

## **SPRING WEST MUNICIPAL UTILITY DISTRICT**

### **Minutes of Meeting of Board of Directors August 24, 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 August 24, 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"); Justin Ring of Odyssey Engineering Group, Inc. ("Odyssey"); Lucas Sandidge of Mill Creek Residential ("Mill Creek"); Jessica Berrios of Dhanani Private Equity Group ("DPEG"); Tom Hall of Lovejoy Commercial, LLC ("Lovejoy"); Eric Badertscher of Off Cinco, LLC ("Off Cinco"); and Abraham Rubinsky, Katie Blasio and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Messrs. Ring, Sandidge, Hall and Rubinsky and Meses. Berrios, 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 approval of the minutes of the Board of Directors meeting held on July 27, 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 August 2022, noting that no such Inspection Reports were received 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 August 9, 2022, copies of which are attached hereto as **EXHIBIT A**. In that regard, Mr. Woodson reviewed the D&D Reports with the Board. Mr. Woodson then responded to various questions from the Board, and advised that he would bring a

proposal for the additional work required in the Spring Pines Detention Pond to the Board meeting scheduled for September 28, 2022. 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 next considered the proposed Amended and Restated Construction and Maintenance Agreement (the "Amended and Restated Agreement") between the District and Hannover Forest Homeowners Association (the "Hannover Forest HOA") in connection with maintenance by the District of the Hannover Forest, Section Two Detention Pond. In connection therewith, Director Patridge reported that the Hannover Forest HOA now has a new management company. Director Stephens stated that she will forward the contact information for the new management company to SPH in order to facilitate discussions regarding the proposed Amended and Restated Agreement.

**ENGINEER'S REPORT**

Mr. Ring presented and reviewed in detail with the Board a written Engineer's Report dated August 24, 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 District's contract with DL Glover, Inc. ("DLG") for construction of the West Extension of Water Distribution and Wastewater Collection Facilities to serve Spring Cypress Road, Mr. Ring reported that Odyssey advised DLG that the Board's decision regarding its proposed payment to DLG is final. He then reported that DLG has indicated it is in the process of preparing the paperwork required to close out its contract with the District. Mr. Ring noted that Odyssey discovered a calculation error in DLG's original submittal of its cost estimate for repair of the sanitary sewer line and recommended that the District's actual contribution toward the cost of repairs be revised from \$19,775 to \$20,775, with which the Board concurred, making the District's total proposed final payment to DLG \$60,285.42.

With regard to the Water Meter Easement required to serve the Saxon Pond Flats project, Mr. Rubinsky advised the Board that SPH has requested but not yet received the title report needed in order to prepare the Water Meter Easement and requested that the Board defer acceptance of same.

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"). In connection therewith, Mr. Rubinsky reported that SPH received an updated draft of the proposed Emergency Water Supply Contract between the District and No. 110 from the attorneys for No. 110 on August 10, 2022 (the "EWS Contract"). He then reviewed the revised EWS Contract with the Board, noting certain comments provided by SPH which are not currently reflected in the revised draft. Following review, the Board requested that SPH add language to the proposed EWS Contract requiring notification to the District prior to certain repairs by No. 110. After further discussion, Director Stephens moved that the Board re-approve the EWS Contract subject to certain minor changes requested by the Board and clarification from No. 110 regarding the status of the acquisition of the required easements. Director Shelnutt seconded the motion, which unanimously carried.

**NOTICE OF APPLICATION OF UNDINE TEXAS, LLC TO AMEND ITS CERTIFICATE(S) OF CONVENIENCE AND NECESSITY**

Mr. Rubinsky next presented to and reviewed with the Board a notice received by the District on August 8, 2022 from the Public Utility Commission of Texas (the "PUC"), a copy of which is attached hereto as **EXHIBIT C** regarding an application filed by Undine Texas, LLC ("Undine") to amend the certificated area covered by its water Certificate of Convenience and Necessity ("CCN"). He reported that portions of the area requested by Undine to be included in its amended CCN overlap the 0.5069 acre tract located at 1731 Spring Cypress Road (the "Starbucks Tract") and the approximate 0.61 acre tract (Lots 26, 27 and 28) located at 20615 Sleepy Hollow Lane (the "Sleepy Hollow Tract"), both of which tracts are currently proposed to be annexed by the District. Mr. Rubinsky advised the Board that the current owners of the Starbucks and Sleepy Hollow Tracts, respectively, will need to contest the matter with the PUC should they wish to proceed with the proposed annexations of their respective tracts into the boundaries of the District. He then noted that the deadline to contest Undine's filing is 30 days from August 5, 2022, the date the notice was mailed out by the PUC. Following discussion, it was moved by Director O'Neil, seconded by Director Shelnut and unanimously carried, that SPH be authorized to intervene with the PUC with respect to the Starbucks and Sleepy Hollow Tracts, communicate with the current owners of each of the two tracts to confirm they wish to proceed with the proposed respective annexations by the District and, thereafter, engage outside counsel to handle the matters going forward, if necessary, with all costs that may be incurred by the District in connection with such interventions to be included in the costs of annexation to be paid by Starbucks and the International Applied Behavior Analysis Institute or the current landowners.

