

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

April 5, 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 5th day of April 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, Jim Hughson, and Bob Jackson, residents of the District; Kim Shelnett of Myrtle Cruz, Inc.; Esther Flores of Tax Tech, Inc.; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Gus Gustafson of SWWC Services, Inc. ("SWWC"); Les Griffith of Champions Hydro-Lawn, Inc. ("CHL"); and Justine M. Cherne, Recording Secretary.

Director Jones called the meeting to order.

PUBLIC COMMENTS

Director Jones opened the meeting to receive public comments. Mr. Jackson addressed the Board to thank them for their hard work.

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 special and regular meetings of the Board of Directors held on February 28, 2011, and March 1, 2011, were previously distributed. Director Lynch requested that the bookkeeper's report be removed from the Consent Agenda. Upon a motion made by Director Petrick and seconded by Director Lynch, the Board voted

unanimously to approve the remaining items on the Consent Agenda. Copies of the tax assessor/collector's report, the engineer's report, and the operator's report are attached.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Director Lynch discussed with the Board proposed changes to the bookkeeper's report to track actual water revenues and expenses.

Ms. Shelnutt reviewed three additional checks for payment of engineering invoices and one additional check for payment of mowing maintenance of the drainage channel and park property. She stated that the additional checks will be included in next month's bookkeeper's report. Following review and discussion, Director Lynch moved to approve the bookkeeper's report and payment of the additional checks as presented. Director Petrick seconded the motion, which was approved by unanimous vote. A copy of the bookkeeper's report, including a list of checks presented for payment, is attached.

Director Jones reviewed an invoice for forwarding to JP/Raveneaux Partners, L.P. for payment of the Base Lease Rent Payment per the Lease Agreement for the Raveneaux Country Club Tract (the "Lease Agreement"). Following review and discussion, Director Lynch moved to authorize forwarding of the invoice, subject to review by the District's attorney. Director Petrick seconded the motion, which was approved by unanimous vote.

ADDITIONAL TAX ASSESSMENT COLLECTION ACTION ITEMS

There were no additional tax assessment collection actions.

ADDITIONAL ENGINEERING ACTION ITEMS

Mr. Joubran presented seven bids to the Board for the project to rehabilitate the two ground storage tanks, the hydro-pneumatic tank, and the piping within the District's water plant no. 2. He recommended that the Board award a contract in the amount of \$233,200.00 to the lowest bidder, L.C. United Painting Company. He reviewed the scope of work containing separate items for rehabilitation of the inside and the outside of tanks, and alternate bids for certain work that might become necessary once the rehabilitation work starts. Following review and discussion, the Board concurred with the engineer's judgment that L.C. United Painting Company was a responsible bidder whose bid would result in the best and most economical completion of the project. Director DiCioccio moved to award the contract for the tank rehabilitation project in the amount of \$233,200.00 to L.C. United Painting Company and authorize execution of the contract. Director Normand seconded the motion, which was approved by unanimous vote.

Mr. Joubran reminded the Board that the emergency repair of a break in the

District's twelve-inch main water line located at the bridge crossing Champion Forest Drive was completed in January 2011. Following discussion, Director Lynch moved to approve Pepe Engineering's proposal in the amount of \$2,250.00 for preparation of an approximate quantity take-off for the second phase of repairs and for solicitation of contractors' bids for the proposed second phase of repairs. Director Normand seconded the motion, which was approved by unanimous vote.

Mr. Joubran responded to Board members' questions regarding proposed drainage channel repairs and water ponding within the District's water plant no. 2 site.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Gustafson reviewed the operator's report, including the District's water accountability, and list of top ten residential and commercial usage accounts. He reported that he is checking on one of the accounts because it is unusually high.

Mr. Gustafson reviewed a Generator Rental Agreement with Neil Technical Services, Inc. ("NTS") in the amount of \$500.00 per month from June 1, 2011, through November 30, 2011, for rental of a trailer mounted generator.

Mr. Gustafson reported on procedures for exercising the District's wells and reviewed the previous two months of pumpage reports. He responded to Board members' questions regarding maintenance costs in relation to the District's conversion to surface water distribution.

Mr. Gustafson reported on implementation of the Board approved recommendations outlined in Malcolm Pirnie's Technical Memorandum per the February 28, 2011, special meeting to address the color, taste, and odor issues with the surface water being delivered by the North Harris County Regional Water Authority to the District. He reported on the sampling performed for the system water quality monitoring program and the amount of time and costs for the sampling. He updated the Board on the repair of water valves per the previously performed valve survey and stated that the unidirectional flushing procedure is expected to begin during the first week of May 2011. Following discussion, the Board requested that Mr. Gustafson request interim reports on the results of implementation of the recommendations from Malcolm Pirnie. The Board additionally requested that Mr. Gustafson coordinate with Director Normand to notify the District's residents on the scheduled unidirectional flushing procedure.

