

SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
September 18, 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, Jessica Gentry, and Jennifer Rodriguez of Roach & Associates, PLLC (“RAPLLC”); Simon Vandyk of Touchstone District Services (“Touchstone”); Eric Gonzalez of Clarity Consulting Corporation (“Clarity”); Aric Braddock, who entered later in the meeting, of ASB Services, Inc. (“ASB”); Shane Sullivan, who entered later in the meeting, of Volare Partners, LP, the Fieldhouse developer (“Fieldhouse”); Matthew Malmquist* of Riley Fuzzel Holdings (“RFH”); Anthea Moran of Masterson Advisors LLC (“MA”); and Jade Olivier,* an agent of Montgomery County. [* Remote Attendees]

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

PUBLIC COMMENTS

There were no public comments.

FINANCIAL ADVISOR’S 2023 TAX RATE RECOMMENDATION

Ms. Moran presented and reviewed her 2023 Tax Rate Recommendation, a copy of which is attached as **Exhibit “A.”** She noted that she is recommending a \$0.555 tax rate for debt service (“DS”), and the Board could levy a \$0.33 tax rate for maintenance and operations (“M&O”) to equal a total tax rate of \$0.885. Director Humbert discussed the bond issues that would affect the tax rate amount. Director Gourley noted that they would need an additional well in the future and said it should be considered when setting the tax rate. Director Sunderman further pointed out that the new developments in the District would take up the capacity of their current wells. Therefore, a new well would be needed for future growth in the District. Director Humbert stated that these are future projects and would not relate to setting the current tax rate. Ms. Moran noted that her recommendation does not tie the District to a specific bond amount; it only restricts the limits on the tax rate. She further stated that the only way to keep the tax rate the same would be for the debt service to increase.

After some discussion, Director Fusca motioned to authorize publication of the tax rate of \$0.885 per \$100 of assessed valuation, comprised of \$0.555 for DS and \$0.33 for M&O. Director

Sunderman seconded the motion, which passed unanimously. The Board then discussed the split of bond payments and Water Well No. 4.

Mr. Braddock entered the meeting during the discussion.

Ms. Moran and Ms. Pena exited the meeting.

CONSENT AGENDA: MINUTES

This item was deferred.

CONSENT AGENDA: CONSULTANT REPORTS

Director Sunderman motioned to approve the following consultant reports: (1) Security Report, attached hereto as **Exhibit “B”**; (2) Tax Assessor’s Report, attached hereto as **Exhibit “C”**; (3) Inspector’s Report, attached hereto as **Exhibit “D”**; and (4) Operator’s Report, attached hereto as **Exhibit “E.”** Director Gourley seconded the motion, which passed unanimously.

GARBAGE COLLECTION REPORT

This item was not discussed.

BOOKKEEPER’S REPORT

Mr. Gonzalez presented the Bookkeeper’s Report; a copy is attached as **Exhibit “F.”** Director Sunderman noted that their AT&T bill needed to be paid on time to avoid accruing late fees. Then, a discussion ensued regarding an automatic payment system for specific bills. After the discussion, Director Gourley motioned to set up automatic payments for gas, power, and telecommunication. Director Sunderman seconded the motion, which passed unanimously. Mr. Gonzalez confirmed that he would set up the automatic payments not to exceed a certain amount if an invoice is higher than usual. Mr. Montgomery noted that Badger Meter has not responded to the holding of their check and advised that he would hold the check until they have reconciled with the District.

After some discussion, Director Sunderman motioned to approve the Bookkeeper’s Report and payment of invoices. Director Gourley seconded the motion, which passed unanimously.

Mr. Sullivan entered the meeting during the discussion.

DISTRICT ADMINISTRATION BUILDING OPTIONS

Mr. Mueller noted that Grossman Design Build provided a draft contract to RAPLLC for initial review. He further indicated they are available to meet with the Board on October 10, 2023, at 5:00 p.m. to discuss the design and contract. The Board concurred to hold a special meeting on October 10, 2023, at 5:00 p.m.

FOREST VILLAGE DRAINAGE MATTERS, INCLUDING RESIDENT ISSUES AND PENDING LITIGATION

Mr. Roach recommended discussing this item in executive session.

