

## **SPRING WEST MUNICIPAL UTILITY DISTRICT**

### **Minutes of Meeting of Board of Directors**

**February 14, 2024**

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 February 14, 2024, in accordance with the duly posted notice of meeting. The meeting was also held via 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 teleconference, 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 and Missy Steadman of Environmental Developmental Partners, LLC ("EDP"); Eric Badertscher of Off Cinco, LLC ("Off Cinco"); Glenn Woodson of Storm Maintenance & Monitoring, Inc. ("SM&M"); and Abraham Rubinsky, Katie Blasio, and Donjé Chatmon of Schwartz, Page & Harding, L.L.P. ("SPH").

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

### **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 December 13, 2023, and January 10, 2024. After discussion, Director Shelnut moved that the

minutes of the meetings held on December 13, 2023, and January 10, 2024, be approved as written. Director O'Neal seconded said motion, which unanimously carried.

### **BOOKKEEPERS' REPORT**

Mr. Diaz presented and reviewed with the Board the Bookkeeper's Report for the period January 11, 2024, through February 14, 2024, a copy of which is attached hereto as **EXHIBIT A**, including the disbursements presented therein for payment from the District's various accounts.

Mr. Diaz next presented and reviewed an Investment Report for the period January 1, 2024, through January 31, 2024, 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. Diaz then noted that the District has received the \$15,000 deposit from Streamline Advisory Partners, LLC for preparation of the feasibility study in connection with the annexation of the 19.7-acre tract located at 2324 Louetta Road. In connection with check no. 2256 and no. 2257, Mr. Rubinsky then requested EDP to confirm if Alarm Masters Corporation and Alert 360 are the same companies or two different companies. Mr. Rubinsky then noted that the District has invoiced SPSC Development Partners, L.P. ("SPSC") concerning the \$1900 reimbursement to the District for the hydroseeding expenses in 2021 performed by Storm Maintenance & Monitoring in connection with the Spring Pines Detention Pond.

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

### **REVIEW OF ANNUAL MAINTENANCE ARBITRAGE ANALYSIS REPORT**

Mr. Rubinsky next presented to and reviewed with the Board an Annual Maintenance for Arbitrage Analysis Report originally dated March 6, 2006, prepared by Municipal Risk Management Group, LLC ("MRMG"), dated January 22, 2024, which is attached hereto as **EXHIBIT B**, relative to arbitrage rebate and/or yield restriction regulations in connection with the District's various outstanding bond issues. After discussion, Mr. Rubinsky advised the Board that SPH will reach out to MRMG regarding the discrepancy between Series 2013 and Series 2017 bonds and provide an update at next month's Board meeting. Mr. Rubinsky then advised that as reflected in the attached Annual Maintenance for Arbitrage Analysis Report, no further action is required in connection with any of the District's previous bond issues at this time.

### **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 January 31, 2024, which is attached hereto as **EXHIBIT C**, 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 February 7, 2024. 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 Norris 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 Collection Attorneys, after noting that a report was not due this month. Mr. Rubinsky stated that the next quarterly report will be provided in April 2024.

### **RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR**

Mr. Rubinsky reminded the Board that, pursuant to the Texas Property Tax Reform and Transparency Act of 2019, the District is required to determine whether or not the District will be considered a Developed District for the current tax year. Mr. Rubinsky then reviewed with the Board a worksheet completed by Odyssey to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2024 Tax Year. He noted that, according to the information provided by Odyssey, the District should not be considered a Developed District for the 2024 tax year. After discussion, it was moved by Director Shelnett, seconded by Director Stephens, and unanimously carried that the Resolution Concerning Developed District Status for 2024 Tax Year, which is attached hereto as **EXHIBIT D**, be adopted by the Board and the District.

