

SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
February 19, 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
Melvin Willcockson	-	Director

All of said members were present except for Director Sunderman, who entered later in the meeting, and Director Willcockson, thus constituting a quorum.

Also present were Monica Pena, a representative of Utility Tax Services, LLC (the “District’s Tax Assessor”); Mason Mueller and Amber Hurd, representatives of Cobb, Fendley & Associates, Inc. (the “District’s Engineer”); John Montgomery, a representative of Municipal Operations & Consulting, Inc. (the “District’s Operator”); Jonathan Roach, Ray Arce*, and Jessica Gentry, representatives of Roach & Associates, PLLC (the “District’s Attorney”); Brian Desilets, a representative of Clarity Consulting Corporation (the “District’s Bookkeeper”); Aric Braddock, a representative of ASB Services, Inc. (the “District’s Inspector”), who entered later in the meeting; Danae Dehoyos and Calep Estes, representatives of Touchstone District Services (the “District’s Communications Consultant”); Matthew Malmquist, a representative of Riley Fuzzel Holdings, LLC (“RFH”); and Tim Crawford, a representative of HMF Americana (“HMF”).
[*Remote Attendees]

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

PUBLIC COMMENTS

There were no public comments.

WINTER WEATHERIZATION/READINESS

There was nothing new to discuss.

CONSENT AGENDA: MINUTES

The Board considered for approval the special meeting minutes for January 2, 2024, and the regular meeting minutes for January 22, 2024. After some discussion, Director Gourley motioned to approve the special meeting minutes for January 2, 2024. Director Fusca seconded the motion, which passed unanimously. Next, Director Gourley motioned to approve the regular meeting minutes for January 22, 2024, subject to revisions. Director Fusca seconded the motion, which passed unanimously.

CONSENT AGENDA: CONSULTANT REPORTS

Director Humbert noted that although this year's tax collections are better than those in the January 2024 report, the District is still significantly behind last year's collections. Ms. Pena stated that the District's collections are currently at 95.12%, noting that collections were at 92.4% as of January 31, 2023, last year. After some discussion, Director Fusca motioned to approve the following consultant reports: (1) Security Report, attached hereto as Exhibit "A"; (2) Garbage Collection Report, attached hereto as Exhibit "B"; and (3) Tax Assessor's Report, attached hereto as Exhibit "C". Director Gourley seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Mr. Montgomery presented the Operator's Report, attached hereto as Exhibit "D". He noted that when SKE Construction, LLC ("SKE") was installing a tap at an old firehouse, SKE discovered a line break on their private side that leaked for six (6) days. He further noted that SKE wants to pay the amount in full and the San Jacinto River Authority fees. Mr. Montgomery inquired if the Board would consider charging SKE the residential rate instead of the commercial rate. After some discussion, the Board concurred to charge SKE the usage amount in full at the residential rate.

Next, Mr. Montgomery noted that there has been an outstanding bill to the Homeowners Association ("HOA") regarding water usage. He indicated that after further investigation, there was a faulty meter with incorrect readings; therefore, Mr. Montgomery suggested the District credit the HOA back the late fees. Mr. Montgomery also noted that three (3) of the HOA's irrigation systems are logged off, and the HOA would need to contact the District's Operator to turn them back on. Mr. Montgomery then stated that a line item for the Legends Run Lift Station oil change needed to be added to the District's Operating Budget for the upcoming fiscal year. He further presented the maintenance needed annually or monthly and advised that he would have final numbers to add to the Operating Budget.

Then, Mr. Montgomery noted that he received two hundred-fifty (250) warranty meters from Badger Meter to replace the District's faulty meters. He also stated that the only expense would be the labor for the replacement. Director Gourley inquired how much labor would be involved. Mr. Montgomery stated it would be approximately \$65 to \$75 per hour.

Ms. Pena exited the meeting.

Director Sunderman entered the meeting.

