

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors
October 13, 2009

The Board of Directors ("Board") of Spring Creek Forest Public Utility District ("District") met at 1100 Louisiana Street, Suite 400, Houston, Texas, on October 13, 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
Kenneth W. Heussner, Asst. Secretary

and the following directors absent:

Derek D. Drawhorn, Treasurer

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; Mr. Dale Conger, 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 September 8, 2009 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. The Board reviewed the tax assessor-collector's report with Ms. Pat Hall, and a copy is attached. The District's 2008 taxes are 99.2% collected. Four checks were presented for the Board's approval. Ms. Hall reported that she had notified HCAD of two properties that were erroneously listed on the tax roll. The Board had accepted an installment payment agreement with Jeff Lentini, provided that the account must be paid in full by year's end. Upon unanimous vote, the tax assessor-collector's report was approved as presented.

3. The Board opened a public hearing on the District's 2009 tax rate. The tax assessor-collector confirmed publication of the notice of the public hearing and the effective tax rate calculation. Hearing no public comment or questions, the President closed the public hearing.

4. There was considered the attached Order Adopting Appraisal Roll and Setting a Tax Rate and Levying a Debt Service and Maintenance Tax for the Year 2009. Upon motion duly made, seconded and unanimously carried, the Board voted to adopt the order as presented, which order levies a debt service tax of \$0.345 and a maintenance and operations tax of \$0.15 for an overall tax rate of \$0.495 per \$100 assessed valuation. There was then presented the attached Amendment to Statement of Directors Furnishing Information Required by Section 49.455(b), Texas Water Code, as Amended. The attorney noted that the Amendment to

Statement of Directors is filed in the Real Property Records of Harris County and informs property owners in the District that they are located in a water district and what the current tax rate is. Upon motion duly made, seconded and unanimously carried, the Board voted to adopt the amendment as presented, authorized its execution by all directors present, and authorized the attorney to file the document as required by law.

5. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 98% of the water produced during the month of September. The District billed \$94,122.66 and collected \$97,836.52. There were a number of water line leaks that were challenging to repair. The engineer and operator met with Jones & Carter regarding emergency planning with the District's interconnect partners. The Board authorized the engineer and operator to continue working with neighboring districts regarding emergency preparedness. After discussion, upon unanimous vote, the operations report was approved as presented.

6. Mr. Dale Conger presented the engineer's report. Mr. Conger requested authorization to advertise for bids for repainting at water plant no. 1, and the Board authorized the advertisement for bids. The engineer is awaiting the delivery of equipment for the water plant chloramines conversion project. The engineer attended meetings of the North Harris County Regional Water Authority. The pumpage fee from North Harris County Regional Water Authority will be \$1.75 per 1,000 gallons, while the rate for surface water delivered will be \$2.20 per 1,000 gallons. The well motor at water plant no. 1 is in the shop with burned windings. The cost to repair the motor is estimated to be \$6,160. The engineer believes that the burned windings may be related to earlier repairs to the well motor. The engineer and operator are still negotiating with the contractor regarding the matter. The engineer also discussed the pump submergence at water plant no. 1. The engineer recommended throttling the pump output back so that it does not draw down the water levels. The engineer and operator will continue to tweak the pump output. Upon unanimous vote, the engineer's report was approved as presented.

7. The Board reviewed the bookkeeper's report with Ms. Claudia Redden, and a copy is attached. Ms. Redden presented a draft of the operating budget for fiscal year ending November 30, 2010 for the Board's review. The Board will adopt the budget at the November meeting. After discussion, upon unanimous vote, the Board approved the bookkeeper's report and payment of bills listed thereon.

8. Under pending business, Director Kehlenbach reported that the Mirandas had removed the fence from the District's property that was installed in violation of the Spring Creek Forest deed restrictions.

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

Secretary