

SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
February 20, 2023

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, thus constituting a quorum.

Also present were Monica Pena of Utility Tax Services, LLC (“Utility Tax”); Mason Mueller of Cobb, Fendley & Associates Inc. (“C-F”); John Montgomery of Municipal Operations & Consulting, Inc. (“MOC”); Jonathan Roach, Ray Arce, Debbie Gentry*, and Jessica Gentry of Roach & Associates, PLLC (“RAPLLC”); Michael Willett and Calep Estes of Touchstone District Services (“Touchstone”); Bill Russell of Myrtle Cruz, Inc. (“Myrtle Cruz”); Aric Braddock, who entered later in the meeting, of ASB Services, Inc. (“ASB”); Matthew Malmquist of Riley Fuzzel Holdings (“RFH”); Shane Sullivan of Volare Partners, LP, the Fieldhouse developer (“Fieldhouse”); and Jeremiah Kamerer of Venturi Engineers, LLC (“Venturi”). [* Remote Attendees]

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

PUBLIC COMMENTS

There were no public comments

ACCLAIM ENERGY TEXAS RELIABILITY COALITION

There was nothing new to report. Director Humbert requested that this be removed from the agenda.

CONSENT AGENDA: MINUTES

This item was deferred.

CONSENT AGENDA: CONSULTANT REPORTS

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)

Operator's Report, attached hereto as "Exhibit C." Director Willcockson seconded the motion, which passed unanimously.

EVO REPORT

Director Humbert noted that after communicating with Kathryn Foss, they agreed to defer the presentation and discussion of the EVO reports until the March budget meeting.

FILING OF SPECIAL PURPOSE DISTRICT REPORT WITH COMPTROLLER

Mr. Roach explained the District's legal requirements to file the Special Purpose District Report ("SPDPID") with the Comptroller. After some discussion, Director Gourley motioned to authorize the filing of the SPDPID with the Comptroller. Director Willcockson seconded the motion, which passed unanimously.

BOOKKEEPER'S REPORT

Mr. Russell presented the Bookkeeper's Report; a copy is attached hereto as Exhibit "D." Mr. Russell noted a late invoice submitted by RAPLLC. He then advised that he had updated the budget as requested at the last meeting. Director Humbert noted some additional changes required. After no further discussion, Director Willcockson motioned to approve the Bookkeeper's Report. Director Gourley seconded the motion, which passed unanimously.

Ms. Pena exited the meeting.

SECURITY AND LAW ENFORCEMENT CONTRACT OPTIONS

Nothing new was reported, and the Board concurred to remove this from the agenda.

ANNUAL SURVEY OF WAGE RATE SCALES

Mr. Roach noted the requirement for the District to 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. After a brief discussion, Director Gourley made a motion for the District to continue its adoption of the Wage Rate Scales used by Montgomery County. Director Willcockson seconded the motion, which passed unanimously.

Mr. Sullivan entered the meeting.

Mr. Montgomery exited the meeting.

ENGINEER'S REPORT

Then, Mr. Mueller presented the C-F Engineer's Report; a copy is attached hereto as "Exhibit E." providing updates on the following:

(1) General District Engineering: (a) Emergency Preparedness Plan, noting there is no update; (b) Water Capacity Analysis, noting that Montgomery County Municipal Utility District No. 89 ("MC89") is continuing with a feasibility study to assess the possibility of bringing surface water service to their Water Plant No. 2, potentially impacting the sizing of a future water plant site or modification of the existing Alternative Capacity Request ("ACR"). Mr. Mueller then noted that C-F has corresponded with the Texas Commission on Environmental Quality ("TCEQ") regarding the current deadline for the ACR renewal and has determined that additional time is necessary for preparing hydraulic modeling. After further discussion with the Board, Director Fusca motioned to approve C-F's proposal related to the submittal renewal of the Northern Pressure Planes ACR at a fee not to exceed \$56,000. Director Gourley seconded the motion, which passed unanimously; (c) Fox Run Drainage Analysis, noting that C-F is continuing with the drainage analysis for the Fox Run Section 1 neighborhood and has attached preliminary exhibits showing two (2) alternatives for upsizing the storm sewer lines in Fox Run. He further noted that they plan to discuss possible detention options to be modeled, including the potential integration of the existing Fox Springs Park pond. A lengthy discussion ensued regarding possible detention options, whereby C-F agreed to review options regarding the existing park; and (d) District Boundary Map, noting the surveyor produced a boundary map with an updated metes and bounds description showing the three pending annexations.

