

SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
May 20, 2024

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 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 Jaclyn Smith, a representative of Utility Tax Services, LLC (the “District’s Tax Assessor”); Mason Mueller and Amber Hurd, representatives of Cobb, Fendley & Associates, Inc. (the “District’s Engineer”); John Montgomery, who entered later in the meeting, a representative of Municipal Operations & Consulting, Inc. (the “District’s Operator”); Jonathan Roach and Jessica Gentry, representatives of Roach & Associates, PLLC (the “District’s Attorney”); Eric Gonzalez, a representative of Clarity Consulting Corporation (the “District’s Bookkeeper”); Aric Braddock, who entered later in the meeting, a representative of ASB Services, Inc. (the “District’s Inspector”); Danae Dehoyos and Calep Estes, representatives of Touchstone District Services (the “District’s Communications Consultant”); and Paul Sterling, a resident of the District. [*Remote Attendees]

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

PUBLIC COMMENTS

There were no public comments.

ACCEPT QUALIFICATION STATEMENTS, BONDS, OATH OF OFFICE, AFFIDAVITS OF CURRENT DIRECTORS AND ELECTIONS NOT TO DISCLOSE INFORMATION, AND REVIEW TRAINING REQUIREMENTS FOR NEWLY/RE-ELECTED DIRECTORS

The Board considered the acceptance of a Statement of Elected Officer, Bond, Oath of Office, Affidavit of Current Director, and Election Not to Disclose (the “Qualification Documents”) for Mark Fusca, Leslie Gourley, and Paul Sterling. After verification of proper execution, Director Gourley motioned to approve and accept the Director Qualification Documents, and declare Messrs. Fusca, Gourley, and Sterling to be duly elected and qualified Directors of the District. Director Fusca seconded the motion, which passed unanimously. Mr. Sterling was then seated as a Director.

Director Sunderman entered the meeting.

REVIEW OFFICER POSITIONS

Mr. Roach explained the current roles and responsibilities of the Board. After some discussion, Director Fusca motioned to maintain the current officer positions and appoint Director Sterling as a Director. Director Gourley seconded the motion, which passed unanimously. Director Sunderman inquired if he needed to take the Public Financial Information Act classes since he was almost at the Director per diem limit. The Board ensued in a discussion regarding various training tools and District devices for Director Sterling.

Mr. Braddock entered the meeting.

AMENDMENT TO DISTRICT REGISTRATION FORM

Mr. Roach advised the Board of the requirements to amend the District Registration Form to note the new or re-elected Directors' terms. After no discussion, Director Fusca motioned to authorize an amendment to the District Registration Form and file it with the Texas Commission on Environmental Quality. Director Humbert seconded the motion, which passed unanimously.

Mr. Braddock temporarily exited the meeting.

CONSENT AGENDA: MINUTES

The Board considered for approval the regular meeting minutes for March 18, 2024, and April 15, 2024, and the special meeting minutes for February 29, 2024, and April 22, 2024. After some discussion, Director Gourley motioned to approve the regular meeting minutes for March 18, 2024, and April 15, 2024, as well as the special meeting minutes for February 29, 2024, and April 22, 2024. Director Fusca seconded the motion, which passed four-to-zero (4-0), with Director Sterling abstaining.

CONSENT AGENDA: CONSULTANT REPORTS

Director Fusca noted that GFL Environmental ("GFL") had contacted him to confirm the condition of the District after the recent storms. Director Sunderman pointed out that trash cans are getting old and need to be replaced. Director Gourley noted that GFL will replace the old trash cans. Director Fusca confirmed that residents can call GFL for replacement.

After some discussion, Director Sunderman motioned to approve the following consultant reports: (1) Security Report, attached hereto as Exhibit "A"; (2) Garbage Collection Report, attached hereto as Exhibit "B"; (3) Tax Assessor's Report, attached hereto as Exhibit "C"; (4) Inspector's Report, attached hereto as Exhibit "D"; and (5) Operator's Report, attached hereto as Exhibit "E". Director Gourley seconded the motion, which passed unanimously. Ms. Smith then presented the Tax Delinquency Report.

