

SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
September 15, 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 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, Amber Hurd, and Rachel Broom* 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*, Jessica Gentry, and Jewel Wheeler of Roach & Associates, PLLC (the “District’s Attorney”); Brian Desilets and Eric Gonzalez of Clarity Consulting Corporation (the “District’s Bookkeeper”); Aric Braddock of ASB Services, Inc. (the “District’s Inspector”); Calep Estes of Touchstone District Services (the “District’s Communications Consultant”); Brian Grossman* of Grossman Design Build (“GDB”); Jack Burgher of BCS Capital Group (“BCS”); MJ Dougherty of Huntsman, and Matthew Malmquist of Riley Fuzzell Holdings, who entered later in the meeting.. [*Remote Attendees]

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

PUBLIC COMMENTS

There were no public comments.

PUBLIC HEARING ON 2025 TAX RATE

The Board opened a public hearing regarding the District’s 2025 tax rate. Mr. Roach noted that the proposed tax rate is \$0.88 per \$100 of assessed valuation, consisting of \$0.55 for debt service (“DS”) and \$0.33 for maintenance and operation (“M&O”), and advised that the proposed rate and corresponding hearing notice had been published as directed by the Board at its last meeting. Upon no comments from the public, the Board concurred to close the public hearing.

ORDER LEVYING TAXES FOR 2025

The Board considered adopting an Order Levying Taxes for 2025, attached hereto as **Exhibit “A”**. After review and discussion, Director Sterling motioned to adopt the Order Levying Taxes for 2025, providing for a total tax rate of \$0.88 per \$100 of assessed valuation, consisting of \$0.55 for DS and \$0.33 for M&O. Director Gourley seconded the motion, which passed unanimously.

AMENDED DISTRICT INFORMATION FORM

The Board considered approving the Amendment to District Information Form (“DIF”) to reflect the District’s 2025 tax rate, attached hereto as **Exhibit “B”**. Upon motion by Director Sterling seconded by Director Gourley, the Board voted to approve the Amendment to DIF to be filed with Montgomery County and the Texas Commission on Environmental Quality (“TCEQ”) as required by law. The motion passed unanimously.

ADMINISTRATION BUILDING UPDATES

Director Humbert reported that a monthly progress meeting and several inspection meetings were held the previous week. He stated that a few items for discussion may later require a contract amendment and wanted to confirm the Board’s consensus before proceeding.

Mr. Grossman next discussed insulation options, explaining that a full-spray foam envelope was planned for the exterior walls and roof. He advised that, according to fire code, thermal barriers are required only in exposed occupied areas, specifically the large meeting room. Director Sterling recommended extending the barrier to the upstairs walls and ceiling to slow the potential spread of fire. Mr. Grossman confirmed that this modification would reduce overall cost compared to applying full coverage throughout the building. After some discussion, Director Sterling motioned to approve GDB to spray-foam insulation to the upstairs walls and ceiling. Director Gourley seconded the motion, which passed unanimously.

Mr. Grossman then addressed the restroom fixture specifications, noting that the proposed change to stainless-steel fixtures could be made at no additional cost. However, wall-mounted units would require cutting into the sealed concrete floor, leaving a visible patch. He added that an optional vinyl plank overlay could conceal the patch for an additional cost. Following discussion, Director Gourley motioned to approve the stainless-steel restroom fixtures and to further discuss flooring options at the next Board meeting. Director Sterling seconded the motion, which passed unanimously.

The Board then engaged in further discussion regarding inspections, plumbing, meeting room paint selections, and surge protector pricing.

Mr. Dougherty entered the meeting.

Mr. Grossman exited the meeting.

DEVELOPMENT UPDATES

Mr. Burgher presented conceptual renderings for the next phase of the BCS development, noting that the project has advanced into detailed planning. He emphasized the high quality of both architectural and landscape design, outlining proposed improvements that included extending the walking path, enhancing the detention pond through beautification efforts, and adding fountains, as well as building a dog park on the developer's side of the property.

Director Sunderman entered the meeting.

Mr. Burgher explained that the overall vision for the development is to create a vibrant, family-oriented community with added on-site security. He suggested that rather than fully restricting access, the development could incorporate a shared gate with the adjacent neighborhood. Director Gourley noted that if a gate is installed, it must be wide enough to accommodate maintenance vehicles. Mr. Braddock stated that a gate may not be necessary. After the discussion, Mr. Burgher confirmed that he would meet with the Lockeridge Farms Homeowners Association to provide updates and gather feedback regarding access to the BCS development.

