

SPANISH COVE PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

January 4, 2022

The Board of Directors ("Board") of Spanish Cove Public Utility District met at 102-A Spanish Cove Dr., Crosby Texas 77532 on January 4, 2022 in accordance with the duly posted notice of said meeting, with the following members present as following:

Eldon Gizinski, President
Tommy Curry, Secretary
David Hilditch, Treasurer
Don Housely, Jr., Director

The following were absent:

Doyle Bowers, Vice President

Also present were Mr. John Davis and Mr. Garrett Klenk, District operators; Ms. Debbie Arellano, tax assessor-collector for the District; Ms. Michelle Townes, auditor for the District; and Ms. Jennifer 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 December 7, 2021. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board opened the floor for public comment. No public comment was offered.

3. Ms. Arellano presented the tax assessor-collector's report, copy attached, which showed 31.3% collections for 2020 taxes. Subject to that discussion, upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. It was reported to the meeting that under the provisions of Article VIII, Section 1-b(e) of the Constitution of Texas, the District may exempt from ad valorem taxation by its own action up to twenty percent (20%) of the market value of each residence homestead

owned by an adult and taxable by the District for the year 2022, but not producing an exemption of less than \$5,000 when such percentage is applied to a particular homestead. Those present discussed the various points for or against the adoption of the exemption by the District. After the discussion, it was duly moved, seconded and unanimously carried, the Board adopted the attached order providing for a homestead exemption in the amount of twenty percent (20%) of the market value of residence homesteads for the year 2022.

5. It was further reported to the meeting that under the provisions of Article VIII, Section 1-b of the Constitution of Texas, this District may exempt by its own action not less than \$3,000 of the assessed value of the residence homesteads of persons 65 years of age or older or disabled from all ad valorem taxes thereafter levied by the District. Those present discussed the various points for or against the adoption of the exemption by the District. After the discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the attached Order providing a \$60,000 homestead exemption for residents of the District 65 years of age or older or disabled for the year 2022.

6. Ms. Seipel noted that, for several reasons, including approval of the audit being presented at the meeting, the District must update the transparency report required by Tax Code § 26.18. Upon unanimous vote, the Board authorized the attorney to update the compliance document and post it on the internet.

7. Director Hilditch reviewed the bookkeeper's report, copy attached. The Board noted and approved the quarterly investment report. The Board unanimously approved the bookkeeper's report and payment of the checks listed thereon.

8. Ms. Townes approached the Board to review the District's audit for the fiscal year ended September 30, 2021. She stated that her office was issuing a clean opinion for the audit and that the District continued to have healthy fund balances. Subject to that discussion, the Board unanimously approved the audit in substantially the form presented and authorized its filing with all appropriate entities.

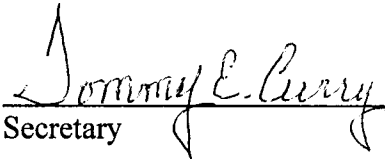
9. Mr. Davis presented the operations report, copy attached. The operator stated that some minor work was performed on the generator at the plant during the prior month.

After discussion, the Board approved the operator's report as presented.

10. The Board discussed the required review of the District's investments in compliance with Senate Bill 253. It was noted that the District's investments were in compliance with the list promulgated by the State Comptroller, which is monitored periodically to prevent violations of Senate Bill 253.

11. There was presented the attached Resolution Affirming Review of Investment Policy, Strategies and Objectives. The attorney noted that pursuant to the Public Funds Investment Act, the District is annually required to review its investment policy to assure its compliance with Texas law. The attorney recommended no revisions at this time to the investment policy, and the auditor's report noted no deficiencies with respect to how the District's investments are handled. Upon unanimous vote, the Board adopted the resolution as presented.

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


Secretary