

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors
June 8, 2010

The Board of Directors ("Board") of Spring Creek Forest Public Utility District ("District") met at 1100 Louisiana Street, Suite 400, Houston, Texas, on June 8, 2010 in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

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

and the following directors absent:

Dave Simac, Vice President

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 May 11, 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 May. The District billed \$74,647 and collected \$71,606. The operator repaired some water line leaks and continued the valve location project. The chloramines system has been started up, and the District has taken some surface water from the Authority. There is a problem with the North Harris County Regional Water Authority supply line. It is not delivering the amount of water that it should, and the Authority is trying to solve the problem. The SCADA system is working well. The operator is planning to exercise the water well six to eight hours per month. All of the participating districts are still waiting for complete conversion to surface water before they conduct a joint test of their facilities and how they would cooperatively work during an emergency. The Board authorized the operator to monitor the status of the surface water to avoid customer service issues. After discussion, upon unanimous vote, the operations report was approved as presented.

3. Ms. Amber Hurd presented the engineer's report and reported that she is waiting on the results of a survey before doing further design of the water plant no. 1 drainage facilities. The engineer presented change order no. 2 to the chloramines conversion contract in

the amount of \$7,400. This addition will enable the operator to better monitor the plant remotely. The Board approved change order no. 2 as presented. The Spring Creek Court detention pond annual permit renewal has been received. The attorney will contact the Spring Creek Court HOA regarding payment for the cost of cleaning up the detention pond.

4. 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% collected. Two checks were presented for the Board's approval. The Harris County Appraisal District preliminary values are \$155,000,000, as compared to \$175,000,000 in 2009. The tax assessor will present write-offs at next month's meeting. Upon unanimous vote, the tax assessor-collector's report was approved as presented.

5. The Board reviewed its Order Establishing Code of Ethics, Policies and Procedures for District Financial Affairs and Management. The attorney did not recommend any changes but noted that she annually presents a copy for the Board's review and use.

6. Ms. Claudia Redden presented a bookkeeper's report, a copy of which is attached. Ms. Redden also noted that as the District's Investment Officer, she is required to disclose any business relationships with entities that seek to invest with the District. She presented the required disclosure, which will be filed with the Texas Ethics Commission. The Board approved the disclosure and authorized the attorney to file it as required by law. After discussion, upon unanimous vote, the Board approved the bookkeeper's report and payment of bills listed thereon.

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

Secretary