

SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
April 21, 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, thus constituting a quorum.

Also present were Monica Pena of Utility Tax Services, LLC (the “District’s Tax Assessor”); Mason Mueller and Rachel Broom, who entered later in the meeting, 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, Ray Arce, and Jessica Gentry of Roach & Associates, PLLC (the “District’s Attorney”); Brian Desilets and Eric Gonzalez, 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”); Calep Estes, who entered later in the meeting, of Touchstone District Services (the “District’s Communications Consultant”); Sergeant Carswell, who entered later in the meeting, of Montgomery County Constable, Precinct 3; Ryan Fortner, who entered later in the meeting, of Revenue Management Services (the “District’s Sales Tax Consultant”); and Danielle Fussell*, a member of the public. [*Remote Attendees]

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

PUBLIC COMMENTS

There were no public comments.

CONSENT AGENDA: MINUTES

The Board considered the regular meeting minutes from March 17, 2025, for approval. After some discussion, Director Sunderman motioned to approve the March 17, 2025, regular meeting minutes, subject to revisions. Director Sterling seconded the motion, which passed unanimously.

Ms. Broom entered the meeting.

CONSENT AGENDA: CONSULTANT REPORTS

After discussion about delinquent tax related matters, Director Fusca motioned to approve delinquency notices to be sent to taxpayers in May 2025 in advance of additional penalties being imposed. Director Sterling seconded the motion, which passed unanimously. After additional discussion, Director Gourley motioned to approve the following consultant reports: (1) Garbage Collection Report, attached hereto as **Exhibit “A”**; (2) Security Report, attached hereto as **Exhibit “B”**; (3) Tax Assessor’s Report, attached hereto as **Exhibit “C”**; and (4) Communications Report, attached hereto as **Exhibit “D”**. Director Sterling seconded the motion, which passed unanimously.

Ms. Pena exited the meeting.

COMMITTEE REPORTS

The Board provided updates for the following Committees:

- (a) **Budget & Finance Committee.** Director Humbert noted that the District’s Bookkeeper, Engineer, and Inspector met with the committee a few weeks ago to discuss the budget. Director Sunderman motioned to move this item under the Bookkeeper’s Report. Director Sterling seconded the motion, which passed unanimously.
- (b) **Park Committee.** Director Gourley noted that a plastic rim needs to be installed around the playground and stated that the upgrades look good.

Mr. Estes entered the meeting.

- (c) **Development Committee.** Director Gourley noted that he spoke with the District’s Engineer regarding a drain on Riley Fuzzel. The Board ensued in further discussion regarding construction site clean-up needs, design plans, contract review, and damage to the District’s trees in the area adjacent to the 2121 Riley Fuzzel development.

Ms. Fussell exited, and Mr. Braddock entered the meeting.

BOOKKEEPER’S REPORT

Mr. Desilets presented and reviewed the proposed Legends Ranch Drainage Facilities (“LRDF”) Budget for the Fiscal Year Ending (“FYE”) April 30, 2026.

Messrs. Fortner and Gonzalez entered the meeting.

After some discussion, Director Sunderman motioned, seconded by Director Gourley, to approve the LRDF Budget for FYE April 30, 2026. The motion passed unanimously.

Sergeant Carswell entered the meeting.

Next, Mr. Desilets presented and reviewed the proposed FYE April 30, 2026, Operating Budget for the District. After some discussion, Director Sunderman motioned, seconded by Director Gourley, to approve the Operating Budget for FYE April 30, 2026. The motion passed four-to-one (4-1) with Director Fusca opposed. Mr. Desilets then presented the Bookkeeper's Report, attached hereto as **Exhibit "E"**. After some discussion, Director Fusca motioned to approve the Bookkeeper's Report. Director Gourley seconded the motion, which passed unanimously.

SECURITY PATROL MATTERS

Sergeant Carswell presented the invoice for the patrol vehicles' AXON computer system previously approved by the Board. After some discussion, the Board concurred to follow the 5-year payment plan outlined in Sergeant Carswell's proposal.

