

SPANISH COVE PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors
May 3, 2022

The Board of Directors ("Board") of Spanish Cove Public Utility District met at 102-A Spanish Cove Dr., Crosby Texas 77532 on May 3, 2022 in accordance with the duly posted notice of said meeting, with the following members present as following:

Tommy Curry, Secretary
David Hilditch, Treasurer
Doyle Bowers, Director.
Don Housely Jr. Director

And the following absent:

Eldon Gizinski, President

Also present were Ms. Debbie Arellano, tax assessor-collector for the District; Mr. John Davis and Mr. Garrett Klenk, operators 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 considered approval of the minutes of the meetings held on April 5, 2022. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Ms. Arellano presented the tax assessor-collector's report, copy attached. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

3. Mr. Hilditch presented the bookkeeper's report, copy attached. He noted that the District's fund balances were in good shape. Upon motion duly made, seconded and unanimously carried, the board approved the Bookkeepers report as reported.

4. The Board opened the floor for public comment. None was offered.

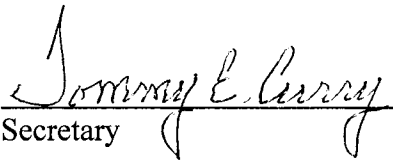
5. Mr. Klenk presented the operators report, copy attached. He reported on the previous month's activities. Subject to that discussion, the Board unanimously approved the operator's report.

6. Lastly, the Board discussed the agreement to provide water service to a proposed development known as Lone Wolf. The operator and the attorney noted that Mr. Joe Fogarty, the developer of Lone Wolf, paid the District the due diligence deposit requested by the Board, noting that it was paid several weeks later than Mr. Fogarty had promised. Ms. Seipel and Mr. Davis noted that the developer has not provided the District with any of the financial

documents requested by the Board, which was another precondition of service. In light of this failure to comply with one of the prerequisites to continue negotiations, the Board elected to cease discussions with the developer. Even though the District incurred considerable expense to date in negotiating with Mr. Fogarty, the Board agreed to return in full the due diligence deposit provided by Mr. Fogarty.

7. The Board then completed the annual director conflict questionnaires.

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


Secretary