

## SPANISH COVE PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

February 1, 2022

The Board of Directors ("Board") of Spanish Cove Public Utility District met at 102-A Spanish Cove Dr., Crosby Texas 77532 on February 1, 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; 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 January 4, 2022. 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 87.0% collections for 2021 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. The Board considered an Order Levying Additional Penalty for Delinquent Taxes, which levies a 20% penalty on 2021 delinquent taxes for personal property on April 1, 2022 and real property on July 1, 2022. After review, upon motion unanimously carried, the

Board adopted the Order as presented.

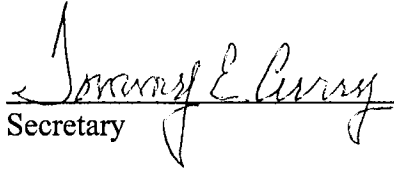
5. The attorney for the District then discussed with the Board the requirements of Texas Local Government Code Chapter 203, Subchapter D (Senate Bill 625). The law requires districts to annually provide certain records and information concerning the District's finances and tax rates to the Texas Comptroller of Public Accounts. The comptroller has created a special information database on their website, where the information will be assembled, updated, and made available to the public free of charge. The required information is already publicly available in other places, but the law requires submission of the information to the comptroller. The information includes the name of the District, the names of the Board members, any employees, addresses, websites if applicable, names of certain consultants, the total amount of bonds authorized by District voters, the aggregate principal amount of bonds issued, the tax rate, and audited financial information. Upon unanimous vote, the Board authorized the attorney to prepare and file the required report by the April 1, 2022 deadline.

6. Director Hilditch reviewed the bookkeeper's report, copy attached. The Board reviewed the expenditures for the month and discussed budget comparisons, noting that the budget appears to be in good order. The Board unanimously approved the bookkeeper's report and payment of the checks listed thereon.

7. Mr. Davis presented the operations report, copy attached. The operator stated that minor repairs to the transfer switch for the generator were performed at the plant during the prior month. There was additional discussion regarding measures that could be taken to prevent moisture from affecting the transfer switch in the future. Further, the Board agreed to an increase in the operator's monthly base rate to \$1,580. After discussion, the Board approved the operator's report as presented.

8. It appeared that an election of directors should be called for and within the District on Saturday, May 7, 2022. The attached Order calling such election was presented and reviewed by the Board of Directors. Upon motion duly made, seconded and unanimously carried, the Board approved and adopted the Order attached hereto. The attorney was instructed to handle the mechanics of the election.

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

  
Secretary