### **OPERATOR'S REPORT**

Mr. Downum presented to and reviewed with the Board the Operator's Report dated February 14, 2024, a copy of which is attached hereto as **EXHIBIT E**, and discussed various repairs and pending items noted therein. Mr. Downum presented to the Board a proposal from Texas Hydrant Services for \$8,700, a copy of which is included with the Operator's Report, for fire hydrant water blasting and painting. After discussion, it was moved by Director Shelnett that EDP solicit an additional proposal, and approve a proposal for painting of the hydrants in an amount not to exceed \$8,700. Director Norris seconded said motion, which unanimously carried. Mr. Downum next discussed with the Board the interior inspection of Water Plant No 2's GST. After discussion, Director Shelnett moved that OEG proceed with scheduling the interior inspection of Water Plant No. 2's GST. Director Norris seconded said motion, which unanimously carried.

Mr. Rubinsky next discussed with Mr. Downum the Magna-Flo Sludge Management Agreement ("Sludge Agreement") and the fuel surcharges. After discussion, Mr. Rubinsky advised the Board that SPH will send the Sludge Agreement to EDP in order for EDP to review and confirm Magna-Flo is complying with the terms of the Sludge Agreement.

### **REVIEW OF DROUGHT CONTINGENCY PLAN**

Mr. Rubinsky discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan (the "DCP") no later than May 1, 2024, and every five years thereafter. Mr. Rubinsky requested that the Board consider authorizing EDP to review the District's DCP for any required update. After discussion, Director Shelnuttt moved that EDP be authorized to review the District's DCP for any required update. Director Stephens seconded said motion, which unanimously carried.

### **STORM WATER QUALITY INSPECTION REPORT**

Mr. Rubinsky presented and reviewed the Storm Water Quality Inspection Reports ("Inspection Reports") prepared by Storm Water Solutions ("SWS") for January 2024, copies of which are attached hereto as **EXHIBIT F**, which were circulated to the Board for its review prior to today's meeting. After discussion, Mr. Rubinsky inquired about the status of the transfer of the permit for the Spring Pines Regional Detention Pond to the District. OEG advised they are working with SWS to coordinate the transfer.

### **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 January 23, 2024, a copy of which is attached hereto as **EXHIBIT G**. In that regard, Mr. Woodson presented to and reviewed with the Board the D&D Report and responded to various questions from the Board. Mr. Woodson then advised the Board that SM&M did receive a proposal of \$14,000 for installation of irrigation facilities at the Hanover Forest Section Two Detention Pond. After discussion, the Board concurred to defer consideration of the irrigation proposal and requested Mr. Woodson provide a copy of the proposal for the Board's review before the next Board meeting.

Ms. Laughlin exited the meeting during this discussion.

## **TAX-EXEMPT MULTI-FAMILY DEVELOPMENTS**

The Board deferred consideration of the existing and potential tax-exempt multi-family developments within the District and discussion regarding the calculation of the Non-Taxable Entity tap fee in connection with the Harlow Spring Cypress Apartments located at 2539 Spring Cypress Road.

## **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 the Hannover Forest Homeowners Association (the "Hannover Forest HOA") in connection with maintenance by the District of the Hannover Forest, Section Two Detention Pond.

## **ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES**

The Board next considered the adoption of prevailing wage rate scales for various types of construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Rubinsky advised that SPH is recommending that the District adopt the United States Department of Labor ("DOL") wage rate scales applicable for Harris County, Texas, as permitted under Section 2258.022 of the Texas Government Code. After discussion, Director Shelnutt moved that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, attached hereto as **EXHIBIT H**, be adopted, and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Stephens seconded said motion, which unanimously carried.

## **ENGINEER'S REPORT**

Mr. Ring presented and reviewed in detail with the Board a written Engineer's Report dated February 14, 2024, a copy of which is attached hereto as **EXHIBIT I**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein.

In connection with the proposed construction of public gravity sanitary sewer line to serve tract located at 2020 FM 2920 (Top Soap), OEG recommends removing this item from future agendas due to delays in communication and lack of deposit from Top Soap.