(2) District Projects (*Design*): (a) WWTP Discharge Permit Renewal, noting the permit application has been submitted to the TCEQ and declared administratively complete. He further stated they are waiting for the TCEQ to send a draft permit in the next few months. Director Humbert inquired whether the permit is renewed every five (5) years, whereby Mr. Mueller confirmed.

(3) District Projects (*Construction*): Well No. 1 Rehabilitation, noting the contractor completed the work last month, and a Certificate of Completion is attached to the report. He further stated that they have received and recommend payment of Pay Estimate No. 1 & Final for \$133,074.00, payable to C & C Water Services. Director Humbert pointed out that this estimate is higher than what was discussed last month, which showed a final of \$130,874.00. After some discussion, Director Gourley motioned to approve Pay Estimate No. 1 and Final for \$133,074.00, payable to C & C Water Services. Director Sunderman seconded the motion, which passed unanimously; (b) Fox Run Water Line Rehabilitation Phase 1, noting the contractor has completed approximately ninety-one percent (91%) of the contract and has completed the pipe bursting. He then stated that additional pavement, sidewalk, and site restoration is ongoing and is estimated to be substantially complete in ninety (90) days. He further noted they had received Change Order No. 3 from SKE Construction ("SKE") to remove unused bid items from the contract and add additional pavement, sidewalk, and wheelchair ramps to complete the project for \$182,705.57. Finally, he noted that they have received and recommend payment of Pay Estimate No. 6 for \$439,443.97, payable to SKE. After some discussion, Director Sunderman motioned to approve Change Order No. 3 for \$182,705.57 and Pay Estimate No. 6 for \$439,443.97, payable to SKE. Director Gourley seconded the motion, which passed unanimously; and (c) Fox Run Water Line Rehabilitation Phase 2, noting the plans and specifications for this project have been received from A&S Engineers, Inc. ("A&S"). He then stated that the plans have been approved by the TCEQ but have not been approved by Montgomery County. Finally, he recommended awarding the project to SKE through BuyBoard for \$3,499,548.00. A lengthy discussion ensued regarding the regulations of the TCEQ

and the District's budgeting when contracting with BuyBoard. After no further discussion, Director Willcockson motioned to award the project to SKE through BuyBoard for \$3,499,548.00. Director Sunderman seconded the motion, which passed unanimously.

Mr. Malmquist entered the meeting.

(4) Development Projects: (a) Fuego Taco Restaurant, noting an updated plan review submittal has been received and appears to have addressed the previous, pending plan review comments issued by A&S on behalf of the District. He then noted that the developer's contractor has been advised that a no objection letter will be issued once a complete final set of plans has been received; (b) 2430 Rayford Road Swig, noting they have received and reviewed plans for the proposed Swig development at 2430 Rayford Road, and a no objection letter has been issued to the developer; (c) 2121 Riley Fuzzel, noting that they have received and reviewed plans for the proposed Alcove at Benders Landing and the developer has provided additional plans for review. He further noted the proposed force main extension is intended as a public extension, and they are bidding to see if the project meets the threshold under \$75,000; (d) BCS Capital Group, LLC ("BCS") Locke Tract, noting BCS has authorized C-F to perform a drainage impact analysis for service to the Locke annexation tract. Director Gourley noted that Lockridge Farms' recent HOA meeting requested the District investigate what is required and what effect the detention pond will have; and (e) Fieldhouse Project 2007 Riley Fuzzel Road, noting they have received and are reviewing updated plans for the Fieldhouse annexation tract. He further noted that a three-inch force main could serve around two hundred and fifty (250) connections. Finally, Mr. Mueller presented two (2) proposals for constructing a water and sewer line extension that would tie into the Fieldhouse Development, noting Option 1, which would require utilizing a public right-of-way to construct the water and sewer lines at a cost not to exceed \$79,000. Option 2 involves acquiring easements to construct the water and sewer lines at a cost not to exceed \$151,800. Additionally, Mr. Mueller provided an estimated cost of \$49,000 to purchase the land necessary for the easements, which would be paid by the landowners and not part of C-F's fee. Director Sunderman motioned to approve Option 1, utilizing a public right-of-way at a cost not to exceed \$79,000. Director Fusca amended the motion to approve the extension of the lines but added that they should then defer to the engineer and developer's preference. Director Sunderman seconded the motion, which passed unanimously.

Messrs. Sullivan and Malmquist entered the meeting during the report.

Director Fusca temporarily exited the meeting during the discussion.

After no further discussion, Director Gourley motioned to approve the Engineer's Report. Director Humbert seconded the motion, which passed four-to-zero (4-0), with Director Fusca absent from the vote.

EMERGENCY PREPAREDNESS PLAN ("EPP")

This item was discussed in the Engineer's Report above.