BOOKKEEPER'S REPORT

Mr. Gonzalez presented the Bookkeeper's Report, attached hereto as **Exhibit "F"**. The Board ensued a lengthy discussion regarding reimbursable items under the development accounts and the budget items related to the San Jacinto River Authority ("SJRA"). After some discussion, Director Fusca motioned to approve the Bookkeeper's Report and payment of invoices. Director Gourley seconded the motion, which passed unanimously.

Ms. Smith exited the meeting.

Mr. Montgomery entered the meeting, and Mr. Braddock re-entered.

EVO REPORT

This item was deferred.

SALES TAX REPORT

Mr. Roach noted that the District's Sales Tax Consultant has provided an amended agreement to include an additional \$150.00 for ongoing development sales tax monitoring. After some discussion, the Board concurred to deferring the discussion.

OPERATOR'S REPORT

Mr. Montgomery noted they updated the Chase service agreement form. He then said that the District's Operator will be hosting a local dinner for all clients rather than at the upcoming Association of Water Board Directors ("AWBD") Conference. Next, Mr. Montgomery presented the performance testing of various District wells. After some discussion, Director Gourley motioned to stay at the mandatory stage 2. Director Fusca seconded the motion, which passed four-to-zero (4-0), with Director Sunderman abstaining.

Next, Mr. Montgomery explained the Per- and Polyfluoroalkyl Substances ("PFAS"), noting that lithium was found in the District's system. He further stated that the corresponding language for PFAS is now required to be implemented into the Consumer Confidence Report ("CCR"). After some discussion, Director Gourley motioned to approve the Operator's Report. Director Sterling seconded the motion, which passed unanimously. Then, Mr. Montgomery presented a resident's request for a six (6) month payment plan. After some discussion, Director Sunderman motioned to approve the six (6) month payment plan. Director Sterling seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Mueller presented the Engineer's Report, attached hereto as **Exhibit "G"**. The Board discussed ending communications with the Montgomery County Drainage District No. 6 ("DD6") until necessary. Then, Mr. Mueller noted that 1726 Rayford Road was requesting sanitary sewer service from the District and inquired if they would provide this service outside of the District's boundaries. A lengthy discussion ensued regarding the extensive construction and cost to service this development outside the District.

After some discussion, Director Gourley motioned to approve the Engineer's Report. Director Fusca seconded the motion, which passed unanimously. Then, Director Sunderman motioned to approve: (1) the Engineer's Report; (2) the Grossman Design Build Contract; (3) awarding the Water Plant No. 2's Booster Pump Addition project to C3 Constructors, LLC; (4) the Water Reuse Treatment Plant Proposal Amendment; and (5) Pay Application No. 10 in the amount of \$101,980.00 payable to SKE Construction, LLC for Fox Run Phase 2. Director Humbert seconded the motion, which passed unanimously.

Director Humbert noted that he wants to see the timing for engineering on future projects, such as the Fox Run rehabilitation on storm drainage, for budget purposes. Director Sunderman noted that there is a drainage blockage since the streets have been flooding. Further discussion ensued regarding the flooding from the recent rain event and its effect on the future.

POSSIBLE RATE ORDER AMENDMENT

Director Humbert inquired if GFL Environmental ("GFL") had sent their Consumer Price Index ("CPI") letter yet. Mr. Roach confirmed that they had not yet. Then, Director Humbert stated that the Board needs to know the CPI so that the rate order can be adjusted as needed. He then noted that other districts have changed their rate orders to include the inspection of pools to ensure they are draining properly.

JOINT FACILITIES ADVISORY COMMITTEE ("JFAC") MATTERS CONTINUED

Director Humbert noted that Paul Cote of Montgomery County Municipal Utility District No. 89 ("MC89") wants to hold a special JFAC meeting. He also said the SJRA responded to the JFAC's surface water connection inquiry. Next, Director Humbert noted the items for discussion at the JFAC meeting to include: (1) the SJRA's response to the JFAC's surface water connection inquiry; (2) MC89's feasibility study for the Jasper Well; (3) Montgomery County Municipal Utility District No. 88's ("MC88") requested bridge; and (4) voting in the SJRA election for representatives on the East side of I-45. Director Humbert stated that the District had not received an invitation to vote for a representative but suggested that the JFAC nominate one (1) candidate together to represent the East side of I-45. A discussion ensued regarding the SJRA elections, connecting with appraisal districts, cutting projects, and MC88's requested bridge.

