

SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
March 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 Directors Fusca and 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, who entered later in the meeting, and Jessica Gentry 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”); Danae Dehoyos and Calep Estes of Touchstone District Services (the “District’s Communications Consultant”); Kathryn Foss of Municipal Financial Services, LLC; Sergeant Carswell, who entered later in the meeting, of Montgomery County Constable, Precinct 3; and Lindsey DeLong, who entered later in the meeting, Danielle Fussell, and Amri Virani, members of the public. [*Remote Attendees]

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

PUBLIC COMMENTS

Ms. Fussell inquired about when the Drought Contingency Plan (“DCP”) mandates would be ending. She also inquired how the District would be able to provide capacity for the new apartment development without affecting the water pressure of existing developments. Director Humbert noted that the Joint Facility Advisory Committee determines when the DCP is in effect and stated that the committee would meet again on March 31, 2025. He then noted that the District is trying to conserve as much water as possible since we haven’t had much rain. Next, Director Humbert explained that it would be a while before the new apartment development is built and in need of service but confirmed that the District had enough capacity to provide before considering the construction of Well No. 3.

CONSENT AGENDA: MINUTES

The Board considered the regular meeting minutes from January 29, 2025, and February 17, 2025, as well as the special meeting minutes from February 12, 2025, for approval. After some discussion, Director Gourley motioned to approve the January 29, 2025, regular meeting minutes, subject to revisions. Director Sterling seconded the motion, which passed unanimously. Next, Director Gourley motioned to approve the February 12, 2025, special meeting minutes. Director Sterling seconded the motion, which passed unanimously. Finally, Director Gourley motioned to approve the February 17, 2025, regular meeting minutes, subject to revisions. Director Sterling seconded the motion, which passed unanimously.

CONSENT AGENDA: CONSULTANT REPORTS

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

Ms. Pena exited the meeting.

COMMITTEE REPORTS

The Board provided updates for the following Committees:

- (a) **Budget & Finance Committee.** Director Humbert noted that the committee had worked on the EVO Report and that the District’s Bookkeeper had prepared a draft fiscal year ending (“FYE”) 2026 Operating Budget.
- (b) **Park Committee.** Director Gourley noted that the committee met with the District’s Inspector the previous week to finalize the year’s numbers but needed to clarify a few details.
- (c) **Communication Committee.** Director Humbert noted that the newsletter is almost ready and will be published that week.
- (d) **Security Committee.** Director Sterling noted that Sergeant Carswell had sent updated pricing for the in-car security systems. He stated that the pricing was intended to align with the District’s budget.
- (e) **Development Committee.** Director Gourley noted that some contractors were burning excess materials in Fox Run and lacked control over the flames. He confirmed that the contractors had been fired and requested that Fox Run inform the Board if they were to return.
- (f) **SJRA Committee.** Director Humbert noted that the agreement was signed the day of the last San Jacinto River Authority (“SJRA”) Groundwater Reduction Plan meeting and that the design is being worked on. He said that more information would be discussed at the Joint Facilities Advisory Committee meeting on March 31, 2025.

(g) Administration Building Committee. Mr. Mueller noted that the District received clearance to proceed.

BOOKKEEPER'S REPORT

Mr. Desilets presented the Bookkeeper's Report, attached hereto as **Exhibit "D"**. Next, Mr. Desilets presented the Draft FYE April 30, 2026, Operating Budget, advising that it could be adopted at the Board's next meeting. After further discussion, Director Gourley motioned to approve the Bookkeeper's Report and payment of invoices. Director Sterling seconded the motion, which passed unanimously.

RESEARCH UNCLAIMED PROPERTY, PROVIDE NOTICE TO UNCLAIMED PROPERTY OWNERS, AND FILE REPORT

Mr. Roach advised that the District is required to research any unclaimed property related to water utility deposits, tax overpayments, and additional funds that the District may be holding, which will need to be reported and, in some cases, escheated to the State of Texas. He also advised that notice must be given by May 1, 2025, to any owners of unclaimed property valued over \$250. After some discussion, Director Sterling motioned to authorize the District's consultants to research any unclaimed property held by the District and provide the necessary notice, as applicable. Director Gourley seconded the motion, which passed unanimously.

