

**SPRING CREEK UTILITY DISTRICT**  
**Minutes of Meeting of Board of Directors**  
**October 21, 2024**

The Board of Directors (the “Board”) of Spring Creek Utility District (the “District”) held its regular monthly meeting in accordance with the duly posted notice of meeting and the Texas Open Meetings Act. The roll was called of the duly constituted officers and members of said Board, as follows:

Claude Humbert	-	President
Mark Fusca	-	Vice President
Frederick Sunderman	-	Secretary
Leslie Gourley	-	Assistant Secretary
Paul Sterling	-	Director

All the said members were present, thus constituting a quorum.

Also present were Monica Pena of Utility Tax Services, LLC (the “District’s Tax Assessor”); Mason Mueller and Rachel Broom of Cobb, Fendley & Associates, Inc. (the “District’s Engineer”); Lindsey DeLong and Mike Williams of Municipal Operations & Consulting, Inc. (the “District’s Operator”); Jonathan Roach, Ray Arce, and Jessica Gentry of Roach & Associates, PLLC (the “District’s Attorney”); Eric Gonzalez of Clarity Consulting Corporation (the “District’s Bookkeeper”); Aric Braddock of ASB Services, Inc. (the “District’s Inspector”), who entered later in the meeting; Calep Estes of Touchstone District Services (the “District’s Communications Consultant”); Brian Toldan of McCall Gibson Swedlund Barfoot PLLC (the “District’s Auditor”); Stewart Black of Acclaim Energy; and Matthew Malmquist, who entered later in the meeting, of Riley Fuzzel Holdings, LLC.

Call to Order: President Humbert called the meeting to order.

**PUBLIC COMMENTS**

There were no public comments.

**ACCLAIM MICROGRID PROGRAM PRESENTATION**

Mr. Black presented an update on the Acclaim Microgrid Program to the Board.

Director Humbert inquired what kind of Municipal Utility District was designated for the pilot program. Mr. Black stated that the pilot district chosen to enter the program already had the necessary resources, so that made them a good candidate. Director Gourley inquired if the District would require any other criteria to join the program. Mr. Black noted that CenterPoint would evaluate where the District is located in their system and, once chosen, would conduct an impact study. He indicated that CenterPoint would like to formalize a contract with the District to ensure their interest throughout this process. He then noted that the purpose of the microgrids is to be a backup to the backup generators, which would prevent the District from having to purchase another generator. Director Gourley inquired how many microgrids would be installed, whereby Mr. Black indicated that five (5) to seven (7) microgrids would be installed. Director Sterling inquired if

CenterPoint would be the entity that purchases and maintains the microgrids. Mr. Black stated that a third-party investor would purchase the assets and enter into a 20-30-year maintenance agreement regarding the microgrids.

Mr. Braddock entered the meeting during the presentation.

Mr. Black exited the meeting.

### **PUBLIC HEARING ON 2024 TAX RATE**

The Board opened a public hearing regarding the District's 2024 tax rate. Mr. Roach noted the proposed tax rate is \$0.885 per \$100 of assessed valuation, comprised of \$0.555 for debt service ("DS") and \$0.33 for maintenance and operations ("M&O"). He advised that the proposed rate and corresponding hearing notice had been published as directed by the Board at its last meeting. Upon receiving no comments from the public, the Board concurred to close the public hearing.

### **ORDER LEVYING TAXES FOR 2024**

The Board next considered adopting an Order Levying Taxes for 2024, attached hereto as **Exhibit "A"**. After review and discussion, Director Fusca motioned to adopt the Order Levying Taxes for 2024, providing for a total tax rate of \$0.885 per \$100 of assessed valuation, consisting of \$0.555 for DS and \$0.33 for M&O. Director Sterling seconded the motion, which passed four-to-one (4-1) with Director Sunderman opposed.

### **AMENDED DISTRICT INFORMATION FORM**

The Board considered approving the Amendment to the District Information Form ("DIF") to reflect the District's 2024 tax rate, attached hereto as **Exhibit "B"**. Director Humbert motioned to approve the Amendment to the DIF to be filed with the Texas Commission on Environmental Quality ("TCEQ") as required by law. Director Fusca seconded the motion, which passed unanimously.

### **ANNUAL AUDIT REPORT FOR FYE APRIL 30, 2024**

Mr. Toldan presented to the Board the Annual Audit for Fiscal Year End ("FYE") April 30, 2024. After some discussion, Director Sundemran motioned to approve the FYE April 30, 2024, Annual Audit, subject to incorporation of final comments from the District's consultants and authorization to file the continuing disclosure report. Director Gourley seconded the motion, which passed unanimously.

Mr. Malmquist entered the meeting.

Messrs. Malmquist and Toldan exited the meeting.

### **CONSENT AGENDA: MINUTES**

The Board considered for approval the special meeting minutes of August 22, 2024, and the regular meeting minutes of September 16, 2024. After some discussion, Director Gourley motioned

to approve the August 22, 2024, special meeting minutes, subject to revisions. Director Sterling seconded the motion, which passed four-to-zero (4-0), with Director Humbert abstaining.

