

SPANISH COVE PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

February 6, 2024

The Board of Directors ("Board") of Spanish Cove Public Utility District met at 102-A Spanish Cove Dr., Crosby Texas 77532 on February 6, 2024 in accordance with the duly posted notice of said meeting, with the following members present as following:

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

and the following absent:

None.

Also present were Ms. Debbie Arellano, tax assessor-collector for the District; Mr. John Davis, operator for the District; and Ms. Annie Candia, on behalf of the attorney 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 January 2, 2024. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. There was no public comment.

3. Ms. Arellano presented the tax assessor-collector's report, copy attached. The report showed the District's 2023 taxes as being 87.5% collected. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. The Board considered an Order Levying Additional Penalty for Delinquent Taxes, which levies a 20% penalty on 2023 delinquent taxes for personal property on April 1, 2024 and real property on July 1, 2024. After review, upon motion unanimously carried, the Board adopted the Order as presented.

5. Ms. Candia then discussed with the Board the requirements of Texas Local Government Code Chapter 203, Subchapter D (Senate Bill 625). The law requires districts to annually provide certain records and information concerning the District's finances and tax rates to the Texas Comptroller of Public Accounts. The comptroller has created a special information

database on their website, where the information will be assembled, updated, and made available to the public free of charge. The required information is already publicly available in other places, but the law requires submission of the information to the comptroller. The information includes the name of the District, the names of the Board members, any employees, addresses, websites if applicable, names of certain consultants, the total amount of bonds authorized by District voters, the aggregate principal amount of bonds issued, the tax rate, and audited financial information. Upon unanimous vote, the Board authorized the attorney to prepare and file the required report by the April 1, 2024 deadline.

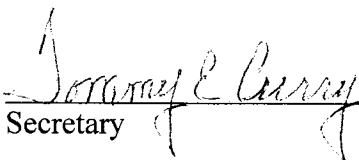
6. It appeared that an election of directors should be called for and within the District on Saturday, May 4, 2024. The attached Order calling such election was presented and reviewed by the Board of Directors. Upon motion duly made, seconded and unanimously carried, the Board approved and adopted the Order attached hereto. The attorney was instructed to handle the mechanics of the election.

7. The Board reviewed the bookkeeper's report, copy attached. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report as presented.

8. Mr. Davis presented the operator's report, copy attached. The operator reported on extra work performed during the month including replacing the check valve at the well, replacing booster pump #1, a well trip call out, and winterizing the plant. The operator noted the need to address booster pump #3 and suggested getting bids for repair over replacement. He also stated that he, the District's engineer, and the District's attorney had a telephone conference with the City of Houston regarding the draft interconnect agreement. He stated that the City of Houston is taking the proposed comments under advisement and an additional phone call is scheduled for later this month. The operator stated the interconnect will require an 8-inch pipe and he will solicit bids to get an estimate of the cost. Subject to that discussion, the Board approved the operator's report as presented.

9. Under pending business, Director Gizinski thanked Mr. Davis and Ms. Seipel for their efforts regarding the interconnect with the City of Houston. Director Curry then asked the operator about the increase in Groundwater Reduction Plan fees from the City of Houston. The operator explained the rise in cost is based on expenses and the water rate for surface water.

There being no further business to come before the Board, the meeting was adjourned.


Secretary