

**SPRING CREEK UTILITY DISTRICT**  
**Minutes of the Special Meeting of**  
**Board of Directors/Joint Facilities Advisory Committee**  
**May 30, 2024**

The Board of Directors (the “Board”) of Spring Creek Utility District (the “District”) met in special session as part of a Joint Facilities Advisory Committee (“JFAC”) meeting, open to the public, in person and via videoconference\* 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 Boards as follows:

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

All of the said members were present except Directors Sterling and Sunderman, who arrived later in the meeting, thus constituting a quorum.

Also present were Mason Mueller and Amber Hurd, a representatives of Cobb, Fendley & Associates Inc. (the “District’s Engineer”); John Montgomery, a representative of Municipal Operations & Consulting, Inc. (the “District’s Operator”); Calep Estes, a representative of Touchstone District Services (the “District’s Communications Consultant”); Jonathan Roach, Ray Arce, and Debbie Gentry, representatives of Roach & Associates, PLLC (the “District’s Attorney”); Frank Mitchell and Josh Zientek\*, representatives of Mitchell, Zientek, & Scruggs, LLP, legal counsel for Montgomery County Municipal Utility District No. 88 (“MC88”); Andrew Vaughn, David Oliver, Jr., and Kathryn Blanton\*, representatives of Allen Boone Humphries Robinson, legal counsel for Montgomery County Municipal Utility District No. 89 (“MC89”); Justin Abshire, who entered later in the meeting, David Warner, and Diego Burgos, representatives of Quiddity Engineering, LLC (“MC88 & MC89’s Engineer”); Paul Cote, Shawn Goodman, Terrence Sookdeo, and Jordan Green, Directors of MC89; Jeremy Davis, Ryan Tsamouris, and Kent Doerries, Directors of MC88; and John Kessler and Jerry Rueschhoff, Directors of Montgomery County Municipal Utility District No. 94 (“MC94”). [\*Remote attendees]

**PUBLIC COMMENTS**

There were no public comments.

**FOX RUN DRAINAGE STUDY AND INITIAL RECLAIMED WATER/RE-USE PROJECT**

Mr. Mueller presented cost estimates for the first phase of the Fox Run Section I Drainage Improvements and Water Re-Use Distribution System, discussing the various alternatives as follows: (1) Alternative 1, System A, totaling \$5,690,512 and System B, totaling \$5,538,784, for a total cost of \$14,314,296; (2) Alternative 2, System A, totaling \$3,465,480 and System B, totaling \$2,975,736,

totaling \$9,526,216. Mr. Mueller explained that the cost estimates include the design component and contingency costs which were not previously included. After a lengthy discussion, the Board provided guidance to the District Engineer to research the drainage portion only under Alternative 1, System B, in conjunction with amending Phase I to extend out to the Homeowners Association.

Director Sterling entered the meeting during the discussion.

The Board opened the JFAC meeting and everyone introduced themselves.

### **SJRA WATER LINE EXTENSION/SURFACE WATER SUPPLY AGREEMENT**

Mr. Burgos discussed the San Jacinto River Authority (“SJRA”) proposal for connecting to the SJRA Groundwater Reduction Plan (“GRP”) Division system, including (1) the Districts funding the design and construction of the facilities; (2) SJRA GRP to provide specifications and inspect the facilities during construction; (3) the Districts turn over ownership of the Facilities to SJRA upon completion of the project, and SJRA will be responsible for the operation, maintenance, and repair of the Facilities thereafter; and (4) SJRA will provide 200,000 gallons per day (“gpd”) of surface water to the Districts at the rate of \$3.41 per 1,000 gallons of surface water.

Next, Mr. Burgos presented the cost summary for the 12-inch surface water transmission line extension to Water Plant No. 2, providing two options: (i) Option A totaling \$2,958,000 and (ii) Option B totaling \$2,966,000, each of which include easements and the deed to SJRA. Mr. Burgos recommends engaging an acquisitions firm to acquire the necessary easements. He noted that he anticipates a project completion date of two to two and a half years. Director Cote recommended a pipeline to accommodate one million gpd. Mr. Burgos noted that 500,000 gpd would be better. Director Humbert asked why the Districts would spend money to acquire the easements that are going to be owned by SJRA and recommended negotiating a better cost-share deal. A lengthy discussion ensued regarding negotiations back to SJRA, including a reimbursement back to the Districts in the form of a credit, plus capital in the event SJRA requires additional large volume groundwater users to mandatorily convert to surface water.

