

SPRING WEST MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors April 26, 2023

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 April 26, 2023, 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 Shelnut	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"); Bart Downum, of Environmental Development Partners, LLC ("EDP"); Justin Ring and Danielle Gonzalez of Odyssey Engineering Group, Inc. ("Odyssey"); Jessica Berrios of Dhanani Private Equity Group ("DPEG"); 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. Woodson and Downum and Ms. Berrios participated in the meeting via teleconference and/or video conference.

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 March 22, 2023. Upon review, Director Patridge moved that the minutes of said meeting be approved as presented. Director O'Neal seconded said motion, which unanimously carried.

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 month of March 2023, 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.

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 April 25, 2023, a copy of which is attached hereto as **EXHIBIT B**. In that regard, Mr. Woodson reviewed the D&D Reports and responded to various questions from the Board. Mr. Woodson next advised the Board that Odyssey has determined that a certain drainage ditch which runs along the northern boundary of the Spring Plaza Regional Detention Pond from the western boundary east up to the Storm Water Pump Station and then proceeding in a northerly direction (the "Northern Drainage Ditch") does in fact belong to the District. He then reported that the Northern Drainage Ditch is completely overgrown with vegetation and presented to and reviewed with the Board a proposal from SM&M, a copy of which is included with **EXHIBIT B**, for clearing said Ditch in the estimated total amount of \$5,500. Following discussion, it was moved by Director Shelnutt, seconded by Director Stephens, and unanimously carried that SM&M's proposal in the amount of \$5,500 for clearing the Northern Drainage Ditch be approved.

Mr. Woodson left the meeting 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 (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.

AMENDMENT OF RATE ORDER

The Board next considered the amending the District's Rate Order in connection with changes being undertaken by certain multi-family developments within the District that have resulted in the significant loss of tax revenues by the District. Mr. Rubinsky then discussed the status of certain bills pending before the 88th Texas Legislature and other pending legal actions related to similar situations in other municipal utility districts and responded to various questions from the Board regarding same. Following discussion, the Board concurred with Mr. Rubinsky's recommendation that the Board defer any action on the matter for the time being.

ENGINEER'S REPORT

Mr. Ring presented and reviewed in detail with the Board a written Engineer's Report dated April 26, 2023, 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. Mr. Ring then responded to various inquiries from the Board.

Mr. Ring next reported that Odyssey's inspection of the drainage outfall pipes, culverts and backslope interceptors located throughout the District is complete. He advised that Odyssey recommends replacement of outfall pipes located in two (2) areas identified in the Detention Pond Maintenance Map Exhibit attached to the Engineer's Report and reported that Odyssey has requested a proposal for the replacement of said pipes from Wright Solutions. Mr. Ring further reported that there are also number of private pipes flowing into District drainage and detention facilities which are in bad condition and need to be replaced. Mr. Rubinsky recommended that Odyssey provide notice to the various owners of the private outfall pipes that the District intends to replace said pipes prior to proceeding with same and advising them that the District will back charge each of the respective owners for the cost of said work if they don't handle the situation themselves. After the Board concurred with Mr. Rubinsky's recommendation, Mr. Ring stated

that Odyssey will determine the price for replacement of the private outfall pipes in order to include the estimated cost of same in the District's notice.

In connection with the proposed annexation of the 0.5069 acre tract located at 1731 Spring Cypress Road (the "Starbucks Tract"), Mr. Ring noted that a proposed Settlement Agreement between the District and Undine Texas, LLC ("Undine") is on the agenda for the Board's consideration later in the meeting. He then requested that the Board authorize Odyssey to advertise for bids for construction of the 8-inch water line and sanitary sewer line extensions required to serve the existing Starbucks coffee shop on the Starbucks Tract (the "Starbucks Extension Project"), subject to the approval of the Settlement Agreement and the final resolution of the Undine CCN matter involving the Starbucks Tract. After discussion, Director Shelnett moved that Odyssey be authorized to advertise for bids for the Starbucks Extension Project subject to approval of the Settlement Agreement by both parties and confirmation of (i) the District's receipt of a fully executed copy of same and (ii) Undine's receipt of funds pursuant to the terms of the Settlement Agreement. Director Stephens seconded the motion, which unanimously carried.

Mr. Ring next requested that the Board authorize Odyssey to proceed with the preparation of plans for the construction of a public sanitary line to serve the property located at 2020 FM 2920 (the "Top Soap Tract"). He noted that Turphin Ventures, LLC ("Turphin") has agreed to fund the cost for construction of the public sanitary sewer line required to serve the Top Soap Tract and is not requesting reimbursement of such costs. After discussion and upon motion made by Director Stephens, seconded by Director Norris and unanimously carried, the Board authorized Odyssey to proceed with the preparation of plans for construction of a public sanitary line to serve the Top Soap Tract, subject to receipt of funds from Turphin to cover the costs of design and construction of the public sewer line, and without reimbursement of said costs.