Sergeant Carswell exited, and Directors Sunderman and Sterling temporarily exited the meeting.

ENGAGE AUDITOR TO PREPARE THE FYE APRIL 30, 2025 AUDIT

Mr. Roach noted that the District has an evergreen contract with McCall Gibson Swedlund Barfoot Ellis PLLC (the "District's Auditor"), noting they are providing the same services for a slight increase in cost. Director Gourley then motioned, seconded by Director Fusca, to approve continued engagement with the District's Auditor for the FYE April 30, 2025, audit. The motion passed three-to-zero (3-0) with Directors Sterling and Sunderman absent from the vote.

SALES TAX REPORT AND STRATEGIC PARTNERSHIP AGREEMENT UPDATES

Mr. Fortner noted a few updates regarding sales tax within the District. Next, he stated that the City of Houston is now annexing vacant land as part of its Strategic Partnership Agreements and said he would have a report put together soon to present at an upcoming meeting. The Board ensued in a discussion regarding changes in commercial users and other sales tax permitting-related matters.

Directors Sterling and Sunderman re-entered the meeting during the discussion.

Mr. Wright temporarily exited the meeting.

Next, Mr. Fortner noted an error with the District's Sales Tax Consultant's contract amendment compared to recent invoicing, noting that he was being paid the amended amount instead of the previously approved amount. He ensured that he would reimburse the District for any extra money paid to him beyond what the Board had approved. After some discussion, Director Fusca motioned to approve the amended District's Sales Tax Consultant's agreement, with the rate to be retroactive to December 18, 2023 for services already rendered. Director Sunderman seconded the motion, which passed four-to-zero (4-0), with Director Humbert abstaining.

Mr. Fortner exited the meeting, and Mr. Wright re-entered the meeting.

ENGINEER'S REPORT

Mr. Mueller and Ms. Broom presented the Engineer's Report, attached hereto as **Exhibit "F"**. Ms. Broom noted that seven (7) bids were received on April 16, 2025, for the Water Plant No. 3 project and recommended that the Board award the project to Schier Construction Company, Inc. for a total of \$6,576,880 and 510 working days. After some discussion, Director Sunderman motioned to award the project to Schier Construction Company, Inc. Director Gourley seconded the motion, which passed unanimously.

Messrs. Desilets and Gonzalez exited the meeting.

Next, Ms. Broom noted that one (1) bid was received on April 9, 2025, for the Reclaimed Water System project. She recommended the Board award the project to W.W. Payton Corporation for a total of \$5,370,000 and 450 working days. After some discussion, Director Gourley motioned to award the project to W.W. Payton Corporation. Director Sterling seconded the motion, which passed four-to-one (4-1), with Director Sunderman opposed.

Director Gourley temporarily exited the meeting.

Finally, Mr. Mueller presented Pay Estimate No. 2 for the District Administration Building in the amount of \$171,928.96, payable to Grossman Design Build. Director Sunderman motioned to approve Pay Estimate No. 2. Director Sterling seconded the motion, which passed four-to-zero (4-0) with Director Gourley absent from the vote.

Director Gourley re-entered the meeting.

After some discussion, Director Sunderman motioned to approve the Engineer's Report. Director Gourley seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Mr. Wright presented the Operator's Report, attached hereto as **Exhibit "G"**. Next, he presented the delinquent cut-off list. Mr. Wright then presented the Identity Theft Prevention Program annual report, noting no violations were reported. Director Gourley pointed out that the District's Inspector had been getting many calls that should be going to the District's Operator. Mr. Wright advised that the Directors can always call the District's Operator anytime that happens, and they would take care of it. After some discussion, Director Gourley motioned to approve the Operator's Report. Director Sterling seconded the motion, which passed unanimously.