Mr. Rueschhoff asked about the pipe size, noting a larger pipe could feed other districts in the future. Director Cote noted that the size of the pipe is limited and Mr. Warner confirmed that the pipe is 12 inches, which can handle 16,000,000 gpd.

Mr. Kessler recommended the Districts keep in mind capital costs, as that is an area that districts don’t often think about and it can catch up to them in the future.

Then, Mr. Vaughan discussed the next steps, including the need to amend the regional water facilities contract to account for the new facilities and the allocation of purchased surface water. Director Cote suggested the Boards appoint two members from each District to form an SJRA Committee to work with the Districts’ consultants between meetings. After discussion, the District appointed Directors Humbert and Sterling; MC89 appointed Directors Cote and Goodman; and MC88 appointed Directors Tsamouris and Doerries to form the SJRA Committee.

## **SJRA GRP PUMPAGE FEE CREDIT ALLOCATION AND COMMITTEE MATTERS**

The Boards discussed the \$12 million refund to GRP Participants which would be applied as a credit to Participant's accounts, noting the credits are based on each Participant's pro-rata share of water used during the 2022-2023 drought period. Director Humbert noted that the District had not received a memorandum regarding the credit. Mr. Roach stated that he has submitted three requests regarding the memorandum as well as the notice for the SJRA GRP election. Next, lengthy discussion concerning the allocation and use of the credit. Director Cote stated that he has reviewed the minutes of several surrounding districts to see how other districts are using their credits and noted that most are using it towards future projects, and suggested the Districts could use it towards the new storage tank.

## **SJRA GRP ELECTION MATTERS**

Director Humbert explained the nomination process to serve on the GRP Review Committee. He noted that the District did not get an opportunity to vote in the last election as they never received the notification. Next, Director Cote discussed Ben Slotnick's qualifications, noting Mr. Slotnick understands the industry and would add a new dimension to the SJRA Board. Mr. Rueschhoff noted Mr. Slotnick's credentials and stated that he supports him. Mr. Kessler recommended getting names on the ballot and have the districts all work together to support the vote. Mr. Roach added that in the 2019 election, 21% of the districts east of I-45 represented the vote based on water usage so the Districts should work together to include the support of more districts. Mr. Roach then noted that he would obtain the weighted votes and send them to the Board members.

Next, Mr. Roach discussed the election timeline, noting the nomination resolution is due to SJRA by July 1, 2024, and the deadline to return ballots to SJRA is November 1, 2024. He further advised that the deadline to canvass the election is December 1, 2024, and new members would be seated on January 23, 2025.

## **PROPOSED WATER PLANT EXPANSION**

Mr. Burgos presented the construction cost estimate for the Water Plant No. 2 GST No. 3 Addition, providing three options for consideration: (i) Option 1, with a Bolted Steel Ground Storage Tank, estimated at \$3,070,000, noting its life span of approximately twenty to thirty years; (ii) Option 2, with a Welded Steel Ground Storage Tank, estimated at \$3,644,000, noting its life span is approximately fifty years but requires more maintenance every seven to ten years; and (iii) Option 3 with a Pre-Cast, Prestressed Concrete Ground Storage Tank estimated at \$3,758,000, noting a life span of approximately 75 years and little maintenance. After some discussion, Mr. Montgomery recommended Option 3, and Director Cote motioned to approve Option 3. Director Goodman seconded the motion, which passed unanimously. Director Gourley motioned to approve Option 3. Director Sterling seconded the motion, which passed unanimously. MC88 confirmed their vote at their last meeting for Option 3. Next, Mr. Burgos explained that MC88 would be

required to convey 0.4 acres. Then, Director Cote asked about the drill site in MC88, and if there was room to add a well for future use. Mr. Warner explained how MC88 obtained the drill site and confirmed that there would be room to add a well. Then, Mr. Vaughn asked that an amendment be made to the current JFAC contract to determine cost allocations and capacity.

