

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

June 7, 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 7th day of June 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: Gene McGraw, Maureen Deyo, Jackie Moore, and James Reed, 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 and Clint Wilhelm of SWWC Services, Inc. ("SWWC"); Greer Pagan of Allen Boone Humphries Robinson LLP ("ABHR"); 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. McGraw addressed the Board regarding discolored water.

Ms. Deyo addressed the Board regarding damage to her water heater that caused subsequent water damage to her home. She stated that she believes that the directional flushing performed in the District caused the damage. Following discussion, the Board requested that SWWC investigate the matter and report back to the Board.

Copies of Mr. McGraw's and Ms. Deyo's completed public comment cards are attached.

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 May 3, and May 17, 2011, were previously distributed. Director Jones requested to remove the bookkeeper's report from the Consent Agenda. Upon a motion made by Director Petrick and seconded by Director Normand, 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.

TRAVEL REIMBURSEMENT GUIDELINES

The Board discussed the District's policies for reimbursement of eligible expenses for the Association of Water Board Directors ("AWBD") conferences. Following review and discussion, Director Lynch moved to approve payment of three per diems for the summer conference. Director Normand seconded the motion, which was approved by majority vote, with Directors Jones and Petrick opposed.

ARBITRAGE REBATE STUDY

The Board reviewed a previously distributed arbitrage rebate report prepared by OmniCap Group LLC reflecting that no arbitrage rebate payment is owed to the Internal Revenue Service on the District's Series 1996 Bonds.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt reviewed two additional checks for payment of invoices for meeting and miscellaneous administrative building expenses. She stated that the additional checks will be included on 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 is attached.

ADDITIONAL TAX ASSESSMENT COLLECTION ACTION ITEMS

Ms. Flores reviewed an additional check for reimbursement of taxes due to the result of litigation between a tax payer and the Harris County Appraisal District which resulted in a lower appraised value. She stated that the check will be included on next month's tax assessor/collector's report.

Ms. Flores reviewed preliminary assessed values received from the Harris County Appraisal District.

The Board next reviewed a list of delinquent accounts. Following review and

discussion, Director Petrick moved to approve payment of the additional check as presented and authorize the delinquent tax attorney to proceed with the collection of delinquent taxes. Director Lynch seconded the motion, which was approved by unanimous vote.

ADDITIONAL ENGINEERING ACTION ITEMS

Mr. Joubran updated the Board on communications held to determine whether a second phase of repairs requested by Harris County Precinct 4 ("Precinct 4") at the site near the bridge crossing Champion Forest Drive will need to be performed. He stated that Precinct 4 verbally communicated to him that fill-dirt does not need to be added under the bridge by the District. He reported that earlier today, Precinct 4 forwarded to him a request that the District hire a contractor to manipulate the existing dirt under the bridge to level out the shelves and channel slopes. He stated that he will obtain additional information to clarify this request prior to making a recommendation to the Board.

Mr. Joubran reported on his initial coordination with AEI, consultants for the Kleinwood Regional Wastewater Treatment Plant Joint Powers Board, on matters related to the potential use of effluent discharge from the wastewater treatment plant to irrigate the District's park property. He reviewed estimated construction and permitting costs for the potential irrigation project. The Board discussed the possible use of effluent discharge to additionally irrigate the esplanades located within the District and the Raveneaux Country Club Tract. Following discussion, the Board requested Mr. Pagan to determine whether effluent discharge can be delivered to two or more users.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Gustafson reported on water accountability, well water production, and the purchase of surface water from the North Harris County Regional Water Authority. He reviewed the list of top ten residential and commercial usage accounts.

Mr. Gustafson discussed implementation of Malcolm Pirnie's recommendations 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, and responded to Board members' questions. He reported on the installation of a tap to inject orthophosphates into the District's water well no. 2.

