

SPRING WEST MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

December 13, 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 December 13, 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, except Director Norris and with Director Patridge participating via videoconference, thus constituting a quorum.

Also in attendance were: Justin Ring and Danielle Gonzalez of Odyssey Engineering Group, Inc. ("OEG"); Jorge Diaz of McLennan & Associates, L.P. ("McLennan"); Brenda McLaughlin of Bob Leared Interests, Inc. ("Leared"); Bart Downum of Environmental Developmental Partners, LLC ("EDP"); Mark Eyring of Mark C. Eyring, CPA, PLLC ("Eyring") who entered later in the meeting as noted herein; Lyle Henkel and Julio Mosqueda of Bowman Consultants ("Bowman"); Omoniyi Akindoju of Dhanani Private Equity Group ("DPEG") who joined later in the meeting as noted herein; Eric Badertscher of Off Cinco, LLC ("Off Cinco"); and Abraham Rubinsky, Katie Blasio, and Donjé Chatmon of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Akindoju participated in the meeting via teleconference.

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 meetings held on October 25, 2023, and November 8, 2023. After discussion, Director Patridge moved that the minutes of the October 25, 2023 meeting be approved as written and that the Board defer

approval of the minutes of the meeting held on November 8, 2023. Director Shelnutt seconded said motion, which unanimously carried.

BOOKKEEPERS' REPORT

Mr. Diaz presented and reviewed with the Board the Bookkeeper's Report for the period November 9, 2023, through December 13, 2023, a copy of which is attached hereto as **EXHIBIT A**, including the disbursements presented therein for payment from the District's various accounts.

Mr. Eyring entered the meeting during the above discussion.

Mr. Diaz next presented and reviewed an Investment Report for the period November 1, 2023, through November 30, 2023, a copy of which is included with the Bookkeeper's Report. Mr. Diaz responded to various questions and comments from the Board and Mr. Rubinsky regarding items in the Bookkeeper's Report. Mr. Rubinsky then noted that in the 20615 Sleepy Hollow Lane Feasibility Study worksheet, check no. 2167 in the amount of \$285.75 should be reflected as a debit instead of a credit. Mr. Diaz advised he would correct same.

After discussion, Director Stephens moved that the Bookkeepers' Report, and the disbursements presented therein for payment be approved. Director Patridge seconded said motion, which unanimously carried.

APPROVAL OF OPERATING BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2024

Mr. Diaz next presented and reviewed with the Board the proposed Operating Budget for the District's fiscal year ending December 31, 2024, which is attached to the Bookkeeper's Report, and noted that comments from the District's consultants had been incorporated in same. Mr. Rubinsky then recommended adjusting the amounts budgeted for Surface Water Fees and Surface Water Revenue to match each other, since that is the Board's intent. Mr. Diaz agreed to make such change. After discussion concerning the draft Operating Budget for the fiscal year ending December 31, 2024, Director Shelnutt moved that said Operating Budget be approved by the Board as revised during the meeting. Director Stephens seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR

The Board next considered the engagement of Mark C. Eyring, CPA, PLLC ("Eyring") to prepare the District's audit for the fiscal year ending December 31, 2023. Mr. Eyring discussed with the Board his standard two (2) year engagement period and informed the Board of the increase in fees from \$10,950 to \$13,950 per year. After discussion, it was moved by Director

Shelnutt that the Board approve the fee increase and the engagement of Eyring to prepare the District's audits for the fiscal years ending December 31, 2023 and December 31, 2024. Director Stephens seconded said motion, which unanimously carried.

Mr. Eyring exited the meeting after this discussion.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin next presented to and reviewed with the Board the Tax Assessor/Collector's Report for the month ending November 30, 2023, which is attached hereto as **EXHIBIT B**, including the disbursements presented therein for payment from the Tax Account. Ms. McLaughlin also presented to and reviewed with the Board a Single Line Delinquent Tax Report, included with the Tax Assessor/Collector's Report, dated December 6, 2023. After discussion, Director Stephens moved that the Tax Assessor/Collector's Report be approved and that the disbursements identified therein be approved for payment from the Tax Account. Director Shelnutt seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

The Board deferred consideration of a Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, LLP, the District's Delinquent Tax Collections Attorneys, after noting that a report was not due this month. Mr. Rubinsky stated that the next quarterly report will be provided in January 2024.

