

SPANISH COVE PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors
September 5, 2023

The Board of Directors ("Board") of Spanish Cove Public Utility District met at 102-A Spanish Cove Dr., Crosby Texas 77532 on September 5, 2023 in accordance with the duly posted notice of said meeting, with the following members present as following:

Eldon Gizinski, President
Don Housely Jr. Director
Tommy Curry, Secretary
David Hilditch, Treasurer
Doyle Bowers, Director

and the following were absent:

None.

Also present were Ms. Debbie Arellano, tax assessor-collector for the District, and Mr. John Davis, operator for the District.

The President called the meeting to order and declared it open for such business might regularly come before it.

1. The Board first considered approval of the minutes of the meeting held on August 1, 2023. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. No public comment was offered.

3. Ms. Arellano presented the tax assessor-collector's report. The report showed 2022 taxes as being 97.9% collected. As for the accounts that remain delinquent, the District's delinquent tax attorney, Purdue Brandon, recommended that water terminations be performed following appropriate notification to the residents in question. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. Ms. Arellano presented the bookkeeper's report. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and the checks listed thereon.

5. Ms. Arellano presented a recommendation with respect to the District's 2023 tax rate. The Board reviewed the analysis and recommendation. The Board considered the attached Resolution Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, Calling Public Hearing on 2023 Tax Rate, and Authorizing

Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing. After discussion, upon unanimous vote, the Board found that the District is a Developed district under Texas Water Code §49.23602 and adopted the attached Resolution so stating. The Board also authorized publication of a Notice of a Public Hearing on October 3, 2023, at which the Board will consider adoption of a total 2023 tax rate of \$0.50515 per \$100 assessed valuation. The attorney noted that after considering a proposed tax rate, the District must update the transparency report required by Section 26.18 of the Texas Tax Code. Upon unanimous vote, the Board authorized the attorney to update the compliance document and post it on the internet.

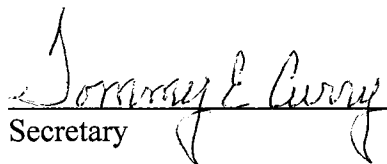
6. The Board considered a Resolution Adopting an Operating Budget for the Fiscal Year Ending September 30, 2024. Upon motion duly made, seconded, and unanimously carried, the Board approved the budget as presented.

7. The Board considered the continued engagement of their auditor, McCall, Gibson, Swedlund Barfoot PLLC, for the performance of an audit of the September 30, 2023 fiscal year. It was noted that the auditor anticipates the fee for such audit to be similar to that charged for the prior year. The Board unanimously agreed to retain the auditor.

8. The Board then considered an amendment to their Statement of Directors to reflect updated information with respect to the notice to purchaser required under Section 49.4521 of the Texas Water Code. Upon motion made and unanimously carried, the Board approved the amendment as presented.

9. Mr. Davis presented the operator's report for the District and noted no major concerns. The operator reported that the interconnect agreement with the City of Houston is still pending, noting that responses from the City continue to be slow.

There being no other business coming before the Board, the meeting was adjourned.


Secretary