

SPRING CREEK FOREST PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

October 8, 2019

The Board of Directors (“Board”) of Spring Creek Forest Public Utility District (“District”) met at 2727 Allen Parkway, Suite 1100, Houston, Texas, on October 8, 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

and the following was absent:

Kennon Evett, Jr., Director.

Also present were Ms. Jennifer Landreville, representing the District's tax assessor/collector; Mr. Josh Maas, representing the District's operator; Ms. Amber Hurd and Ms. Destiny Amy-Penney, representing the District's engineers; Mr. David Sepulveda, representing Terra Associates, Inc.; 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 September 10, 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 98.6% 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 President opened a public hearing on the proposed 2019 tax rate. The attorney confirmed publication of the proposed tax rate. The proposed tax rate was \$0.47 per \$100 assessed valuation. No members of the public wished to address the Board regarding the proposed tax rate, and the President declared the public hearing closed.
5. There was presented the attached Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax and Maintenance and Operation Tax for the Year 2019. The order reflected a debt service tax rate of \$0.25 per \$100 assessed valuation and a maintenance and operations tax of \$0.22 per \$100 assessed valuation. Upon unanimous vote, the Board approved the Order as presented.

6. There was presented the Amendment to Statement of Directors Furnishing Information Required by Section 49.455(b), Texas Water Code, as Amended. The attorney noted that the Amendment to Statement of Directors is updated anytime the District adopts a new tax rate and is filed in the real property records of Harris County. Potential purchasers of property are on notice that they are located in a water district and they are on notice as to the current tax rate of the District and other related District information. Upon unanimous vote, the Board approved the Amendment to Statement of Directors as presented and authorized its execution by all Board members present.

7. Mr. Josh Maas presented an operations report, a copy of which is attached. The District accounted for 93.49% of the water produced during the month of August. The District billed \$129,678.08 and collected \$103,720.52. The District has 813 connections. 10.271 million gallons of water came from the North Harris County Regional Water Authority, and the District pumped 5.058 million gallons of water from its wells. The operator reported that there was one main line break on Spring Creek Forest Drive. The operator reported that during Tropical Storm Imelda, the roof collapsed on the major post office sorting facility. This resulted in significant delays in the mail. The operator recommended that the District postpone cut-offs and assessment of penalties and interest, and the Board concurred. Upon unanimous vote, the Board approved the operations report as presented.

8. Ms. Amber Hurd presented an engineer's report, a copy of which is attached. The engineer reported she is working on the as-built drawings of the force main project to submit to Harris County Flood Control before closing out the project. The engineer is awaiting confirmation that all claims for damages against the contractor by third parties have been resolved. The engineer reported she is reviewing the drawings for Pet Suites.

Upon unanimous vote, the Board approved the engineer's report as presented.

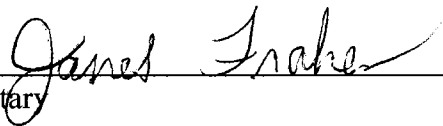
9. The Board discussed a proposed agreement for annexation of 5 acres owned by Aviva Spring/Lloyd Jones. The Board reviewed the feasibility report prepared by the engineer in some detail. It appears that it would be feasible to annex the property if the District can acquire sufficient capacity in the Bammel wastewater plant. The engineer has made preliminary inquiries but has not received anything definitive yet. The developer will also need to expand the District's detention pond. The attorney described the procedures for annexation. The developer shared plans to pay \$25,000 to cover the costs of obtaining City of Houston consent for the annexation. The developer must also deposit funds for preparation of an annexation agreement and an agreement for capacity in the Bammel plant. Upon unanimous vote, the Board authorized the consultants to begin work on the annexation, subject to receipt of funds from the developer and further subject to negotiation of a successful agreement for purchase of capacity in the Bammel plant.

10. The Board noted the need to engage an auditor to audit the books and records of the District for the fiscal year ending November 30, 2019. The attorney presented a proposal of Breedlove & Co. to conduct the audit with a fee range of \$9,000 to \$10,100. Upon a vote of 3-1, with Director Kehlenbach opposing, the Board approved the engagement of Breedlove & Co. to audit the books and records for the fiscal year ending November 30, 2019.

11. The Board reviewed 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. The Board considered a draft budget for the fiscal year ending November 30, 2020. The Board will review and consider adoption of the budget at next month's meeting.

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


Secretary