

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT
Minutes of Meeting of Board of Directors
September 10, 2019

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on September 10, 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; Mr. Chase Wolf, representing the District’s financial advisor; Mr. David Sepulveda, representing Terra Associates, Inc.; Mr. Steve Fritzer, representing Lloyd Jones, LLC; 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. There were no public comments for the Board’s consideration.
2. Minutes of the meeting held August 13, 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.
3. Ms. Jennifer Landreville presented the tax assessor/collector’s report, a copy of which is attached. The report reflects that 2018 taxes are 98.5% 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.
4. The Board then recognized Mr. Chase Wolf who reviewed with the Board the 2019 certified tax value provided by the Harris County Appraisal District and presented schedules supporting the financial advisor’s recommendation with respect to the District’s 2019 debt service and maintenance taxes. After careful consideration, upon unanimous vote, the Board authorized publication of notice of a public hearing to consider a proposed debt service tax of \$0.25 and a proposed maintenance tax of \$0.22 for a total combined proposed tax levy of \$0.47 per \$100 assessed valuation, with a public hearing to be held at the Board meeting on October 8, 2019.

5. Mr. Mark Ivy presented an operations report, a copy of which is attached. The District accounted for 93.58% of the water produced during the month of July. The District billed \$103,238.35 and collected \$106,299.89. The District has 811 connections. 8.165 million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 2.447 million gallons of water from its wells. The operator reported that they were busy throughout the month repairing main line breaks due to the dry weather. 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 she performed the final walk-through of the force main reconstruction project. The operator reported she found three areas where grass needs to be replaced. The engineer also reported that the concrete columns have been removed. The engineer reported the contractor's insurance company is working with two homeowners and the operator of a neighboring district regarding damage payments. The contractor is scheduling final walk-throughs with Harris County and Harris County Flood Control District. The engineer is reviewing drawings for the Pet Suites development.

Discussion turned to a potential annexation tract. The engineer presented a feasibility study regarding the Aviva Spring Creek annexation request. The developer is proposing a 168-unit apartment complex that would need 168 water connections and 81 equivalent single family connections for sanitary sewer. It appears that the District has sufficient water plant, line and lift station capacity. The developer anticipates adding \$35 million in assessed value. Aviva Fifty Five is a senior living concept, and it would four stories high. There is currently an agricultural exemption on the property. Mr. David Sepulveda and Mr. Steve Fritzer addressed the Board and provided information on Lloyd Jones, the developer of the project. They are planning The V in the District, which is the independent living model. The community would include leased apartments for active 55+ seniors only; there would be no assisted living or memory care. Lloyd Jones has the property is under contract to purchase, and the developer is not pursuing any tax credits or HUD financing. Rent would be \$3000 to \$5000 per month. The building would have a full service restaurant, spa, concierge services, resort style pool, and gated access. The developer does not have any of these developments in Texas, however they are developing an "Aviva Apartment" in Terranova. All apartments are in one large building with easy access to the activity areas, which includes a card room, a theater, art studio, bar and grill, and fitness center. The engineer noted that the one unknown factor is the Bammel wastewater treatment facilities. The District would have to purchase capacity in the Bammel plant sufficient to serve the apartment developer's needs, at the developer's cost. The Board noted that they would like to the opportunity to review the information in more detail prior to the next month's meeting. The Board requested that the attorney place an item regarding the potential annexation on the next agenda, and the engineer will have preliminary discussions with Bammel regarding the purchase of capacity.

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. The Board discussed the cost of telephone service. Mark Ivy will investigate cellular

service options. After discussion, upon unanimous vote, the Board approved the bookkeeper's report and payment of the bills listed thereon.

8. Residential Refuse and Recycling provided educational materials regarding the upcoming e-shredding event. Copies will be sent to customers in their bill and information will be placed about the event onto the District's website.

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


Secretary