

SPRING WEST MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors June 22, 2022

The Board of Directors ("Board") of Spring West Municipal Utility District ("District") met in regular session at La Quinta by Wyndham Houston Spring South located at 21119 North Freeway, Spring, Harris County, Texas, on June 22, 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: Glenn Woodson of Storm Maintenance & Monitoring ("SM&M"); JC Reno of Environmental Development Partners, LLC ("EDP"); Justin Ring of Odyssey Engineering Group, Inc. ("Odyssey"); Nick Dhanani of Dhanani Private Equity Group ("DPEG"); Tom Hall of Lovejoy Commercial, LLC ("Lovejoy"); Mark Kirkland of Kimley-Horn & Associates, Inc. (Kimley-Horn"); Rolf Scheffler of Kingham Dalton Wilson, Ltd. ("KDW"); Eric Badertscher of Off Cinco, LLC ("Off Cinco"); and Katie Blasio, and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Messrs. Ring, Dhanani, Hall, Kirkland, and Scheffler and Mses. Blasio and Walsh participated in the meeting via teleconference and/or videoconference.

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 deferred consideration of the minutes of the Board of Directors meeting held on May 25, 2022.

STORM WATER QUALITY INSPECTION REPORTS

The Board deferred consideration of the Storm Water Quality Inspection Reports ("Inspection Reports") prepared by Storm Water Solutions ("SWS") for the month of May 2022. The Board also deferred consideration of SWS' request for a price increase pending receipt of a proposed Master Service Agreement from SWS.

DRAINAGE AND DETENTION FACILITIES MAINTENANCE REPORT

The Board next considered the Drainage and Detention Facilities Maintenance Reports from SM&M (the "D&D Reports") dated June 6, 2022, copies of which are attached hereto as **EXHIBIT A**. In that regard, Mr. Woodson reviewed the D&D Report with the Board. Mr. Woodson next presented to and reviewed with the Board a proposal from SM&M, a copy of which is included with **EXHIBIT A**, for various additional maintenance, repair and rehabilitation work to be performed at (i) the Spring Plaza Detention Pond, in the estimated total amount of \$1,500, and (ii) the Spring Pines Shopping Center Detention Pond (the "SPSC Pond"), in the estimated total amount of \$41,133. Following discussion, it was moved by Director Shelnett, seconded by Director Stephens, and unanimously carried that SM&M's proposal in the amount of \$1,500 for rehabilitation of the Spring Plaza Detention Pond be approved, with rip rap to be utilized for the repair rather than stabilizing sand, as recommended by Director Shelnett. The Board deferred action on the proposal for rehabilitation of the SPSC Pond until later this year when weather conditions are more favorable.

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 22, 2022, a copy of which is attached hereto as **EXHIBIT B**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein.

In connection with the proposed repair of the support columns for the Stair Access Platform at the District's Wastewater Treatment Plant ("WWTP"), Mr. Ring reported that Odyssey solicited three bids but received only two (2). Noting that both bids came in significantly higher than Odyssey's original estimate due to the increased cost of construction materials, Mr. Ring advised the Board that Odyssey recommends awarding the contract to the low bidder, Gilleland Smith Construction, Inc. ("Gilleland"), in the total estimated amount of \$67,850. Mr. Ring reminded the Board that insurance is expected to cover approximately sixty-percent (60%) of the cost for repairs.

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 Odyssey has completed its review of the second post-repair televised inspection report and videos provided by Source Point Solutions, LLC ("Source Point"). He advised the Board that a significant majority of the newly installed line meets the District's specifications for acceptance. He noted, however, that a small section of the

line located near manhole no. 7 has a sag that reaches a maximum depth of approximately 3½ - inches, or close to fifty-percent (50%) of the diameter of the pipe, which fails to meet the District's specifications. Mr. Ring pointed out that the sag being located so close to manhole no. 7 will allow easy access for future inspection and maintenance of the deficient portion of the sanitary sewer line and advised the Board that Odyssey recommends accepting the facilities constructed in connection with the West Extension Project. Mr. Ring stated he will request the final paperwork from DLG and will communicate to DLG that the Board will not pay more than the amount previously agreed upon for said repair, which is \$19,775.

In connection with the proposed purchase of an emergency generator for the District's WWTP, Mr. Ring reported that NRG Energy is scheduled to conduct a load test of the existing emergency generator located at the site for an estimated total cost of \$2,120. Director Shelnett requested that a representative from Odyssey be on site during the load test to inspect the equipment and monitor the proceedings.

Mr. Ring next reported that Odyssey received two (2) bids for repair of the damaged fence at the Lift Station No. 2 (Hannover Springs) site ("LS No. 2"). He advised the Board that Odyssey recommends awarding the contract to the low bidder, Johnson Fence and Masonry ("Johnson"), in the estimated total amount of \$9,286.