Director Humbert inquired if the District's Bookkeeper is still holding Badger Meter's checks. Mr. Montgomery confirmed that the previous billing issues have been resolved, so there was no need to continue holding the checks. After some discussion, Director Gourley motioned to approve the Operator's Report. Director Humbert seconded the motion, which passed unanimously.

BOOKKEEPER'S REPORT

Mr. Desilets presented the Bookkeeper's Report, attached hereto as **Exhibit "E"**. Director Fusca inquired how much the District owed on its outstanding bonds. Director Sunderman asked how close the Directors were to reaching their maximum per diem amounts. Mr. Desilets noted that most of the Directors had either reached or were close to reaching their maximum per diem amount, except Director Willcockson. He further indicated that he would add the outstanding bond amounts to his monthly report.

After some discussion, Director Sunderman motioned to approve the Bookkeeper's Report and payment of invoices. Director Gourley seconded the motion, which passed unanimously. Director Sunderman then requested a 10-year projection of the District's spending on future reimbursable projects.

FOREST VILLAGE DRAINAGE FACILITY MATTERS, INCLUDING RESIDENT ISSUES AND PENDING LITIGATION

Mr. Roach advised that the Board discuss this item in executive session.

METES AND BOUNDS SURVEY FOR LEGAL DESCRIPTION OF FOREST VILLAGE PONDS

Director Fusca noted there is a disconnect between the Forest Village Homeowners Association ("FVHOA") and the District regarding the ownership of property. He suggested that the District conduct a survey, not including the Forest Village pond, to understand who owns the different pieces of land. Director Sunderman stated that the District needs to tell the FVHOA that if the District were to take its rightful portion of land, it would not be subject to any restrictions. He then motioned to communicate in writing with Woodmere that the Water Plant No. 3 site be deeded to the District. Director Fusca amended the motion, stating that Woodmere's reimbursement would be delayed if the site is not deeded. The motion passed unanimously.

Messrs. Malmquist and Braddock entered the meeting.

DEVELOPERS' REPORT

Director Humbert inquired about the status of the Change of Scope and Surplus Funds Application submitted to the Texas Commission on Environmental Quality ("TCEQ"). Mr. Roach confirmed that he had received a request for more information from the TCEQ, which indicated that the application was being reviewed.

Next, Mr. Mueller provided the following updates:

- (a) Cookie Co., 2222 Rayford Road, noting that the District's Engineer is awaiting receipt of additional proposed plans to review for this development;
- (b) RFH, 2121 Riley Fuzzel, noting that the District's Engineer is awaiting receipt of plans for the secondary drainage channel modification from RFH's engineer for review. Mr. Malmquist stated that the review and completed design of the updated channel would be done by the end of the week. He further noted that they do not need to re-permit their site and hope to receive a no-objection letter from the District's Engineer for the updated

site review. Mr. Mueller confirmed that he could review the civil site plans along with the channel improvement plans simultaneously and would issue a no-objection letter once they have been examined, if acceptable;

(c) BCS Capital Group, LLC, Locke Tract, noting they are pending the receipt of engineering fees from BCS Capital Group, LLC to begin design;

(d) Fieldhouse Project, 2007 Riley Fuzzel Road, noting the public utility extension project is complete, and the District's Engineer has scheduled a one (1) year warranty review; and

(e) HMF, 56 Acres Riley Fuzzel, noting that an updated feasibility study was shared with the Board at the last meeting. Mr. Crawford noted that Montgomery County Drainage District No. 6 ("DD6") stated that HMF was correct about the flow of their site being within DD6's territory, so they are now discussing various annexation options. A conversation ensued regarding the annexation process for DD6. Mr. Crawford stated that his property may not be annexed until June 2024. Director Sunderman inquired if Mr. Crawford had purchased the property yet. Mr. Crawford said he would not buy the land until everything was settled with the District.

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

The Board entered into executive session at 6:15 p.m. with the District's Attorney and Mr. Crawford.

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

The Board reconvened in open session at 7:00 p.m.

Messrs. Crawford and Malmquist exited the meeting.

