

SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
November 18, 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
Paul Sterling	-	Director

All the said members were present except Directors Sunderman and Fusca, 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 and Amber Hurd, who entered later in the meeting, of Cobb, Fendley & Associates, Inc. (the “District’s Engineer”); Lindsey DeLong and Lonnie Wright of Municipal Operations & Consulting, Inc. (the “District’s Operator”); Sergeant Carswell of Montgomery County Constable, Precinct 3; Jonathan Roach* and Ray Arce, who entered later in the meeting, and Jessica Gentry of Roach & Associates, PLLC (the “District’s Attorney”); Brian Desilets, who entered later in the meeting, 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”); Matthew Malmquist, who entered later in the meeting, of Riley Fuzzel Holdings, LLC; and Meg Jordan, a resident in the District.

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

PUBLIC COMMENTS

Ms. Jordan addressed the Board stating that her property borders an easement with the District, noting that some of the trees on the easement had started shifting positions after Hurricane Beryl. Ms. Jordan stated that she had contacted the District’s Operator several times but received little follow-up after someone came out to take pictures of the area. She then expressed concern about trees, branches, and growth hanging on electrical wires and rotting her fence. Ms. Jordan inquired about the District’s responsibility for the maintenance of the area. Director Gourley explained that confirmation of property ownership was needed before any clearing could take place and noted that he and the District’s Inspector would inspect the area soon.

Directors Sunderman and Fusca, as well as Mr. Desilets, entered the meeting.

Ms. Jordan exited the meeting, while Mr. Wright temporarily exited the meeting.

SECURITY REPORT

Sergeant Carswell presented the Security Report, attached hereto as **Exhibit “A”**. He then requested authorization for overtime up to \$15,000 for December 2024 and January 2025 due to an expected increase in holiday crime. He then explained that the extra responsibilities would include burglary of motor vehicles and mail/package theft from front porches.

Messrs. Arce and Braddock entered the meeting.

Director Sunderman inquired if there would be extra coverage on the Grand Parkway. Sergeant Carswell stated that the constables would only be in the District. Director Humbert noted that the Board needs to review the budget to see if overtime requests would be financially plausible. Director Fusca stated that the overtime request is within the District’s budget and recommended that the Board approve the request. After some discussion, Director Gourley motioned to authorize security overtime requests not to exceed \$15,000 for December 2024 and January 2025. Director Sterling seconded the motion, which passed unanimously.

Next, Sergeant Carswell stated that the new patrol vehicle would be on the streets in a few weeks. Director Sterling inquired if the deputies were checking all the District’s facilities to ensure the gates were locked. Sergeant Carswell noted that the facility on Leichester had a code change, so they could not investigate the area. Mr. Braddock confirmed that he would provide the new code to Sergeant Carswell. Director Fusca inquired how often the constables drove by the District’s facilities. Sergeant Carswell confirmed that the constables were driving by the facilities at least twice per shift, with three (3) shifts per day. After some discussion, Director Gourley motioned to approve the Security Report. Director Sterling seconded the motion, which passed unanimously.

CONSENT AGENDA: MINUTES

This item was deferred.

CONSENT AGENDA: CONSULTANT REPORTS

Director Sterling inquired if the garbage collection issues discussed at the last meeting had been resolved. Ms. DeLong confirmed that the issue had been resolved. Director Gourley suggested that the Board provide 40-foot roll-offs for Christmas garbage collection. The Board ensued in further discussion regarding the location and advertisement of the roll-offs.

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

- (a) Budget & Finance Committee. Director Humbert noted that the committee had met with the District's Bookkeeper and Attorney to revise the budget.
- (b) Park Committee. Mr. Braddock presented the Park Recreational Equipment Budget. Director Humbert inquired about what had been spent so far. Mr. Braddock confirmed that none of the listed items had been completed, noting that the updates to the park were items purchased in 2023, and only the installation was paid for in 2024. Director Gourley noted that there are a few large expense items for old equipment that need repairs and replacement. The Board then discussed the issue regarding the growth near Ms. Jordan's property. After some discussion, Director Gourley motioned to purchase the presented park equipment. Director Fusca seconded the motion, which passed unanimously.
- (c) Communications Committee. Director Humbert noted that the committee is still working on the District's next newsletter.
- (d) Security Committee. This item was discussed under the Security Report.
- (e) SJRA Committee. Director Humbert noted that the San Jacinto River Authority had approved the pipeline extension.
- (f) Administration Building Committee. Director Humbert stated that the committee met with the District's Engineer regarding Montgomery County's (the "County") delay in the submittal of the utility commitment letter ("UCL") for the Administration Building.