SALES TAX REPORT AND STRATEGIC PARTNERSHIP AGREEMENT UPDATES

There was nothing new to report.

EVO REPORT

Ms. Foss presented the EVO Report.

Mr. Desilets temporarily exited the meeting.

Mr. Arce and Sergeant Carswell entered the meeting.

Ms. Foss noted that she would be sending her amended contract to the District's Attorney, reflecting a slight increase in pricing.

ENGINEER'S REPORT

Mr. Mueller presented the Engineer's Report, attached hereto as **Exhibit "E"**.

Mr. Desilets re-entered, and Director Sunderman, Mr. Braddock, and Ms. DeLong entered the meeting.

Mr. Mueller presented a proposal for a water well site study for the future Well No. 4, requesting Board approval. Next, he presented a change order in the amount of \$25,900.00 payable to Grossman Design Build for the sanitary sewer connection at the District Administration Building. Then, Mr. Mueller requested authorization to advertise the Water Plant No. 3 project, noting that the Texas Commission on Environmental Quality had approved the design documentation, and the permit application had been submitted to the Lonestar Groundwater Conservation District (“LSGCD”). Finally, he presented Pay Estimate No. 3 in the amount of \$47,766.00, payable to C3 Constructors, LLC, for the Water Plant No. 2 Booster Pump Addition. After some discussion, Director Gourley motioned to approve: (1) the Well No. 4 site study; (2) the Grossman Design Build Change Order; (3) authorization for the District’s Engineer to advertise the Water Plant No. 3 project; and (4) Pay Estimate No. 3. Director Sterling seconded the motion, which passed unanimously.

Messrs. Arce and Braddock temporarily exited the meeting.

Director Sunderman noted that the District’s website featured outdated bond information and suggested posting the new 30-year Capital Improvement Plan in its place. Director Humbert pointed out that the Communications Committee is working on updates for the website. Next, Director Sterling inquired whether signage would be installed to inform residents that the District Administration Building is under construction. Mr. Mueller confirmed that the District’s Engineer can place a sign adjacent to where the building will be constructed.

Director Fusca entered, and Director Gourley temporarily exited the meeting.

Director Humbert stated that the Board should start allowing electronic bidding for construction projects. Mr. Roach noted that the Board had previously considered this but had never approved it. He explained that the Board can authorize a resolution authorizing electronic bidding. Mr. Mueller confirmed that online bidding allows for more potential biddings and competitive bid results. After some discussion, Director Sunderman motioned to adopt the Order Adopting Electronic Bidding. Director Sterling seconded the motion, which passed four-to-zero (4-0) with Director Gourley absent from the vote.

OPERATOR’S REPORT

Mr. Wright presented the Operator’s Report, attached hereto as **Exhibit “F”**.

Director Gourley and Mr. Braddock re-entered the meeting.

Messrs. Desilets and Gonzalez exited the meeting.

The Board then discussed specific provisions in the Rate Order. After some discussion, Director Gourley motioned to approve the Operator’s Report. Director Sterling seconded the motion, which passed unanimously.

INSPECTOR’S REPORT

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

Ms. Foss exited the meeting.

Mr. Braddock noted that a resident off Legends Run was losing their elevation from the bordering swale, resulting in their fence being replaced a number of times. The Board ensued a discussion regarding options for fixing the fence or elevating the resident's property. Next, Mr. Braddock presented a pay application and change order for the secondary channel rehabilitation payable to Savage Construction. After some discussion, Director Fusca motioned to approve the pay application and change order. Director Sunderman seconded the motion, which passed unanimously. After no further discussion, Director Fusca motioned to approve the Inspector's Report. Director Sunderman seconded the motion, which passed unanimously.

SECURITY REPORT

Sergeant Carswell presented the Security Report, including the updated pricing for security equipment. After a lengthy discussion, Director Sterling motioned to approve: (1) the replacement of in-car computers using the current budget; and (2) the District's Attorney to send a Letter of Intent. Director Fusca seconded the motion, which passed unanimously.

Sergeant Carswell, Mr. Braddock, and Ms. DeLong exited the meeting.