OPERATOR'S REPORT

Mr. Downum presented to and reviewed with the Board the Operator's Report dated December 13, 2023, a copy of which is attached hereto as **EXHIBIT C**, and discussed various repairs and maintenance items noted therein. He reported that the replacement of the second failed non-potable water pump at the Wastewater Treatment Plant has been completed but not yet invoiced. Mr. Rubinsky then inquired about the status of the Spring Cypress Sewer Line Maintenance reflected in the Operator's Report. He advised it was his understanding such line should be cleaned and televised twice per year, but does not appear to have been serviced since November 2021. Mr. Ring advised that OEG will provide EDP with an exhibit of the line that needs to be jetted and cleaned every six months. Mr. Downum advised EDP will begin performing such cleaning and televising again in 2024.

Omoniyi Akindoju joined the meeting via teleconference during this discussion.

TAX-EXEMPT MULTI-FAMILY DEVELOPMENTS

Mr. Rubinsky informed the Board that OEG has provided a spreadsheet calculating the actual cost of all facilities required to provide services to the tax-exempt Harlow Spring Cypress Apartments (formally Cortland's Sovereign Spring Cypress Apartments) in accordance with the term of the District's Rate Order and applicable State law, which SPH is currently reviewing. He also reminded the Board that SPH is in possession of deposit refund checks related to said project and has requested communication with the current owner of the Harlow Spring Cypress Apartments regarding same.

AMENDED AND RESTATED CONSTRUCTION AND MAINTENANCE AGREEMENT WITH HANNOVER FOREST HOA

The Board deferred consideration of the proposed Amended and Restated Construction and Maintenance Agreement (the "Amended and Restated Agreement") between the District and the Hannover Forest HOA in connection with maintenance by the District of the Hannover Forest, Section Two Detention Pond.

ENGINEER'S REPORT

Mr. Ring and Ms. Gonzalez presented and reviewed in detail with the Board a written Engineer's Report dated December 13, 2023, a copy of which is attached hereto as **EXHIBIT D**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein.

In connection with the contract between Starbucks and Bull-G Construction, LLC ("Bull-G") for Off-Site Water and Sanitary Sewer Extension to serve the existing Starbucks located at 1731 Spring Cypress Road, Mr. Ring advised the Board that Starbucks has yet to execute the contract and that Bull-G has advised that it will hold the contract price until February 2024.

In connection with the District's proposed extension of the water line and relocation of the existing water line along Holzwarth Road, the Board deferred authorizing OEG to prepare an advertising package for same until the Waterline Easement required from the New Life Christian Reformed Church has been obtained.

Mr. Ring next advised the Board that Black Tie Collision revised its initial capacity request and is now requesting three (3) equivalent single-family connections of water and sewer capacity to serve its property on F.M. 2920. After discussion, Director Stephens moved to authorize SPH to prepare the utility commitment letter for water and sewer services for Black Tie Collision. Direct Shelnutt seconded said motion which unanimously carried.

Mr. Ring next reviewed and discussed the District's updated water and wastewater capacity allocation chart. It was observed during the discussion that some of the figures in the

chart are incorrect. Mr. Ring advised that OEG will get the capacity allocation chart corrected before the next meeting.

STATUS OF PROPOSED ANNEXATIONS

The Board next considered the status of the proposed annexation of the 27.7 acres located at the southwest corner of Spring Stuebner Road and Holzwarth Road to be developed by DPEG Panjwani, LLC (the "DPEG Annexation Tract"). Mr. Henkel and Mr. Mosqueda of Bowman presented plans to the Board regarding the location of the proposed lift station on the DPEG Annexation Tract and the potential relocation of same requested by Stream Realty Partners, which is proposed to purchase and develop the 16.2-acre tract immediately south of the DPEG Annexation Tract (the "Stream Annexation Tract"). Mr. Henkel explained that due to Harris County traffic regulations and the current placement of the main access drive into the DPEG Annexation Tract off of Holzwarth Drive, it would be impractical to move the driveway on the DPEG Annexation Tract to accommodate the relocation of the proposed lift station. As an alternative, Bowman recommends keeping the driveway and lift station site in the planned locations in the northeast corner of the DPEG Annexation Tract serving the Stream Annexation Tract from a private sewer line to the lift station and establishing a private sanitary sewer easement operating agreement between DPEG and Stream. After discussion, Mr. Ring recommended that the District allow the Stream Annexation Tract to be served by the proposed private sanitary sewer line to the lift station, subject to the District's receipt of evidence of an acceptable agreement between Stream and DPEG relative to access to and maintenance of the private sanitary sewer line. The Board agreed with such recommendation, subject to review and approval by SPH.