Mr. Roach entered virtually, and Mr. Wright re-entered the meeting.

BOOKKEEPER'S REPORT

Mr. Desilets presented the amendments to the Fiscal Year End ("FYE") 2025 Budget. After some discussion, Director Fusca motioned to approve the FYE 2025 Budget Amendments, subject to revisions. Director Gourley seconded the motion, which passed unanimously. Next, Mr. Desilets presented the Bookkeeper's Report, attached hereto as **Exhibit "D"**. Director Humbert noted that some of the invoices from Hydro Clean needed to be shared with the joint facilities billing. After further discussion, Director Gourley motioned to approve the Bookkeeper's Report and payment of invoices. Director Sterling seconded the motion, which passed unanimously.

SALES TAX REPORT AND STRATEGIC PARTNERSHIP AGREEMENT UPDATES

There was nothing new to report.

INSPECTOR'S REPORT

Mr. Braddock presented the Inspector's Report, attached hereto as **Exhibit "E"**. After some discussion, Director Gourley motioned to approve the Inspector's Report. Director Fusca seconded the motion, which passed unanimously. The Board then discussed Marathon Pest Control. Ms. DeLong said she would contact Marathon Pest Control for their new billing rates.

OPERATOR'S REPORT

Ms. DeLong presented the Operator's Report, attached hereto as Exhibit "F". Next, she presented the delinquent cut-off list and well reports. The Board discussed the number of leaks reported in the District, whereby Director Humbert stated that most cases occur on the customer's line rather than the District's. Then, Ms. DeLong presented the TCEQ rules for existing irrigation pipe in relation to reuse water, noting that Directors Gourley and Humbert had requested some maintenance items during their last walkthrough. She then explained the backflow information for commercial accounts, noting that the District's Operator would conduct a survey for the individual irrigation meters and a field study to determine if there are any chemicals connected to said irrigation meters. The Board then ensued a lengthy discussion regarding valve surveying, equipment degradation, and electrical system testing. After the discussion, Director Sunderman motioned to approve the Operator's Report. Director Sterling seconded the motion, which passed unanimously.

POSSIBLE RATE ORDER AMENDMENT(S)

Director Sunderman inquired if any recent changes to the Rate Order were related to the rates. Ms. DeLong explained that there were no changes to the rates since those were approved a few months ago. Then, a discussion ensued regarding the various changes to the Rate Order. After the discussion, Director Sunderman motioned to approve the Amended Rate Order, subject to final revisions from the District's Operator and Attorney. Director Gourley seconded the motion, which passed unanimously.

JOINT FACILITIES ADVISORY COMMITTEE ("JFAC") MATTERS

There was nothing new to report.

DIRECTOR'S REPORT

Director Gourley noted that he would be attending the Montgomery County Drainage District No. 5 meeting on November 21, 2024.

ENGINEER'S REPORT

Mr. Mueller presented the Engineer's Report, attached hereto as Exhibit "G", noting that Grossman Design Build is continuing with design with input from the Administration Building Committee. He further stated that the County is pending a Utility Commitment Letter ("UCL") for review. Finally, he presented Design Pay Application No. 2 in the amount of \$67,022.50, payable to Grossman Design Build. Next, Mr. Mueller presented the draft bond application summary of cost, noting he needs Board approval to move forward with working further on this. The Board then discussed the UCL issue of interference from the County. Mr. Roach stated that he has contacted others in the industry who have disagreed with the County's approach. After some discussion, Director Sunderman motioned to authorize the District's Attorney and Engineer to move forward with resolving the UCL issue. Director Sterling seconded the motion, which passed unanimously. Next, Director Gourley motioned to approve Design Pay Application No. 2, as noted above. Director Sterling seconded the motion, which passed unanimously.