### **CONSENT AGENDA: CONSULTANT REPORTS**

After some discussion, Director Gourley motioned to approve the following consultant reports: (1) Security Report, attached hereto as **Exhibit “C”**; (2) Garbage Collection Report, attached hereto as **Exhibit “D”**; and (3) Tax Assessor’s Report, attached hereto as **Exhibit “E”**. Director Fusca seconded the motion, which passed unanimously.

Ms. Pena exited the meeting.

### **COMMITTEE REPORTS**

The Board provided updates to the following Committees:

- (a) **Park Committee**. Mr. Braddock presented several proposed items for the park.
- (b) **Communications Committee**. Director Humbert noted that there have been a couple of alerts regarding the late delivery of trash bins. He further stated that the newsletter was posted.
- (c) **SJRA Committee**. Director Humbert noted that the Groundwater Reduction Plan Committee pre-approved the surface water supply agreement, noting that the SJRA would vote next for the pipeline. He stated that Montgomery County Municipal Utility District No. 89 (“MC89”) was in charge of the project and quickly reviewed the agreement without many comments.
- (d) **Administration Building Committee**. Director Humbert stated that the committee will meet on October 31, 2024. Ms. Broom noted that Grossman Design Build has submitted accessibility documentation to the ADA and will submit it to Montgomery County next. Finally, she noted that she had a document from the Fire Marshal for Board execution.

### **BOOKKEEPER’S REPORT**

Mr. Gonzalez presented the Bookkeeper’s Report, attached hereto as **Exhibit “F”**. He noted that an invoice of \$1,400 for HydroClear Solutions was paid by the general fund rather than the joint facility fund. He requested authorization to balance the general fund next month by withholding \$1,400 from the joint facility fund. After some discussion, the Board concurred to authorize this action. Director Humbert advised that the Budget & Finance Committee would meet on October 22, 2024, to discuss revisions to the budget. A discussion ensued regarding the Fieldhouse reimbursement items for the annexation and pipeline extension to Fieldhouse’s property. After some discussion, Director Gourley motioned to reimburse Fieldhouse through the District’s operating funds as part of the bond application. Director Fusca seconded the motion, which passed unanimously. Next, Director Gourley motioned to approve the Bookkeeper’s Report and payment of invoices. Director Sterling seconded the motion, which passed unanimously.

### **SALES TAX REPORT AND STRATEGIC PARTNERSHIP AGREEMENT UPDATES**

There was nothing new to report.

## INSPECTOR'S REPORT

Mr. Braddock noted that AT&T has contacted the District's Inspector every month for billing but is not cooperating with giving access to the District's Bookkeeper. He suggested that the Board switch to T-Mobile and eliminate AT&T. After some discussion, the Board concurred with canceling all accounts with AT&T and switching to T-Mobile.

Next, Mr. Braddock noted that an invoice was sent to the District for a donation to GFL Environmental ("GFL"), but he is unsure what the donation is for. He also stated that the trash container at the storm station and wastewater treatment plant is overflowing and has not been picked up. Director Sterling suggested that the District's Attorney send a letter to GFL regarding the matter. Mr. Arce explained that he had been corresponding with GFL regarding their inconsistency with trash pickup. Mr. Roach confirmed that GFL's agreement states they must pick up at the storm station and wastewater treatment plant.

Then, Mr. Braddock presented the Inspector's Report, attached hereto as Exhibit "G". Next, he presented a quote for a 75-horsepower blower motor spare for the wastewater treatment plant in the amount of \$17,500. Director Sterling motioned to approve the said quote. Director Gourley seconded the motion, which passed unanimously. Next, Mr. Braddock presented a quote for a 30-horsepower booster pump motor spare for Water Plant Nos. 1 and 2 in the amount of \$11,000. Director Sterling motioned to approve the said quote. Director Gourley seconded the motion, which passed unanimously. Then, Mr. Braddock noted that the Legends Ranch Drainage Channel needs to be de-silted due to the sediment impact and the lack of water-holding capacity, causing monthly maintenance issues. Director Gourley motioned to approve the de-silting for 3,300 linear feet of the Legends Ranch Drainage Channel. Director Sterling seconded the motion, which passed unanimously.

Mr. Braddock noted they need to install fire hydrant locks to prevent individuals from taking water from them. Ms. Delong confirmed that the District's Operator will be backcharging the entities taking water from the hydrants. Next, Director Gourley reported that a street in the District was caving in and requested that the District's Inspector evaluate it for repair. After no further discussion, Director Gourley motioned to approve the Inspector's Report. Director Fusca seconded the motion, which passed unanimously.