SETTLEMENT AGREEMENT WITH UNDINE

The Board next considered the status of Undine's Application to the Public Utility Commission ("PUC") to amend its water Certificate of Convenience and Necessity ("CCN") in the area of the District and the District's intervention in such matter due to pending annexations which would be adversely impacted. In connection therewith, Mr. Rubinsky presented to and reviewed with the Board a draft Settlement Agreement between the District and Undine. Mr. Rubinsky explained that the proposed Settlement Agreement memorializes the terms and conditions by which (i) Undine shall accept a combined total of \$75,000 directly from the owners and/or lessees of the Starbucks Tract and the approximate 0.61 acre tract (Lots 26, 27 and 28) located at 20615 Sleepy Hollow Lane (the "School Tract") in consideration for removal of the Starbucks Tract and School Tract from Undine's Application, and (ii) the District shall withdraw as a party to the contested case hearing regarding Undine's Application and withdraw its protest in opposition to said Application. After discussion, Director O'Neal moved that the Settlement Agreement with Undine be approved, subject to final review and approval by SPH, and the President be authorized to execute same on behalf of the Board and the District. Director Shelnett seconded said motion, which unanimously carried.

STATUS OF PROPOSED ANNEXATIONS

The Board next considered the status of the proposed annexation and development of various tracts into the boundaries of the District. With regard thereto, Mr. Rubinsky summarized

the status of each of the pending annexations for the Board. It was noted that no action was required by the Board in connection with annexation matters at this time.

Ms. Berrios left the meeting at this time.

STATUS OF FEASIBILITY REPORT RELATIVE TO PROPOSED ANNEXATION AND DEVELOPMENT OF THE STREAM TRACT

Mr. Ring reminded the Board that Stream Realty Partners 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 such feasibility study.

APPROVAL OF UTILITY DEVELOPMENT AGREEMENT ("UDA") AND WAIVER AGREEMENT BETWEEN THE DISTRICT AND MCRT INVESTMENTS, LLC ("MCRT")

The Board deferred consideration of a UDA and a Waiver Agreement between the District and MCRT in connection with the proposed annexation and development of the MCRT Tract.

ISSUANCE OF UTILITY COMMITMENTS

The Board considered requests for Utility Commitments. In connection therewith, Mr. Rubinsky reported that SGM Properties, Ltd. ("SGM") has signed the Utility Commitment for water and sanitary sewer service to serve the approximate 10.25 acre property located at 2525 FM 2920 and has also provided the required Texas Ethics Commission ("TEC") Form 1295 in connection therewith. Following discussion, it was moved by Director Stephens, seconded by Director Norris and unanimously carried that (i) the Utility Commitment to SGM be approved, (ii) the President be authorized to execute same on behalf of the Board and the District, and (iii) SPH be authorized to acknowledge the District's receipt of the TEC Form 1295 with the TEC.

Mr. Rubinsky next reported that the District is in receipt of a request from Rigby Owen, Jr. for two (2) equivalent single-family connections ("esfcs") of water capacity to serve an approximate 1.677 acre tract located at 21115 North Freeway (the "Owen Tract") for development of a used automobile dealership on the site. Mr. Rubinsky advised that the District previously issued a utility commitment to Mr. Owen, which has expired. Mr. Rubinsky noted that Mr. Owen intends to continue utilizing the existing septic system located on the site and, therefore, is not requesting sanitary sewer capacity to serve the Owen Tract. After discussion, Director Stephens moved that SPH be authorized to prepare a Utility Commitment, as discussed above. Director Patridge seconded said motion, which unanimously carried.

DEVELOPERS' REPORTS

The Board deferred consideration of the Developers' Reports, noting that no developer representatives were in attendance at today's meeting whose matter had not already been addressed by the Board.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

The Board next considered matters related to the Authority. In that regard, Mr. Rubinsky

discussed recent activities of the Authority, including the status of House Bill 3820 which proposes to exclude the Authority from the boundaries of the Harris Galveston Subsidence District.

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

Mr. Rubinsky noted that a security report received from the HCCO for the month of March 2023, 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.

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


Secretary, Board of Directors



EXHIBITS

April 26, 2023

- Exhibit A: Storm Water Quality Inspection Reports
- Exhibit B: Detention and Drainage Facilities Maintenance Report
- Exhibit C: Engineer's Report
- Exhibit D: HCCO Security Report