

SPRING WEST MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

April 10, 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 April 10, 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 Shelnutt	Assistant Secretary
Jerome A. Patridge	Assistant Secretary

and all persons attended the meeting, except Director Norris, 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"); Karen Sears of Storm Water Solutions ("SWS"); 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"); Blake Karban of Davis Development, attending via teleconference; 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 meeting held on March 13, 2024. After discussion, Director Shelnutt moved that the minutes of the meeting held on March 13, 2024, be approved as written. Director Stephens seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Diaz presented and reviewed with the Board the Bookkeeper's Report for the period March 14, 2024, through April 10, 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 March 1, 2024, through March 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. Rubinsky inquired on the status of the receipt of the \$1,900 reimbursement to the District from SPSC Development Partners for hydroseeding expenses incurred in 2021 in connection with the Spring Pines Detention Pond. Mr. Diaz advised that no payment has been received to date. Mr. Diaz also advised that check no. 2344 was included in the 27.6 acres Holzwarth/Stuebner worksheet in error and in the incorrect amount, and that said spreadsheet will be corrected. After discussion, Director Shelnutt moved that the Bookkeepers' Report and the disbursements presented for payment therein be approved. Director Stephens seconded said motion, which unanimously carried.

STATUS OF AUDIT FOR DISTRICT'S FISCAL YEAR ENDED DECEMBER 31, 2023

The Board deferred consideration of the status of the audit for the District's fiscal year ending December 31, 2023, noting that the audit report is still in process and will likely be presented at the Board's meeting scheduled for May 8, 2024.

CONTINUING DISCLOSURE REPORT

Mr. Rubinsky reminded the Board that the District's Annual Continuing Disclosure Report is due by June 30, 2024, and that McCall, Parkhurst & Horton, L.L.P., the District's Disclosure Counsel will prepare and file same prior to such deadline. After discussion, Director Stephens moved that McCall, Parkhurst & Horton, L.L.P. file the Annual Disclosure Report pursuant to SEC Rule 15c2-12 with the appropriate repositories upon receipt of the final audit for the fiscal year ended December 31, 2023, and prior to June 30, 2024. Director Shelnutt seconded said motion, which unanimously carried.

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 March 31, 2024, 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 April 3, 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 Patridge seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

The Board considered a Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's Delinquent Tax Collections Attorneys, a copy of which is attached hereto as **EXHIBIT C**. Mr. Rubinsky reviewed the Report with the Board. Following review, Director Stephens moved that eleven (11) delinquent personal property accounts be moved to uncollectible as recommended by Perdue and reflected in said Report. Director Patridge seconded said motion, which unanimously carried.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Rubinsky advised that the Board is authorized pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty, and interest due to the District on taxes that remain delinquent as of July 1 of the year in which they became delinquent. He noted that the additional penalty to be imposed by this Resolution will not apply to delinquent personal property taxes which have incurred an additional penalty pursuant to that certain Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which was passed and approved by the Board on January 10, 2024. After discussion, it was moved by Director Shelnutt, seconded by Director Stephens, and unanimously carried that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **EXHIBIT D**, be adopted by the District, and that Perdue be authorized to proceed with the collection of the District's 2023 delinquent real property tax accounts on July 1, 2024, subject to proper notice having been given as provided in said Resolution, including the filing of lawsuits as necessary.

OPERATOR'S REPORT

Mr. Downum presented to and reviewed with the Board the Operator's Report dated April 10, 2024, a copy of which is attached hereto as **EXHIBIT E**, and discussed various completed and pending repairs noted therein. Mr. Downum responded to various questions and comments from the Board and Mr. Rubinsky regarding items in the Operator's Report. Mr. Downum next advised the Board that G-M Services recently provided the results of the Well Performance Test conducted on the District's three (3) water wells on February 26, 2024, and advised that all three wells appear to be in good condition. Mr. Ring advised the Board that OEG will review the Well Performance Test results thoroughly and advise the Board if there are any issues of concern. Additionally, repairs on 46 fire hydrants have been completed, and painting of the hydrants is currently in progress. Mr. Downum next updated the Board on the ongoing sanitary sewer and manhole repairs, indicating that said repairs are approximately 85% complete. Mr. Downum next requested that the Board authorize sending four (4) delinquent customer accounts totaling \$734.26 to collection. After discussion, Director Shelnutt moved that the four (4) accounts listed in the Operator's Report be sent to a collection agency for further collection efforts. Director Stephens seconded said motion, which unanimously carried.

Ms. McLaughlin exited the meeting during this discussion.

ANNUAL REVIEW OF DISTRICT'S IDENTITY THEFT PREVENTION PROGRAM

The Board considered the review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Downum presented EDP's annual report regarding the Program, a copy of which is attached to the Operator's Report, and advised the Board regarding the District's experience with identity theft during the prior year, current identity theft prevention methods, the types of accounts maintained by the District and the District's business arrangements with other entities. Mr. Downum recommended that no changes be made to the District's Program at this time. After discussion on the matter, the Board concurred that no changes were necessary to the Program at this time.