Director Sunderman entered the meeting during the discussion.

### **BIRNHAM WOODS PEDESTRIAN BRIDGE CHANNEL CROSSING**

Mr. Burgos presented the preliminary cost estimate for the pedestrian bridge along Birnham Woods Drive, with an estimate of \$762,000. Director Sunderman suggested moving the bridge back 50 feet away from the road due to the high volume of traffic on Birnham Woods Drive. Director Goodman noted that Montgomery County is getting a large county bond and asked how the Districts can participate in that. Director Cote recommended trying to find money to assist in the project and suggested that the new County Commissioner may be able to help. Director Sunderman recommended the Districts write a joint letter to Commissioner Novack to include the bridge project in the County bond. After a lengthy discussion, the Boards concurred to write a letter to the new County Commissioner.

### **NEXT JOINT MEETING**

The Boards concurred to hold their next JFAC meeting on August 22, 2024.

The Boards concurred to adjourn the Joint Facilities Advisory Committee (“JFAC”) meeting.

MC88 and MC89’s Directors and consultants exited the meeting.

### **AGENCY COORDINATION MATTERS INCLUDING AMERICAN RESCUE PLAN ACT (‘ARPA’), REGION 6 FLOOD PLANNING GROUP**

Mr. Roach presented information regarding the 2024 State Flood Plan, noting comments are due by 5:00 p.m., June 17, 2024. Director Sunderman stated that the District needs to come up with a plan of action of their own concerning flood issues. He then reported that Region 6 has a 5-year plan and asked the District’s Engineer to get information on how they can compete. Next, a lengthy discussion ensued regarding the project that could be submitted to Region 6.

### **BOARD COMMITTEES**

Director Humbert recommended organizing the committees with the new Board. The Board briefly reviewed the description of each committee. Director Sunderman recommended that an engineering committee be created. After a lengthy discussion ensued the Board concurred to appoint Directors to each committee as follows: (i) Budget & Finance Committee – Directors Humbert and Sunderman; (ii) Park Committee – Directors Gourley and Fusca; (iii) Communication Committee – Directors Humbert and Sterling; (iv) Security Committee – Directors Sterling and Fusca; (v)

Development Committee – Directors Fusca and Gourley; (vi) SJRA Committee – Directors Humbert and Sterling; and (vii) Administration Building Committee – Directors Humbert and Fusca.

Next, Director Fusca asked if the Board wanted to set budget approval limits per committee. Director Sanderson recommended they wait until the committees meet and see if a budget is needed. Then, Director Sunderman suggested that each committee present a report at each meeting and that it be included as a Consent Agenda item. The Board concurred.

### NATIONAL NIGHT OUT

Mr. Montgomery confirmed that National Night Out would be held on October 1, 2024. Director Fusca reported that he and Director Gourley would reach out to Fox Run Homeowners Association for coordination, location, and cost.

### DEVELOPMENT UPDATES

Mr. Roach reported that BCS has asked the Board if they could hold a special meeting next week to address the Board’s concerns. Mr. Roach also noted that Mr. Tim Crawford has also asked to attend to discuss unfinished business with the Board. A discussion ensued regarding tax abatements, sales tax, and the tightening of the form Utility Development Agreement. The Board then concurred to hold a special meeting at Roach and Associates offices on Monday, June 3, 2024, at 6:00 p.m.

Messrs. Mueller, Montgomery, and Estes exited the meeting along with Ms. Hurd.

### \*EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.071, 551.074, ET. SEQ.

The Board enter into executive session at 9:32 p.m. with legal counsel.

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

The Board reconvened in open session at 9:54 p.m. No action was taken.

There being no further discussion, Director Gourley motioned to adjourn the meeting. Director Fusca seconded the motion, which passed unanimously.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Passed and approved this 17<sup>th</sup> day of June 2024.

/s/ Frederick Sunderman  
Secretary, Board of Directors

(SEAL)