After discussion, it was moved by Director Shelnett, seconded by Director Patridge and unanimously carried, that the Engineer's Report and all action items listed therein and recommended by Odyssey for approval be approved, including that: (i) the contract for repair/replacement of seven (7) support columns for Stair Access Platform at the WWTP be awarded to Gilleland, as discussed above, and the President be authorized to execute same on behalf of the Board and the District, subject to SPH's review of the related bonds and worker's compensation insurance and receipt of a Texas Ethics Commission ("TEC") Form 1295 from Gilleland relative to same; (ii) the District accept the facilities constructed by DLG in connection with the West Extension Project and authorize Odyssey to close out the contract, on the express condition that the District will only pay the additional previously agreed upon amount of \$19,775 and subject to receipt of final paperwork from DLG reflecting same; and (iii) the contract for repair of the fence at LS No. 2 be awarded to Johnson, as discussed above, and the President be authorized to execute same on behalf of the Board and the District, subject to receipt of a TEC Form 1295 from Johnson relative to same. The Board deferred acceptance of the 25-foot Utility Easement (Water and Sanitary Sewer Lines) required in connection with the proposed annexation of the approximate 0.5069 acre tract located at 1731 Spring Cypress Road (the "Starbucks Tract").

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, Ms. Blasio reported that SPH is in receipt the owner/lienholder report for the Starbucks Tract which indicates that the Arnold Luster Marital Deduction Trust and the Doris Luster Survivor's Revocable Trust transferred ownership of the Starbucks Tract to a California limited liability company and advised the Board that SPH is in the process of revising the annexation documents to reflect same. She further reported that SPH has yet to receive certain documents and information required from the owners of the Starbucks Tract.

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

The Board next considered the proposed annexation and development of a 12.51 acre tract located at 2500 Spring Stuebner Road. Noting that the \$15,000 deposit required from Landfinity Development Group to cover any costs the District may incur in connection with the preparation of an annexation feasibility report relative to said tract has not been received and that there has been no further communication from the developer since April regarding the matter, the Board requested that this item be removed from the agenda going forward.

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, Ms. Blasio advised that SPH has reviewed the draft annexation feasibility report and will finalize its comments to same, pending a discussion with Odyssey to clarify certain matters reflected in said report.

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, Ms. Blasio reported that the draft Annexation Feasibility Report is currently under review by SPH.

ISSUANCE OF UTILITY COMMITMENTS

The Board next considered requests for Utility Commitments. In connection therewith, Mr. Ring reported that Odyssey is in receipt of a request from Iglesia Intimidad Con Dios ("Iglesia Intimidad") for approximately 9 equivalent single-family units of water and wastewater capacity to serve the development of an approximate 167,198 square foot church building and office space on an approximate 10.86 acre tract located at 2931 FM 2920, within the boundaries of the District. Mr. Ring stated that the District has the capacity required to serve the proposed

development. After discussion, Director Shelnutt moved that the Board: (i) approve Utility Commitment to Iglesia Intimidad, as discussed above, subject to receipt of the executed Utility Commitment and related TEC Form 1295 from Iglesia Intimidad; and (ii) authorize the Board President to execute same on behalf of the Board and District. Director Stephens seconded said motion, which unanimously carried.

Mr. Scheffler next inquired about the status of the Utility Commitment issued to MR Newton Spring, Ltd. ("MRNS"). Ms. Blasio advised that a draft Utility Commitment has been prepared by SPH and is currently under review. She stated that, once SPH has completed its review, the Utility Commitment will be forwarded to MRNS for review and execution.

DEVELOPERS' REPORTS

The Board next considered the Developers' Reports. In that regard, Mr. Ring advised the Board that Odyssey recently received an email from Kyle Mulvey of Burgess and Niple, Inc. with updated civil plans for the proposed waterline improvements and tap plans for the Spring Pines Apartments, Phase II. Mr. Ring noted Odyssey is reviewing said plans.

SALE OF SURPLUS LAND

The Board deferred consideration of the conveyance documents relative to the proposed sale of surplus land by the District.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

The Board deferred consideration of matters related to the Authority.

HARRIS COUNTY CONSTABLE'S OFFICE ("HCCO") MONTHLY ACTIVITY REPORT

Ms. Blasio noted that a security report received from the HCCO for the month of May 2022, a copy of which is attached hereto as **EXHIBIT C**, on the current status of criminal activities in the District and surrounding areas was distributed to the Board prior to today's meeting. After discussion, no action was taken by the Board relative to said matter.

ATTORNEY'S REPORT

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

In connection with the previous request of DD Holzwarth 10.26, LLC ("DDH 10.26") that the Board consider granting 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 and adjust DDH 10.26's account accordingly, Mr. Reno advised the Board that EDP has a revised meter reading for the account and reviewed the details of the revised reading with the Board. After discussion, the Board concurred with Director

Shelnutt's recommendation to defer action on the matter pending completion of the repairs to the SPSC Pond that DDH 10.26 previously agreed to perform.

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 Norris moved that the meeting be adjourned. Director Shelnutt seconded said motion, which unanimously carried.




Secretary, Board of Directors

EXHIBITS

June 22, 2022

Exhibit A: Detention and Drainage Facilities Maintenance Reports

Exhibit B: Engineer's Report

Exhibit C: HCCO Security Report (May 2022)