

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

Minutes of Meeting of Board of Directors

November 13, 2018

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on November 13, 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  
Kennon Evett, Jr., Director

and the following was absent:

Janet E. Frakes, Secretary.

Also present were Ms. Claudia Redden, representing the District’s bookkeeper, Ms. Jennifer Landreville, representing the District’s tax assessor/collector; Mr. Josh Maas, 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 October 9, 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. Jennifer Landreville presented the tax assessor/collector’s report, a copy of which is attached. The report reflects that 2017 taxes are 99.5% collected and 2018 taxes are 3.2% collected. Four 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. Josh Maas presented an operations report, a copy of which is attached. The District accounted for 93.67% of the water produced during the month of September. The District billed \$90,670.60 and collected \$119,375.61. The District has 809 connections. 7.452 million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 1.686 million gallons of water from its wells. The operator reported the contractor for the force main reconstruction project hit a water line. In the process of repairing it, the contractor turned off the valve to the force main. There operator received a call-out on the weekend at night, and after much searching, the valve was found. 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. With regard to the force main reconstruction project, the engineer reported Resicom has installed 4,000 linear feet of force main. The engineer recommended approval of Pay

Application No. 2 in the amount of \$137,455.50, and the Board concurred. The engineer presented Change Order No. 1 in the amount of \$4,500. The change order resulted because the existing water line was actually 50 feet from its location on the plans. To achieve the right clearance, the contractor had to remove 40 feet of previously installed force main. The engineer noted that she does recommend payment of the labor costs associated with Change Order No. 1. In her opinion, it would be fair for the District to pay for the material costs, and the contractor conceded that point. The engineer also noted that the contractor had wanted an additional \$1,000 for yard repairs, but she had discussed the matter with the contractor and told them that she was not prepared to recommend approval of that either. The engineer also presented Change Order No. 2, which involved the repair of an 8-inch water line owned by another District which was hit by the contractor during construction; the engineer noted that the location of the water line was not on the plans. The engineer recommended that the District pay for the material costs in the amount of \$7,349.25. The Board concurred with the engineer's recommendation with regard to Change Order No. 2 and approved it as presented. With regard to Change Order No. 1, the Board discussed the request of the contractor for the additional money for yard repairs. The Board considered the contractor's request to be reasonable, and accordingly approved Change Order No. 1 in the amount of \$5,500.

The engineer also reviewed construction plans for an office development to be located on Spring Pines behind the Dairy Queen and provided comments to the owner. Upon unanimous vote, the Board approved the engineer's report as presented.

5. Ms. Claudia Redden presented a bookkeeper's report, a copy of which is attached. The Board discussed the schedule for payment of the garbage contractor. The garbage contractor sent an invoice for the current month in advance. The attorney reviewed the contract and advised the Board that pursuant to its terms, the District must pay the contractor's invoice by the last day of the month in which the service was rendered. The attorney noted that the bookkeeper could have a check for the current month's services paid at the meeting and then hold the check until the end of the month. The bookkeeper asked for and received Board permission to release the check immediately, because she stated that it would be administratively difficult to hold the checks after the meeting. After discussion, upon unanimous vote, the Board approved the bookkeeper's report and payment of the bills listed thereon.

6. The Board also discussed the garbage contractor's service and the complaints. The Board requested that the attorney obtain a copy of the complaint log, as the District is entitled to have that on a monthly basis.

7. There was presented the attached Resolution Adopting Operating Budget for the Fiscal Year Ending November 30, 2019. The Board discussed the budget in detail. Upon motion duly made, seconded and unanimously carried, the Board approved the resolution as presented.

8. The Board considered renewal of the District's insurance policies. The attorney presented a proposal from Arthur J. Gallagher for renewal of the District's property, boiler and machinery, commercial general liability, directors and officers liability, pollution liability, and public employee blanket bond, director position schedule bond, and tax assessor/collector bond. There was a slight increase in the District's premium, and there were some changes in coverage including a higher sublimit for earthquake, earth movement and flood.

The deductible increased from \$2,500 to \$5,000, and the deductible for earthquake, earth movement and flood increased to \$25,000. After discussion, upon unanimous vote, the Board approved the District's insurance policies based upon the proposal submitted by Arthur J. Gallagher.

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

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Secretary