

SPRING WEST MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

June 8, 2022

The Board of Directors ("Board") of Spring West Municipal Utility District ("District") met in regular session at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, on June 8, 2022, in accordance with the duly posted notice of meeting. The meeting was also held via videoconference and teleconference pursuant to Texas Government Code Sections 551.125 and 551.127, as amended. The roll was called of the duly constituted officers and members of said Board, as follows:

Beverly F. O'Neal, President
Kim Stephens, Vice President
W. Eugene Norris, Sr., Secretary
Scott Shelnett, Assistant Secretary
Jerome A. Patridge, Assistant Secretary

and all persons attended the meeting, with Director Patridge participating via videoconference, thus constituting a quorum.

Also in attendance were: Jorge Diaz of McLennan & Associates, Inc. ("McLennan"); Brenda McLaughlin of Bob Leared Interests, Inc. ("Leared"); Eric Thiry and JC Reno of Environmental Development Partners, LLC ("EDP"); Justin Ring of Odyssey Engineering Group, Inc. ("Odyssey"); Eric Badertscher of Off Cinco, LLC ("Off Cinco"); and Abraham Rubinsky, Katie Blasio, and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Diaz entered later in the meeting, as noted herein.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. There being no comments from the public, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the Board of Directors meetings held on April 27, 2022 and May 11, 2022. Upon review, Director Shelnett moved that the minutes of the meetings held April 27, 2022 and May 11, 2022 be approved as written. Director Norris seconded said motion, which unanimously carried.

CONTINUING DISCLOSURE REPORT

Mr. Rubinsky stated that the District's Annual Continuing Disclosure Report is due by June 30, 2022, and that SPH will provide Mark Eyring, CPA, PLLC with final comments to the District's Annual Audit Report for the fiscal year ended December 31, 2021 shortly so that the Disclosure Report can be filed by McCall, Parkhurst & Horton, L.L.P., the District's Disclosure Counsel, prior to such deadline.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin next presented to and reviewed with the Board the Tax

Assessor/Collector's Report for the month ended May 31, 2022, which is attached hereto as **EXHIBIT A**, including the disbursements presented therein for payment from the Tax Account Ms. McLaughlin also presented to and reviewed with the Board a Single Line Delinquent Tax Report, included with the Tax Assessor/Collector's Report, dated June 6, 2022. After discussion, Director Shelnutt moved that the Tax Assessor/Collector's Report be approved and that the disbursements identified in the Report be approved for payment from the Tax Account. Director O'Neal seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

The Board deferred consideration of a Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's Delinquent Tax Collections Attorneys, after noting that a quarterly report was not due for this month. Mr. Rubinsky advised that the next quarterly report should be provided in July.

OPERATOR'S REPORT

Mr. Reno presented to and reviewed with the Board the Operator's Report dated June 8, 2022, a copy of which is attached hereto as **EXHIBIT B**, and discussed various repair and maintenance items noted therein. Mr. Reno reported that the replacement of all three (3) lift pumps in Lift Station No. 3 (Spring Plaza) is complete. With regard to the proposed replacement of the leaking welded steel pipe located beneath the drainage channel near 2215 Hannover Way, Mr. Reno reminded the Board that, at its meeting held on May 25, 2022, it authorized EDP to proceed with the repairs as proposed by Wright Solutions in the estimated total amount of \$65,475. After discussion, it was moved by Director Shelnutt, seconded by Director Norris and unanimously carried that the Board's prior approval of the proposal from Wright Solutions be ratified in all respects.

Mr. Reno next presented to and reviewed with the Board correspondence received by EDP from a representative of DD Holzwarth 10.26, LLC ("DDH 10.26"), a copy of which is included with the Operator's Report. Noting that construction by DDH 10.26 of its 285 unit apartment complex on 10.26 acres in the SPSC Project is approximately five (5) months behind schedule, Mr. Reno advised that DDH 10.26 has requested that the Board grant it an exception to the provisions set forth in section 3.06 of the District's Rate Order by rolling back the rate charged to DDH 10.26 to Month 4 after initial connection to the District's water system, which sets billing at twenty-five percent (25%) of apartment units planned ultimately to be served by the master meter for the development, and adjust DDH 10.26's account accordingly. After discussion, the Board concurred to consider the matter further at its next meeting and directed EDP to confirm that DDH 10.26 has been billed correctly since first tapping into the District's facilities and stop accruing penalties and interest to DDH 10.26's account pending a decision by the Board.

