

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

February 13, 2018

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2701 W. Dallas, Houston, Texas, on February 13, 2018, 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 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 meeting held January 9, 2018 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 82.8% collected. As of today, 2017 collections are over 94%. All prior years are over 99% collected or better. Five 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. There was presented the attached Resolution Authorizing Petition Challenging Appraisal Records. The attorney noted that the preliminary tax roll comes out in May, and the tax assessor has a limited amount of time to review the roll and challenge any errors or omissions that are found. The tax assessor should be authorized to make such challenges on the District’s behalf. Upon unanimous vote, the Board approved the resolution as presented.

4. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 96.15% of the water produced during the month of December. The District billed \$76,997.12 and collected \$87,693.38. The District has 809 connections. 5.644

million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 1.451 million gallons of water from its wells.

The operator reported that during the recent freeze, the District experienced some frozen valves at the water plant, and the Cla-valve between the District's line and the North Harris County Regional Water Authority line froze. The operator recommended installation of a heater box over the top of the valve, at a cost of \$5,700, and the Board approved the expenditure. The operator also reported that both water plants need touch-up work, including pressure washing and painting, at a cost of \$6,500, and the Board approved that work as well.

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

5. The attorney noted that the District was required to review the FTC identity theft red flag program on an annual basis. The attorney recommended that no changes be made to the program. Accordingly, upon motion duly made, seconded and unanimously carried, the Board voted unanimously to adopt the attached Resolution Affirming Identity Theft Prevention Program.

6. Ms. Amber Hurd presented an engineer's report. The engineer reported that the force main project contracts are ready for execution. The engineer reported that a second public meeting will be held in March to discuss the project.

The engineer continues to work with property owners on obtaining temporary easements and reported that three easements were executed. The Board accepted conveyance of the temporary construction easements.

At Mr. and Mrs. Hill's request, the engineer prepared a cost estimate for annexation and extension of utilities to serve their property. They will likely use the estimate to persuade the Subsidence District to allow them to drill their own well.

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

7. There was presented the attached Order for Election of Directors. The attorney noted that if an election were required to be held, it would be held on the uniform election date of Saturday, May 5, 2018. Upon unanimous vote, the Board adopted the Order as presented.

8. The attorney for the District then discussed with the Board the requirements of newly enacted Senate Bill 625. The new law requires districts to annually provide certain records and information concerning the District's finances and tax rates to the Texas Comptroller of Public Accounts. The comptroller is required to create a special information database on their website, where the information will be assembled, updated, and made available to the public free of charge. The required information is already publically available in other places, but the law requires submission of the information to the comptroller. The information includes the name of the District, the names of the Board members, any employees, addresses, websites if applicable, names of certain consultants, the total amount of bonds authorized by District voters, the aggregate principal amount of bonds issued, the tax rate,

and audited financial information. Upon unanimous vote, the Board authorized the attorney to prepare and file the required report by the May 1, 2018 deadline.

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.

Secretary