

**SPRING CREEK FOREST PUBLIC UTILITY DISTRICT**  
Minutes of Meeting of Board of Directors  
March 12, 2019

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on March 12, 2019, 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. Mark Ivy, representing the District's operator; Ms. Amber Hurd, representing the District’s engineer; Ms. Jill Henze representing the District’s auditor; Ms. Shannon Waugh, representing Off Cinco; 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 February 12, 2019 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. Jill Henze presented an audit of the District’s books and records for the fiscal year ended November 30, 2018. The auditor reviewed the report with the Board in some detail. Ms. Henze stated that her firm would be issuing a “clean opinion” as to the District’s books and records. Upon unanimous vote, the Board approved the audit of the books and records of the District for the fiscal year ended November 30, 2018 and authorized its filing as required by law.

3. There was presented the attached Resolution Affirming Review of Investment Policy, Strategies and Objectives and the list of approved brokers/dealers. The attorney noted that according to the Public Funds Investment Act, the District is annually required to review its investment policy to assure its compliance with Texas law. The attorney recommended no revisions to the investment policy, and the auditor's report noted no deficiencies with respect to how the District's investments are handled. The Board also reviewed a list of brokers/dealers to be authorized to engage in investment transactions with the District. Upon unanimous vote, the Board adopted the Resolution and brokers/dealers list as presented.

4. The Board considered review of the District's investments for compliance with Senate Bill 253. The attorney reminded the Board that Senate Bill 253 prohibits the District from investing with entities that support terrorist organizations. The District's investment officer must periodically review a list of such entities that will be prepared by the Texas Comptroller of Public Accounts and made available on their website. The Board authorized the investment officer to perform periodic reviews to confirm compliance with Senate Bill 253.

5. Lori Aylett discussed the continuing disclosure filing with regard to the District's bonds. Pursuant to Bond Orders previously adopted, the District is required to annually update certain material information, including the audit, that might be of interest to District bondholders. Upon unanimous vote, the Board authorized the attorney to make the continuing disclosure filing as required by law.

6. The Board considered the requirement to file a HB 1378 (Chapter 140, Texas Local Government Code) Annual Local Debt Report. The attorney noted that the District can comply with the law by filing its audit with the Texas Comptroller. Upon motion duly made, seconded and unanimously carried, the Board voted unanimously to authorize the attorney to make the required Annual Local Debt Report filing.

7. Ms. Jennifer Landreville presented the tax assessor/collector's report, a copy of which is attached. The report reflects that 2018 taxes are 94.1% collected. All prior years' tax collections are over 99% collected. Seven checks were presented for the Board's review and approval. Upon unanimous vote, the Board approved the tax assessor/collector's report as presented.

8. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 94.92% of the water produced during the month of January. The District billed \$71,194.02 and collected \$75,557.45. The District has 811 connections. 4.753 million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 0.716 million gallons of water from its wells. Upon unanimous vote, the Board approved the operations report as presented.

9. Ms. Lori Aylett distributed copies of the Water Conservation Plan and Drought Contingency Plan. The Board, operator, and engineer will review both plans for adoption at the April meeting.

10. Ms. Amber Hurd presented an engineer's report, a copy of which is attached. The engineer reported Resicom has completed 7,900 feet or 90% of the force main replacement. The engineer recommended approval of Pay Application No. 6 in the amount of \$99,303.50, and the Board concurred. The engineer reported the contractor is working on the last segment of trail that crosses Louetta Road and connects to the list station. The contractor received a bill from Eagle Water Management for the water main break that occurred in October. The engineer recommended that the Board pay the contractor \$2,750.75, as the line was not on the plans. The Board concurred with the engineer's recommendation.

Ms. Hurd reported that a meeting has been set up with the Harris County Flood Control District to discuss the Spring Gully channel improvements. The engineer estimates the

repairs to be \$258,002, and will be meeting with the Flood Control District next week to discuss options. The Bammel sewage treatment plant project is about 37% complete. The engineer issued a utility commitment on behalf of the District for the property 17003 Seven Pines. The developer is starting construction on a retail building in approximately four weeks. Upon unanimous vote, the Board approved the engineer's report as presented.

11. Ms. 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.

12. Shannon Waugh presented a proposal for website design and management services from Off Cinco. She stated that she has been working with municipal utility districts for about ten years. The Board reviewed her firm's qualifications and proposal in detail. After discussion, upon unanimous vote, the Board engaged Off Cinco to revise and update the District's existing website with option three for unlimited monthly updates and uploads. The District will also utilize a pay per use service for email alerts.

It came to the Board's attention that the District is still paying TechRadium for its email and text alert system. The operator advised that the District does not use the system and to his knowledge it is not functional. Upon unanimous vote, the Board agreed to terminate the TechRadium contract.

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

  
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Secretary