

SPRING WEST MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

January 8, 2025

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 January 8, 2025, 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
Scott Shelnut	Vice President
Jerome A. Patridge	Assistant Secretary
Andres Aranzales	Assistant Secretary

and all of said persons were present, 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"); Eric Badertscher of Off Cinco, LLC ("Off Cinco"); Glenn Woodson of Storm Maintenance & Monitoring, Inc. ("SM&M"); Josh Board, Chris Hoffman, and Donnice Hoffman of H2O Consulting, Inc. ("H2O"); and Abraham Rubinsky, Kendall Dicke 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 with the next items of business.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the Board of Directors regular meetings held on October 9, 2024, November 13, 2024, and December 11, 2024, and the special meeting held on October 30, 2024. After discussion, Director Patridge moved that the minutes of the regular meetings held on October 9, 2024, November 13, 2024, and December 11, 2024, and the special meeting held on October 30, 2024, be approved as written. Director Aranzales seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Diaz presented to and reviewed with the Board the Bookkeeper's Report for the period December 12, 2024, through January 8, 2025, 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 also presented for payment additional check no. 2790 from the General Operating Fund ("GOF") for Pay Estimate No. 1 to Faith Utilities, LLC in the amount of \$243,920.70 in connection with the contract for Relocation and Extension of the Water Line along Holzwarth Road. Mr. Rubinsky noted that SPH has requested an additional deposit of \$50,000 from Dhanani Private Equity Group ("DPEG") in connection with the annexation of DPEG's various tracts into the District. He also discussed with Ms. Gonzalez the status of the additional deposits required from Alliance Residential Holdings, LLC in the amount of \$15,000 and in the amount of \$20,000 from Stream Realty Partners. Mr. Rubinsky next inquired about the check being held for Inframark. Mr. Board confirmed that the payment to Inframark is still on hold as H2O is still waiting on documents from Inframark related to the transition of Operations Services for the District. After further discussion, it was moved by Director Aranzales that the Bookkeeper's Report be approved, and that the disbursements identified therein be approved for payment from the various accounts, including additional check no. 2790 from the GOF described above. Director Shelnutt seconded said motion, which unanimously carried.

Mr. Diaz presented to and reviewed with the Board the District's Quarterly Investment Inventory Report for the period ended December 31, 2024, a copy of which is included in **EXHIBIT A**. After discussion on said Report, it was moved by Director Aranzales, seconded by Director Shelnutt, and unanimously carried that the Quarterly Investment Inventory Report for the period ended December 31, 2024, as prepared by McLennan, be approved, and that the District's Investment Officer be authorized to execute same on behalf of the Board and the District.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Rubinsky informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit certain information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database on an annual basis. Mr. Rubinsky recommended that Mark C. Eyring, CPA, PLLC ("Mr. Eyring"), the District's auditor, be authorized to prepare and submit the required information. After discussion on the matter, it was moved by Director Aranzales, seconded by Director Shelnutt and unanimously carried that Mr. Eyring be authorized to prepare the required information on behalf of the District and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database prior to April 1, 2025.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin presented to and reviewed with the Board the Tax Assessor/Collector's

Report for the month ending December 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, which is included with the Tax Assessor/Collector's Report, dated January 7, 2025. Mr. Rubinsky informed the Board that the City of Houston (the "City") requested an updated list of businesses within the District's limited purpose annexation ("LPA") boundary, pursuant to the Strategic Partnership Agreement ("SPA") between the District and the City, by January 31, 2025. After discussion, Director Shelnutt moved that (i) the Tax Assessor/Collector's Report and the disbursements identified therein be approved for payment from the Tax Account, and (ii) that BLI be authorized to provide the City with an updated list of businesses within the LPA boundary by January 31, 2025. Director Aranzales seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Mr. Rubinsky next presented to and reviewed with the Board a Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's Delinquent Tax Collection Attorneys, a copy of which is attached hereto as **EXHIBIT C**. After discussion, Mr. Rubinsky noted that no action was required of the Board at this time with respect to said Report.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Mr. Rubinsky advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent as of said 60th day, as more fully described in said Resolution. After discussion, it was moved by Director Aranzales, seconded by Director Shelnutt, and unanimously carried that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which is attached hereto as **EXHIBIT D**, be adopted by the Board, and that Perdue be authorized to proceed with the collection of the District's 2024 delinquent personal property accounts following proper notice as provided in said Resolution, including the filing of lawsuits, as necessary.

