

## **SPRING CREEK FOREST PUBLIC UTILITY DISTRICT**

Minutes of Special Meeting of Board of Directors  
July 23, 2008

The Board of Directors ("Board") of Spring Creek Forest Public Utility District ("District") met at 1100 Louisiana Street, Suite 400, Houston, Texas, on July 23, 2008 in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Janet E. Frakes, Secretary  
Kenneth W. Heussner, Asst. Secretary  
Derek D. Drawhorn, Treasurer

and the following directors absent:

R. W. (Rick) Kehlenbach, President  
Dave Simac, Vice President

Also present were Mr. Shawn Sharkey and Dale Conger, representing the District's engineer; Mr. Mark Ivy, the District's operator; Mr. Al Pardoe, a developer in the District; Mr. Kent McGaughy, a developer in the District; Ms. Claudia Redden, representing the District's bookkeeper; Ms. Anthea Moran, the District's financial advisor; 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. The Board discussed the public meeting and presentation to residents to be made on July 30, 2008. The Board members reviewed and provided commentary on a proposed Power Point presentation. The District will need to budget for approximately \$750,000 in capital improvements. The District can obtain a loan with a term of up to three years without going through a cost prohibitive approval process at the Texas Commission on Environmental Quality. Therefore, the District will need to have an annual revenue stream of over \$250,000 to retire the loan. The attorney will finalize the maintenance tax rate required to generate those revenues for presentation in the documents. The operator will run a rate analysis to determine what water and sewer rates would generate that revenue stream. The financial advisor will provide a tax rate analysis on a \$1,000,000 bond issue to pay for those capital improvements. The Board members reviewed the proposals and presentation in detail and authorized the District consultants to finalize the presentation for the upcoming meeting.

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

---

Secretary