

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

January 9, 2018

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2701 W. Dallas, Houston, Texas, on January 9, 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; Mr. Martyn Hill and Ms. Jo Vonna Hill, residents of the District; 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 December 12, 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. Martyn and Jo Vonna Hill approached the Board with their request for utility service and / or annexation of two acres adjacent to their home and their request for access through the District’s water plant site. Mr. and Mrs. Hill indicated that they wanted to use the property adjacent to their home for storage of a motorhome. In addition, there is a barn area that they would like to turn into an office space, and they requested that the District grant an easement across their water plant site so that they could more easily access their property. The District engineer discussed the cost of annexation and platting of the property in some detail with Mr. and Mrs. Hill. The attorney noted that the legal cost associated with annexation would be between \$10,000 and \$15,000, and a new boundary map would cost in the range of \$2,000. In addition, the District cannot provide water and sewer service to un-platted property, so the tract would have to be platted, at an additional cost. The engineer estimated those costs of about \$3,000 to \$5,000. After payment of those costs, the Hills would still owe a tap and connection fee. After being apprised of all of the costs, the Hills stated that they were going to investigate the cost of drilling their own well to serve the property.

As for the access easement, the Board members were concerned about how the access would affect the security of the District’s water plant site. In addition, granting access

would mean that the Hills would drive behind several other homes in the District. The Board noted that they would not want to consider allowing access to the Hills if other neighbors were opposed. The Hills thanked the Board for their consideration of the requests and exited the meeting.

3. Mr. Jeff Sonnheim presented the tax assessor/collector's report, a copy of which is attached. The report reflects that 2017 taxes are 22.4% collected. All prior years are over 99% collected or better. Three checks were presented for the Board's review and approval. Upon unanimous vote, the Board approved the tax assessor/collector's report as presented.

4. The Board discussed whether to offer a general homestead exemption. At this time, the District does not have enough commercial development to warrant an exemption. After discussion, it was duly moved, seconded and unanimously carried that no homestead exemption be granted for the year 2018.

5. There was presented the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled. The attorney reported that pursuant to the Texas Constitution, the District may provide an exemption from taxation for residence homesteads of persons 65 years or older or disabled. The Board stated its desire to offer an exemption from taxation of \$25,000 as in years past, and the order reflecting same was presented. Upon motion duly made, seconded and unanimously carried, the Board voted unanimously to approve the order as presented.

6. There was presented the attached Order Levying Additional Penalty for Delinquent Taxes. The order levies a 20% penalty on 2017 delinquent taxes for business personal property on April 1, 2018 and for real property on July 1, 2018. Upon unanimous vote, the order was adopted as presented.

7. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 95.45% of the water produced during the month of November. The District billed \$86,411.80 and collected \$100,791.82. The District has 809 connections. 7.703 million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 1.329 million gallons of water from its wells. Upon unanimous vote, the Board approved the operations report as presented.

8. Ms. Amber Hurd presented an engineer's report and reported that bids for replacement of the force main had been received. Four bids were received, and the low bidder was Resicom in the amount of \$1,104,005. The engineer's estimate was \$1,693,480, so the bid was very favorable. The engineer recommended award of the contract to Resicom for the price bid, and the Board concurred. The engineer is working to schedule a meeting with the arborist regarding remediation of a leaning tree on property where the District conducted repairs to the old force main.

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.

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

9. The Board considered renewal of a stormwater quality permit for the Cypress Trace Detention and the Spring Creek Court Detention. The attorney presented renewal proposals from Storm Maintenance and Monitoring, along with the necessary permit renewal documents. Upon unanimous vote, the Board approved renewal of the permits before their expiration and authorized acceptance of the renewal proposals from Storm Maintenance and Monitoring.

10. 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