RESOLUTION CONCERNING EXEMPTION FROM TAXATION

Mr. Rubinsky outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. He advised that, under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2025 and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability

insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2025, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion, Director Patridge moved that the District (a) grant the residential homestead exemption of 20%, but not less than \$5,000, and (b) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$60,000 from ad valorem taxes levied by the District during the calendar year 2025, and that the Resolution Concerning Exemptions From Taxation, attached hereto as **EXHIBIT E**, relative to same be approved and adopted by the Board and District. Director Shelnutt seconded said motion, which carried unanimously.

OPERATIONS REPORT

Mr. Board presented to and reviewed with the Board the Operations Report dated December 2024, a copy of which is attached hereto as **EXHIBIT F**. Mr. Board discussed the repairs needed for a water leak on the Chlorine Water Supply Line at Water Plant No. 1 ("WP No. 1"). Mr. Board explained the sensitivity of the situation due to the current water supply line being under the concrete foundation and recommended it be abandoned and in its place, a new line be routed through the wall of the building instead. He advised the Board that he would like to have the repairs completed before Water Plant No. 2 ("WP No. 2") goes offline for painting. Mr. Board advised the Board that the estimated cost of the repair should not exceed \$10,000.

Mr. Board next advised the Board that the winterization at WP No. 1 and WP No. 2 has been completed, in addition to the repairs to a leak on the Chlorine Water Supply Line at WP No. 2.

Mr. Board advised the Board that the winterization has been completed at the Wastewater Treatment Plant ("WWTP"). He then presented two proposals for the replacement of the Automatic Effluent Sampler at the WWTP, including one proposal from Neil Technical Services ("NTS") in the amount of \$12,500 and one proposal from CFI Services, Inc. ("CFI") in the amount of \$15,049.40. Mr. Board recommended that the Board accept the proposal from NTS.

Mr. Board next presented a proposal from CFI for the replacement of the Effluent Flowmeter at the WWTP in the amount of \$8619.48. Mr. Board estimated that the total cost to replace the Effluent Flowmeter should not exceed \$9,400, taking into account H2O's cost for coordination of said work. Mr. Board also advised that H2O has received and scheduled the installation of the auto-dialer at the WWTP.

Mr. Board advised the Board that H2O is waiting on the new gearbox for the Spring Plaza Storm Water Pump Station, and that once the gearbox is received, NTS will handle the installation of same.

After discussion, Director Shelnutt moved that: (i) the repairs to the water leak on the Chlorine Water Supply Line at WP No. 1 be approved at a cost not to exceed \$10,000; (ii) the

proposal from NTS in the amount of \$12,500 for the replacement of the Automatic Effluent Sampler for the WWTP be approved; and (iii) the proposal from CFI in the amount of \$9,400 for the replacement of the Effluent Flowmeter at the WWTP be approved. Director Patridge seconded said motion, which unanimously carried.

Mr. Diaz and Ms. McLaughlin exited the meeting at this time.

DISCUSSION REGARDING MONTHLY FEE FOR APARTMENTS OWNED, LEASED OR OPERATED BY NON-TAXABLE ENTITIES

Mr. Rubinsky next reviewed with the Board a Memorandum regarding the calculation of the monthly fee to be charged to the Harlow Apartments and/or Lakeside Place PFC pursuant to Section 3.17 of the District's Rate Order adopted December 11, 2024, and effective January 1, 2025. The Board concurred with the calculation of the monthly fee as set forth in said memorandum and instructed H2O to begin invoicing said customer the monthly fee this month and each month thereafter through December 2025. Mr. Board advised that H2O will do so.

SLUDGE MANAGEMENT AGREEMENT BY AND AMONG THE DISTRICT, H2O CONSULTING, AND MAGNA-FLOW ENVIRONMENTAL, INC. ("MAGNA-FLOW")

The Board next considered the review and approval of a Sludge Management Agreement ("SMA") by and among the District, H2O, and Magna-Flow. Mr. Rubinsky reviewed various provisions of the SMA with the Board. After discussion on the matter, it was moved by Director Shelnett, seconded by Director Aranzales and unanimously carried that the Board approve the SMA as presented, subject to the execution of same by H2O and Magna-Flow in the form presented and receipt of a new Exhibit showing Magna-Flow's Rate Structure, that the TEC Forms 1295 be accepted, and that the President be authorized to execute same on behalf of the Board and the District.