JOB ASSIGNMENT PROPOSAL AND BUDGET FOR FOX RUN DRAINAGE PROJECT

This item was discussed above.

WATER WELL NO. 1 REHABILITATION

This item was discussed in the Engineer's Report above.

PROPOSED WATER WELL NO. 3

This item was deferred.

PHASE 2 WATER LINE REHABILITATION, INCLUDING THE BUYBOARD PROGRAM

This item was discussed in the Engineer's Report above.

RE-ALLOCATION OF SERIES 2021 BOND FUNDS AND DEVELOPER REIMBURSEMENTS

Mr. Roach noted that he had not received any updates and would contact the TCEQ Executive Director.

FUTURE REQUIREMENTS FOR LEAD AND COPPER RULES

There was nothing new to report.

PREVENTATIVE MAINTENANCE PROGRAM

There was nothing new to report.

Director Fusca re-entered the meeting.

DEVELOPERS' REPORT

Mr. Roach noted that RAPLLC is still working with Mr. Alford regarding Woodmere Developmen's donation of land to the District, further advising that former Director Healy still owns a Director's lot and that RAPLLC is working to deed the lot back to the District. Then, after some discussion regarding the Utility Development Agreements ("UDA") for 2121 Riley Fuzzel, Locke Tract, and Fieldhouse (the "Annexed Properties"), Director Sunderman motioned to approve the UDAs for the Annexed Properties. Director Willcockson seconded the motion, which passed unanimously.

ORDER ADDING LAND AND AMENDMENT OF DISTRICT INFORMATION FORM ("DIF")

Mr. Roach noted that RAPLLC had received approval from the City of Houston for the three Annexed Parcels and asked the Board for authorization to record the Order Adding Land with

the Montgomery County Public Records. Director Gourley motioned to approve the Order Adding Land for the Annexed Parcels. Director Sunderman seconded the motion, which passed unanimously. Mr. Roach noted that Mr. Fortner recommended the amendment of the Strategic Partnership Agreement (“SPA”) to be done now, which would be handled by RAPLLC.

DEVELOPER’S REPORT CONTINUED

Mr. Malmquist discussed the previously approved fire access-only lane by the Board, noting that Montgomery County Precinct 3 (“MCC3”) requests an acknowledgment letter from the HOA and the District authorizing access over the fire access-only lane. He then stated that the HOA requires Mr. Malmquist to meet the following five (5) conditions prior to receiving its permission: (1) the District approve the project and grant a recorded easement or right-of-way to the developer for the access drive connecting to the Spring Stone Drive dead end; (2) the design, appearance, materials, construction methods, quality, appearance, and maintenance of the Association’s fence and the gate to be installed is subject to first receiving the Association’s advance written approval. Further, the maintenance and periodic replacement shall be performed by the developer of the mixed-use development, when and as required by the Association; (3) the developer, at its sole expense, is at all times responsible for the timely installation, maintenance and periodic replacement of the access drive, the fence, and the gate; (4) the developer shall at all times adhere to and comply with the terms and provisions outlined in the recorded easement, and (5) the HOA is not responsible for any accidents involving fire trucks.

Mr. Malmquist noted they are required to complete the same five (5) conditions by Montgomery County (the “County”); however, they cannot proceed with the County until they receive the acknowledgment letters from both the HOA and the District. After some discussion, Director Sunderman motioned to issue a No Objection Letter. Director Fusca seconded the motion, which passed unanimously. Then Director Gourley asked that RAPLLC send the HOA’s attorney a letter confirming that the developer has met the conditions, excluding the recorded easement agreement, since it does not apply to the District.

Mr. Braddock entered the meeting during the discussion.

Mr. Malmquist, Mr. Sullivan, and Director Willcockson temporarily exited the meeting.

DISTRICT ADMINISTRATIVE BUILDING OPTIONS

Mr. Roach noted that he has additional prospects to bring to the next Board meeting, including Venturi. Then Mr. Kamerer introduced himself and indicated that he wanted to understand the District’s idea for the building to see how his company could assist. Director Humbert provided a synopsis of the proposed Administrative Building and discussed the building specifications and possible locations. The Board then provided guidance regarding the qualifications for an architect or engineer. Mr. Kamerer thanked the Board for their time.

Director Fusca, Mr. Montgomery, and Mr. Russell temporarily exited the meeting during the discussion.

Mr. Kamerer exited the meeting.

Director Fusca re-entered the meeting.

GARBAGE COLLECTION REPORT

Mr. Roach presented the monthly report for GFL Environmental Inc. (“GFL”). He then discussed the CPI increase, noting that January 2023 reflects a seven percent (7%) increase. Mr. Roach further noted that GFL requests a rate adjustment above the standard CPI amount effective August 1, 2023. A discussion ensued regarding the CPI increase, and Mr. Roach advised that he would contact GFL and have them attend the next Board meeting to discuss the CPI further.

