

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

June 13, 2017

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on June 13, 2017, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

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

and the following directors absent:

Derek D. Drawhorn, Vice President/Treasurer.

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 May 9, 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 2016 taxes are 98.2% collected. All prior years are over 99% collected or better. Five checks were presented for the Board’s review and approval. Mr. Sonnheim reported that the District’s 2017 preliminary value is up \$11 million from last year’s certified value. Upon unanimous vote, the Board approved the tax assessor/collector's report as presented.

3. The Board next considered a Payment Services Agreement with First Billing Services for receipt of tax payments. First Billing Services allows customers to make their tax payments on-line through credit cards, debit cards, and electronic checks. The attorney had reviewed the agreement and recommended its approval by the Board. Upon unanimous vote, the Board authorized approval of Payment Services Agreement with First Billing Services for receipt of tax payments.

4. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 97.2% of the water produced during the month of April. The District billed \$87,396.76 and collected \$82,078.28. The District has 809 connections. 7.225 million

gallons of water came from the North Harris County Regional Water Authority, and the District pumped 1.850 million gallons of water from its wells.

The operator reported that he had received a request from the HOA for an irrigation tap, and the Board approved making the tap at the District's cost. The operator reminded the Board that the lift station on Louetta Road has been tagged with graffiti. The operator presented quotes for both wood and concrete fencing at the lift station. The operator presented a quote for installation of a cedar fence at a cost of \$6,643 and a quote for installation of a SimTek concrete fence at a cost of \$15,935. Demolition of the existing fence would cost an additional \$1,800 in either case. After discussion, upon unanimous vote, the Board authorized demolition of the existing fence and installation of a cedar fence for the price bid.

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

5. Ms. Aylett then requested authorization for her firm to compile and submit to CenterPoint Energy the information required to comply with the emergency operations critical load status for District facilities. This will register with CenterPoint Energy and other emergency operations agencies the District's critical water and wastewater infrastructure, and those facilities will be given priority for restoring service after a hurricane or other disaster. In addition, the attorney will submit contact information to emergency operations agencies for the County and the State, as required by law. The Board authorized the attorney to submit the critical load report and emergency operation information on the District's behalf.

6. Ms. Amber Hurd presented an engineer's report. The engineer reported that 15 parcels have been identified in the District where temporary construction easements will be needed for the force main replacement project. The engineer reported that her office charges \$2,500 per parcel to prepare the metes and bounds. After discussion, the Board authorized the engineer to offer \$500 per easement to each of the affected property owners. The engineer reported that in response to previous inquiries, she analyzed and determined that the pumps that were designed would work with an 8-inch force main. The District could save some money on pipe by downsizing. However after discussion, the Board elected to replace the existing line with the originally discussed 10-inch force main and not downsize. Upon unanimous vote, the Board approved the engineer's report as presented.

7. The Board considered an Interlocal Agreement with the Harris-Galveston Subsidence District for participation in the Water Wise program and sponsorship of Ehrhardt Elementary. The attorney noted that the District typically sponsors 136 students at Ehrhardt Elementary at a cost of \$36.46 per student. The students are provided with Water Wise 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.

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. The Board reviewed the ethics letter and update by Investment Officer Claudia Redden. The attorney noted that annually the Investment Officer is required to disclose whether she has any personal business relationships with any entities seeking to sell an investment to the District. Ms. Redden indicated that she has investments with Wells Fargo, Fidelity and Janus. Upon unanimous vote, the Board approved the Investment Officer disclosure as presented and authorized its filing with the Texas Ethics Commission and in the minutes of the District, as required by law.

10. The attorney presented Director / Agent Conflict of Interest questionnaires to each of the directors. The directors completed the questionnaires, noting no conflicts.

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

Secretary