## OPERATOR'S REPORT

Ms. Delong presented the Operator's Report, attached hereto as Exhibit "H". She also presented the delinquent cut-off list. After some discussion, Director Sterling motioned to approve the delinquent cut-off list. Director Gourley seconded the motion, which passed unanimously. Next, Ms. Delong presented the Smart Irrigation Controller Rebate Program and discussed it with the Board, who concurred to defer moving forward with the program. Then, she presented the well reports, noting the extensive irrigation usage of the Homeowners Associations and commercial accounts. She inquired if the Board would like to send letters about this excessive usage. Director Fusca noted that they should not need to send out any letters and further stated that they should cut off water for properties experiencing leaks once it reaches a certain amount of gallons of usage.

Director Fusca further explained that if an account goes over a certain amount of gallons and does not fix the leak within a certain time frame, the water should be turned off. After the discussion, Director Gourley motioned to approve the Operator's Report. Director Sterling seconded the motion, which passed unanimously.

#### POSSIBLE RATE ORDER AMENDMENT(S)

There was nothing new to discuss.

#### WATER RECLAMATION RE-USE (PURPLE PIPE)

Director Humbert noted, regarding the purple pipe, that the plan includes taps for future connections to each residential property. He further explained that this would be costly and unrealistic as most residents would not pay for the cost of the connection, and capacity may not be available. Director Humbert stated that the District needed to restrict reuse water distribution in existing developments to commercial properties, including Homeowners Associations and schools for irrigation. Upon further discussion, the Board concurred. Director Humbert then noted that MC89 had previously asked to receive reuse water, so the District needed to evaluate that possibility, include a tap for future connection, establish a cost, and negotiate a selling price with MC89.

#### ENGINEER'S REPORT

Mr. Mueller presented the Engineer's Report, attached hereto as Exhibit "I", noting that Grossman Design Build is continuing with design and input from the Administration Building Committee. He further stated that a Will Serve letter needs to be sent to Montgomery County for the required building permit. Next, Mr. Mueller noted that the District's Engineer is working on a preliminary cost summary for the next anticipated bond application. Director Humbert stated that the administration building would be paid with cash, and the drainage improvements would be in the bond application. The Board ensued in a discussion regarding additional bond application projects. Next, Ms. Broom discussed the material options for Water Plant No. 3 with the Board. Finally, Mr. Mueller stated that the Fieldhouse public waterline and sanitary sewer line easement are ready for Board approval. After some discussion, Director Gourley motioned to approve: (1) the Engineer's Report; and (2) the Fieldhouse waterline and sanitary sewer line easement. Director Sterling seconded the motion, which passed unanimously.

Director Sunderman and Ms. Broom exited the meeting.

#### JOINT FACILITIES ADVISORY COMMITTEE ("JFAC") MATTERS

Director Humbert inquired about the status of the SJRA Ballot submission for the Groundwater Reduction Plan advisory committee. Mr. Roach confirmed that the SJRA had not received the ballot yet.

Mr. Gonzalez exited the meeting.

#### DIRECTOR'S REPORT

Director Humbert said he received an email from the Lonestar Groundwater Conservation District (“LSGCD”) regarding the upcoming seminar in November about well spacing. He further noted that he received another email from LSGCD, which is looking for candidates to be non-voting appointees on the GME-14 discussion.

### COMMUNICATIONS REPORT

Mr. Estes presented the Communications Report, attached hereto as Exhibit “J”.

### ATTORNEY’S REPORT

There was nothing new to report.

### CONSENT AGENDA: MINUTES CONTINUED

The Board reconsidered the approval of the regular meeting minutes of September 16, 2024. After some discussion, Director Humbert motioned to approve the September 16, 2024, regular meeting minutes, subject to revisions. Director Fusca seconded the motion, which passed unanimously.

Messrs. Mueller, Braddock, Estes, and Williams exited the meeting.

### EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTIONS 551.071, 551.074, ET. SEQ.

The Board entered into executive session at 9:05 p.m.

Ms. Delong temporarily exited the meeting and re-entered during discussion.

### RECONVENE IN OPEN SESSION AND AUTHORIZE ANY ACTION RESULTING FROM EXECUTIVE SESSION

The Board reconvened in open session at 10:49 p.m.

Director Fusca motioned to review options for a security funding policy, as discussed in executive session, and door tags for leaks in the Districts. Director Gourley seconded the motion, which passed unanimously.

### DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to hold their next regular meeting on November 18, 2024, at 5:00 p.m. There being no further business to discuss, Director Fusca motioned to adjourn the meeting. Director Gourley seconded the motion, which passed unanimously.

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Passed and approved this 16<sup>th</sup> day of December 2024.

/s/ Frederick Sunderman  
Secretary, Board of Directors

[SEAL]



### LIST OF EXHIBITS

- Exhibit A - 2024 Tax Rate Recommendation
- Exhibit B - Security Report
- Exhibit C - Garbage Collection Report
- Exhibit D - Tax Assessor's Report
- Exhibit E - Bookkeeper's Report
- Exhibit F - Inspector's Report
- Exhibit G - Operator's Report
- Exhibit H - Engineer's Report
- Exhibit I - Communications Report