REVIEW ANNUAL SURVEY OF WAGE RATE SCALES

Mr. Roach noted that the District must adopt a set of wage rate scales for construction projects within the District. He then advised that the District has historically adopted the wage rate scales used by Montgomery County (the "County"). After a brief discussion, Director Gourley made a motion for the District to continue adopting the wage rate scales used by the County. Director Fusca seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Mueller presented the Engineer's Report, attached hereto as Exhibit "F", and provided updates on the following:

(1) General District Engineering:

(a) Water Capacity Analysis, noting the District's Engineer received additional comments from the TCEQ regarding the north pressure plane Alternative Capacity

Request renewal submission and confirmed they plan to resubmit the renewal this month. Mr. Mueller further noted that the District's Engineer is coordinating the additional requested information with the District's Operator;

- (b) Fox Run Drainage Analysis, noting the next DD6 meeting is scheduled for Thursday, March 21, 2024. Mr. Mueller then confirmed that DD6's attorney is reviewing the drainage channel's deed regarding impact fees;
 - (c) District Building, noting that an updated and signed contract from Grossman Design Build ("GDB") has been provided to the District's Attorney for review. Mr. Roach stated he had a few comments and would coordinate with GDB;
 - (d) Reclaimed Water System, noting the District's Engineer toured a reclaimed water treatment facility utilizing the proposed filter technology. He then stated that the District's Engineer prepared the enclosed proposals for the reclaimed water plant and phase 1 distribution system for the Board's consideration. The Board considered the addition of filter basins, bond issues, and placing a concrete road alongside the basins. After some discussion, Director Fusca motioned to move forward on the plant design presented. Director Gourley seconded the motion, which passed three to one (3-1), with Director Sunderman abstaining; and
 - (e) Water Plant No. 1 Ground Storage Tank, noting the District's Engineer is coordinating with the District's Inspector and DN Tanks to assess and prepare a recommended repair of a longitudinal crack in the ground storage tank at Water Plant No. 1.
- (2) District Projects (*Design*):
- (a) Water Plant No. 2 Booster Pump Addition, noting the District's Engineer is continuing with the design of the booster pump addition and that the TCEQ and the County approved plans. Next, he noted that the District's Engineer resubmitted updated plans to the City of Houston (the "City") and requested authorization to advertise and bid contingent upon approval by the City. After some discussion, Director Sunderman motioned to authorize advertisement and bidding of the Water Plant No. 2 Booster Pump Addition project, subject to the City's approval. Director Humbert seconded the motion, which passed unanimously.; and
 - (b) Water Plant No. 3, noting the design is on hold for the proposed Water Plant No. 3 and explaining the need for land deeds for inclusion in the District Engineer's design submittal to the TCEQ.
- (3) District Projects (*Construction*):
- (a) Fox Run Water Line Rehabilitation Phase 2, noting SKE will be complete with pipe bursting over the next week, as well as continuing site restoration. He then presented Pay Application No. 8 in the amount of \$301,528.10 payable to SKE. Director Sunderman motioned to approve Pay Application No. 8 in the amount of \$301,528.10 payable to SKE. Director Fusca seconded the motion, which passed unanimously;
 - (b) MC89 Water Plant No. 2 Autosensory Panel Replacement, noting that McDonald Municipal & Industrial is expecting delivery of the panel by early April; and

- (c) Fieldhouse Utility Extension, noting that this project is complete. Director Sunderman noted that the Fieldhouse was open but experienced a gas leak that caused it to shut down. Director Fusca confirmed that the Fieldhouse is running again. The Board thanked the District's Engineer for their effort on this project.

A discussion ensued regarding the pricing scenarios for the District's proposed administration building. Director Humbert explained the worst-case scenario pricing from GDB, noting that they have a concept in place but still have options available for designs. After some discussion, Director Fusca motioned to accept GDB's pricing estimates for the administration building. Director Gourley seconded the motion, which passed unanimously.

FUTURE REQUIREMENTS FOR LEAD AND COPPER RULES

There was nothing new to report.

