

## **SPRING WEST MUNICIPAL UTILITY DISTRICT**

### **Minutes of Meeting of Board of Directors July 27, 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 July 27, 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. Director Shelnett entered later in the meeting, as noted herein.

Also in attendance were: Glenn Woodson of Storm Maintenance & Monitoring ("SM&M"); Justin Ring of Odyssey Engineering Group, Inc. ("Odyssey"); Tom Hall of Lovejoy Commercial, LLC ("Lovejoy"); Jessica Berrios of Dhanani Private Equity Group ("DPEG"); Eric Badertscher and Linda Castro of Off Cinco, LLC ("Off Cinco"); Karen Sears of Storm Water Solutions, LP ("SWS"), who entered later in the meeting, as noted herein; and Abraham Rubinsky, Katie Blasio and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Messrs. Ring, Hall, Badertscher and Rubinsky and Meses. Berrios, Castro, 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 considered approval of the minutes of the Board of Directors meeting held on June 22, 2022. Upon review, Director Norris moved that the minutes of the meeting held June 22, 2022 be approved as written. Director Patridge seconded said motion, which unanimously carried.

Director Shelnett entered the meeting at this time.

#### **STORM WATER QUALITY INSPECTION REPORTS**

Mr. Rubinsky noted that the Storm Water Quality Inspection Reports ("Inspection Reports") prepared by Storm Water Solutions ("SWS") for the months of June 2022 and July 2022, copies of which are attached hereto as **EXHIBIT A**, were circulated to the Board for its review prior to today's meeting. After discussion, it was noted that no action was required by the Board in connection with the Inspection Reports at this time.

## **REQUEST OF SWS FOR APPROVAL OF PRICE INCREASE AND NEW MASTER SERVICES AGREEMENT**

The Board next considered requests by SWS concerning (i) rate adjustments for permitting and inspection services and (ii) approval of a proposed Master Services Agreement ("MSA"). Noting that SWS has not received a rate increase since 2007, Mr. Rubinsky reviewed SWS' proposal for an increase in rates, as reflected in the revised maintenance schedules provided by SWS related to maintenance of the stormwater quality permits for the Hannover Springs Detention Pond (Phase IV Hannover Village Regional Detention Pond) and Section 1 of the Spring Plaza Detention Pond (the "MSA Exhibits"). He then addressed the Board regarding a proposed MSA between the District and SWS. He reported that SPH has reviewed the proposed MSA and discussed SPH's minimal comments to it and the MSA Exhibits with the Board. Mr. Rubinsky further reported that all such comments have been provided to SWS. Noting that no representative of SWS was currently in attendance, the Board deferred action on the matter.

## **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 July 13, 2022, copies of which are attached hereto as **EXHIBIT B**. In that regard, Mr. Woodson reviewed the D&D Reports with the Board. Mr. Woodson next reported that SM&M has completed the rehabilitation of the Spring Plaza Detention Pond, as previously authorized by the Board. In connection therewith, he presented before and after photographs evidencing same, copies of which are included with **EXHIBIT B**. Mr. Woodson then responded to various questions from the Board. The Board noted that no action was necessary in connection with the D&D Reports at this time.

## **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 July 27, 2022, a copy of which is attached hereto as **EXHIBIT C**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein.

In connection with the proposed recoating of the ground storage tank located at Water Plant No. 1 ("WP No. 1"), Mr. Ring reported that Odyssey received twelve bids for the project and advised the Board that Odyssey recommends awarding the contract to the low bidder, BRZ Coatings, Inc. ("BRZ"), in the total estimated amount of \$244,500. In connection therewith, he presented a Contract Recommendation Letter addressed to the Board relative to same, a copy of which is included under **EXHIBIT C**. Upon consideration, Director Stephens moved that the contract for recoating of the ground storage tank located at WP No. 1 be awarded to BRZ, as discussed above, and that 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 BRZ relative to same. Director Shelnuttt seconded the motion, which unanimously carried.

Mr. Ring next presented to and reviewed with the Board a proposed change order in the amount of \$117,671.65 prepared by DL Glover, Inc. ("DLG") relative to the work performed by DLG in connection with correction 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"). A copy of DLG's proposed change order is included under **EXHIBIT C**. Mr. Ring stated that the District is under no obligation to pay the additional amount requested by DLG. Mr. Ring recommended that, in order to resolve the matter and close out the contract, the District offer to relieve DLG of its previously agreed upon obligation to bear the costs of continuous on-site observation by Odyssey of the repair work being performed by DLG, materials testing, and televised inspections by Source Point upon completion of said repairs, which, he advised, amounts to an approximate total cost of \$25,987.32 (the "Repair Management Costs"). After discussion, it was moved by Director Stephens, seconded by Director Norris and unanimously carried, that the District pay the estimated total amount of \$39,510.42 currently remaining on the original contract without any deduction for Repair Management Costs, as discussed above, plus the District's previously agreed upon contribution of \$19,775 toward the cost of repairs for a total estimated final payment to DLG of \$59,285.42. Mr. Ring stated that he will advise DLG of the Board's decision and request that DLG submit the final paperwork reflecting same in order to close out its contract with the District.