ENGINEER'S REPORT

Mr. Mueller presented the Engineer's Report, a copy of which is attached hereto as "Exhibit G," and provided updates on the following:

(1) General District Engineering: (a) Water Capacity Analysis, noting C-F has submitted the North Pressure Plane ACR renewal to the Texas Commission on Environmental Quality ("TCEQ"); (b) Fox Run Drainage Analysis, noting C-F has coordinated with Montgomery County Drainage District No. 6 ("MCDD6") on potential mitigation options and that MCDD6 has available regional detention for purchase. Mr. Mueller further noted that C-F sent the completed drainage study to MCDD6 for review; (c) WWTP Discharge Permit Renewal, noting they are awaiting the receipt of the final permit from the TCEQ; and (d) Reclaimed Water System, presenting a draft feasibility analysis of a proposed reclaimed water system.

(2) District Projects (*Design*): (a) Fieldhouse Utility Extension, noting C-F received approval from the Texas Department of Transportation ("TxDot") for the public waterline and sanitary sewer force main extension plans, which will serve the Fieldhouse development. He further indicated that C-F is scheduling a preconstruction meeting with the contractor; (b) Water Plant No. 2 Booster Pump Addition, noting C-F is continuing with the design of the booster pump addition; and (c) Water Plant No. 3, noting C-F is continuing with the design of the proposed Water Plant No. 3.

(3) District Projects (*Construction*): (a) Fox Run Water Line Rehabilitation Phase 2, noting SKE Construction, LLC ("SKE") has continued working on pipe bursting along Sedgewfield and that Buckminster is next on the schedule. Director Sunderman inquired about the progress of the pipe bursting on Fox Run Water Line Rehabilitation Phase 2. Mr. Braddock confirmed there have been no construction issues and no resident interference. Mr. Mueller then presented Pay Application No. 3 for \$472,030.00, payable to SKE for approval. Director Sunderman motioned to approve Pay Application No. 3 for \$472,030.00, payable to SKE. Director Fusca seconded the motion, which passed unanimously. Then, Mr. Mueller noted that Montgomery County (the "County") has not yet approved the plans. The Board discussed what happens when the County does not approve the plans and how the District can transfer the responsibility of the project from A&S Engineers, Inc. ("A&S") to C-F. Finally, he presented to the Board a proposal for a design update of the plans at a cost not to exceed \$38,734. After some discussion, Director Sunderman motioned to (i) transfer the project responsibilities to C-F, (ii) approve C-F's proposal not to exceed \$38,734, and (iii) authorize RAPLLC to discuss with A&S its withdrawal from the project. Director Gourley seconded the motion, which passed unanimously. Director Fusca amended the motion to state the District will not pay any more money to A&S. Director Gourley seconded the motion, which passed unanimously; and (b) Montgomery County Municipal Utility District No. 89 ("MC89") Water Plant No. 2 Autosensory Panel Replacement, noting MC89 awarded McDonald Municipal and Industrial the contract for \$196,069, completing the project within 245 calendar days.

(4) Development Projects: (a) 2121 Riley Fuzzel, noting C-F has received and is reviewing the drainage study performed by the developer's engineer. Mr. Mueller then reported that C-F is preparing a proposal for additional analysis and is exploring potential secondary drainage channel modifications. Mr. Malmquist said he needed a capacity letter from the District stating it has water availability to service the development. He further pointed out that this is one of the County's permit requirements. Mr. Roach confirmed that he had sent the language to Mr. Malmquist; (b) BCS Capital Group, LLC - Locke Tract, noting C-F will begin the design once payment from the developer is received. Mr. Roach noted that BCS will present two (2) design plans to the District at

