

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors
April 14, 2009

The Board of Directors ("Board") of Spring Creek Forest Public Utility District ("District") met at 1100 Louisiana Street, Suite 400, Houston, Texas, on April 14, 2009 in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

R. W. (Rick) Kehlenbach, President
Dave Simac, Vice President
Janet E. Frakes, Secretary
Derek D. Drawhorn, Treasurer
Kenneth W. Heussner, Asst. Secretary

and the following directors absent:

None

Also present were Ms. Claudia Redden, the District's bookkeeper; Mr. Russ Davis, representing the District's tax assessor-collector; Mr. Mark Ivy, the District's operator; Mr. Dale Conger, representing the District's engineer; Mr. Donavon Smith and Mr. Joe Davis, representing the Spring Creek Court Homeowners Association; and Ms. Lori G. Aylett, attorney for the District.

The President called the meeting to order and declared it open for such business as might properly come before it.

1. Minutes of the meeting of March 17, 2009 were presented for the Board's review and approval. Upon motion duly made, seconded and unanimously carried, the minutes were approved as presented.

2. The Board reviewed the tax assessor-collector's report, a copy of which is attached. The District's 2008 taxes are 92.8% collected. Four checks were presented for the Board's approval. Upon unanimous vote, the tax assessor-collector's report was approved as presented.

3. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 97% of the water produced during the month of March. The District billed \$66,974 and collected \$65,518. Repairs were made to several service line leaks. Mr. Ivy reported that the North Harris County Regional Water Authority contractor is laying the surface water transmission line in the area. After discussion, upon unanimous vote, the operations report was approved as presented.

4. The Board elected to defer consideration of the developer incremental payment to a future meeting.

5. Mr. Dale Conger presented the engineer's report and reported that the chloramines project is currently being reviewed by the TCEQ and City of Houston. With regard

to the well project, Weisinger expects to receive the new pump within 10 days. The engineer recommended payment of pay application no. 2 to Weisinger. The bond application is complete, and the expedited review certificates are being signed by the engineer, attorney and financial advisor. The Board addressed the violation letter received by the District for the Spring Creek Court detention pond. In the engineer's opinion, Storm Maintenance & Monitoring has presented a reasonable proposal for clearing out the pond.

The District has an agreement in place with the Spring Creek Court HOA whereby the HOA is responsible for aesthetic concerns at the pond, while the District is responsible for drainage issues. Much of the work is clean-up necessary because the HOA has not maintained the pond. Mr. Donavon Smith addressed the Board on the HOA's behalf and stated that they are not trying to avoid their responsibility, but they do not currently have funds available to complete the project. Mark Ivy reported that he had reviewed the site and cannot do the work for the price bid by Storm Maintenance. The strip centers adjacent to the subdivision may be draining into that pond, and the HOA may be able to approach them for sharing maintenance costs. Dale Conger will investigate the situation. The Board approved proposal of Storm Maintenance & Monitoring for cleaning up the pond. The Board agreed to forgive the HOA from payment of those clean-up costs over a period of five years if the HOA continues to maintain the pond. The Board also approved payment of the permitting costs for the detention pond. Upon unanimous vote, the engineer's report was approved as presented.

6. The attorney presented an Order Adopting Water Conservation Plan, a copy of which is attached. Because the District will be receiving surface water in the future, it will be necessary to adopt such a plan. The plan contains five and ten-year conservation goals and a utility profile. Upon unanimous vote, the Order was approved as presented.

7. The attorney presented a Resolution for Adoption of Order Establishing Drought Contingency Plan, a copy of which is attached. The attorney noted that this plan is required by law to be adopted and enforced by May 1. Upon unanimous vote, the Board approved the Plan as presented.

8. There was presented the attached Resolution Establishing FTC Identity Theft Policy. The attorney noted that because the District sells its water and sewer service in arrears, the accounts meet the FTC's definition of credit accounts. Therefore, the District must adopt procedures to detect and eliminate identity theft. The attorney noted that the attached procedures would comply with the FTC regulations. Upon unanimous vote, the Board adopted the resolution establishing the FTC Identity Theft Policy as presented.

9. The Board reviewed the bookkeeper's report, a copy of which is attached. The bookkeeper reported receipt of the first payment from FEMA for debris removal in the amount of \$51,210. After discussion, upon unanimous vote, the Board approved the bookkeeper's report and payment of bills listed thereon.

10. The bookkeeper requested that the Board approve a new contract with her firm. The previous contract has been in place since 1985. After discussion, upon unanimous vote, the Board approved the new contract with Claudia Redden & Associates, Inc. as presented.

There being no further business to come before the Board, the meeting was adjourned.

Secretary