

SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
February 17, 2025

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 except Director Sunderman, who entered later in the meeting, thus constituting a quorum.

Also present were Monica Pena of Utility Tax Services, LLC (the “District’s Tax Assessor”); Mason Mueller of Cobb, Fendley & Associates, Inc. (the “District’s Engineer”); Lonnie Wright and Claudia Garza of Municipal Operations & Consulting, Inc. (the “District’s Operator”); Jonathan Roach, Ray Arce, and Jessica Gentry, who entered later in the meeting, of Roach & Associates, PLLC (the “District’s Attorney”); Brian Desilets and Eric Gonzalez of Clarity Consulting Corporation (the “District’s Bookkeeper”); Aric Braddock*, who entered later in the meeting, of ASB Services, Inc. (the “District’s Inspector”); Calep Estes of Touchstone District Services (the “District’s Communications Consultant”); and Charles Shirley, a member of the public. [*Remote Attendees]

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

PUBLIC COMMENTS

Mr. Shirley advised of his experience and interest in serving as the conservation and reclamation district elected representative on the Montgomery County Appraisal District (“MCAD”) Board.

CONSENT AGENDA: MINUTES

This item was deferred.

CONSENT AGENDA: CONSULTANT REPORTS

After some discussion, Director Fusca motioned to approve the following consultant reports: (1) Garbage Collection Report, attached hereto as **Exhibit “A”**; (2) Security Report, attached hereto as **Exhibit “B”**; (3) Tax Assessor’s Report, attached hereto as **Exhibit “C”**; and (4) Communications

Report, attached hereto as Exhibit “D”. Director Gourley seconded the motion, which passed unanimously.

Ms. Pena exited the meeting.

COMMITTEE REPORTS

The Board provided updates for the following Committees:

- (a) Development Committee. A discussion ensued regarding various pending development tasks for 2121 Riley Fuzzel, BCS, and the expansion of the detention pond.

BOOKKEEPER’S REPORT

Mr. Desilets presented the Bookkeeper’s Report, attached hereto as Exhibit “E”, noting that HMF Americana’s account has a deficit of \$5,412.95. After further discussion, Director Sterling motioned to approve the Bookkeeper’s Report and payment of invoices. Director Fusca seconded the motion, which passed unanimously.

SALES TAX REPORT AND STRATEGIC PARTNERSHIP AGREEMENT UPDATES

There was nothing new to report.

REVIEW ANNUAL SURVEY OF WAGE RATE SCALES

Mr. Roach discussed the requirements for adopting wage rate scales for construction and engineering projects. He further indicated that the Board has historically adopted the wage rate scales concurrent with the Montgomery County Davis Bacon Act (“DBA”). After some discussion, Director Humbert made a motion, seconded by Director Gourley, to adopt the wage rate scales concurrent with the DBA. The motion passed unanimously.

Mr. Braddock entered the meeting.

ENGINEER’S REPORT

Mr. Mueller presented the Engineer’s Report, attached hereto as Exhibit “F”. He stated that the District’s Engineer is continuing with the design of the reclaimed water treatment facility and requests authorization to advertise the project. After some discussion, Director Gourley motioned to authorize the advertisement of the Reclaimed Water System project. Director Fusca seconded the motion, which passed unanimously.

Next, Mr. Mueller noted that Grossman Design Build (“GDB”) is continuing with design with input from the Administration Building Committee for pending change orders. He then recommended Design Pay Application No. 3 in the amount of \$5,989.75 and Construction Pay Application No. 1 in the amount of \$185,250.00, both payable to GDB. The Board ensued a lengthy discussion regarding design updates for the Administration Building and associated cost changes.

The Board also discussed the reclaimed water facilities, deciding that the bollards should be removed from the design plans except for certain bollards near the porte cochere pillars and the fountain. Mr. Mueller noted that C3 Constructors, LLC ("C3") is progressing with work on the Water Plant No. 2 Booster Pump Addition and has completed approximately 50% of the electrical scope. He then presented Pay Estimate No. 2 in the amount of \$37,259.00, payable to C3.

Ms. Gentry entered the meeting.

After some discussion, Director Humbert motioned to approve: (1) the Engineer's Report; (2) Design Pay Application No. 3; (3) Construction Pay Application No. 1; and (4) Pay Estimate No. 2. Director Gourley seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Mr. Wright presented the Operator's Report, attached hereto as **Exhibit "G"**.

Director Sunderman entered the meeting.

Next, Mr. Wright presented the delinquent cut-off list. Director Sunderman inquired what the District's Operator does when a significant leak is detected. Mr. Wright said that they would post a door tag at the residence. Director Gourley noted that there should be an automatic shut-off after a certain number of gallons has leaked, and the system should be turned back on once repaired. Director Fusca inquired if there was a provision they could add to the Rate Order for an automatic shut-off. Mr. Roach confirmed that some of this language has been implemented in a draft Rate Order. He advised that the District could provide notice at least 24 hours before shutting off unless it was an emergency or issue to health. Director Humbert noted that there should be a time limit for response to the door tags. A discussion ensued further regarding language on the door tags and drip irrigation. After the discussion, Director Gourley motioned to approve the Operator's Report. Director Sunderman seconded the motion, which passed unanimously.

