

SPRING WEST MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors June 28, 2023

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 28, 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"); Justin Ring of Odyssey Engineering Group, Inc. ("Odyssey"); Tyler Wellborn of Stream Realty Partners ("Stream"); Tyler Eaton of Half Associates ("Half"); Jessica Berrios of Dhanani Private Equity Group ("DPEG"); Bart Downum of Environmental Development Partners, LLC ("EDP"); 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. Downum, Eaton and Rubinsky and Mes. Berrios, Blasio and Walsh 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 May 24, 2023. Upon review, Director Norris moved that the minutes of said meetings be approved as presented. Director Shelnut 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 May 2023, copies of which are attached hereto as **EXHIBIT A**, were circulated to the Board for its review prior to today's meeting. He noted that the proposed replacement of certain damaged and/or deteriorated corrugated pipes located under the bar screen at the outfall of the Hannover Village Regional Detention Pond depicted in the Inspection Reports will be addressed under the Engineer's Report. 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 Report from SM&M (the "D&D Report") dated June 28, 2023, a copy of which is attached hereto as **EXHIBIT B**. In that regard, Mr. Woodson reviewed the D&D Report and responded to various questions from the Board. Mr. Woodson reported that SM&M has completed the clearing of the drainage channel along the northern boundary of the Spring Plaza Regional Detention Pond, as previously authorized by the Board. The Board concurred with Mr. Rubinsky's recommendation that the cost incurred by the District for clearing said drainage channel not be back charged to the benefitted landowners since such expense was more capital in nature than typical maintenance. After discussion, it was noted that no action was required by the Board in connection with the D&D Report 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.

ENGINEER'S REPORT

Mr. Ring presented and reviewed in detail with the Board a written Engineer's Report dated June 28, 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.

In connection with Odyssey's recently completed inspection of the storm, water drainage outfall pipes, culverts and backslope interceptors located throughout the District, Mr. Ring reported that Odyssey obtained proposals from SM&M and Infrastructure Construction Services for the proposed replacement of certain storm sewer outfall pipes (the "Outfall Pipe Replacement Project"), in addition to the proposal prepared by Wright Solutions ("Wright"), which was previously presented to the Board at its meeting held on May 24, 2023. Copies of the proposals are included with **EXHIBIT C**. Mr. Ring noted that Wright submitted the low bid in the estimated total amount of \$91,169 (\$57,785 for District facilities and \$33,384 for non-District facilities), and advised the Board that Odyssey recommends awarding the contract for the project to Wright. He then reminded the Board that two (2) of the storm sewer outfall pipes which require replacement are private pipes which flow into District drainage and detention facilities and that Odyssey is working with SPH to prepare correspondence to the owner(s) of said pipes providing notice that said private pipes need to be replaced. After discussion, it was moved by Director Shelnutt, seconded by Director Stephens and unanimously carried that the contract for the Outfall Pipe Replacement Project (District facilities only) in the amount of \$57,785 be awarded to Wright, as discussed above and as recommended by the District's Engineer.

With regard to the construction of an emergency water interconnect (the "Interconnect Project") between the District and Harris County Water Control and Improvement District No. 110 ("No. 110"), Mr. Ring advised that SC2 had some issues connecting the existing water lines once exposed and that additional valves needed to be installed to facilitate the water line connection, and requested that the Board concur with No. 110's approval of Change Order No. 1 from Sequeira Civil Construction d/b/a SC2 ("SC2") in the amount of \$15,933.75 in connection

with such work, a copy of which is included with **EXHIBIT C**. He advised that the District's share of said cost would be \$7,966.88. It was then moved by Director Shelnutt that the Board concur with No. 110's approval of said Change Order, as recommended by the District's Engineer. Director Norris seconded the motion, which unanimously carried.

