

SPANISH COVE PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors
September 7, 2021

The Board of Directors ("Board") of Spanish Cove Public Utility District met at 102-A Spanish Cove Dr., Crosby Texas 77532 on September 7, 2021 in accordance with the duly posted notice of said meeting, with the following members present as following:

Eldon Gizinski, President
David Hilditch, Treasurer
Don Housely Jr. Director
Doyle Bowers, Director

and the following absent:

Tommy Curry, Secretary

Also present were Ms. Debbie Arellano, tax assessor-collector for the District; Mr. John Davis, operator for the District; Mr. Jordan Moore, bookkeeper for the District; and Ms. Jennifer B. Seipel, attorney for the District.

The President called the meeting to order and declared it open for such business might regularly come before it.

1. The Board first considered approval of the minutes of the meeting held on August 3, 2021. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes of the meetings as presented.

2. There was no public comment.

3. Ms. Arellano presented the tax assessor-collector's report. Taxes collected for 2020 are at 98.8%. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. Ms. Arellano presented a recommendation with respect to the District's 2021 tax rate. The Board reviewed the analysis and recommendation. The Board considered the attached Resolution Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, Calling Public Hearing on 2021 Tax Rate, and Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing. After discussion, upon unanimous vote, the Board found that the District is a Developed district under Texas Water Code §49.23602 and adopted the attached Resolution so stating. The Board also authorized publication of a Notice of a Public Hearing on October 5, 2021, at which the Board will consider adoption of a total 2021 tax rate of \$0.59213 per \$100 assessed valuation. The attorney noted that after considering a proposed tax rate, the District must update the transparency report

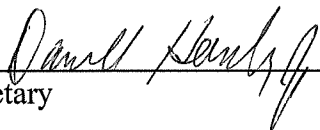
required by Section 26.18 of the Texas Tax Code. Upon unanimous vote, the Board authorized the attorney to update the compliance document and post it on the internet.

5. Mr. Moore presented the bookkeeper's report, noting that the District's financials appear to be in good order. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeepers report as reported.

6. The Board considered a Resolution Adopting an Operating Budget for the Fiscal Year Ending September 30, 2022. Upon motion duly made, seconded, and unanimously carried, the Board approved the budget as presented.

7. Mr. Davis presented the operator's report, copy attached. The operator provided an update on the status of maintenance during the month of August. The operator also reported that the Lone Wolf subdivision appears to be moving forward, and the District is in receipt of a draft water supply agreement. Ms. Seipel and Mr. Davis stated that they are still awaiting comment from the developer and attorney for Lone Wolf with regard to the District's comments on the proposed arrangement between the parties. Subject to that discussion, the Board approved the operator's report as presented.

There being no further the business to come before the Board, the meeting was adjourned.


Secretary