In connection with the extension of the water line along Holzwarth Road, Mr. Rubinsky advised the Board that SPH has drafted a Letter Agreement Letter ("Agreement") with New Life Christian Reformed Church ("NLCRC"), a copy of which is attached hereto as **EXHIBIT J**, in connection with the proposed Water Line Easement for said project along NLCRC's property. After discussion, Director Stephens moved that (i) the Agreement be approved, (ii) the

Agreement and Water Line Easement be sent to NLCRC for execution, and (iii) the President be authorized to execute the Agreement subject to NLCRC's signature. Director Norris seconded said motion, which unanimously carried.

Mr. Ring next provided an update to the Board on the status of communications with Texas Department of Transportation ("TXDOT") and certain landowners regarding the need to replace private drainage outfall pipes tied into the Drainage Channel located between F.M. 2920 and Spring Cypress Road. Mr. Ring advised that OEG will reach out to Wright Solutions to inquire as to whether it will honor its previous bid for this project and for OEG and SM&M to inspect the drainage outfall pipes tied into the drainage channel.

Mr. Diaz exited the meeting during this discussion.

### **STATUS OF PROPOSED ANNEXATIONS**

The Board deferred consideration of various proposed annexations of property into the District, noting no updates at this time.

### **ANNEXATION OF 19.7-ACRES TRACT LOCATED AT 2324 LOUETTA ROAD**

The Board next considered the annexation of an approximate 19.7-acre tract located at 2324 Louetta Road. OEG advised the Board that the \$15,000 deposit from Streamline Advisory Partners, LLC has been received and they will proceed with the preparation of the feasibility study.

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

### **RENEWAL OF DISTRICT INSURANCE COVERAGE**

The Board next considered the review of a renewal proposal from Arthur J. Gallagher ("Gallagher"), the District's current insurance carrier, for the term expiring March 31, 2024. After discussion on the matter, Director Stephens moved that the proposal from Gallagher for a term of March 31, 2024 to March 31, 2024, a copy of which is included with **EXHIBIT K**, be accepted by the Board and that the President be authorized to execute such proposal on behalf of

the Board and the District, and (ii) the Texas Ethics Commission ("TEC") Form 1295 from Gallagher be accepted and SPH be authorized to acknowledge receipt of same with the TEC. Director Norris seconded said motion, which unanimously carried.

#### **NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")**

The Board considered matters related to the Authority. In that regard, Mr. Rubinsky discussed the recent activities of the Authority.

#### **HARRIS COUNTY CONSTABLE PRECINCT 4 OFFICE ("HCCO") MONTHLY ACTIVITY REPORT**

Mr. Rubinsky presented to and reviewed with the Board a security report provided by the HCCO for January 2024, a copy of which is attached hereto as **EXHIBIT L**, and discussed the current status of criminal activities in the District and surrounding areas. 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 updated the Board on the status of the Amended and Restated Agreement for Shared Detention Facilities with Meadowhill Regional Municipal Utility District relative to the Hannover Village Regional Detention Pond, advising that OEG and SPH are working on the draft Agreement.

Mr. Rubinsky next discussed the frequency of the Board's regular meetings. After discussion, the Board concurred that the February 28, 2024 Board meeting be canceled and that the Board will take it month by month on whether to hold the second meeting of the month. The Board then confirmed that its next meeting will be held on March 13, 2024 as scheduled.

#### **MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION**

Mr. Rubinsky advised the Board that at next month's meeting, the Board will cancel the May 4, 2024 Directors Election.

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

Secretary, Board of Directors





List of Exhibits to  
Spring West Municipal Utility District  
Meeting on February 14, 2024

- Exhibit A: Bookkeeper's Report; Cash Report Summary
- Exhibit B: Arbitrage Analysis Report
- Exhibit C: Tax Assessor/Collector's Report
- Exhibit D: Resolution Concerning Developed District Status for 2024 Tax Year
- Exhibit E: Operator's Report
- Exhibit F: Storm Water Quality Inspection Photos
- Exhibit G: Detention and Drainage Facilities Maintenance Report
- Exhibit H: Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit I: Engineer's Report
- Exhibit J: New Life Christian Reformed Church Letter Agreement
- Exhibit K: Insurance Renewal Proposal from Gallagher
- Exhibit L: Harris County Constable Precinct 4 Office Monthly Activity Report