The Board next considered the proposed construction of an emergency water interconnect between the District and Harris County Water Control and Improvement District No. 110 ("No. 110"). Noting that No. 110's engineer indicated numerous times to Odyssey that No. 110 would cover the entire cost for design and construction of the proposed emergency water interconnect (the "Interconnect Project"), Mr. Ring advised the Board that the attorney for No. 110 is now asserting that No. 110 expects the District to contribute fifty-percent (50%) of the estimated total cost of \$137,000, or approximately \$68,500, for the Interconnect Project. Mr. Rubinsky then advised the Board that the original draft of the proposed Emergency Water Supply Contract between the District and No. 110 prepared by No. 110's attorney indicates that No. 110 will pay 100% of the costs of the Interconnect Project. After discussion, the Board requested that Mr. Rubinsky contact the attorney for No. 110 to clarify and attempt to resolve the matter.

#### **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 connection therewith, Mr. Rubinsky reported that SPH has completed its initial review of the draft Annexation Feasibility Report prepared by Odyssey. He advised the Board that SPH will complete its review of the draft Report and provide comments back to Odyssey relative to same prior to the next Board meeting.

#### **PROPOSED ANNEXATION OF 0.5069 ACRE TRACT LOCATED AT 1731 SPRING CYPRESS ROAD (THE "STARBUCKS TRACT")**

In connection with the proposed annexation and development of the Starbucks Tract, Mr. Rubinsky reported that SPH has yet to receive certain documents and information required from

the owners of the Starbucks Tract.

**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 reported that SPH has completed its initial review of the draft Annexation Feasibility Report prepared by Odyssey. He advised the Board that SPH will complete its review of the draft Report and provide comments back to Odyssey relative to same prior to the next Board meeting.

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

The Board next considered 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. In connection therewith, Mr. Rubinsky reported that SPH has completed its initial review of the draft Annexation Feasibility Report prepared by Odyssey. He advised the Board that SPH will complete its review of the draft Report and provide comments back to Odyssey relative to same prior to the next Board meeting.

**ISSUANCE OF UTILITY COMMITMENTS**

The Board deferred consideration of requests for Utility Commitments, noting that no new requests have been received.

**DEVELOPERS' REPORTS**

The Board deferred consideration of the Developers' Reports, noting that no developer representatives were in attendance at today's meeting.

Ms. Sears entered the meeting at this time.

**REQUEST OF SWS FOR APPROVAL OF PRICE INCREASE AND NEW MASTER SERVICES AGREEMENT (CONTINUED)**

The Board next continued its discussion regarding SWS' requests for rate adjustments and approval of an MSA. In connection therewith, Ms. Sears reviewed the proposed price increases reflected in the MSA Exhibits with the Board. Mr. Rubinsky then discussed SPH's comments to the proposed MSA and MSA Exhibits with Ms. Sears and the Board. Following discussion, Director Shelnuttt moved that: (i) the Board approve the MSA and the MSA Exhibits, subject to review and approval by SPH and receipt of TEC Form 1295 from SWS relative to same; and (ii) the President be authorized to execute same on behalf of the Board and the District. Director Norris seconded the motion, which carried unanimously.

**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**

Mr. Rubinsky noted that a security report received from the HCCO for the month of June 2022, a copy of which is attached hereto as **EXHIBIT D**, 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.

Mr. Rubinsky next reported that the District is in receipt of correspondence from the HCCO relative to the proposed renewal of the Interlocal Agreement for Law Enforcement Services with Harris County for a one-year term commencing October 1, 2022. After discussion, the Board concurred to authorize SPH to submit certain updated information to the HCCO, as requested in said correspondence, and to review, revise, and final the draft Interlocal Agreement for Law Enforcement Services with Harris County received from the HCCO for the Board's consideration at the next meeting.

### **SALE OF SURPLUS LAND**

In connection with the proposed sale of surplus land by the District, Mr. Rubinsky inquired which "lots" the Board wished to sell at this time and discussed the estimated sales price for said lots with the Board. After discussion, the Board deferred approval of the conveyance documents relative to the proposed sale of surplus land by the District until its next meeting.

### **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.

### **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 Shelnett seconded said motion, which unanimously carried.

/s/ W. Eugene Norris, Sr.  
Secretary, Board of Directors

EXHIBITS

July 27, 2022

Exhibit A: Storm Water Quality Inspection Reports

Exhibit A: Detention and Drainage Facilities Maintenance Reports

Exhibit C: Engineer's Report

Exhibit D: HCCO Security Report