Directors Jones and Petrick discussed customer contact regarding surface water quality issues. Mr. Gustafson stated that he will respond to correspondence from a resident regarding contact with SWWC field personnel forwarded to him by Director Petrick. Discussion ensued regarding procedures for SWWC field personnel when contacted by residents. Following discussion, the Board concurred that SWWC field

personnel will be directed to provide Mr. Gustafson's contact information to residents and that Mr. Gustafson will then provide residents with contact information for Director Petrick or the appropriate Director.

Mr. Gustafson reviewed an annual report on the implementation of the District's Identity Theft Prevention Program and stated that no changes to the plan are recommended.

Mr. Gustafson reviewed an annual report on implementation of the District's Water Conservation Plan.

Mr. Gustafson distributed a copy of the District's Consumer Confidence Report for the Board's review and consideration at next month's meeting.

Following review and discussion, Director Petrick moved to approve the operator's report as presented, including approval of the Generator Rental Agreement with NTS. Director Normand 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. Demel 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 Normand seconded the motion, which was approved by unanimous vote.

MATTERS RELATED TO NHCRWA

Director DiCioccio reported on the monthly meeting of the North Harris County Regional Water Authority (the "NHCRWA"). He reported that all 60 districts included in the NHCRWA's 2010 conversion plan have been connected and are receiving surface water. He stated that the NHCRWA is lagging behind the amount of surface water required to be used under its permit with the Harris-Galveston Subsidence District to meet 30% reduction in the use of groundwater and is encouraging the districts to maximize their use of surface water.

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, including a planned update of the maintenance plan. A copy of the minutes of the meeting is attached.

UPDATE ON GREEN WASTE RECYCLING PROPOSAL, HOMEOWNERS ASSOCIATION MATTERS

Director Petrick reported on his attendance at last month's meeting of the Champion Forest Maintenance Fund, Inc. (the "HOA"). He reported that representatives of Royal Disposal & Recycle, L.L.C. gave a presentation on implementing a Green Waste Recycling Program. He stated that the presentation was well received by the HOA and that he will follow-up with the HOA to determine whether the program will move forward.

WATER CONSERVATION PLAN IMPLEMENTATION

The Board deferred action on this item.

PUBLIC COMMUNICATIONS

The Board discussed the District's public communications. Director Normand noted that the annual newsletter has been distributed. He stated that he will work on notification of the District's residents regarding the scheduled unidirectional flushing procedure. The Board discussed an article published in the Champion Forest Women's Club Newsletter that stated that the Board approved funding of sensory nature garden for installation in the District's park by the Champions Forest Garden Club. Following discussion, the Board requested that Director DiCioccio contact the Garden Club to notify them that such action has not been taken by the Board.

RAVENEAUX COUNTRY CLUB TRACT DEVELOPMENT

The Board discussed matters related to the development project for the Raveneaux Country Club Tract and issues related to an abandoned bathroom located on the lease property. Following discussion, the Board concurred to establish a committee to liaison with the owners of the club on issues related to the District's Lease Agreement consisting of Directors Petrick and Normand.

DEVELOPMENT OF PARKS AND TRAILS

The Board discussed development of parks and trails, including a memorandum from Director DiCioccio that addressed a detailed park start up plan, budget requirements, and initial recommendations. The discussion also included a park maintenance update and related cost estimates from CHL, security issues, development of park rules, access, and parking. Director Petrick reported on his contact and meeting with Constable Hickman in regards to initiating patrol of the park area by the officers of

Harris County Constable Precinct 4. He explained that the Constable needs permission to cross the Kleinwood Regional Wastewater Treatment Plant ("KRWTP") property to provide park access via All Terrain Vehicles from the Meyer Park area. He recommended that Director Lynch take measures to request a right of entry document from the KRWTP Joint Powers Board to allow for such access. Following review and discussion, the Board concurred to consider Director DiCioccio's initial park start up recommendations at a future meeting. Director Lynch moved to approve various park maintenance tasks by CHL in an amount not to exceed \$10,000.00, including hazardous dead tree removal and disposal, repair of three sinkholes, debris removal, and re-grading work as discussed. Director Petrick seconded the motion, which was approved by unanimous vote. The Board additionally authorized Director Lynch to take measures to request a right of entry document from the KRWTP Joint Powers Board to allow access by the officers of Harris County Constable Precinct 4 for patrol of the park as discussed.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

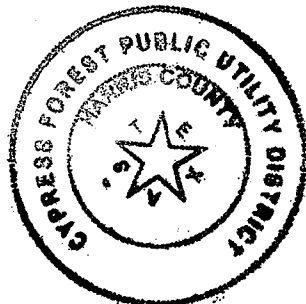
The Board reviewed an insurance renewal proposal from Highpoint Insurance Group, LLC and discussed liability coverage limits. Following review and discussion, Director DiCioccio moved to accept the renewal proposal from Highpoint Insurance Group, LLC in the amount of \$14,364.00, with an increase in liability coverage to 3,000,000. Director Lynch seconded the motion, which was approved by unanimous vote.

MEETING SCHEDULE AND AGENDA

The Board discussed their 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

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
tax assessor/collector's report	2
engineer's report	2
operator's report.....	2
bookkeeper's report	2
Joint Powers Board meeting minutes.....	5