Next, Director Humbert inquired about the status of regulatory approvals. Mr. Burgher confirmed that final approval had been granted by the Commissioner's Court. Director Humbert also inquired about a tract of land not included in the original annexation, noting that confirmation of it being annexed is needed. Mr. Burgher explained that the development includes a planned detention pond expansion associated with the planned improvements and reiterated his intent to ensure the Board's support before proceeding further. The Board concurred to approve the concept of improvements as presented. Mr. Humbert then asked when site clearing would begin. Mr. Burgher advised that site clearing would commence upon issuance of the required permits.

Mr. Burgher exited the meeting.

CONSENT AGENDA: MINUTES

The Board considered approval of the regular meeting minutes from August 18, 2025. After some discussion, Director Humbert motioned to approve the August 18, 2025, regular meeting minutes, subject to revisions. Director Gourley seconded the motion, which passed unanimously.

CONSENT AGENDA: CONSULTANT REPORTS

After some discussion, Director Gourley motioned to approve the following consultant reports: (1) Garbage Collection Report, attached hereto as **Exhibit "C"**; (2) Security Report, attached hereto as **Exhibit "D"**; (3) Tax Assessor's Report, attached hereto as **Exhibit "E"**; and (4) Communications Report, attached hereto as **Exhibit "F"**. Director Sterling seconded the motion, which passed unanimously.

CONSENT AGENDA: COMMITTEE REPORTS

Director Humbert noted that the Communications Committee met with the District's Communications Consultant to work on finalizing the newsletter.

CONSENT AGENDA: PENDING BUSINESS

There was nothing new to report.

BOOKKEEPER'S REPORT

Mr. Desilets presented the Bookkeeper's Report, attached hereto as **Exhibit "G"**. Director Humbert inquired about the recent rate increase on the GFL Environmental ("GFL") invoice from \$22.65 to \$23.84, noting no Consumer Price Index ("CPI") notice had been provided. Ms. Gentry confirmed that the District's Attorney would request a formal letter from GFL regarding the increase.

Director Humbert then questioned a fuel surcharge related to servicing a porta-potty. Mr. Braddock advised that such a fee had not been charged previously and recommended holding payment of the invoice pending clarification.

Director Humbert also noted that the District had not received from San Jacinto River Authority ("SJRA") the invoices for the past two (2) months and expressed concern about potential late-payment penalties or fees. He suggested that the District's Bookkeeper bring a small number of blank checks to future meetings so that the invoices received after meeting publication could be paid promptly. Mr. Desilets confirmed the District's Bookkeeper would contact SJRA to request a waiver of any penalties or fees and ensure a blank check is available for timely payment, if needed..

Director Humbert then inquired about the Fieldhouse reimbursement. Mr. Roach stated that the matter would be reviewed with the District's Auditor to confirm compliance with applicable TCEQ reimbursement procedures. The Board also discussed potential arbitrage adjustments. After some discussion, Director Gourley motioned to approve the Bookkeeper's Report and payment of invoices. Director Sterling seconded the motion, which passed unanimously.

ANNUAL AUDIT REPORT FOR FISCAL YEAR END ("FYE") APRIL 30, 2025, & REIMBURSEMENT AUDIT (FIELDHOUSE)

Mr. Roach reported that the District's Auditor has received all necessary documentation to complete the FYE 2025 audit and indicated that it would be presented at the next meeting. Next, Mr. Roach noted that, regarding the proposed reimbursement to Fieldhouse, the District's Auditor must first verify the submitted figures and prepare a separate audit report, as required by the TCEQ for any developer reimbursement. He advised that the estimated cost for the reimbursement audit would range from \$5,000 to \$8,000. After discussion, Director Gourley motioned to authorize the engagement of the Auditor to perform the reimbursement audit. Director Sterling seconded the motion, which passed unanimously.

SALES TAX REPORT AND STRATEGIC PARTNERSHIP AGREEMENT (“SPA”) UPDATES

There was nothing new to report.