**PROPOSED ANNEXATION OF THE STARBUCKS TRACT**

The Board deferred further consideration of the proposed annexation and development of the Starbucks Tract, noting that the matter had been already been discussed in connection with the Undine CCN matter.

**PROPOSED ANNEXATION AND DEVELOPMENT OF THE SLEEPY HOLLOW TRACT**

The Board deferred further consideration of the proposed annexation and development of the Sleepy Hollow Tract, noting that the matter had been already been discussed in connection with the Undine CCN matter.

**PROPOSED ANNEXATION AND DEVELOPMENT OF 19.72 ACRE TRACT LOCATED AT 2324 LOUETTA ROAD (THE "LOUETTA ROAD TRACT")**

The Board next considered the proposed annexation and development by Mill Creek of the Louetta Road Tract. With regard to Mill Creek's obligation to pay for the cost of the necessary improvements to the Louetta Woods Lift Station (the "LWLS Project"), Mr. Ring recommended that the Board request that Mill Creek escrow estimated engineering fees in the amount of \$54,000 with the District and authorize Odyssey to proceed with the design of the LWLS Project, subject to receipt of the escrowed funds. It was then moved by Director Stephens that Odyssey be authorized to proceed with design of the LWLS Project, subject to receipt of escrowed funds the amount of \$54,000 from Mill Creek, as recommended by Mr. Ring and that SPH be authorized to prepare a Utility Development Agreement between the District and Mill Creek.

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

The Board deferred consideration of the proposed annexation and development by Dhanani of the Spring Stuebner Tract.

**ISSUANCE OF UTILITY COMMITMENTS**

The Board next considered requests for Utility Commitments. In connection therewith, Mr. Rubinsky reviewed SPH's recent communications with David Adame regarding various matters related to the District's Utility Commitment to Alliance Residential ("Alliance") for water and wastewater capacity to serve the proposed development of an approximate 10.25 acre tract located at 2525 F.M. 2920 (the "Alliance Tract"), consisting of an approximate 2.0 acre tract located outside the boundaries of the District (the "Out-of-District Tract") and an approximate 8.25 acre tract located within the District, adjacent to the western boundary of the Out-of-District Tract. Noting the high cost of preparing a formal drainage study which the City of Houston may require be included with the annexation petition submittals, Mr. Rubinsky advised the Board that Alliance has requested that the Board waive its requirement to annex the Out-of-District Tract into the District. After discussion, the Board concurred with Mr. Rubinsky's recommendation that the Board require annexation of the Out-of-District Tract into the District. However, Mr. Rubinsky noted that Mr. Adame also requested that such annexation requirement be omitted from the Utility Commitment. The Board concurred that the condition to annex the Out-of-District Tract be omitted from the Utility Commitment to Alliance and that SPH be authorized to prepared a side letter agreement between the District and Alliance memorializing the condition that service to the Alliance Tract is subject to annexation of the Out-of-District Tract into the boundaries of the District.

**DEVELOPERS' REPORTS**

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

**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; APPROVAL OF INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT SERVICES**

Mr. Rubinsky noted that a security report received from the HCCO for the month of July 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.

The Board next considered renewal of the Interlocal Agreement for Law Enforcement Services between Harris County and the District (the "Interlocal Agreement") for the term commencing October 1, 2022, and ending September 30, 2023. With regard thereto, Mr.

Rubinsky reviewed the proposed Interlocal Agreement with the Board. After discussion, it was moved by Director Patridge, seconded by Director Shelnuttt and unanimously carried, that the Interlocal Agreement be approved, subject to SPH's final review and comment, and that the President and Secretary be authorized to execute same on behalf of the Board and the District.

### **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 O'Neal moved that the meeting be adjourned. Director Shelnuttt seconded said motion, which unanimously carried.



  
Secretary, Board of Directors

EXHIBITS

August 24, 2022

- Exhibit A: Detention and Drainage Facilities Maintenance Reports
- Exhibit B: Engineer's Report
- Exhibit C: Public Utility Commission of Texas – Notice regarding filing by Undine Texas, LLC
- Exhibit D: HCCO Security Report