

SPRING WEST MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

February 12, 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 February 12, 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: Danielle Gonzalez and Arndrea Howard 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"); Kristina Gibson and Tyler Wellborn of Stream Realty Partners ("Stream"); Karen Sears and David Stuhmiller of Storm Water Solutions, LLC ("SWS"); 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 meeting held on January 8, 2025. After discussion, Director Shelnut moved that the minutes of the meeting held on January 8, 2025, be approved as written. Director Aranzales seconded said motion, which unanimously carried.

REORGANIZATION OF THE BOARD OF DIRECTORS AND ELECTION OF OFFICERS

The Board considered the reorganization of the Board of Directors and the election of a Board Secretary. Mr. Rubinsky next called for nominations for the Secretary position. Director

Aranzales was nominated for that office and there being no further nominations for the position of Secretary, the nominations were closed. Mr. Rubinsky called for a vote, and upon motion made by Director Patridge, seconded by Director Shelnutt and unanimously carried, Director Aranzales was appointed Secretary of the Board and the District. The Board concurred that all remaining Directors remain in their current officer positions.

DISTRICT REGISTRATION FORM

The Board considered approving a District Registration Form required by the Texas Commission on Environmental Quality (the "TCEQ"). Mr. Rubinsky explained that, in accordance with §36.054(e) and §49.054(f) of the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty days (30) after an election or appointment. He advised that with the Board's approval, SPH will prepare an updated District Registration Form to include Director Aranzales' new office the Board and the District and file same with the TCEQ. After further discussion of the matter, Director Shelnutt moved that the Board authorize SPH to complete the updated District Registration Form as discussed and file same with the TCEQ. 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 January 9, 2025, through February 12, 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. Rubinsky informed the Board that H2O has invoiced Starbucks in connection with the Off-Site Water and Sanitary Sewer Extension to service the existing Starbucks located at 1731 Spring Cypress Road. Mr. Rubinsky next advised the Board that check no. 2717 to Inframark is still being held subject to H2O's receipt of all requested documents from Inframark.

After discussion, Director Patridge moved that the Bookkeeper's Report and the disbursement presented for payment therein be approved. Director Shelnutt 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 20, 2025, a copy of 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. Mr. Rubinsky advised the Board that MRMG is recommending that the District engage Arbitrage Compliance Specialists, Inc. ("ACS") to prepare: (i) a 10th Year Arbitrage Rebate Report for the District's \$4,485,000 Waterworks and Sewer System Combination Unlimited Tax and Revenue Refunding Bonds, Series 2015 (the "Series 2015 Bonds"); (ii) an Interim Arbitrage Rebate Report for the District's \$6,685,000 Unlimited Tax Bonds, Series 2017 (the "Series 2017 Bonds"); (iii) a 5th Year Arbitrage Rebate Report for the District's \$6,970,000 Unlimited Tax Refunding Bonds, Series 2020 (the "Series 2020 Bonds"); and (iv) an Interim Arbitrage Rebate Report for the District's \$7,385,000 Unlimited Tax Refunding Bonds, Series 2021 (the "Series 2021 Bonds"). Mr. Rubinsky further advised the Board that, as

reflected in the attached Arbitrage Analysis Report, no further action is required in connection with any of the District's other bond issues at this time. After discussion on the matter, it was moved by Director Aranzales, seconded by Director Shelnut and unanimously carried that ACS be engaged by the District to prepare the Arbitrage Rebate Reports set forth above, as recommended in the attached report from MRMG.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin presented to and reviewed with the Board the Tax Assessor/Collector's Report for the month ending January 31, 2025, 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, which is included with the Tax Assessor/Collector's Report, dated February 6, 2025. After discussion, Director Shelnut moved that the Tax Assessor/Collector's Report and the disbursements identified therein be approved for payment from the Tax Account. Director Aranzales seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

The Board deferred consideration of a Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. after noting that a report was not due this month. Mr. Rubinsky stated that the next quarterly report will be provided in April.

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 OEG to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2025 Tax Year. He noted that, according to the information provided by OEG, the District should not be considered a Developed District for the 2025 tax year. After discussion, it was moved by Director Shelnut, seconded by Director Aranzales and unanimously carried that the Resolution Concerning Developed District Status for 2025 Tax Year, which is attached hereto as **EXHIBIT D**, be adopted by the Board and the District.

OPERATIONS REPORT

Mr. Board presented to and reviewed with the Board the Operations Report dated January 25, 2025, a copy of which is attached hereto as **EXHIBIT E**. Mr. Board discussed various completed and pending repairs noted therein.