Mr. Ring next addressed the Board regarding the ongoing discussions between the District and Meadowhill Regional Municipal Utility District ("Meadowhill") concerning a proposed maintenance agreement between the District and Meadowhill relative to the Hannover Village Regional Detention Pond (the "Hannover Regional Pond"). He briefly summarized the various matters which have been negotiated, including some of the terms and conditions proposed by Meadowhill and certain repair and/or rehabilitation issues to be addressed. Mr. Ring stated that Meadowhill has confirmed that it wishes for the District to take over the ongoing maintenance of the Hannover Regional Pond, subject to execution of a new agreement between the District and Meadowhill relative to same. Mr. Ring then advised the Board that Meadowhill's engineer has provided a preliminary construction cost estimate in the amount of \$315,800 for repair of the main outfall pipe (the "Joint Outfall Repair Project"), a copy of which is included with **EXHIBIT C**. He noted that the District's portion of the estimated cost of the Joint Outfall Repair Project is \$96,161.10, or approximately 30.45% based on the District's pro rata share of allocated detention volume of the Hannover Regional Pond. He stated that Odyssey recommends that the Board concur with Meadowhill's cost estimate for the Joint Outfall Repair Project. After discussion, Director Stephens moved that the Board concur with the proposed cost estimate for the Joint Outfall Repair Project, as discussed above and as recommended by the District Engineer, and authorize SPH to begin preparation of an Amended and Restated Agreement for Shared Detention Facilities with Meadowhill.

STATUS OF PROPOSED ANNEXATIONS

The Board next considered the status of the proposed annexations 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.

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

In connection with the proposed annexation and development of an approximate 16.2 acre tract located west of Holzwarth Road and north of the District (the "Stream Tract") by Stream Realty Partners ("Stream"), Mr. Ring presented to and reviewed in detail with the Board a draft Annexation Feasibility Report prepared by Odyssey, a copy of which is attached hereto as **EXHIBIT D**. Mr. Ring advised the Board that, based on Odyssey's analysis, the District has sufficient wastewater capacity to serve the Stream Tract and has the ability to perform small improvements to ensure it has sufficient water supply capacity to serve the tract. A lengthy discussion followed concerning several outstanding issues related to the potential of the Stream tract to utilize proposed improvements to be constructed by the developer of several adjacent tracts also proposed to be annexed by the District. Mr. Ring then responded to inquiries from the Board regarding various details in said report and certain concerns noted by Mr. Rubinsky. Mr. Ring emphasized that, based on the estimated cost of the facilities required to be constructed to serve the development of the Stream Tract and the projected taxable value of such project at full development, it would not be feasible to reimburse 100% or even 70% of the eligible reimbursable costs of the proposed facilities, but that it would be feasible for the District to

annex and serve the tract provided any future reimbursement be limited to an amount that can be supported by the District's then current debt service tax rate. Following the discussion, it was moved by Director Stephens, seconded by Director Shelnutt and unanimously carried that the Board accept the Feasibility Report, subject to certain revisions requested by Mr. Rubinsky, and that the District proceed with the proposed annexation of the Stream Tract, subject to the terms to be included in the final Report.

Ms. Berrios, Mr. Eaton and Mr. Wellborn left the meeting at this time.

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 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 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.

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

Mr. Rubinsky noted that a security report received from the HCCO for the month of May 2023, a copy of which is attached hereto as **EXHIBIT E**, 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 noted that a Legislative Summary prepared by SPH regarding the significant legislation passed during the 88th Regular Session of the Texas Legislature (the "Summary"), which may be of interest to or impact the water district industry, was distributed to the Board yesterday afternoon for review. He advised that certain related items will be included on the next meeting agenda and that he will review the Summary with the Board in greater detail at that time.

Director Norris left the meeting at this time.

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 Patridge seconded said motion, which unanimously carried.




Secretary, Board of Directors

EXHIBITS

June 28, 2023

- Exhibit A: Storm Water Quality Inspection Reports
- Exhibit B: Detention and Drainage Facilities Maintenance Report
- Exhibit C: Engineer's Report
- Exhibit D: Annexation Feasibility Report – Stream Tract
- Exhibit E: HCCO Security Report