

SPRING CREEK UTILITY DISTRICT
Minutes of Special Meeting of Board of Directors
January 2, 2024

The Board of Directors (the “Board”) of Spring Creek Utility District (the “District”) held a special meeting in person 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 the said members were present except for Director Willcockson and Director Sunderman, who entered later in the meeting, thus constituting a quorum.

Also present were Jonathan Roach*, Dana Huebner, Ray Arce, Jessica Gentry, and Jennifer Rodriguez of Roach & Associates PLLC (the “District’s Attorney”); Mason Mueller of Cobb, Fendley & Associates Inc. (the “District’s Engineer”); Tim Crawford and Daniel Wagner of HMF Americana (“HMF”); and Robert Sanac, Lee Mullenex, Dana Mullenex, James Mullenex, and Kee Mullenex, members of the public. [* Remote Attendees]

Director Humbert called the meeting to order.

PUBLIC COMMENTS

There were no public comments.

HMF HOMES DEVELOPMENT

Mr. Crawford stated that he wanted to work with the Board to make his project work economically. He then presented the feasibility study that C-F provided and inquired why the drainage portion was not included in the feasibility study. Mr. Mueller, a representative of the District’s Engineer, noted that the drainage portion would quickly relay the responsibility of drainage improvements from the District to any governing jurisdiction, so it was not added to the study. Mr. Crawford inquired if the District would communicate with Montgomery County Drainage District No. 6 (“DD6”) or if HMF would be responsible. Mr. Mueller noted that the District has a good relationship with DD6, so a joint discussion would be possible. Mr. Crawford said they needed to detain water on their site, so it would be necessary to speak with DD6.

Next, Mr. Crawford inquired if DD6 required any impact fees. Mr. Mueller noted he was unsure about the impact fees or how they are calculated specifically for this project. He further

pointed out that this development would not be draining into the District's secondary channel, so there may not be a need to involve DD6. Mr. Crawford inquired about the pro rata share cost, pro rata replacement cost, and opinion of probable cost. Mr. Mueller noted that the insurance requires a District engineer to update the replacement values of various facilities in the District, which increase over time. He further emphasized this year's annual replacement value estimate and that the pro rata cost would be HMF's share of that number. A discussion ensued regarding potential replacement, facility expansion, and opinion of probable cost. Director Humbert stated that the developer does not front these costs.

Then, Mr. Crawford inquired about what would be eligible for reimbursement. Mr. Mueller noted that the default prerogative public utility lines are potentially eligible for reimbursement. Mr. Crawford asked about reimbursement for streets. Mr. Mueller said they do not typically provide reimbursement for streets in Texas. A lengthy discussion ensued regarding easement procurements. Mr. Crawford pointed out two (2) options of installing the force main in the front or the back of the property, noting a significant cost difference.

Director Sunderman entered the meeting.

Director Fusca noted that a force main in the front of the property would provide the Operator easier access, whereas installing a force main in the back could prevent the Operator from entering due to neighborhood gates. He further noted the difficulty it would cause if they needed to get a lift truck back there.

Next, Mr. Crawford stated his understanding of paying everything up front, developing, and then receiving reimbursement from the bonds sold by the District. Director Sunderman confirmed and noted that some developers build in phases to receive partial reimbursements through the process. Director Fusca pointed out that this particular development could not be constructed in phases, so reimbursement would come after completion of the property.

A lengthy discussion ensued regarding the process of impact fees that HMF is used to dealing with. Mr. Crawford noted he is interested in preliminarily moving forward and working out the details. He further inquired if the Board was still interested in moving forward, whereby the Board concurred. After some discussion, Director Fusca noted that HMF needed to ensure their development timeline was in sync with the District's water plant development so that residents could have water once the property was completed.

Messrs. Crawford, Wagner, Sanac, Lee Mullenex, James Mullenex, Kee Mullenex, and Ms. Dana Mullenex exited the meeting.

CONSULTANT UPDATES

Mr. Mueller noted that the District's Engineer had sent the outstanding balance for the Locke Tract developers to the Bookkeeper so that it could be added to their January report. Mr. Arce, a representative of the District's Attorney, said that DD6 appointed two (2) Directors to be on

a committee along with their engineer and attorney and requested that the District do the same to discuss drainage. He further noted that the feasibility study for the secondary channel was not up to normal standards. The Board then had a lengthy discussion regarding the Riley Fuzzel feasibility study results and the DD6 drainage channel.

Next, Mr. Mueller advised that the District should not be involved in obtaining easements since it is generally the developer's responsibility. He further noted that the pro-rata fees for developers benefit the District, because it allows them to have extra funds on hand in case of future improvements or replacements. A lengthy discussion ensued regarding easements, annexations, and the HMF feasibility study.

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

The Board did not enter into executive session.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to hold their next regular meeting on January 15, 2024, at 5:00 p.m. After no further discussion, Director Gourley motioned to adjourn the meeting. Director Fusca seconded the motion, which passed unanimously.

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Passed and approved this 19th day of February 2024.

/s/ Frederick Sunderman
Secretary, Board of Directors

[SEAL]