ENGINEER’S REPORT

Mr. Mueller presented the Engineer’s Report, attached hereto as Exhibit “H”. He reported that the Drought Contingency Plan (“DCP”) Committee met with the Montgomery County Municipal Utility District Nos. 88 (“MC88”) and 89 (“MC89”) DCP Committees to review and discuss potential revisions to the DCP trigger levels. After some discussion, Director Gourley motioned to approve the updated DCP triggers, as discussed. Director Sterling seconded the motion, which passed unanimously.

Mr. Mueller then presented a recommended site layout depicting the proposed future water well no. 4 site. After review and discussion, the Board concurred to move forward with the proposed site layout concept as presented and for the District’s Engineer to contact the property owner about possible site acquisition.

Messrs. Desilets, Gonzalez, and Ms. Broom exited the meeting, and Mr. Braddock temporarily exited the meeting.

Mr. Malmquist entered the meeting.

Mr. Mueller next presented and recommended approval of Construction Pay Estimate No. 7 in the amount of \$243,596.16, payable to GDB for the District’s Administration Building. He further reported that the District’s Engineer has received all necessary approvals for Water Plant No. 3 from the Lone Star Groundwater Conservation District, the TCEQ, the City of Houston, and Montgomery County. Mr. Mueller noted that Schier Construction Company, Inc. (“SCC”) has completed installation of waterline taps and valves and anticipates commencement of water well drilling in October 2025. He further reported that SCC is coordinating with CenterPoint regarding a possible change in the electrical service location per the District Inspector’s request. Mr. Muller advised that the generator lead time may result in delivery after the project completion. Finally, he presented Pay Estimate No. 1 in the amount of \$236,550.00 and Pay Application No. 2 in the amount of \$250,230.00, payable to SCC, for Board approval.

Mr. Mueller next reported that during the submittal review of the Reclaimed Water Treatment project, the District’s Engineer identified operational and constructability concerns with the originally specified pumps intended to draw water from the chlorine contact basin. He stated that updated pumps had been selected, and a follow-up meeting with the District’s Operator and Inspector resulted in two (2) alternative options, with the preferred option involving a cost adjustment. Mr. Mueller noted that the Notice to Proceed was issued on September 2, 2025, and W.W. Payton Corporation plans to mobilize in October 2025. Finally, Mr. Mueller presented a change order for the recommended pump and color change for the tanks in the amount of \$64,000.00, for Board approval. Director Sunderman inquired about the status of the 2121 Riley

Fuzzel development. Mr. Malmquist noted that they are 40% complete and should be finished by the end of 2026

After some discussion, Director Sunderman motioned to approve: (1) the Engineer's Report; (2) Pay Estimate No. 7; (3) Pay Estimate No. 1; (4) Pay Application No. 2; and (5) the Change Order for the Reclaimed Water Treatment project. Director Gourley seconded the motion, which passed unanimously.

STATUS OF THE BOND APPLICATION REPORT ("BAR")

Mr. Roach reported that he had completed his review of the initial report and will next review the additional attachments and revisions to the report. He further noted that the District's Financial Advisor has reviewed and provided comments.

Mr. Malmquist exited the meeting.

Mr. Braddock re-entered the meeting.

OPERATOR'S REPORT

Mr. Wright presented the Operator's Report, attached hereto as **Exhibit "I"**, presenting a proposal from Accurate Utility Supply, LLC in the amount of \$25,000.00 for the replacement/upgrade of 35 meters. Next, Mr. Wright reported a diesel odor at Lift Station No. 9, noting that HydroClear performed cleaning services at both Lift Station Nos. 4 and 9. He explained that the issue originated from Sun Auto's illegal dumping, which caused a significant discharge of oil into the facility's floor drain. Mr. Wright advised that several related charges have been incurred, and recommended that the costs be presented to Sun Auto for reimbursement. Mr. Roach advised that the District's Attorney prepare a formal letter to Sun Auto. Director Humbert added that the letter should include an itemized summary of the incurred charges and reference the applicable provisions of the District's Rate Order. After some discussion, the Board concurred to authorize the District's Attorney to prepare and send the letter to Sun Auto as discussed.

After some discussion, Director Gourley motioned to approve the Operator's Report and uncollectable accounts. Director Sterling seconded the motion, which passed unanimously. Then, Director Sterling motioned to accept the proposal from Accurate Utility Supply, LLC for \$25,000.00. Director Gourley seconded the motion, which passed unanimously.

