

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

January 10, 2017

The Board of Directors ("Board") of Spring Creek Forest Public Utility District ("District") met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on January 10, 2017, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

R. W. (Rick) Kehlenbach, President
Derek D. Drawhorn, Vice President/Treasurer
Janet E. Frakes, Secretary
Wayne Cherry, Director
Tom Buffington, Director

and the following directors absent:

None.

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 December 13, 2016 were presented for the Board's review and approval. Certain clarifications were suggested, and after discussion, upon motion duly made, seconded and unanimously carried, the Board approved the minutes as amended.

2. Mr. Jeff Sonnheim presented the tax assessor/collector's report, a copy of which is attached. The report reflects that 2016 taxes are 29.7% collected. All prior years are over 99% collected. 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 92.88% of the water produced during the month of November. The District billed \$83,767.90 and collected \$100,639.80. The District has 792 connections. 7.892 million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 1.909 million gallons of water from its wells. The operator met with resident Mr. McLaughlin regarding his high summer water bill. The operator's office and attorney's office had held several previous discussions with the resident concerning the matter. The operator reported that the customer was satisfied with the operator's explanation of how the bill was calculated. The operator received several calls during the month from customers with broken pipes due to the freezing weather, but otherwise everything was fine. The operator is

investigating a storm sewer pipe that has failed and will have more information available at a future meeting. Upon unanimous vote, the Board approved the operations 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 2017.

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 attached 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 2016 delinquent taxes for business personal property on April 1, 2017 and for real property on July 1, 2016. Upon unanimous vote, the order was adopted as presented.

7. Ms. Amber Hurd presented an engineer's report. The engineer is working on the Bammel force main design and requested record drawings from all districts whose lines are in the area of the force main. Director Cherry and the engineer attended the Bammel UD board meeting held on December 14, 2016. Their wastewater treatment plant rehabilitation project is currently estimated to cost \$4.4 million. The District's budgeted share of the project would be \$760,500. Upon unanimous vote, the Board approved the engineer's report as presented.

8. Ms. Claudia Redden presented the 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.

9. Under pending business, the attorney presented an annual calendar of events for the of the Board and consultants.

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

Secretary