

## SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
October 11, 2011

The Board of Directors ("Board") of Spring Creek Forest Public Utility District ("District") met at 1100 Louisiana Street, Suite 400, Houston, Texas, on October 11, 2011 in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

R. W. (Rick) Kehlenbach, President  
Derek D. Drawhorn, Vice President/Treasurer  
Janet E. Frakes, Secretary  
Doug McKeever, Director

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; Ms. Amber Hurd, representing the District's engineer; Mr. Mark Ivy, the District's operator; 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 13, 2011 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. Ms. Pat Hall presented the tax assessor-collector's report, a copy of which is attached. The District's 2010 taxes are 99.6% collected. Three checks were presented for the Board's approval. Upon unanimous vote, the Board approved the tax assessor-collector's report as presented.

3. The Board then acknowledged publication of a Notice of Public Hearing to consider the District's 2011 tax rate. The hearing was declared open for public comment and question. Hearing no public comment or questions, the President closed the public hearing. The Board then considered the attached order levying a debt service tax of \$0.335 per \$100 assessed valuation and a maintenance tax of \$0.16 per \$100 assessed valuation, for a total combined tax levy of \$0.495 per \$100 assessed valuation for the 2011 tax year, and upon unanimous vote, the order was approved by the Board.

There was next presented the Amendment to Statement of Directors Furnishing Information Regarding Section 49.455(b), Texas Water Code, as amended. The attorney noted that the amendment is filed in the real property records of Harris County and notifies property owners in the District that they are located in a water district and what the current tax rate is.

Upon unanimous vote, the Board adopted the amendment as presented, authorized its execution by all directors present, and authorized its filing as required by law.

4. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 91% of the water produced during the month of September. The District billed \$139,468 and collected \$119,339. The operator reported that a fire hydrant on River Lodge was replaced and various water line repairs were made. Three accounts were proposed for write-off by the operator, and upon unanimous vote, the Board authorized write-off of the accounts. Upon unanimous vote, the Board approved the operator's report as presented.

5. The Board discussed proposed revisions and additions to the District website. Director Drawhorn presented a proposal for an illustration on the website that would show the various water bill components. He noted that the District would need to pay some programming costs to implement his proposed idea. The Board approved expenses of up to \$1,000 for the proposed additions to the website.

6. Ms. Amber Hurd presented the engineer's report and reported that she is still working on the proposal for a motor control center at the water plant. She is trying to get the cost of the project to fall within available surplus funds. The engineer sent a second letter to the North Harris County Regional Water Authority requesting reimbursement for costs the District incurred in redesigning the drainage plans because they were in conflict with the North Harris County Regional Water Authority line, which was not correctly reflected on the North Harris County Regional Water Authority's plans. The engineer presented pay estimate no. 3 in the amount of \$18,080.28 for water plant no. 1 drainage improvements, and upon unanimous vote, the pay estimate was approved by the Board.

7. The Board considered a proposal from Breedlove & Company to audit the District's books and records for the fiscal year ending November 30, 2011 at an estimated cost of between \$7,500 and \$8,000. After discussion, upon unanimous vote, the Board voted to engage Breedlove & Company to perform the audit.

8. Ms. Claudia Redden presented a bookkeeper's report, a copy of which is attached. Ms. Redden presented a proposed operating budget for the fiscal year ending November 30, 2012, and requested that the Board review the proposal before the next meeting at which the budget must be adopted. 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.

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Secretary