Mr. Diaz entered the meeting during the above discussion.

RATIFY APPROVAL OF CONSUMER CONFIDENCE REPORT ("CCR")

As the next order of business, the Board considered ratifying its prior approval of the 2021 CCR. Mr. Rubinsky reminded the Board that pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the TCEQ, the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2022. After discussion on the matter, Director Shelnutt

moved to ratify the Board's prior approval of the 2021 CCR in all respects. Director Stephens seconded the motion, which unanimously carried.

SUBMISSION OF CRITICAL LOAD STATUS INFORMATION TO THE COUNTY OFFICE OF EMERGENCY MANAGEMENT, PUBLIC UTILITY COMMISSION, AND THE DIVISION OF EMERGENCY MANAGEMENT OF THE GOVERNOR

Mr. Rubinsky advised that Section 13.1396 of the Texas Water Code, as amended, requires the District to update its information identifying the location and description of facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District and (b) immediately upon any change in the information to the above entities, as well as to the Office of Emergency Management of Harris County, the Public Utility Commission of Texas, and the Division of Emergency Management of the Governor. Director Shelnett moved to authorize submission of updated contact information regarding District facilities that qualify for critical load status to the Office of Emergency Management of Harris County, the Public Utility Commission of Texas, and the Division of Emergency Management of the Governor. Director Norris seconded the motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Diaz presented and reviewed with the Board the Bookkeeper's Report for the period of May 12, 2022, through June 8, 2022, a copy of which is attached hereto as **EXHIBIT C**, including the disbursements presented therein for payment from the District's various accounts. Mr. Diaz next presented and reviewed an Investment Report for the period of May 1, 2022, through May 31, 2022, a copy of which is included with the Bookkeeper's Report. Mr. Diaz then responded to various questions and comments from Mr. Rubinsky and the Board regarding items in the Bookkeeper's Report. After further discussion concerning various matters reflected in said Reports, Director Shelnett moved that: (i) the Bookkeeper's Report and the disbursements presented therein for payment be approved; (ii) the Investment Report be approved and the District's Investment Officer be authorized to execute same on behalf of the District; and (iii) McLennan be authorized to (a) invoice the Jones Marital Trust for \$1,250.90, which represents the balance due for preparation of an Annexation Feasibility Report in connection with the proposed annexation of an approximate 27.6 acre tract located at the southwest corner of Spring Steubner and Holzwarth Roads, (b) return \$4,727.55 to Kenroc, LLC, which represents the remaining balance of its deposit for preparation of an Annexation Feasibility Report in connection with the proposed annexation of an approximate 16 acre tract located west of Holzwarth Road across from Wuensche Road, and (c) return \$3,224.20 to Jesus Ramirez, which represents the remaining balance of his deposit for preparation of an Annexation Feasibility Report in connection with the proposed annexation of an approximate 0.50 acre tract located at 1814 Spring Cypress Road. Director Stephens seconded said motion, which unanimously carried. The Board then requested that McLennan remove the "16 Acre Holzwarth" and ".50 Acre 1814 Spring Cypress Rd – FM 2920" tracking spreadsheets from the Bookkeeper's Report going forward.

UNCLAIMED PROPERTY REPORT

The Board next considered approval of an Unclaimed Property Report as of March 1, 2022, and the filing of same with the State Comptroller prior to July 1, 2022. In connection

therewith, Mr. Diaz advised that the District has \$2,250.14 in unclaimed property funds for the current reporting period to escheat to the Texas Comptroller of Public Accounts (the "Comptroller"). After discussion on the matter, Director Shelnuttt moved that the District's Bookkeeper be authorized to file the Unclaimed Property Report for the subject reporting period with the State Comptroller prior to July 1, 2022. Director Patridge seconded said motion, which unanimously carried.

AMENDED AND RESTATED CONSTRUCTION AND MAINTENANCE AGREEMENT WITH HANNOVER FOREST HOMEOWNERS ASSOCIATION

The Board deferred consideration of the proposed Amended and Restated Construction and Maintenance Agreement between the District and Hannover Forest Homeowners Association in connection with maintenance by the District of the Hannover Forest, Section Two Detention Pond.

