

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

July 10, 2018

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on July 10, 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
Tom Buffington, Director

and the following was absent:

Janet E. Frakes, Secretary
Kennon Evett, Jr., Director.

Also present were Ms. Claudia Redden, representing the District’s bookkeeper; Ms. Pat Hall, representing the District’s tax assessor/collector; Mr. Mark Ivy, representing the District’s operator; Ms. Amber Hurd, representing the District’s engineer; Ms. Mary Dubois, representing Acclaim Energy Advisors; and Ms. Melissa Kilpatrick for 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. In the absence of the Secretary, Director Cherry was appointed Secretary Pro Tempore.

1. Minutes of the meeting held June 12, 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. Ms. Pat Hall presented the tax assessor/collector’s report, a copy of which is attached. The report reflects that 2017 taxes are 98.7% collected. All prior years are over 99.7% 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.

3. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 96.75% of the water produced during the month of May. The District billed \$109,346.52 and collected \$96,057.79. The District has 809 connections. 9.002 million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 3.477 million gallons of water from its wells. The operator reported he removed a large dead oak tree on District property. The nearby homeowner believed the dead tree could possibly fall on the homeowner’s property. Upon unanimous vote, the Board approved the operations report as presented.

4. Ms. Amber Hurd presented an engineer’s report, a copy of which is attached. Following up on last month’s discussion, the engineers have sent right-of-entry notices

by certified mail to all property owners along the force main easement. The contractor is having the alignment staked by a surveyor and requested permission to move one bore pit location near 6415 Wimbledon by 40 feet to avoid a tree root system. The contractor also requested an addition of another bore pit. The engineer had no objections to these requests. Upon unanimous vote, the Board approved the engineer's report as presented.

5. The Board considered an Interlocal Agreement with the Harris-Galveston Subsidence District for participation in the WaterWise program and sponsorship of Ehrhardt Elementary. The attorney noted that the District typically sponsors 135 students at Ehrhardt Elementary at a cost of \$36.46 per student. The students are provided with WaterWise kits, which encourage water conservation and provide information about the efficient use of water. The District earns Series B groundwater credits in exchange for its sponsorship. After discussion, upon unanimous vote, the Board approved the Interlocal Agreement with the Harris-Galveston Subsidence District as presented.

6. The Board deferred discussion of annual maintenance for the arbitrage analysis report as the report is not yet available for review.

7. The Board considered the District's garbage collection contract with Waste Management. Ms. Kilpatrick stated that this agreement would automatically renew on October 1, 2018, unless the District gives 60 days' notice to Waste Management. After brief discussion, the Board agreed that no action was necessary, noting it had no objection to renewal of the contract.

8. Mary Dubois of Acclaim Energy Advisors addressed the Board and presented information regarding the possibility of extending the District's existing electricity contract. The current agreement is with Suez Energy (now called Engie) at a price of \$0.04597 per kilowatt hour. The term of the current contract will expire July 31, 2021. Ms. Dubois provided indicative rates showing that the District could enter into a 60-month contract with Hudson Energy at the end of the current contract term and save approximately \$1,100 per month. Beyond the savings to be realized, this would provide budget certainty for the coming years. After discussion, upon motion by Director Cherry, seconded by Director Buffington, the Board voted unanimously to approve and authorize the President to execute a 60-month contract with Hudson Energy at a price per kilowatt hour not to exceed 5% of the indicative pricing of \$0.04200 per kilowatt hour, commencing at the July 31, 2021 termination of the existing contract and subject to receipt of a Form 1295 from Hudson Energy.

9. Claudia Redden presented a bookkeeper's report, a copy of which is attached. Ms. Redden noted that the TexPool interest rate had slightly increased again. 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