

SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
January 29, 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 Directors Fusca and Sunderman, who entered later in the meeting, thus constituting a quorum.

Also present were Mason Mueller and Amber Hurd, who entered later in the meeting, of Cobb, Fendley & Associates, Inc. (the “District’s Engineer”); Lonnie Wright of Municipal Operations & Consulting, Inc. (the “District’s Operator”); Jonathan Roach, Ray Arce, and Jessica Gentry* of Roach & Associates, PLLC (the “District’s Attorney”); Brian Desilets of Clarity Consulting Corporation (the “District’s Bookkeeper”); Aric Braddock of ASB Services, Inc. (the “District’s Inspector”); Danae Dehoyos and Calep Estes of Touchstone District Services (the “District’s Communications Consultant”); Sergeant Carswell of Montgomery County Constable, Precinct 3 (“MCC3”); Ryan Fortner of Revenue Management Services (the “District’s Sales Tax Consultant”); Tim Crawford of HMF Americana; and Jay Fawcett*, who entered later in the meeting, Carlos Rodriguez*, Tom Rumpitz*, Max Friedman*, and Todd Good*, members of the public. [*Remote Attendees]

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

Director Fusca entered the meeting.

PUBLIC COMMENTS

Mr. Crawford noted that he had brought his petition before the Board many months ago and is still awaiting an answer regarding water service.

Mr. Crawford exited the meeting.

Mr. Friedman addressed a Drought Contingency Plan (“DCP”) violation notice for two (2) addresses within the Birnham Woods Marketplace (“BWM”). He inquired about what the properties needed to do to comply, why they received a final notice, and how to work something out to waive the fees. Director Fusca inquired if BWM had a particular appeal or justification they would like the Board to consider and then noted that he would like to hear why they are requesting a waiver. Mr. Friedman noted that one (1) of the properties with a dripline was unaware that it was not allowed. He said BWM also thought the other property complied because they were only watering in common

areas, noting that “common areas” were not defined in the DCP. Director Humbert stated that the DCP mandates watering two (2) times per week, whether in a common area or not because it is an irrigation meter. Director Fusca inquired if BWM knew that the District had entered Stage 2 of the DCP before receiving the violation notice. Mr. Friedman stated that BWM was aware but thought they complied. Mr. Rodriguez noted that their first notice was received in September 2024, when they first learned about the DCP. Director Fusca stated that updates regarding the DCP are on every water bill. Director Humbert noted that the Board could review this matter further in the executive session.

Messrs. Rumpitz, Friedman, Rodriguez, and Good exited the meeting.

Mr. Fawcett entered the meeting.

CONSENT AGENDA: MINUTES

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

CONSENT AGENDA: CONSULTANT REPORTS

Director Sterling stated that the security committee attended a meeting held by MCC3 in December 2024. He noted a cost increase due to new requirements for the technology needed in patrol vehicles and body cameras. Mr. Carswell confirmed that the increased cost would be divided into specific allotments.

Ms. Hurd entered the meeting.

After some discussion, Director Gourley 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 Sterling seconded the motion, which passed unanimously.

COMMITTEE REPORTS

The Board provided updates for the following Committees:

- (a) **Park Committee**. Director Gourley noted that some of the equipment has been received, but the more significant portion will not be received for about 6 months. He further indicated they are waiting for the weather to clear before installing the smaller equipment.
- (b) **Communications Committee**. Director Humbert noted that they need to have a meeting to prepare the next newsletter and discuss some modifications to the website.
- (c) **Security Committee**. This item was discussed above.

(d) Development Committee. This item will be discussed in the executive session.

(e) SJRA Committee. Director Humbert noted that he attended the last Montgomery County Municipal Utility District No. 89 Board meeting. He stated that at the meeting, Quiddity Engineering noted that they are awaiting the SJRA's confirmation that the extension will work hydrologically before continuing with the easement acquisition and surveying of the area.

Director Humbert confirmed that the seminars presented at the Association of Water Board Directors Conference were recorded and would be posted online soon.

BOOKKEEPER'S REPORT

Mr. Desilets noted that the District's Bookkeeper researched rates for certificate of deposits ("CD") and presented the same. He confirmed that their account at Cadence Bank was closed. Mr. Desilets said they could leave their money in the money market or split it. Director Humbert suggested putting as much money as they could in Texas Class. Mr. Roach noted the new proposed legislation forbidding the investment of public funds in investment pools that the Comptroller of Public Accounts does not manage. The Board concurred that the Budget & Finance Committee should discuss this further with the District's Bookkeeper.

Next, Mr. Desilets presented the Bookkeeper's Report, attached hereto as **Exhibit "E"**. After further discussion, Director Fusca motioned to approve the Bookkeeper's Report and payment of invoices. Director Sterling seconded the motion, which passed unanimously.