PUBLIC COMMENTS CONTINUED

Mr. Virani thanked the Board for the work they do and requested that the DCP violation fee be waived, noting that no further violations would occur. Director Humbert suggested that Mr. Virani download their smart meter app that notifies residents when there is a leak. Mr. Virani confirmed that he has signed up for the app and is trying to be more conscious of water conservation. Director Fusca inquired if he was aware that the District had a DCP before receiving the violation, noting they have included this notice on billings, newsletters, and the District's website. Mr. Virani stated that he was unaware of the DCP before receiving the violation and apologized for not having seen it sooner. Director Sunderman noted that he could install a drip system to prevent future penalties. Mr. Virani thanked Director Sunderman for the recommendation. The Board concurred to discuss the matter in executive session.

Mr. Virani exited the meeting.

POSSIBLE RATE ORDER AMENDMENTS

The Board concurred to have a Rate Order Committee meeting on March 24, 2025, at 10:00 a.m.

JOINT FACILITIES ADVISORY COMMITTEE ("JFAC") MATTERS

The Board concurred to hold a special JFAC meeting on March 31, 2025, at 6:30 p.m.

Ms. Fussell exited the meeting.

Director Humbert noted that Montgomery County Municipal Utility District No. 89 had prepared a resolution proposing a change in legislation stating that the LSGCD should do more in-depth reporting on the water wells. Director Humbert noted that the Board could vote on the resolution in support of that legislation. After some discussion, Director Gourley motioned to approve the resolution in support of said legislation. Director Sterling seconded the motion, which passed unanimously.

DIRECTOR'S REPORT

Director Humbert noted that the San Jacinto River Authority ("SJRA") was in the process of its budget review. Next, he said that the LSGCD had discussed revisions to its conservation management plan, a review that they conduct every two (2) years to make minor corrections. Director Sunderman noted that the election for the road bond is scheduled for May and mentioned potential public hearings that will be held. He also stated that he is collaborating with the District's Engineer to find a grant writer for the District.

Next, Mr. Roach discussed the Montgomery County Appraisal District's 2025 Election, noting that Charles Shirley had been added to the ballot for new board member positions. He stated that the Board needed to place their vote by March 21, 2025, for a representative. After some discussion, Director Sunderman motioned to vote for Charles Shirley. Director Fusca seconded the motion, which passed unanimously. Then, Mr. Roach noted that the Texas Special Districts Coalition had created a memorandum of understanding and requested approval for the District's Attorney to sign on behalf of the District, stating they are interested in the coalition and want to continue receiving more information about it. After some discussion, Director Fusca motioned to authorize the District's Attorney to sign on behalf of the District regarding its interest in the coalition. Director Gourley seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Mr. Roach stated that March 14, 2025, was the last day to file bills for the legislative session. He explained that there will be a lot of activity in the committees resulting from the legislative session in the next couple of months. He noted that the District's Attorney is working on an updated list of bills to send to the Board.

WATER SMART EVENT (APRIL 8, 2025)

Director Humbert stated that the Board needs to reevaluate the meaning of the Water Smart Event, noting that they should start including more educational resources. The Board ensued in discussion regarding various ideas on how to educate the public at these events.

Ms. Dehoyos, Messrs. Calep, and Mueller exited the meeting.

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

The Board entered an executive session at 9:04 p.m. for legal consultation.

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

The Board reconvened in open session at 9:28 p.m.

Director Gourley motioned to: (1) apply the penalties as discussed on the DCP violation list; and (2) approve a payment plan of up to 12 months for Ivy Kids. Director Fusca seconded the motion, which passed four-to-zero (4-0), with Director Sunderman abstaining from the vote.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to reconvene for a special JFAC meeting on March 31, 2025, at 6:30 p.m. and a regular meeting on April 21, 2025, at 5:00 p.m. There being no further business to discuss, Director Sterling motioned to adjourn the meeting. Director Gourley seconded the motion, which passed unanimously.

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Passed and approved this 21st day of April 2025.

/s/ Frederick Sunderman
Secretary, Board of Directors

[SEAL]



LIST OF EXHIBITS

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