Mr. Gustafson and Mr. Wilhelm updated the Board on the repair of water valves per the previously performed valve survey and discussed scheduling of future valve surveys and exercising of valves for maintenance. Following review and discussion, the Board authorized SWWC to perform a study of valves that cannot be located and to repair approximately 30 re-set risers.

Mr. Wilhelm discussed performance of a manhole survey. Following discussion, the Board authorized SWWC to prepare a proposal for performance of a manhole survey for review at next month's meeting.

Mr. Gustafson reported that he forwarded reports and compact discs of televising performed on sewer lines to Mr. Joubran for review due to two customer reports of sewer backups. Mr. Joubran discussed the District's schedule for rehabilitation of sanitary sewer lines.

CONDUCT HEARING ON TERMINATION OF WATER SERVICE

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 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.

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 and an excursion experienced at the plant. He reported that the operations budget for the next fiscal year will increase.

Director Lynch stated that the Joint Powers Board has approved access to their property by the officers of Harris County Constable Precinct 4 for patrol of the District's park as discussed last month.

UPDATE ON GREEN WASTE RECYCLING PROPOSAL

Director Petrick reported that he and Director Lynch will meet this month with Royal Disposal & Recycle to discuss the development of an educational program regarding the implementation of a Green Waste Recycling Program.

HOMEOWNERS ASSOCIATION MATTERS

Director Petrick reported on his attendance at last month's meeting of the Champion Forest Maintenance Fund, Inc. (the "HOA").

PUBLIC COMMUNICATIONS

The Board discussed the District's public communications, including items for inclusion in an article for publication in the next Champion Forest Women's Club the Newsletter.

MEETING SCHEDULE AND AGENDA

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

DEVELOPMENT OF PARKS AND TRAILS, POLICY REGARDING USE OF OPDMD

The Board discussed development of parks and trails, and reviewed proposed park rules that were previously distributed. Following review and discussion, Director Lynch moved to adopt the park rules as presented. Director Normand seconded the motion, which was approved by unanimous vote.

Mr. Pagan stated that the U.S. Department of Justice adopted revised rules pertaining to the use of other-power driven mobility devices ("OMPMDs") by individuals with disabilities in public areas open to pedestrian use. In consultation with the District's engineer, the Board of Directors considered the following factors to determine the Policy Regarding the Use of OMPMDs in Cypress Forest Park: (i) the type, size, weight, dimensions, and speed of the OPDMDs; (ii) the facility's volume of pedestrian traffic; (iii) the facility's design and operational characteristics; (iv) whether legitimate safety requirements can be established to permit the safe operation of OPDMDs in the facility; and (v) whether the use of OPDMDs creates a substantial risk of serious harm to the immediate environment or natural or cultural resources. After review and discussion, Director Normand moved to adopt a Resolution Adopting Policy regarding the Use of Other Power-Driven Mobility Devices and direct that the resolution be filed appropriately and retained in the District's official records. Director Petrick seconded the motion, which passed by unanimous vote.

The Board considered a proposal from Michael Murr of Murr, Inc. for park consulting services. Following review and discussion, Director DiCioccio moved to approve the proposal in an amount not to exceed \$25,000. Director Normand seconded the motion. Following additional discussion, the motion was approved by majority vote, with Director Lynch opposed.

CONVENE IN EXECUTIVE SESSION, RECONVENE IN OPEN SESSION

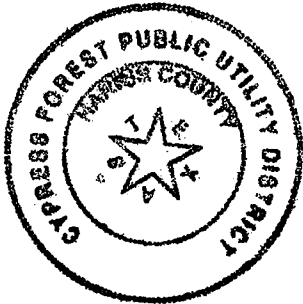
The Board did not convene in Executive Session.

RAVENEUX COUNTRY CLUB TRACT DEVELOPMENT, LEASE AGREEMENT

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 (the "Lease Agreement") with JP/Raveneaux Partners, L.P.

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

(SEAL)



Michael J. Lynch
Secretary, Board of Directors

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