The Board then discussed the bond application, noting that Fieldhouse's projects should be excluded since the District's operating funds would reimburse them. After the discussion, Director Fusca motioned to authorize the District's Engineer to proceed with the bond application process. Director Sterling seconded the motion, which passed unanimously. Finally, Director Sterling motioned to approve the Engineer's Report. Director Gourley seconded the motion, which passed unanimously.

WATER RECLAMATION RE-USE (PURPLE PIPE)

This item was discussed in the Operator's Report.

DIRECTOR'S REPORT CONTINUED

Director Humbert discussed a few grant opportunities for the District's projects. Mr. Roach stated that he had attended some funding groups in Washington, DC, and Director Fusca had spoken to Dan Crenshaw's office regarding funding. Director Sunderman noted that the District could hire a grant administrator to handle the process. After further discussion, Director Sterling motioned to submit Requests for Qualifications for a grant administrator. Director Sunderman seconded the motion, which passed unanimously. Next, Director Sunderman noted that projects related to water and wastewater are prioritized over others on the Region 6 funding list. He further stated that he was looking into some classes to learn more about it.

COMMUNICATIONS REPORT

This item was discussed under Committee Reports.

REVIEW OF DISTRICT POLICIES

Mr. Roach explained the statutory requirements for the District's Investment Policy annual review, attached hereto as Exhibit "I" and the corresponding adoption of a list of approved banks and investment institutions with which the District may invest its funds ("Qualified Brokers List), attached hereto as Exhibit "J". He then noted that there are no recommended changes to the Investment Policy and that the Qualified Brokers List has been updated. Next, Mr. Roach explained the requirements for annually reviewing the District's Ethics Policy, attached hereto as Exhibit "K". Then, he presented the Information Technology Policy ("IT Policy"), attached hereto as Exhibit "L", noting the new legislation banning TikTok from government-owned devices. After a brief discussion, Director Humbert motioned to approve the Investment Policy, Qualified Brokers List, Ethics Policy, and IT Policy, and adopt the appropriate Order(s)/Resolution(s), as necessary. Director Fusca seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Mr. Roach said he met with Senator Cornyn regarding the Special Districts Grants Accessibility Act ("SDGAA"). He explained that the SDGAA did not have a unanimous vote due to an outlier in Kentucky. Mr. Roach stated that he would be reaching out through the National Special Districts Coalition ("NSDC") to get additional support for a unanimous vote on the Floor of the House of Representatives from Kentucky by stressing the importance of this act. He then noted a new organization called the American Association of Special Districts ("AASD") that is more focused

on states that do not have a statewide coalition so that they can formulate a group of special districts that can speak at the state level. Mr. Roach noted that he had been asked to be a member of the AASD and now represents the United States' southern region. Finally, he stated that AASD and NSDC will be conducting a tour of Texas the first week of December 2024 to visit with members of the Association of Water Board Directors, Fire and EMS Executive Director, and other representatives to support a statewide coalition in Texas to help with their national efforts.

Mr. Malmquist entered the meeting.

Mr. Malmquist stated that he spoke to the District's Attorney and Engineer regarding the UCL, noting that he was able to talk to the County about the matter as well. He then explained that he had to get a permit twice and now had to put things on hold due to the County's delay in accepting the UCL's language. Mr. Roach said he would contact a House Representative and County Administrator about the matter.

Mr. Malmquist exited the meeting.

Director Fusca noted that the Forest Village Homeowners Association would be transitioning from a developer-controlled board to a homeowner-controlled one.

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

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

The Board entered into executive session at 9:22 p.m. for legal consultation.

Ms. DeLong temporarily exited the meeting.

Mr. Braddock re-entered the meeting.

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

The Board reconvened in open session at 10:18 p.m.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to hold their next regular meeting on December 16, 2024, at 5:00 p.m. There being no further business to discuss, Director Gourley motioned to adjourn the meeting. Director Sterling seconded the motion, which passed unanimously.

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Passed and approved this 16th day of December 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 - Bookkeeper's Report
- Exhibit E - Inspector's Report
- Exhibit F - Operator's Report
- Exhibit G - Engineer's Report
- Exhibit I - Investment Policy
- Exhibit J - Qualified Brokers List
- Exhibit K - Ethics Policy
- Exhibit L - IT Policy