PREVENTATIVE MAINTENANCE PROGRAM

There was nothing new to report.

JOINT FACILITIES ADVISORY COMMITTEE MATTERS

Mr. Roach noted that the Board's Joint Facilities Advisory Committee ("JFAC") meeting is on February 29, 2024, at 5:30 p.m. The Board then reviewed and discussed items to be added or removed from the February 29, 2024 special JFAC meeting agenda.

DIRECTOR'S REPORT

Director Humbert noted that the Lonestar Groundwater Conservation District ("LGCD") had a presentation about water levels in Groundwater Management Area No. 14 comparing 2009 to 2023. He then encouraged the Directors to review the LGCD meeting recording. Director Humbert also noted that the water conservation symposium would be on February 22, 2024.

COMMUNICATIONS REPORT

Ms. Dehoyos presented the Communications Report, attached hereto as **Exhibit "G"**. Director Humbert noted that he and Director Fusca met with the District's Communications Consultant a few weeks prior. A discussion ensued regarding signing up and opting out of text alerts for their residents.

INSPECTOR'S REPORT

Mr. Braddock presented the Inspector's Report, attached hereto as **Exhibit "H"**, noting the final line segment on Buckminister and Fox Run Boulevard will be completed the following week, and SKE will complete cleanup and yard restoration by the end of March. He then presented some optional quantity adjustments for the Americans with Disabilities Act ("ADA") requirements regarding the ramps, associated sidewalks, and curbs in Phases 1 and 2. Mr. Braddock noted there is a line item in the Operating Budget for sidewalks and advised that the Board could use those

funds to comply with the ADA requirements. The Board ensued in a discussion regarding missing sidewalk pieces in Birnham Woods. After some discussion, Director Gourley motioned to move forward with the adjustments for ADA compliance in Phase 1 and Phase 2 and the additional sidewalks that need to be repaired in Fox Run. Director Fusca seconded the motion, which passed unanimously.

Next, Mr. Braddock requested an additional weekly cleaning of the port-a-can for park visitors. He noted that multiple ongoing constructions within Fox Run make the units unacceptable for use. The Board concurred to allow an additional weekly cleaning of the port-a-cans. Mr. Braddock then noted that CDC Unlimited LLC is requesting a contract price adjustment effective May 1, 2024 for the mowing of all channels and ponds in the District. He further indicated that this could be discussed further at the District's future budget meeting. Next, Mr. Braddock discussed closed-circuit television surveillance taken of the sanitary sewer line on Raystone and Brookchase and shared the results with the Board. After a lengthy discussion, Director Gourley motioned to approve the Inspector's Report. Director Fusca seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Mr. Roach reviewed the District's required annual filing with the Comptroller's Special Purpose District Public Information Database and explained the financial information used for the filing is taken from the District's most recent audit. Director Fusca motioned to approve the filing with the Comptroller. Director Gourley seconded the motion, which passed unanimously. Next, Mr. Roach noted that Director Willcockson would not be running for this year's 2024 Directors Election and that Paul Sterling, Director Fusca, and Director Gourley are the three (3) unopposed candidates. He further indicated that February 23, 2024, is the first day to cancel the Director's Election, advising that the Board could make a motion at their next meeting.

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

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

The Board entered into executive session at 8:32 p.m. with the District's Attorney and the District's Operator.

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

The Board reconvened in open session at 9:16 p.m. There was no action taken from the executive session.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to hold the Water Smart Event on April 16, 2024. Next, the Board concurred to reconvene for a special JFAC meeting on February 29, 2024 at 5:30 p.m. and their next regular meeting on March 18, 2024, at 5:00 p.m. There being no further business to discuss,

Director Fusca motioned to adjourn the meeting. Director Sunderman seconded the motion, which passed unanimously.

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Passed and approved this 18th day of March 2024.

/s/ Frederick Sunderman
Secretary, Board of Directors

[SEAL]



LIST OF EXHIBITS

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