INSPECTOR'S REPORT

Mr. Braddock presented the Inspector's Report, attached hereto as **Exhibit "J"**. He then reported that a concrete panel in a resident's driveway has begun to sink and advised that the area could be stabilized by removing and replacing the affected panel. After a brief discussion, the Board concurred to authorize the District's Inspector to proceed with replacement of the driveway panel as discussed.

JOINT FACILITIES ADVISORY COMMITTEE MATTERS

There was nothing new to report.

DIRECTOR'S REPORT

Director Humbert reported that the SJRA issued a press release announcing that the City of Conroe reached an agreement to pay approximately \$18 million toward its outstanding debt to the SJRA. He noted that a portion of the settlement funds will be used to increase the production of the SJRA's water plant and that the Authority intends to propose modifications to the existing Groundwater Reduction Plan ("GRP") agreement. Director Humbert further stated that these proposed amendments will affect all GRP participants and are anticipated to be presented in the near future for final acceptance by January 2027.

Next, Director Sunderman inquired whether any of the District's projects are included on the Region 6 Flood Planning Group's project list. Mr. Roach advised that House Joint Resolution 7 ("HJR7") will appear on the November ballot as a proposed constitutional amendment to establish a \$1 billion fund dedicated to water infrastructure and related projects.

Director Sterling temporarily exited the meeting.

AMENDED & RESTATED EVO (MUNICIPAL INFORMATION SERVICES, LLC) AGREEMENT

Director Humbert noted that the format of the EVO reports and the order in which reports are presented had been changed. After some discussion, the Board concurred to defer this matter.

Director Sterling re-entered the meeting.

NATIONAL NIGHT OUT ("NNO")

Director Humbert reported that Director Fusca is working with the District's Communications Consultant regarding banners, signs, and District alerts to remind residents of the upcoming NNO event.

INSURANCE RENEWAL OPTIONS (*EXPIRES SEPTEMBER 30, 2025*)

Mr. Roach reviewed the 2025-2026 insurance renewal proposal submitted by Arthur J. Gallagher Risk Management Services, Inc. ("AJG"), noting that the District's current policies expire on September 30, 2025. He reminded the Board that the renewal includes crime, employee, and consultant coverage, and advised that cybersecurity coverage could be added as an optional enhancement. After discussion and review, Director Sunderman made a motion to authorize and approve the insurance renewal proposal submitted by AJG for the 2025-2026 year, excluding cybersecurity coverage. Director Sterling seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Mr. Roach presented the Letter of Designation for Receiving Public Information Act ("PIA") Requests, explaining that the notice is required to be submitted to the Texas Attorney General by October 1st of each year. After some discussion, Director Sterling motioned to approve the Letter of Designation for Receiving PIA Requests. Director Gourley seconded the motion, which passed unanimously.

Messrs. Mueller, Estes, Wright, Dougherty, Ms. Hurd, and Ms. Garcia exited the meeting.

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

The Board entered an executive session at 8:03 p.m. with the District's Attorney and Inspector.

Director Fusca entered the meeting.

Director Sunderman temporarily exited the meeting.

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

The Board reconvened in an open session at 8:19 p.m.

Director Sunderman re-entered the meeting.

Director Sunderman announced that he sold his residence on September 9, 2025, and therefore is resigning from the Board, effective immediately. He stated that he will remain available to assist the Board as needed for the next 30 days to ensure a smooth transition. The Board then engaged in discussion regarding potential candidates and possible approaches for filling the vacancy, including posting an announcement on the District's website and including a notice with the upcoming water bill.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

Director Fusca reported a few updates regarding NNO. The Board concurred to reconvene for their next regular meeting on October 20, 2025, at 5:00 p.m. There being no further business to discuss, Director Gourley motioned to adjourn the meeting. Director Sunderman seconded the motion, which passed unanimously.

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Passed and approved this 20th day of October 2025.

/s/ Leslie Gourley
Assistant Secretary, Board of Directors

[SEAL]



LIST OF EXHIBITS

- Exhibit A - Order Levying 2025 Taxes
- Exhibit B - Amended District Information Form
- Exhibit C - Garbage Collection Report
- Exhibit D - Security Report
- Exhibit E - Tax Assessor's Report
- Exhibit F - Communications Report
- Exhibit G - Bookkeeper's Report
- Exhibit H - Engineer's Report
- Exhibit I - Operator's Report
- Exhibit J - Inspector's Report