DIRECTOR'S REPORT

Director Humbert noted that the Lonestar Groundwater Conservation District ("LSGCD") had collected samples in Porter for subsidence, stating it would be a few months before they provide the results. He noted that LSGCD is still working with The Woodlands for Site No. 2 and pointed out that the environmental study has been finished. Next, he stated that the LSGCD would be paying for the Groundwater Management Area No. 14 proposed updates and improvements of the Gulf 2023 model. Director Humbert pointed out that the SJRA's consultant completed a Groundwater Reduction Plan ("GRP") rate differential study, and recommended a rate reduction next year and possibly for the following next few years. He further noted that the final report will be presented at the next GRP meeting, and a discussion on rates would be part of the budget discussions at the same meeting.

Director Sunderman noted that Region 6 Flood Planning Group (“Region 6”) has new Board members and stated they are covering seven (7) counties’ plans, which do not include the District’s projects. He further explained his concern that if the District does not put a project on the list, there may be an extended period before any projects are covered. A lengthy discussion ensued regarding Region 6 and the necessity of adding the District’s projects to their list. Next, Director Sunderman noted that all the America Rescue Plan Act (“ARPA”) projects will be finished by 2026. Director Fusca suggested that Director Sunderman discuss with the District’s Engineer to comment on the ARPA projects.

COMMITTEE UPDATES

Director Fusca said that the District has many committees, but it is unclear which Directors are on certain committees and suggested that the Board readjust and explain the committees to the new Director. He also suggested assigning a spending limit to each committee in case something needs to be done quickly before the next Board meeting. Director Sunderman suggested adding a Committee Report to the consent agenda. A discussion ensued regarding committee spending limits. Next, Director Humbert presented draft job descriptions for each committee, which the Board reviewed.

COMMUNICATIONS REPORT

Ms. Dehoyos presented the Communications Report, attached hereto as **Exhibit “H”**. The Board had a brief discussion regarding National Night Out. After some discussion, Director Sunderman motioned to approve the Communications Report. Director Gourley seconded the motion, which passed unanimously.

ATTORNEY’S REPORT

Director Humbert noted that MC88 and MC89 received checks from the SJRA for reimbursement of funds, but the District had not. He inquired how the money had been broken out, whereby Mr. Montgomery noted that a breakdown was not provided.

INSPECTOR’S REPORT

Director Fusca stated that the District would not be working with DD6 regarding the pipeline. He then inquired when the park was to be mowed. Mr. Braddock noted that the park was mowed the previous week but will ask for a half mow on pedestrian areas and an extra mow for Fox Run and Locke Ridge.

Messrs. Montgomery, Estes, Mueller, Braddock, Ms. Dehoyos, and Ms. Hurd exited the meeting.

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

The Board entered into executive session at 8:19 p.m. for legal consultation.

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

The Board reconvened in open session at 9:03 p.m.

Mr. Estes re-entered the meeting.

Director Gourley motioned to approve the maintenance agreement and various facility conveyances for the Woodmere Development, subject to the Texas Commission on Environmental Quality pre-purchase inspection, deduction of the access road and fountain, and Woodmere and Forest Village Homeowners Association's approval. Director Sterling seconded the motion, which passed unanimously. Next, Director Gourley motioned to decline the Economic Development Agreement with BCS Capital Group, LLC, but continue with the development concept as initially presented. Director Sterling seconded the motion, which passed unanimously.

Mr. Montgomery re-entered the meeting.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to reconvene for a special meeting on May 30, 2024, at 5:00 p.m., and their next regular meeting on June 17, 2024, at 5:00 p.m. There being no further business to discuss, Director Sunderman motioned to adjourn the meeting. Director Gourley seconded the motion, which passed unanimously.

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Passed and approved this 17th day of June 2024.

/s/ Frederick Sunderman
Secretary, Board of Directors

[SEAL]



LIST OF EXHIBITS

- Exhibit A - Security Report
- Exhibit B - Garbage Collection 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