INSPECTOR'S REPORT

Mr. Braddock presented the Inspector's Report, attached hereto as **Exhibit "H"**. Mr. Braddock requested Board approval for the District's Inspector to send notices to homeowners who have not removed fallen fence panels along the secondary channel, which is causing maintenance issues. The Board concurred for the District's Attorney to send said notices to the residents once provided addresses by the District's Inspector.

Director Humbert temporarily exited the meeting.

After some discussion, Director Gourley motioned to approve the Inspector's Report. Director Fusca seconded the motion, which passed four-to-zero (4-0) with Director Humbert absent from the vote.

Director Humbert re-entered the meeting.

POSSIBLE RATE ORDER AMENDMENTS

Mr. Roach presented proposed language to the Rate Order regarding the right-to-repair leaks within the District as recommended by the District's Operator. After some discussion, Director Fusca motioned to approve the Amended Rate Order. Director Sterling seconded the motion, which passed unanimously.

JOINT FACILITIES ADVISORY COMMITTEE ("JFAC") MATTERS

Mr. Roach noted that the District's Attorney is still circulating comments with the JFAC attorneys regarding the Amended and Restated Water Facilities Contract. The Board discussed the potential Drought Contingency Plan ("DCP") committee meeting and concurred to designate Directors Gourley and Sterling as the DCP Committee.

DIRECTOR'S REPORT

Director Humbert presented updates on the Lonestar Groundwater Conservation District meeting held earlier that day. He also noted that the Region 6 Flood Planning Group is presenting a public open house this week and next week and advised that it be posted on the District's website. Director Sunderman noted that voting for the Montgomery County road bond is approaching, and further discussion ensued regarding the road bond.

ARBITRAGE ANNUAL MAINTENANCE REPORT

Mr. Roach presented documentation on the District's outstanding bond series reviewed by Municipal Risk Management Group, LLC ("MRMG") for arbitrage compliance. After some discussion, Director Fusca motioned to authorize MRMG and Arbitrage Compliance Specialists Inc. ("ACSI") to conduct an Arbitrage Rebate Report on Bond Series 2014 Refunding and Bond Series 2015 and a Yield Restriction Analysis on Bond Series 2021 but to defer the remaining unnecessary mid-cycle reports. Director Gourley seconded the motion, which passed unanimously.

Director Sterling temporarily exited the meeting.

ATTORNEY'S REPORT

There was nothing new to report.

ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

Mr. Roach advised that, pursuant to the Texas Property Tax Code, the District could impose an additional penalty up to 20% on delinquent real property taxes as of July 1st of each year and that the penalty is essentially to cover the costs of collections by the District's Attorney. After no questions or discussion, Director Fusca motioned to maintain the previously approved additional twenty percent (20%) penalty as authorized for 2023 and subsequent years and authorize the District's Attorney to proceed with the usual statutory/contractual twenty percent (20%) additional penalty to be effective July 1, 2025. Director Gourley seconded the motion, which passed unanimously.

Messrs. Mueller, Braddock, Estes, and Ms. Broom exited the meeting.

Director Sterling re-entered the meeting.

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

The Board entered into executive session at 9:24 p.m. for legal consultation.

Mr. Wright and Ms. Garza exited the meeting during the executive session.

Director Sunderman later exited the meeting during the executive session.

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

The Board reconvened in open session at 9:54 p.m.

Mr. Wright and Ms. Garza re-entered the meeting.

Director Gourley motioned to approve proceeding with action on the pending DCP violations as discussed in executive session. Director Fusca seconded the motion, which passed four-to-zero (4-0) with Director Sunderman absent from the vote.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to reconvene for their next regular meeting on May 19, 2025, at 5:00 p.m. There being no further business to discuss, Director Fusca motioned to adjourn the meeting. Director Gourley seconded the motion, which passed unanimously.

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Passed and approved this 19th day of May 2025.

/s/ Frederick Sunderman
Secretary, Board of Directors

[SEAL]



LIST OF EXHIBITS

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