

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

May 14, 2019

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on May 14, 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
Janet E. Frakes, Secretary
Tom Buffington, Director
Kennon Evett, Jr., Director

and the following was absent:

None.

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. Anthea Moran and Mr. Chase Wolf, representing the District’s financial advisor; Mr. Hans Von Meier, representing Residential Refuse & Recycling of Texas; 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 April 9, 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. Anthea Moran presented a financial advisor’s report and a report on the potential for refunding of some of the District’s outstanding bonds which are currently callable. Ms. Moran reported that due to historic low interest rates, some of the District’s outstanding debt could be refinanced at lower interest rates resulting in gross savings and net present value savings. For the District to take advantage of such an opportunity, the District would need to approve a Preliminary Official Statement, the offering document for the bonds. In addition, the District would have to set parameters under which an official of the Board could act to approve and authorize the sale of the bonds. The City of Houston has ordinances governing the issuance of the refunding bonds, and the District must achieve present value savings of 3% to meet the City of Houston ordinances. Based upon current interest rates, the District could expect to achieve present value savings in the range of 3% to 4%. The financial advisor noted that it would be appropriate for the Board to authorize a District officer to act on the District’s behalf in the issuance, sale, approval and delivery of the bonds under terms and conditions set forth by the Board. The Board can establish parameters under which one of its officials will be authorized to act on behalf of the District.

The financial advisor noted that the District had previously selected Robert W. Baird & Co., Inc. to act as underwriter.

Ms. Moran turned to the Preliminary Official Statement and reviewed it in detail with the Board of Directors. She noted that the document described the District and the proposed bonds in detail. The District will engage a firm of certified public accountants to act as verification agent to verify the District's compliance with City of Houston ordinances and the amounts put on deposit into an escrow or payment fund. The Preliminary Official Statement must describe the District accurately and must not omit anything that would be material to an investor.

The attorney noted that it would be appropriate for the Board to designate District officers and directors authorized to act on behalf of the District in the issuance, sale, approval and delivery of the Series 2019 Refunding Bonds and to carry out all necessary acts and procedures, including but not limited to, entering into a Bond Purchase Agreement, entering into a Paying Agent/Registrar Agreement, entering into an Escrow or Deposit or Payment Agreement, approving the Verification Agreement, adopting the City of Houston ordinance provisions regarding refunding, and evidencing such actions by the execution of an Approval Certificate.

There was presented the attached Bond Order for the Series 2019 Refunding Bonds. The attorney explained the Bond Order to the Board. She noted that the Bond Order is the District's covenant with the bondholders. As such, the District covenants to levy a tax sufficient in rate and amount to pay the bonds when due, and the District covenants to maintain the tax-exempt status of the Bonds. The District further promises to annually update certain financial information that is of interest to bondholders. The Bond Order contains the parameters under which Board members will be authorized to act on the Board's behalf.

There was presented the attached Order Authorizing Actions for Issuance, Approval, and Delivery of the Series 2019 Refunding Bonds.

After discussion, upon unanimous vote, the Board authorized Rick Kehlenbach (primary) and Wayne Cherry (secondary) to act on the District's behalf in the issuance, sale, approval and delivery of the refunding bonds if the District can achieve a 3% present value savings; approved the Preliminary Official Statement, the Official Statement, and the Notice of Refunding for the Series 2019 Refunding Bonds; authorized and designated the Board President and Secretary to act on its behalf subject to the parameters previously set forth, and the Board further authorized Rick Kehlenbach (primary) and Wayne Cherry (secondary) to execute the Bond Purchase Agreement and the Approval Certificate after all parameters have been met; authorized all its consultants to take any actions necessary to issue, sell, approve and deliver the bonds; approved the Bond Order as presented; and adopted the Order as presented.

3. The Board received a report from Residential Recycling and Refuse of Texas. Hans Von Meier addressed the Board and stated that he was there to respond to any concerns with the service. The Board members noted that they had invited him to the meeting to

discuss the service now that the transition has been completed. Mr. Von Meier noted that there are three different garbage trucks in the neighborhood. One of them picks up yard waste, another picks up recycling, and a third picks up garbage. This can lead to confusion when residents see one truck pass and believe that their house has been missed. Tom Buffington noted that in their sales presentation, Residential Recycling and Refuse officials had stated that they would pick up six items at the back door, whether it was garbage or yard waste. Mr. Von Meier stated that was not his understanding and that yard waste needs to come to the curb. Director Buffington stated that sometimes when he calls in to complain or present a problem, the complaint appears differently on the monthly log. He noted that there was a lot of inconsistency with the pick-up and can placement. Mr. Von Meier stated that while there are a lot of dogs in the District, and the employees of the Residential Refuse and Recycling will not go inside the gates. He stated they were still learning about the District and its residents and how to best serve them. The contractor discussed the fact that there were initially a lot of calls related to missed pick-ups, and many of these may be because the recycling and trash trucks are separate. Mr. Von Meier noted that there are at least three homes that are regularly putting out 30 bags of waste, and his company is working to educate these residents as to the limits. He stated that his company appreciates the District's business very much and is working hard to get to know its residents. Board members thanked him for his presentation and he exited the meeting. The Board members noted that the garbage contractor and the District need to get on the same page as far as educating the residents, and yard waste needs to go to the curb because this is a term of the contract. The Board members noted that the District could serve the residents by trying to educate them regarding the fact that there are three different trucks in the neighborhood. The Board members noted that putting something on the District's website and mailing educational notices to residents would be helpful. The attorney stated that she would contact Mr. Von Meier and request that they put together some educational materials.

4. Ms. Jennifer Landreville presented the tax assessor/collector's report, a copy of which is attached. The report reflects that 2018 taxes are 97.4% collected. All prior years' tax collections are over 99% 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.

5. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 93.23% of the water produced during the month of March. The District billed \$84,237.60 and collected \$75,432.51. The District has 811 connections. 6.061 million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 1.266 million gallons of water from its wells. The operator reported the new fire hydrant has been installed at the front of the neighborhood. Upon unanimous vote, the Board approved the operations report as presented.

6. Ms. Amber Hurd presented an engineer's report, a copy of which is attached. The engineer reported Resicom is working on abandoning the old pipe and removing the concrete columns at the drainage channel. The new force main is in service and fully functional. The engineer met with property owners and Wimbledon's HOA who are requesting additional site restoration.

Ms. Hurd reported the Spring Creek Gully easements have been dedicated to Harris County Flood Control District. The engineer received a request for annexation and service to a 10-acre site along Louetta Road. The developer of the site is proposing 160 units. The Board authorized the engineer to perform a feasibility study of the project, if the developer is willing to pay the cost. Upon unanimous vote, the Board approved the engineer's report as presented.

7. 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.

8. The Board conducted its annual review of the Code of Ethics. The attorney provided copies for each Board member and reminded them of their ongoing requirement to conduct District business in accordance with the Code of Ethics. The attorney noted that she did not have any recommended changes to the document.

9. 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