ENGINEER'S REPORT

Mr. Ring presented and reviewed in detail with the Board a written Engineer's Report dated June 8, 2022, a copy of which is attached hereto as **EXHIBIT D**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. After discussion, it was moved by Director Shelnuttt, seconded by Director Norris and unanimously carried, that the Engineer's Report be approved and that: (i) Odyssey be authorized to proceed with the preparation of plans and specifications for construction of the District facilities required to serve the property located at 1731 Spring Cypress Road (the "Starbucks Tract"), the construction of which is to be funded by the developer; and (ii) EDP be authorized to install temporary fencing at the Lift Station No. 2 (Hannover Springs) site and Director Stephens be designated to approve a proposal for repair of the damaged fence at said site between Board meetings. The Board deferred awarding a contract to replace seven (7) supporting columns on the stair access platform located at the Wastewater Treatment Plant.

With regard to the repair by DL Glover, Inc. ("DLG") of the noted deficiencies discovered in the sanitary sewer line constructed in connection with construction of Water Distribution and Wastewater Collection Facilities to serve Spring Cypress Road ("West Extension Project"), Mr. Ring reported that the results of the initial post-repair televised inspection performed by Source Point Solutions, LLC ("Source Point") without vacuum indicated a possible sag. Noting that there also appeared to be a certain amount of construction debris in the subject sanitary sewer line, Mr. Ring further reported that DLG has engaged Source Point to clean said line and perform another televised inspection of same. Mr. Ring also advised the Board that Odyssey is coordinating with DLG to address certain concerns raised by Don Sanberg regarding the condition of the paving on a portion of his property.

In connection with the 25-foot combined water line and sanitary sewer line easement across the northern boundary of the Starbucks Tract required in connection with the proposed annexation of the Starbucks Tract, Mr. Rubinsky reported that SPH received the metes and bounds description for said easement from Odyssey yesterday. Noting that SPH had previously ordered an owner/lienholder report for the property in connection with the proposed annexation of the Starbucks Tract, which Odyssey has confirmed contains the proposed easement, he advised the Board that SPH is in the process of preparing the easement document.

Mr. Rubinsky next reviewed with the Board the draft Emergency Water Supply Contract (the "Contract") between the District and Harris County Water Control and Improvement District

No. 110 ("No. 110"). Mr. Rubinsky discussed in detail the proposed terms and conditions set forth in the Contract, as well as SPH's comments to same. After discussion, it was moved by Director Stephens that the Contract be approved, subject to SPH's final review and approval, that Director Shelnett be designated to approve any substantial changes to the Contract which may be proposed by No. 110, and that the Board President be authorized to execute same on behalf of the District. Director Shelnett seconded said motion, which unanimously carried.

Ms. McLaughlin left the meeting during the above discussion.

PROPOSED ANNEXATION AND DEVELOPMENT OF APPROXIMATE 27.6 ACRE TRACT LOCATED AT THE SOUTHWEST CORNER OF SPRING STUEBNER AND HOLZWARTH ROADS

The Board next considered the proposed annexation and development of an approximate 27.6 acre tract located at the southwest corner of Spring Stuebner and Holzwarth Roads. In that regard, Mr. Ring reminded the Board that Dhanani Private Equity Group has paid the \$15,000 deposit required to cover any costs the District may incur in connection with the preparation an Annexation Feasibility Report and advised that Odyssey is currently working on the related feasibility study.

PROPOSED ANNEXATION OF 0.5069 ACRE TRACT LOCATED AT 1731 SPRING CYPRESS ROAD (STARBUCKS)

In connection with the proposed annexation and development of the Starbucks Tract, Mr. Rubinsky reported that SPH is continuing to try to obtain certain documents required from the owners of the Starbucks Tract. He further noted that said owners will need to obtain a letter of no objection from the Harris County Flood Control District relative to the drainage plan for the subject tract.

PROPOSED ANNEXATION AND DEVELOPMENT OF 12.51 ACRE TRACT LOCATED AT 2500 SPRING STUEBNER ROAD

The Board deferred consideration of the proposed annexation and development of a 12.51 acre tract located at 2500 Spring Stuebner Road, noting that the \$15,000 deposit required to cover any costs the District may incur in connection with the preparation of the annexation feasibility report relative to said tract has not yet been received.