a special meeting; and (c) Fieldhouse Project-2007 Riley Fuzzel Road, where Mr. Sullivan noted they are on schedule but not on budget. Director Gourley inquired about the timeline of development completion. Mr. Sullivan noted they would finish in November or, at the latest, December of this year. Mr. Roach inquired if Mr. Sullivan was working with A&S on any projects. Mr. Sullivan confirmed he was not and then asked if the District had any budget line items to add so that he could budget accordingly. The Board authorized Mr. Sullivan to discuss additional budget items with the Operator. Then Mr. Roach asked the Board for approval for the 0.005-acre Fieldhouse Water Meter Easement. Director Sunderman motioned to approve the Fieldhouse Water Meter Easement. Director Gourley seconded the motion, which passed unanimously; and (d) 56-acre Riley Fuzzel, noting C-F received an annexation request for 600 apartments west of the Fieldhouse project. He further indicated that they are proceeding with the preparation of the annexation feasibility study. Director Sunderman inquired if the flood plans were adequate for these developments. Mr. Mueller noted that C-F researches mitigation options for each development.

Messrs. Gonzalez and Montgomery exited the meeting during the discussion.

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

Mr. Sullivan exited the meeting.

CAPITAL IMPROVEMENT PLAN (CIP-SS) PROJECT REVIEW

There was nothing new to report.

FUTURE REQUIREMENTS FOR LEAD AND COPPER RULES

There was nothing new to report.

PREVENTATIVE MAINTENANCE PROGRAM

There was nothing new to report.

DEVELOPERS' REPORT

There was nothing new to report.

JOINT FACILITIES ADVISORY COMMITTEE MATTERS, INCLUDING DOWNSTREAM ISSUES

Mr. Montgomery presented the updated Drought Contingency Plan ("DCP"). The Board discussed the communication with residents about being in Stage 2 of the DCP. Mr. VanDyk recommended letting residents know about the increased fees for additional water usage in the rate order tiers. After discussion, Director Gourley motioned to approve the DCP effective September 22, 2023. Director Fusca seconded the motion, which passed unanimously.

DIRECTOR'S REPORT

Director Sunderman noted that the Texas Water Development Board ("TWDB") wanted to put upper and lower boundaries on funding plans. He further stated that the District needs to

comment on the Texas Flood Social Vulnerability Index, which is based on demographics. After some discussion, Director Sunderman motioned to authorize the C-F and RAPLLC to comment on the draft Texas Flood Social Vulnerability Index due September 28, 2023. Director Gourley seconded the motion, which passed unanimously.

Director Humbert noted a public comment at Lonestar Groundwater Conservation District's ("LSGCD") last meeting regarding the rules on the spacing of wells that would force them to drill into a different aquifer than originally planned. Director Humbert then discussed the regulations of drilling a well.

COMMUNICATIONS REPORT, INCLUDING WATER CONSERVATION EDUCATION

Mr. VanDyke presented the Communications Report, attached hereto as **Exhibit "H,"** noting an increase in residents visiting the District's website after the recent mass text notification. Director Humbert stated that he had not received this mass notification. Mr. VanDyk noted there could be an issue internally and would look into alternative solutions. He also suggested that the District create a Community Event Page on its website to promote the National Night Out ("NNO") and the Water Smart Event in the Spring. He further noted that they could create a QR code to put on signage that would direct residents to the page on the website. Mr. VanDyk confirmed that he would start working on the webpage. Mr. Braddock confirmed that he would set up the signage around the community.

Messrs. Braddock, Mueller, and VanDyk exited the meeting.

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

The Board entered into executive session at 8:31 p.m. with legal counsel.

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

The Board reconvened in open session at 8:45 p.m. There was no action taken from executive session.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to reconvene for a special meeting on October 10, 2023, at 5:00 p.m. and their next regular meeting on October 16, 2023, at 5:00 p.m. There being no further business to discuss, Director Gourley motioned to adjourn the meeting. Director Fusca seconded the motion, which passed unanimously.

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Passed and approved this 16th day of October 2023.

/s/ Frederick Sunderman
Secretary, Board of Directors

[SEAL]



LIST OF EXHIBITS

- Exhibit A - 2023 Tax Rate Recommendation
- Exhibit B - Security Report
- Exhibit C - Tax Assessor's Report
- Exhibit D - Inspector's Report
- Exhibit E - Operator's Report
- Exhibit F - Bookkeeper's Report
- Exhibit G - Engineer's Report
- Exhibit H - Communications Report