

## **SPRING CREEK FOREST PUBLIC UTILITY DISTRICT**

### **Minutes of Meeting of Board of Directors**

**June 12, 2018**

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on June 12, 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. Cindi Oliver, representing the District’s tax assessor/collector; Mr. Mark Ivy, representing the District’s operator; Ms. Amber Hurd, representing the District’s engineer; Ms. Anthea Moran, representing Masterson Advisors; 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. In the absence of the Secretary, Director Cherry was appointed Secretary Pro Tempore.

1. Minutes of the meeting held May 8, 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. The attorney discussed the financial advisor’s contract. Lori Aylett advised the Board that the District’s current financial advisor, Hilltop, no longer has any employees in their office who have experience working for municipal utility districts. Anthea Moran addressed the Board and stated that she had recently moved to Masterson Advisors. The firm currently has 11 employees and specializes in municipal utility district work. She stated that Masterson Advisors was local, employee-owned, and ready to do business. After discussion, upon unanimous vote, the Board voted to provide 30 days’ notice of termination to Hilltop and engage Masterson Advisors.

3. Ms. Cindi Oliver presented the tax assessor/collector’s report, a copy of which is attached. The report reflects that 2017 taxes are 97.9% collected. All prior years are over 99% collected or better. Five checks were presented for the Board’s review and approval. Ms. Oliver reported that the 2018 preliminary value in the District is \$206.5 million. Upon unanimous vote, the Board approved the tax assessor/collector’s report as presented.

4. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 97.61% of the water produced during the month of April. The District billed \$94,087.66 and collected \$88,266.97. The District has 809 connections. 8.507 million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 0.975 million gallons of water from its wells.

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. The Board considered a Resolution Regarding a Reduction in Electricity Consumption. After brief review and discussion, the Board determined there is no action needed because the District has less than \$200,000 per year in electricity consumption.

7. Ms. Amber Hurd presented an engineer's report, a copy of which is attached. The engineer reported that Resicom is coordinating with property owners and homeowners associations. Resicom has requested that the engineer send a right-of-entry notice to property owners along the force main easement. The engineer reported the Bammel waste water treatment plant upgrades started in February and are expected to be complete in April 2019. Upon unanimous vote, the Board approved the engineer's report as presented.

8. 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.

9. The Board reviewed the attached 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.

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

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Secretary