the termination list attached to the operator's report 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 declare why the utility service should not be terminated for reason of nonpayment. Following discussion, Director Petrick 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 Lynch seconded the motion, which was approved by unanimous vote.

## COMMERCIAL ACCOUNT BANKRUPTCY FILING

The Board discussed a bankruptcy filing by a commercial account within the District. Following discussion, the Board concurred that engaging special counsel for the matter was unnecessary at this time.

## RAVENEUX COUNTRY CLUB TRACT DEVELOPMENT AND LEASE

The Board discussed matters related to the development project for the Raveneaux Country Club Tract and the Lease Agreement for the Raveneaux Country Club Tract with JP/Raveneaux Partners, L.P.



## AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

The Board concurred to defer this item.

## MATTERS RELATED TO NHCRWA

Director DiCioccio and Mr. Joubran reported on the monthly meeting of the North Harris County Regional Water Authority (the "NHCRWA").

## KLEINWOOD REGIONAL WASTEWATER TREATMENT PLANT

Director Lynch updated the Board on last month's meeting of the Joint Powers Board and the operations and maintenance of the Kleinwood Regional Wastewater Treatment Plant. A copy of the engineer's report from the meeting is attached. He reported that the feasibility study on the possible delivery of treated effluent to the District, Fresh Water Supply District No. 52, and/or Cypress/Raveneaux, LLC is underway.

## HOMEOWNERS ASSOCIATION MATTERS

Director Petrick reported on his attendance at last month's meeting of the Champion Forest Maintenance Fund, Inc. (the "HOA"). He stated that the HOA is considering the proposed First Amendment to the District's Lease Agreement with the HOA for lease of the Administrative Building to extend the term to January 2, 2028. He additionally discussed a meeting held with Royal Disposal & Recycle, L.L.C. to discuss communication strategies for the Green Waste Recycling Program.

## PUBLIC COMMUNICATIONS

The Board discussed the District's public communications, including letters from the District's residents published in the Champion Forest Women's Club Newsletter and updates to the District's website. Following discussion, the Board concurred to appoint Directors Lynch and DiCioccio to a committee to provide recommendations for updating of the District's website.

## DEVELOPMENT OF PARKS AND TRAILS

The Board discussed development and maintenance of parks and trails. Director DiCioccio reported that the District's Park Planner, Michael Murr of Murr, Inc., is preparing cost estimates for a revised Phase I Trail System Improvements plan as discussed at the Board's September 15, 2011, special meeting. The Board concurred with a plan that includes preservation of the current corridor of trees.

Director Petrick reported on his discussions with the office of Harris County Commissioner Eversole regarding future maintenance of the District's park trail connecting to Meyer Park and his request for a ten-foot easement along Champion Forest Drive for installation of a sidewalk. He stated that he was unable to obtain a



written statement on the future maintenance of the trail. He stated that an exhibit of the proposed sidewalk needs to be submitted to Harris County for is consideration of the easement. Following discussion, the Board concurred to authorize preparation of the exhibit.

The Board discussed irrigation options for a portion of the park. Mr. Joubran stated that the estimated cost for installation of an eight-inch tap and two-inch meter for the proposed irrigation is \$10,000.

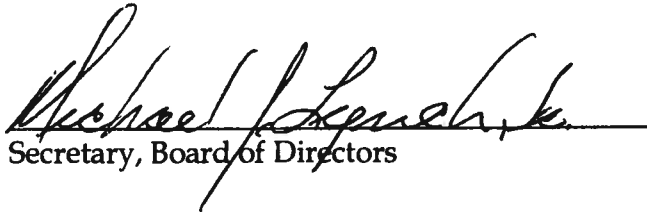
MEETING SCHEDULE AND AGENDA

The Board discussed its meeting schedule and items for inclusion on the next meeting agenda.

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

(SEAL)



  
Secretary, Board of Directors



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