

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors
July 13, 2010

The Board of Directors ("Board") of Spring Creek Forest Public Utility District ("District") met at 1100 Louisiana Street, Suite 400, Houston, Texas, on July 13, 2010 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

and the following directors absent:

Kenneth W. Heussner, Asst. Secretary

Also present were Ms. Claudia Redden, the District's bookkeeper; Ms. Pat Hall, representing the District's tax assessor-collector; Mr. Mark Ivy, the District's operator; Ms. Amber Hurd, representing the District's engineer; 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 June 8, 2010 were presented for the Board's review and approval. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 93% of the water produced during the month of June. The District billed \$85,062 and collected \$75,062. The operator reported that the District is not currently receiving surface water. The North Harris County Regional Water Authority has a "coupon" in their water line that is inhibiting flow. A "coupon" is a piece of pipe that is punched out when a tap has been made, and it should have been removed from the interior of the line but was not. The Authority will have to make the repair. On five cul-de-sac streets in the District, there was not a good way to flush the dead-end lines. The operator has installed some blow-off valves to resolve the problem. After discussion, upon unanimous vote, the operations report was approved as presented.

3. Ms. Amber Hurd presented the engineer's report and reported that the District needs an updated topography map of water plant no. 1. The District is holding 10% retainage on the Gemini project for chloramines conversion pending completion of the punch list. The engineer attended another meeting with representatives of Bilma PUD, Louetta Road UD and Terra Nova West to discuss sharing resources during emergencies, and these districts will be performing a field test in August if all parties have resolved their water supply issues.

The Board discussed the Spring Creek Court detention pond and authorized the engineer to obtain quotes for performance of maintenance work on the facility.

4. There was presented an Interlocal Agreement with the Harris-Galveston Coastal Subsidence District regarding sponsorship in the Water Wise program. The Subsidence District is asking that the District renew its sponsorship of half of the fifth grade students at Ehrhardt, the same commitment the District made last year. The total approximate cost is \$2,070. Upon motion duly made, seconded and unanimously carried, the Board voted unanimously to approve the Interlocal Agreement with Harris-Galveston Coastal Subsidence District as presented.

5. The Board reviewed the tax assessor-collector's report with Ms. Pat Hall, and a copy of the report is attached. The District's 2009 taxes are 98.3% collected. Four checks were presented for the Board's approval. The tax assessor recommended write-off of certain business personal property accounts. Upon unanimous vote, the Board approved the write-off of the listed accounts and approved the tax assessor-collector's report was approved as presented.

6. The Board then considered an addendum to the Merchant Processing Agreement with Sage Payment Solutions. Such agreement will allow the tax assessor-collector to receive ACH and e-check payments for taxes. Upon unanimous vote, the addendum was approved by the Board.

7. The Board considered an Order Authorizing Application for Release of Funds from Escrow for the District's share of the 2009 and 2010 capital contribution for the Bammel Utility District Regional wastewater treatment plant. The attorney noted that she will need to work with the engineers for Bammel UD to secure the necessary documentation to support the application. Upon unanimous vote, the Board approved the Order and authorized the attorney to submit the application for release of funds from escrow to the Texas Commission on Environmental Quality.

8. Ms. Claudia Redden presented a bookkeeper's report, a copy of which is attached. After discussion, upon unanimous vote, the Board approved the bookkeeper's report and payment of bills listed thereon.

9. Under pending business, the attorney reported receipt of a parks survey request from the Houston Parks Board. Directors Frakes and Drawhorn volunteered to assist with the completion of the survey information.

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

Secretary