PROPOSED ANNEXATION AND DEVELOPMENT OF 19.72 ACRE TRACT LOCATED AT 2324 LOUETTA ROAD

With regard to the proposed annexation and development of an approximate 19.72 acre tract located at 2324 Louetta Road, Mr. Rubinsky advised that SPH is in the process of reviewing the draft annexation feasibility report prepared by Odyssey.

PROPOSED ANNEXATION AND DEVELOPMENT OF AN APPROXIMATE 0.61 ACRE TRACT (LOTS 26, 27 AND 28) LOCATED AT 20615 SLEEPY HOLLOW LANE

With regard to the proposed annexation and development by International Applied Behavior Analysis Institute ("iABAI") of an approximate 0.61 acre tract (Lots 26, 27 and 28) located at 20615 Sleepy Hollow Lane, outside the boundaries of the District, Mr. Rubinsky reported that the draft Annexation Feasibility Report is currently under review by SPH.

ISSUANCE OF UTILITY COMMITMENTS

The Board deferred requests for Utility Commitments after Mr. Rubinsky reported that the District has not yet received a formal request for a Utility Commitment from the owner of the Starbucks Tract. Mr. Ring stated that Odyssey will follow up with the owners of the Starbucks Tract.

Mr. Reno left the meeting at this time.

DEVELOPERS' REPORTS

The Board deferred consideration of the Developer's Report, noting that no developer representative was present.

AUTHORIZE COMPLETION, EXECUTION AND FILING WITH THE SECRETARY OF STATE OF A VOTING SYSTEM ANNUAL FILING FORM

The Board considered authorizing the completion, execution and filing with the Secretary of State of a Voting System Annual Filing Form relative to District elections. Mr. Rubinsky advised that pursuant to the Texas Election Code, each political subdivision in the State of Texas will be required to complete and file said Form with the Secretary of State's office. After discussion, Director Shelnett moved that SPH be authorized to complete and execute the Voting System Annual Filing Form and to file same with the Secretary of State's Office on behalf of the Board and the District. Director Norris seconded said motion, which unanimously carried.

RECORDS DESTRUCTION REQUEST

The Board next considered a request from the District's Records Management Officer to destroy SPH's handwritten notes and audio recordings of Board meetings held between March 24, 2021, and February 9, 2022, a copy of which request is attached hereto as **EXHIBIT E**. After discussion of the request, Director Shelnett moved that the destruction of SPH's handwritten notes and audio and/or video recordings of Board meetings be authorized as requested in accordance with the provisions of the District's Records Management Program. Director Norris seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Rubinsky advised that he had nothing further to report of a legal nature that was not included under another agenda item

With the exception of the Board, Mr. Rubinsky, Ms. Blasio, and Ms. Walsh, all remaining attendees left the meeting at this time. A lengthy discussion ensued regarding the history and status of communications regarding the proposed creation of director lots within the District, as well as possible locations and specifications for such lots. After discussion, Director Norris moved that Odyssey be authorized to engage a surveyor to prepare metes and bounds descriptions for three (3) 500 square foot lots to be located on the District's surplus property south of the Lift Station No. 3 (Spring Plaza) site adjacent to the Interstate Highway 45 frontage road. Director O'Neal seconded the motion, which unanimously carried.

CLOSED SESSION

The Board determined that it would not be necessary to meet in Closed Session at this time.

OTHER MATTERS

The Board considered items to be placed on future agendas. Except as may be reflected above, there were no additional agenda items requested other than routine, and ongoing matters.

ADJOURNMENT

There being no further business to come before the Board, Director Stephens moved that the meeting be adjourned. Director Shelnutt seconded said motion, which unanimously carried.



Wally E. Jiri
Secretary, Board of Directors

EXHIBITS

June 8, 2022

Exhibit A: Tax Assessor-Collector's Report; Single Line Delinquent Tax Report

Exhibit B: Operator's Report

Exhibit C: Bookkeeper's Report; Investment Report

Exhibit D: Engineer's Report

Exhibit E: Records Management Officer Records Destruction Request