Mr. Rubinsky next inquired whether DPEG's issues with the Harris County Appraisal District ("HCAD") regarding the correction of certain tax ownership issues related to the DPEG Annexation Tract have been resolved. Mr. Akindoju confirmed that the resolution of these issues will occur once the DPEG tracts are platted, which has not yet taken place. Mr. Rubinsky reminded the Board and Mr. Akindoju that the District cannot proceed with the annexation of the DPEG Annexation Tract until said issues are resolved and the District is able to obtain corrected ownership certificates from HCAD.

Mr. Henkel, Mr. Mosqueda, Mr. Akindoju, and Ms. McLaughlin left the meeting after this discussion.

ANNEXATION OF 0.5069-ACRES OF LAND TO THE DISTRICT'S BOUNDARIES

The Board next considered the adoption of an Order Adding Land and Redefining the Boundaries of the District, a copy of which is attached hereto as **EXHIBIT E**. Mr. Rubinsky advised the Board that the City of Houston City Council approved an ordinance on October 11, 2023 consenting to the District's proposed annexation of 20.229 acres of land into the District,

including a tract totaling 0.5069 acres. The Board was then presented with the Petition of 3743-47 UP Spring No. 2 LLC, requesting the addition of the same 0.5069 acre of land to the District in accordance with the provisions of the Texas Water Code, as amended. A hearing was held by the Board of Directors to consider the Petition, taking into account all evidence, maps, and data presented. After discussion, Director Shelnutt moved that the Petition met all legal requirements in terms of form, proper presentation, and fulfillment of factual and statutory prerequisites for the addition of the described land to the District and that the allegations in the Petition to be true and concluded that the Petition should be granted, resulting in the addition of the specified land to the District. Director Patridge seconded said motion, which unanimously carried. Thereupon, there was presented an Order granting said Petition, adding to the District the 0.5069 acres of land described therein and redefining the area of boundaries of the District after such addition. After discussion, it was moved by Director Shelnutt, seconded by Director Patridge, and unanimously carried that the Order Adding Land and Redefining the Boundaries of the District be passed and adopted effective as dated herein and that the same be recorded in the Official Records of Real Property of Harris County.

Mr. Rubinsky brought to the attention of the Board that an error was identified in the City's Ordinance 2023-838 related to the aforementioned annexation. The error pertained to the fact that the Ordinance consented to the proposed annexation of 20.229 acres of land into the District but named only one petitioner, specifically 3743-47 UP Spring No. 2 LLC, and only attached its petition to the Ordinance when it should also have named the owner of the 19.7221-acre tract included in the total 20.229 acres and attached the petition of such landowner. Mr. Rubinsky further informed that SPH has requested the City correct this error and reminded the Board that it previously decided not to annex the 19.7221-acre tract in the District at this time.

SIXTH AMENDED AND RESTATED DISTRICT INFORMATION FORM

The Board then considered approval of the Sixth Amended and Restated District Information Form relative to the annexation of the 0.5069 acres into the District's boundaries (the "Form"). Mr. Rubinsky presented and reviewed said Form with the Board. After discussion, Director Stephens moved that the Form be approved, effective December 13, 2023, and that the Board members present be authorized to execute the same on behalf of the Board and District. Director Patridge seconded said motion, which unanimously carried.

ISSUANCE OF UTILITY COMMITMENTS

Mr. Rubinsky next noted that the issuance of Utility Commitments was discussed in the Engineer's Report. Thereafter, the Board deferred further consideration of requests for Utility Commitments.

DEVELOPERS' REPORTS

Mr. Rubinsky next discussed with the Board certain communications with parties interested in acquiring and developing the 19.7221 acre tract owned by Centro Cristiano. The Board concurred that no action was required in connection with such matter at this time.

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

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Rubinsky informed the Board that SPH has drafted the Amended and Restated Agreement for Shared Detention Facilities with Meadowhill Regional Municipal Utility District and is currently reviewing comments provided by OEG.

The Board deferred the discussion on the frequency of the Board meetings until next month.

ANNUAL NOTIFICATION PURSUANT TO MSRB RULE G-10

The Board deferred consideration of correspondence from Rathmann and Associates, L.P. regarding the annual notification pursuant to MSRB Rule G-10, noting the SPH has not yet received said correspondence.

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 Stephens seconded said motion, which unanimously carried.

(SEAL)



Secretary, Board of Directors

Walter E. King

List of Exhibits to
Spring West Municipal Utility District
Meeting on December 13, 2023

- Exhibit A: Bookkeeper's Report; Investment Report (Nov. 2023)
- Exhibit B Tax Assessor/Collector's Report
- Exhibit C Operator's Report
- Exhibit D: Engineer's Report
- Exhibit E: Order Adding Land and Redefining the Boundaries of the District (0.5069 acres)