EXEMPTIONS FROM TAXATION FOR 2025

Mr. Roach presented and reviewed the Resolution Concerning Exemptions from Taxation for 2025 (the "Resolution"), attached hereto as **Exhibit "F"**. He then explained that the District's Financial Advisor recommended adopting a general homestead exemption of twenty percent (20%), which is no change from the prior year. After a brief discussion, Director Gourley motioned to keep the homestead exemption at twenty percent (20%), to keep the 65 years of age and older and federal disability tax exemption at \$55,000 for the tax year 2025, and to adopt the corresponding Resolution. Director Sterling seconded said motion, which passed unanimously.

ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Roach noted that pursuant to applicable sections of the Texas Tax Code, the District can levy an additional penalty of up to twenty percent (20%) to cover the costs of collections on any delinquent personal property tax accounts as of February 1 each year. After a brief discussion, Director Sterling motioned to maintain the previously approved twenty percent (20%) additional penalty as authorized for 2023 and to authorize the District's Attorney to proceed with the usual statutory/contractual twenty percent (20%) additional penalty to be effective February 1, 2025. Director Gourley seconded the motion, which passed unanimously.

SALES TAX REPORT AND STRATEGIC PARTNERSHIP AGREEMENT UPDATES

Mr. Fortner presented the Sales Tax Report. After some discussion, Director Gourley motioned to approve the Sales Tax Report. Director Fusca seconded the motion, which passed unanimously. Next, Director Fusca motioned to authorize the District's Sales Tax Consultant to submit the list of taxable business entities to the City of Houston. Director Sterling seconded the motion, which passed unanimously.

Mr. Fortner exited the meeting.

ENGINEER'S REPORT

Mr. Mueller presented the Engineer's Report, attached hereto as **Exhibit "G"**. He noted that the Water Plant No. 2 Booster Pump had been delivered and the C3 Constructors, LLC plans to mobilize this week. He then presented Pay Estimate No. 1 in the amount of \$38,000.00 payable to C3 Constructors, LLC.

Director Sunderman entered the meeting.

Next, Mr. Mueller presented an update on the grant process, noting that the District's Engineer is ready to formally submit the application for federal funding review but would include additional anticipated costs. Director Sunderman stated that he did not authorize the District's consultants to work on the grant process and preferred hiring a grant writer. A discussion ensued regarding grant programs and grant writing assistance. After some discussion, Director Fusca motioned to approve: (1) the Engineer's Report; (2) Pay Estimate No. 1, as noted above; and (3) the authorization of the District's Engineer to start the grant application process. Director Sterling seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Mr. Wright presented the Operator's Report, attached hereto as **Exhibit "H"**. Next, he presented the delinquent cut-off list. Finally, he presented the Water Smart Application for Board execution. After some discussion, Director Gourley motioned to approve the Operator's Report. Director Sterling seconded the motion, which passed unanimously.

Mr. Desilets exited the meeting.

INSPECTOR'S REPORT

Mr. Braddock presented the Inspector's Report, attached hereto as **Exhibit "I"**.

Mr. Fawcett exited the meeting.

After some discussion, Director Sterling motioned to approve the secondary channel change order, as provided in the report. Director Fusca seconded the motion, which passed unanimously. Next, Director Gourley motioned to approve the Inspector's Report. Director Fusca seconded the motion, which passed unanimously.

JOINT FACILITIES ADVISORY COMMITTEE ("JFAC") MATTERS

The Board concurred to hold the next JFAC meeting on March 31, 2025.

DIRECTOR'S REPORT

Director Humbert noted that the SJRA has not met since October 2024, and our representative, Benjamin Slotnick, has not been put in place yet. He also said he listened to the Lonestar Groundwater Conservation District's meeting, stating they will host the Groundwater Management Area 14 meeting next month.

Director Sunderman reported that he met with the new County Commissioner, noting that the Board could invite their representatives to a future meeting. Next, he noted that he attended the North Harris County Regional Water Authority's meeting, where they had hired a lobbyist. Director Sunderman inquired if hiring a lobbyist for the District would be legal. Mr. Roach confirmed that hiring a lobbyist is legal for now, noting that water districts and other authorities do it regularly but that new legislation may no longer allow it. Director Sunderman then noted that he would rather hire a competitive grant writer than have the grants written by the District's consultants.

ATTORNEY'S REPORT

Mr. Roach presented an overview of the pending bills in this year's legislative session.

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

The Board entered an executive session at 8:06 p.m. for legal consultation.

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

The Board reconvened in open session at 9:19 p.m.

Director Fusca motioned to approve: (1) waiving of DCP violation fees for both BWM properties; (2) deferral of approving Ivy Kids' DCP violation fees; (3) a 50% one-time waiver of fees for the Spring Creek Pines Homeowners Association; and (4) deferral of approving Aldi's DCP violation fees. 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 February 17, 2025, 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 17th day of March 2025.

/s/Leslie Gourley

Assistant Secretary, Board of Directors

[SEAL]



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 – Resolution Concerning Exemptions from Taxation for 2025
- Exhibit G – Engineer's Report
- Exhibit H – Operator's Report
- Exhibit I – Inspector's Report