JOINT FACILITIES ADVISORY COMMITTEE MATTERS, INCLUDING DOWNSTREAM ISSUES

Mr. Roach noted that the next Joint Facilities Advisory Committee (“JFAC”) meeting would be held at MOC’s office on March 29, 2023, at 5:30 p.m.

ASB SERVICES AMENDED CONTRACT

Mr. Roach presented ASB’s amended contract for approval. After some discussion, Director Gourley motioned to approve ASB’S amended contract, effective July 1, 2022. Director Fusca seconded the motion, which passed unanimously.

Director Gourley temporarily exited the meeting.

INSPECTOR’S REPORT

Mr. Braddock presented the Inspector’s Report, attached hereto **Exhibit “F,”** advising that the Board review alarm system options and terminate the Lakeshore Alarm Services contract renewal. After some discussion, Director Fusca motioned to terminate Lakeshore Alarm Services’ contract renewal. Director Sunderman seconded the motion, which passed unanimously.

Mr. Braddock then discussed the Forest Village drainage maintenance, noting he has received complaints from residents, including one experiencing flooding in her yard due to the blocked drainage system. Mr. Braddock pointed out that these residents do not live in this District and are responsible for cleaning their yards of any debris that may clog the drainage system. After a lengthy discussion, the Board concurred for RAPLLC to send individual letters to the residents who are blocking the drainage in the District and note that it is their responsibility to clean their yards due to the negative impact it is causing to the District’s drainage system.

After no further discussion, Director Fusca motioned to approve the Inspector’s Report. Director Willcockson seconded the motion, which passed four-to-zero (4-0), with Director Gourley absent from the vote.

Director Sunderman temporarily exited the meeting.

Director Gourley re-entered the meeting during the discussion.

AMENDMENT OF DISTRICT'S FISCAL YEAR END ("FYE")

Director Fusca discussed possibly changing the District Fiscal Year End ("FYE") date. After some discussion, Director Willcockson motioned to keep the FYE as is. Director Humbert seconded the motion, which passed four-to-zero (4-0), with Director Sunderman absent from the vote.

DIRECTOR'S REPORTS

Director Humbert noted that the Texas Water Day ("TWD") event at the Capital is going to be on February 27, 2023, and he expressed his interest in attending, but noted that there was not much information available about the event at this time. Mr. Arce noted that RAPLLC is organizing a trip to the Capital on the same day if anyone is interested in joining them. Then Director Sunderman requested a letter from all Municipal Utility Districts ("MUDs") to raise Director per diems based on the last CPI.

Director Sunderman discussed the funding under the Water Development Act for Jefferson County and the western portion of Galveston, noting approval of the coastal barrier project is estimated at \$31 billion, with the first installment of \$5 million. He said that funding for the project would require state and local governments to provide a local match of approximately 35% of the cost.

He then noted that Region 6 of the Texas Water Development Board has already committed funds to its projects and stated that if your project isn't on the list, it will not be funded until the next cycle. Director Humbert indicated that the first regional flood plans were submitted to the Texas Water Development Board in January 2023. He further noted that such plans are reviewed every five (5) years.

COMMUNICATIONS REPORT

Mr. Willett presented the Communications Report; a copy is attached hereto as "Exhibit G," noting several updates. Director Sunderman inquired about the date of the Water Smart Event hosted by the District, whereby the Board agreed to hold it on April 18, 2023, at Fox Springs Park from 5:00 p.m. – 8:00 p.m. Director Sunderman requested that this information be added to the District's website.

After no further discussion, Director Gourley motioned to approve the Communication Report. Director Sunderman seconded the motion, which passed unanimously.

OPERATOR'S REPORT CONTINUED

Director Fusca noted that mosquito season is approaching and inquired if MOC has contacted the provider they have previously hired. Mr. Montgomery noted he has reached out several times but has not received any communication from them. Mr. Montgomery advised mosquito

spraying should be done on March 1, 2023. Director Fusca noted that he would contact the previous provider and see if he received an answer.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to reconvene for their next regular meeting on March 20, at 5:00 p.m., a special meeting on March 29, 2023, at 2:00 p.m. to discuss the budget, and the Joint Facilities Advisory Committee meeting on March 29, 2023, at 5:30 p.m. After no further discussion, the Board concurred to adjourn the meeting.

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Passed and approved this 29th day of March 2023.

/s/ Frederick Sunderman
Secretary, Board of Directors

[SEAL]



LIST OF EXHIBITS

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