AMENDMENT TO AGREEMENT FOR OPERATING SERVICES

The Board next considered the proposed Amendment to Agreement for Operating Services between the District and EDP. Mr. Rubinsky advised that SPH recently received the proposed Amendment but has not yet had an opportunity to review same. After discussion, the Board concurred to defer consideration of said matter until its next meeting.

AMENDMENT OF RATE ORDER

The Board deferred consideration of an amendment to the District's Rate Order in connection with EDP's proposed increase in operating rates.

FIVE-YEAR 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 ("DCP") no later than May 1, 2024, and every five (5) years thereafter. Ms. Gonzalez and Mr. Downum reported to the Board that OEG and EDP have completed their review of the District's DCP as directed by the Board and had no changes to recommend. In connection with said review, the Board considered the adoption of a Resolution Regarding Review of Drought Contingency Plan, which is attached hereto as **EXHIBIT F**. Following discussion, Director Shelnutt moved that the Board adopt said Resolution. Director Stephens seconded said motion, which unanimously carried.

CONSUMER CONFIDENCE REPORT

Mr. Rubinsky next advised the Board that a Consumer Confidence Report ("CCR") is required by the United States Environmental Protection Agency to be provided by all community water systems to their customers no later than July 1st of each year. After discussion, it was moved by Director Shelnutt, seconded by Director Stephens and unanimously carried that EDP be authorized to prepare a draft CCR for the Board's review at its next meeting.

STORM WATER QUALITY INSPECTION REPORT

Ms. Sears presented and reviewed the Storm Water Quality Inspection Reports ("Inspection Reports") prepared SWS for March 2024, copies of which are attached hereto as **EXHIBIT G**, which were circulated to the Board for its review prior to today's meeting.

Ms. Sears presented a draft letter to the Harris County Engineering Department confirming that the District agrees to accept responsibility for the Storm Water Quality Management Plan and Storm Water ("SWQ") feature for the Spring Pines Regional Detention Pond ("Transfer Letter").

Ms. Sears next presented a proposal for maintenance and storm water quality management services for SWQ Permit No. 1603230104 associated with the Spring Pine Regional Detention Pond in the amount of \$3,700 per year, which is included in the SWS Report. After discussion, Director Shelnutt that the Transfer Letter be approved and the President be authorized to execute same on behalf of the Board and District, and that the maintenance proposal be deferred pending the approval of a formal amendment to the District's Master Services Agreement with SWS at next month's meeting. Director Stephens seconded said motion, which unanimously carried.

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 April 9, 2024, a copy of which is attached hereto as **EXHIBIT H**. 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 presented proposals for (i) trimming of trees on the trail around the Hannover Forest Section Two Detention Pond and filling in a sink hole on the west side of the trail for \$1,750, (ii) a revised proposal for installation of a five zone irrigation system on the Hannover Forest Section Two Detention Pond which revises the irrigation proposal approved at the March 13, 2024 meeting ("Prior Irrigation Proposal") for a total of \$22,550.

After discussion, Director Shelnett moved both of the proposals approved subject to Director Shelnett reviewing the plans and that approval of the Prior Irrigation Proposal be voided. Director Stephens seconded said motion, which unanimously carried.

Ms. Sears 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 ("Apartments") located at 2539 Spring Cypress Road. Mr. Rubinsky noted that the deposit refund checks to the previous owner of the Apartments need to be released. Mr. Rubinsky advised the Board that since the checks previously signed by the Board have since become stale, he recommended Mr. Diaz prepare new checks for the Board's execution. Following discussion, the Board concurred to authorize Mr. Diaz to reissue checks for approval and execution at the next Board meeting.

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.

ENGINEER'S REPORT

Mr. Ring presented and reviewed in detail with the Board a written Engineer's Report dated April 10, 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 contract with CSE W-Industries, Inc. for the replacement and installation of Emergency Generator at Water Plant No. 1, Mr. Ring advised the Board that NRG removed its generator on March 28, 2024, and OEG is waiting to receive an updated schedule for installation of the new generator.

In connection with the Water Line Easement required by New Life Christian Reformed Church ("NLCRC"), Ms. Blasio advised that NLCRC has executed the Water Line Easement and related Letter Agreement. After discussion, Director Stephens moved to accept the executed Water Line Easement. Director Patridge seconded said motion, which unanimously carried.

In connection with future capital improvement projects, Mr. Ring advised the Board that JW Construction Services completed the inspection of Ground Storage Tank ("GST") No. 1 and the District's Water Plant No. 2 on March 1, 2024, and presented and reviewed the inspection report dated March 6, 2024, which is attached to the Engineer's Report. He then advised the Board that OEG is getting cost estimates for repair of the interior and exterior tank of said GST and advised OEG would provide additional information regarding same at the Board's next meeting.

Mr. Diaz exited the meeting during this discussion.