STORMWATER QUALITY INSPECTION REPORT

Mr. Rubinsky presented to and reviewed with the Board the Storm Water Quality Inspection Reports ("Inspection Reports") prepared by Storm Water Solutions, for January 2025, copies of which are attached hereto as **EXHIBIT G**. In connection therewith, Director Shelnett inquired about the outfall pipe at the Hannover Regional Detention Pond Sections 1 and 2. After discussion, Mr. Rubinsky advised the Board that OEG will inspect the pipes to determine if any repairs are needed. Mr. Rubinsky noted that no action was required by the Board in connection with said Inspection Reports at this time.

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 7, 2025, a copy of which is attached hereto as **EXHIBIT H**. Mr. Woodson then presented to and reviewed with the Board the D&D Report and

responded to various questions from the Board. Mr. Woodson advised the Board that, following the removal of the rock dam at the base of the trash rack (storm water quality feature) in the Spring Plaza Detention Pond, there is a significant gap allowing debris to pass under the trash rack, which he advised needs to be addressed. The Board then requested SM&M obtain a quote for cleaning up the vegetation overgrowth along the northern boundary of the HEB tract. After discussion, Mr. Woodson advised the Board that he will obtain two separate quotes for modifying the trash rack at the Spring Plaza Detention Pond to close the gap resulting from the removal of the rock dam. Mr. Woodson advised the Board that he will also provide a quote for the cleaning along the northern boundary of HEB prior to the Board's next regularly scheduled meeting. Mr. Woodson noted that no action required the Board's approval at this time.

Mr. Ring exited the meeting at this time.

AMENDED AND RESTATED CONSTRUCTION AND MAINTENANCE AGREEMENT WITH HANNOVER FOREST HOMEOWNERS ASSOCIATION SECTION TWO

The Board deferred consideration of the proposed Amended and Restated Construction and Maintenance 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

Ms. Gonzalez presented to and reviewed in detail with the Board a written Engineer's Report dated January 8, 2025, 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 WP No. 1 Improvements, Ms. Gonzalez advised the Board that OEG will be resubmitting the plans to the City for review and approval and intends to advertise for bids on January 10, 2025, and January 17, 2025.

In connection with the regrading and improvement of the pilot channel in Hannover Estates Detention Pond, Ms. Gonzalez advised that OEG is expecting information regarding the status of the topographical survey of same. Ms. Gonzalez informed the Board that, upon receipt of the survey information, OEG will finalize cost estimate for capital improvement planning and design of pond regrading.

In connection with the coating repairs at the WWTP, Ms. Gonzalez advised the Board that OEG will forward the D&L Quality Painting ("D&L") contract to SPH for review, upon receipt of the executed contract from D&L.

Ms. Gonzalez advised the Board that construction of the off-site water and sanitary sewer extensions to serve the existing Starbucks located at 1731 Spring Cypress Road by Bull-G

Construction, LLC began and that the project should be complete by the end of January or the beginning of February.

In connection with the Relocation and Extension of the Water Line along Holzwarth Road, Ms. Gonzalez advised the Board that Faith Utilities, LLC has completed the work. She advised the Board that OEG anticipates that it will present a change order for turf establishment to the Board at the February meeting. Additionally, she requested Board approval of Pay Estimate No. 1 from Faith Utilities, LLC in the amount of \$243,920.70.

After discussion on the various engineering and construction projects, Director Shelnett moved that Pay Estimate No. 1 received from Faith Utilities, LLC in the amount of \$243,920.70 for the Relocation and extension of the Water Line along Holzwarth Road be approved. Director Aranzales seconded said motion, which unanimously carried.

Mr. Woodson exited the meeting at this time.

STATUS OF PROPOSED ANNEXATIONS

The Board considered the status of the proposed annexation of various tracts of land into the boundaries of the District. Mr. Rubinsky advised the Board that SPH has received all of the executed Petitions and required documents from DPEG and related entities (the "DPEG entities") for annexation of the DPEG-related tracts. Mr. Rubinsky recommended the Board re-accept and re-approve the execution of Petitions and submittals of annexation package related to DPEG tracts to the City. After discussion, Director Shelnett moved that (i) the Board re-accept and re-approve the Petitions for annexation of the DPEG tracts, and (ii) SPH be authorized to submit the required documents to the City, subject to receipt of the additional deposit requested from DPEG to cover the costs incurred by the District in connection therewith. Director Patridge seconded said motion, which unanimously carried.