INSPECTOR'S REPORT

Mr. Desilets stated Hydro-Clear's invoice was incorrect, noting that it was a general fund activity rather than a joint fund. Director Fusca suggested that the Board hold the check until Hydro-Clear provides a corrected invoice. The Board concurred, and Mr. Desilets confirmed he would hold the check.

Messrs. Desilets and Gonzalez exited the meeting.

Mr. Braddock presented the Inspector's Report, attached hereto as **Exhibit "H"**. He requested approval for a closed-circuit television ("CCTV") for an existing sanitary sewer line in Fox Run by Hydro-Clear for \$35,000. After some discussion, Director Gourley motioned to approve the CCTV. Director Fusca seconded the motion, which passed unanimously. Next, Director Humbert inquired about the spare pump for the Legends Ranch Detention Facility. Mr. Braddock stated that the spare pump has been ordered; however, he is unaware of the current status. He further noted that the status of the pump #3 shaft repair by STP is unknown. After some discussion, Director

Gourley motioned to approve the Inspector's Report. Director Fusca seconded the motion, which passed unanimously.

Mr. Braddock exited the meeting.

REVIEW DROUGHT CONTINGENCY PLAN AND RATE ORDER FOR POSSIBLE AMENDMENTS

This item was discussed under the Operator's Report. The Board also concurred in adding permitting and pool inspections to the Rate Order.

JOINT FACILITIES ADVISORY COMMITTEE ("JFAC") MATTERS

Mr. Roach noted that the next JFAC meeting is on March 31, 2025, at 5:30 p.m. The Board discussed agenda items relating to well and aquifer monitoring options, the Drought Contingency Plan triggering criteria if Montgomery County (the "County") goes into a burn ban, and a meeting with the County Commissioner. Director Fusca noted that someone had destroyed a fire hydrant within the District. Mr. Wright suggested that the District's Operator could file a police report and have the insurance involved in replacing the hydrant. The Board concurred with the District's Operator to file a report and replace the fire hydrant.

DIRECTOR'S REPORT

Mr. Roach noted that the Board could place their vote in the MCAD election, noting that Mr. Shirley was a candidate. After some discussion, Director Fusca motioned to nominate Charles Shirley for the MCAD election. Director Gourley seconded the motion, which passed unanimously. Next, Director Humbert noted that the Lonestar Groundwater Conservation District has scheduled a special meeting for a public hearing on March 4, 2025, regarding the groundwater management plan. He said he was surprised by the timing of this hearing as a plan had been approved a while ago, and the new cycle of discussion for the Groundwater Management Area 14 is about to start.

Mr. Roach discussed the requirements of the South Montgomery County Stormwater Coalition ("SMCSWC"). He explained the options for a District standalone program, noting that any entity draining into public waters must have a Municipal Separate Storm Sewer System ("MS4") permit so the Board could have its own program or stay with the SMCSWC. Mr. Roach stated a new requirement where the District would need to provide education to the public through pamphlets, flyers, etc. Director Sunderman noted there are two (2) discharging locations for which the District does not have MS4s. Mr. Mueller confirmed that everything in the District is covered under the coalition, whether they are draining into Montgomery County Drainage District No. 6 or elsewhere. After some discussion, Director Fusca motioned to: (1) continue with the current SMCSWC; and (2) approve the 2024 certification and renewal. Director Gourley seconded the motion, which passed unanimously. Next, Director Sunderman provided an overview of the Water Environment Association of Texas conference he had recently attended.

ATTORNEY'S REPORT

Mr. Roach reviewed the District's required annual filing with the Special Purpose District Public Information Database ("SPDPID"), indicating much of the financial information used for the report is taken from the District's most recent audit. Director Fusca then made a motion, seconded by Director Gourley, to approve the filing of the District's financial report with the Comptroller. The motion passed unanimously.

Next, Director Sunderman stated that the County Commissioner wanted to schedule a workshop with the District to discuss general questions. Director Humbert noted that the Budget & Finance Committee would discuss the budget updates with the District's Bookkeeper in preparation for the Fiscal Year End 2026 Draft Operating Budget to be presented at the next meeting.

Messrs. Mueller and Estes exited the meeting.

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

The Board entered an executive session at 7:26 p.m. for legal consultation.

Mr. Wright and Ms. Garza exited the meeting.

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

The Board reconvened in open session at 8:30 p.m.

Director Fusca motioned to approve the Drought Contingency Plan customer appeal items discussed in the executive session. Director Gourley seconded the motion, which passed unanimously.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to reconvene for their next regular meeting on March 17, 2025, at 5:00 p.m. and a special JFAC meeting on March 31, 2025, at 5:30 p.m. There being no further business to discuss, 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 17th day of March 2025.

/s/ Leslie Gourley
Assistant Secretary, Board of Directors



LIST OF EXHIBITS

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