STATUS OF PROPOSED ANNEXATIONS

A brief discussion followed concerning the status of various pending and proposed annexations of property into the District. Mr. Rubinsky advised the Board that SPH is currently drafting the annexation petitions for Prose Foster Venture, LP, and will request the necessary information from OEG to begin preparation of the annexation petitions for Stream Realty Partners.

In connection with the annexation of Mario and Dora Otto's 0.61 acre tract ("Otto's"), OEG recommended removing said matter from the agenda due to the lack of responsiveness regarding the proposed annexation. Mr. Rubinsky recommended sending the Otto's an invoice for the outstanding amount of \$10,933.59 owed to the District for its annexation efforts. After discussion, Director O'Neal moved that Mr. Diaz be authorized to send the Otto's the invoice for \$10,933.59. Director Stephens seconded said motion, which unanimously carried.

ANNEXATION OF 19.7-ACRE TRACT LOCATED AT 2324 LOUETTA ROAD

The Board next deferred consideration of the proposed annexation of an approximate 19.7-acre tract located at 2324 Louetta Road pending the receipt and review of an annexation feasibility study being prepared by OEG.

Mr. Ring exited the meeting after this discussion.

ISSUANCE OF UTILITY COMMITMENTS

The Board next recognized Mr. Karban, who addressed the Board to request that the District extend the Utility Commitment previously issued to DD Holzwarth 13.96, LLC for an additional two (2) years, a copy of which request is attached as **EXHIBIT J**. After discussion, Director Shelnuttt moved that SPH prepare a new Utility Commitment to DD Holzwarth 13.96,

LLC for an additional year for the Board's consideration at the next meeting. Director Patridge seconded said motion, which unanimously carried.

Mr. Karban left the meeting after this discussion.

In connection with the Utility Commitment to Rigby Owen, Jr. for water service only to serve a 1.677-acre tract located at 21115 I-45 North Freeway. Director Stephens moved that the Utility Commitment be approved for water service only for 21115 I-45 North Freeway and addressing the continued use of a private septic tank for handling wastewater on said property. Director Shelnett seconded said motion which unanimously carried.

In connection with the Utility Commitment to MR Newton Spring, Ltd. for 2 equivalent single-family residential connections ("ESFCs") in connection with the proposed development of a wholesale nursery on an approximate 5.72 acre tract located at 21119 Interstate 45. Director Stephens moved that the Utility Commitment be approved for the wholesale nursery at 21119 Interstate 45. Director Shelnett seconded said motion which unanimously carried.

In connection with the request of Halff Engineers for a Utility Commitment to serve the 16.2 acres to be annexed into the District on behalf of SRPF D/ Holzwarth Industrial L.P. (Stream Realty Partners) Director Stephens moved to authorize SPH to prepare the Utility Commitment for approximately 25 ESFC to serve the proposed development of said property. Director Shelnett seconded said motion, which unanimously carried.

Mr. Downum and Mr. Woodson exited the meeting during this discussion.

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.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

The Board deferred consideration of matters related to the North Harris County Regional Water Authority ("NHCRWA").

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 March 2024, a copy of which is attached hereto as **EXHIBIT K**, 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. He advised that SPH has completed a draft of the Agreement and is incorporating comments received from OEG, and will soon be prepared to send the draft to Meadowhill's attorney for review.

Director O'Neal next noted that she recommends that the Board consider requesting proposals from other operators. Director O'Neal also recommended holding the second Board of Director meetings at Director Patridge's residence to ensure Director Patridge attends said meetings in person.

Mr. Rubinsky then discussed the frequency of the Board's regular meetings. After discussion, the Board concurred that the April 24, 2024 Board meeting be canceled and that the Board continue to determine on a month-by-month basis whether to hold a second meeting each month. The Board then confirmed that its next meeting will be held on Wednesday, May 8, 2024 at SPH's offices, at 9:15 a.m., versus the regular start time of 8:30 a.m.

ACCEPTANCE OF LETTER OF RESIGNATION FROM DIRECTOR STEPHENS

The Board deferred consideration of the acceptance of the letter of resignation from Director Stephens until the next Board meeting.

APPOINTMENT OF NEW DIRECTOR

The Board deferred consideration of the appointment of a new Director to the Board.

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



Walt E. [Signature]

List of Exhibits to
Spring West Municipal Utility District
Meeting on April 10, 2024

- Exhibit A Bookkeeper's Report; Cash Report Summary
- Exhibit B Tax Assessor/Collector's Report
- Exhibit C Perdue, Brandon, Fielder, Collins & Mott, L.L.P Delinquent Tax Report
- Exhibit D Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit E Operator's Report
- Exhibit F Resolution Regarding Review of Drought Contingency Plan
- Exhibit G Storm Water Solutions March 2024 Report
- Exhibit H Detention and Drainage Facilities Maintenance Report
- Exhibit I Engineer's Report
- Exhibit J Request for Extension of Utility Commitment to DD Holzwarth 13.96, LLC
- Exhibit K Harris County Constable Precinct 4 Office Monthly Activity Report