

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

Minutes of Meeting of Board of Directors

November 14, 2017

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2701 W. Dallas, Houston, Texas, on November 14, 2017, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

R. W. (Rick) Kehlenbach, President  
Wayne Cherry, Vice President  
Janet E. Frakes, Secretary  
Tom Buffington, Director

and the following director was absent:

Kennon Evett, Jr., Director.

Also present were Ms. Claudia Redden, representing the District’s bookkeeper; Mr. Jeff Sonnheim, representing the District's tax assessor/collector; Mr. Mark Ivy, representing 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 meetings held October 10, 2017 and November 2, 2017 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. Jeff Sonnheim presented the tax assessor/collector’s report, a copy of which is attached. The report reflects that 2017 taxes are 2.6% collected. All prior years are over 99% collected or better. Four checks were presented for the Board’s review and approval. Upon unanimous vote, the Board approved the tax assessor/collector's report as presented.

3. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 98.35% of the water produced during the month of September. The District billed \$91,174.37 and collected \$103,902.45. The District has 809 connections. 6.937 million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 2.811 million gallons of water from its wells.

The operator reported that the insurance claim relating to a sewer backup into a home in the District caused by a backup into the District’s sewer line was initially denied by the carrier. The operator will follow-up with the insurance agent regarding the decision and to provide additional facts. The operator reported that there may be an additional homeowner who was affected by the sewer backup and in the operator’s opinion, the backup was not the fault of the homeowner.

Upon unanimous vote, the Board approved the operations report as presented.

4. Ms. Amber Hurd presented an engineer’s report. The engineer reported that approximately 15 property owners from neighboring districts attended the special meeting held on November 2, 2017 to discuss the District’s force main replacement project. The property owners

were concerned about trees, landscaping, and the project timeline. The engineer reported that she contacted an arborist who confirmed that the trees will not be affected. Amber Hurd noted that there was one property owner at the meeting who had been unhappy with the District's efforts at site restoration after the force line main break last year. The property owner requested that the District install a swale that would connect to a Flood Control District channel. Ms. Hurd strongly recommended that the Board not install any swales that would connect to the Flood Control District's channel because it would require their prior approval and could potentially change drainage in the area. In the meantime, the operator will review the site to see if the District can make any restoration efforts to address the property owner's concerns without changing the drainage patterns.

The engineer noted that she will begin advertising for bids this month, and a Notice to Proceed will likely be issued in January for the force main replacement project.

Upon unanimous vote, the Board approved the engineer's report as presented.

5. The Board considered renewal of the District's insurance policies. The attorney presented a proposal from AquaSurance for renewal of the District's property, boiler and machinery, commercial general liability, directors and officers liability, pollution liability, and public employee blanket bond, director position schedule bond, and tax assessor/collector bond. After discussion, upon unanimous vote, the Board approved the District's insurance policies based upon the proposal submitted by AquaSurance.

6. There was presented the attached Order Designating Office for Conducting Business of District and Maintaining Records of the District and Designating Additional Meeting Place Outside District. Upon unanimous vote, the Order was adopted as presented, and the Board authorized publication of such notice of additional meeting place as required by law.

7. There was presented the attached Resolution Adopting Operating Budget for the Fiscal Year Ending November 30, 2018. The District is projected to have a negative balance next year due to the Bammel plant major improvements. This is a significant capital expenditure that should not recur in future years. After review and discussion, upon motion duly made, seconded and unanimously carried, the Board approved the resolution as presented.

8. The Board next considered a request from Harris County Municipal Utility District No. 24 for participation in Community Earth Day. After discussion, the Board declined to participate at this time.

9. 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 the bills listed thereon.

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

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Secretary