ISSUANCE OF UTILITY COMMITMENTS

Mr. Rubinsky updated the Board on the status of various pending Utility Commitments, noting that no new requests had been received.

DEVELOPERS' REPORTS

Mr. Rubinsky next presented to and reviewed with the Board correspondence received from Sultanali Law, PLLC on behalf of DPEG, a copy of which is attached hereto as **EXHIBIT J**, (i) acknowledging the District's request for an additional deposit of \$50,000, and (ii) requesting future reimbursement of the advances made to the District to cover the costs of annexation of DPEG's various tracts into the District. After discussion concerning the Board's long-standing policy related to said costs, Director Shelnett moved to deny DPEG's request for future reimbursement of said costs. Director Aranzales seconded said motion, which unanimously carried.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Mr. Rubinsky provided the Board with a brief update from the January 6, 2025 Authority Board meeting. No action was required of the Board in connection with said matter.

INSURANCE PROPOSALS

The Board next discussed obtaining insurance proposals for the 2025-2026 term. Mr. Rubinsky advised the Board that the District's current insurance coverages, through Arthur J. Gallagher & Co. ("AJG"), will expire on March 31, 2025. After discussion on the matter, it was moved by Director Shelnut, seconded by Director Aranzales and unanimously carried that SPH be authorized to solicit a written proposal on behalf of the District from AJG for the renewal of the District's insurance coverages for the policies expiring March 31, 2025, for consideration by the Board at its February meeting.

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

Mr. Rubinsky presented to and reviewed with the Board the Monthly Activity Report provided by the HCCO for December 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.

ORDER ESTABLISHING POLICY FOR COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY

Mr. Rubinsky presented for the Board's consideration an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy Order"). Mr. Rubinsky advised the Board that Senate Bill 1893, as passed during the 88th Regular Session of the Texas Legislature, requires that all political subdivisions of the state, including the Authority, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the Authority. Mr. Rubinsky noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on an Authority owned or leased device. Mr. Rubinsky further advised that the proposed Technology Policy Order mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director O'Neal moved that the Technology Policy Order attached hereto as **EXHIBIT L** be adopted and that the President and Secretary be authorized to execute same on behalf of the Board and the Authority. Director Shelnut seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Rubinsky

presented to the Board correspondence from Rathmann & Associates, L.P. dated December 23, 2024, regarding its annual disclosure requirements pursuant to Municipal Securities Rulemaking Board Rule G-10, a copy of which disclosure is attached hereto as **EXHIBIT M**. After discussion, the Board concurred to formally acknowledge receipt of said disclosure.

Mr. Rubinsky next presented to the Board a resignation letter from Walter E. Norris as a Director of the District effective December 31, 2024, a copy of which is attached hereto as **EXHIBIT N**. Thereafter, upon motion duly made by Director Shelnett, seconded by Director Aranzales and unanimously carried, Director Norris' resignation was accepted.

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 Shelnett moved that the meeting be adjourned. Director Aranzales seconded said motion, which unanimously carried.

Secretary, Board of Directors



List of Exhibits to
Spring West Municipal Utility District
Minutes of Meeting held January 8, 2025

Exhibit A	Bookkeeper's Report; Investment Report
Exhibit B	Tax Assessor/Collector's Report
Exhibit C	Delinquent Tax Report
Exhibit D	Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
Exhibit E	Resolution Concerning Exemptions from Taxation
Exhibit F	Operator's Report
Exhibit G	Storm Water Solutions LLC
Exhibit H	Detention and Drainage Facilities Maintenance Report
Exhibit I	Engineer's Report
Exhibit J	Correspondence from Sultanali Law, PLLC on behalf of DPEG Panjwani, LLC
Exhibit K	Harris County Constable Precinct 4 Office Monthly Activity Report
Exhibit L	Order Establishing Policy for Covered Applications and Prohibited Technology
Exhibit M	Municipal Securities Rulemaking Board Rule G-10 Disclosures
Exhibit N	Walter E. Norris Resignation Letter