Mr. Board discussed the necessary repairs for the cross-connection between non-potable and potable water systems. He informed the Board that H2O will assess the project's scope and present a proposal at its next meeting. Additionally, he then discussed sinkholes at the Wastewater Treatment Plant ("WWTP") and a manhole onsite that also needs repair. Mr. Board advised the Board that H2O will present a proposal for said repairs at its next meeting.

Mr. Board discussed with the Board the District's participation in the Association of Water Board Directors' ("AWBD") Water Smart Partners Program (the "Program") and asked whether the District wants to continue participating in the Program. Mr. Board advised the Board that H2O will confirm the Program that the District utilizes and would like to adopt a Resolution in connection therewith. After discussion, Director Shelnuttt moved that H2O confirm the District's participation in the Program and adopt the Resolution Approving Submittal of the Water Smart Application for inclusion in the AWBD's Water Smart Partners Program. Director Aranzales seconded said motion, which unanimously carried.

Mr. Board discussed with the Board delinquent account ending in 564 and requested the Board consider an adjustment of the water bill based on a dispute of meter reading. After discussion, Director Aranzales moved that the account be credited \$249.50 for the sewer charges. Director Patridge seconded said motion, which unanimously carried. In connection therewith, Director Aranzales requested that Mr. Board advise the customer that the Regional Water Authority does not provide credits.

Mr. Board discussed with the Board the need to replace the automatic transfer switch at Lift Stations 1 and 2. After discussion on the matter, Director Aranzales moved that H2O be authorized to replace the automatic transfer switches at Lift Stations 1 and 2. Director Shelnuttt seconded said motion, which unanimously carried.

Mr. Rubinsky next discussed with the Board the Status of status of communications with Lakeside Place PFC/Aspen Oak Capital Partners ("Aspen Oak") regarding the monthly Non-taxable Entity Fee invoiced to the Harlow Spring Cypress Apartments beginning in January 2025. In connection therewith, Director Shelnuttt moved that SPH be authorized to work with OEG to prepare a Section 49.212 fee and provide same to Aspen Oak, as requested. Director Aranzales 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 Shelnuttt, seconded by Director Aranzales, and unanimously carried that H2O be authorized to prepare a draft CCR for the Board's review at its next meeting.

STORMWATER QUALITY INSPECTION REPORT

Ms. Sears presented to and reviewed with the Board the Storm Water Quality Inspection Reports ("Inspection Reports") prepared by SWS, for February 2025, copies of which are attached hereto as **EXHIBIT F**. In connection therewith, Ms. Sears informed the Board that the Stormwater Quality Permit for the Spring Plaza Section One Detention Pond cannot be renewed at this time due to the gap caused by the removal of the rock filter dam. SWS requested authorization to present various repair proposals to the Board at its next meeting. After discussion, the Board concurred and agreed to consider the various proposals by SWS.

Ms. Sears and Mr. Stuhlmiller exited the meeting 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 February 12, 2025, a copy of which is attached hereto as **EXHIBIT G**. Mr. Woodson presented to and reviewed with the Board a proposal for re-grading the drainage channel south of Louetta to improve water levels in Louetta Woods and two areas by entrance to Louetta Woods. He also presented a proposal for repairs for the grates at Spring Plaza Section One. After discussion, Director Shelnett requested that SM&M provide plans reflecting the suggested repair options and present them to the Board at its next meeting.

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.

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 Shelnett 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 Aranzales seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Ms. Gonzalez presented to and reviewed in detail with the Board a written Engineer's Report dated February 12, 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 Water Plant No.1 ("WP No. 1") Improvements, Ms. Gonzalez advised the Board that OEG is addressing comments and anticipates sumitting final approval once groundwater storage tank repairs and recoating at Water Plant No. 2 ("WP No. 2") are completed and that OEG requested approval to authorize for bids of electrical upgrades and updates for existing motor control center and installation of variable frequency drives.

In connection with the detention ponds to serve the Dhanani Private Equity Group ("DPEG") annexation tracts by DPEG Panjwani, LLC. Ms. Gonzalez advised the Board that plans have been approved, and four (4) bids have been received, and OEG recommends the contract be awarded to Carlson McClain in the amount of \$1,286,412.05.

In connection with WP No. 1 Improvements which include additional hydropneumatics tank ("HPT") and electrical components for HPT, Ms. Gonzalez advised the Board that nine (9) bids were received and OEG recommends the contract be awarded to C3 Constructors, LLC in the amount of \$360,000.00.

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. Ms. Gonzalez requested Board approval of Change Order No. 1 from Faith Utilities, LLC in the amount of \$3,967.50 for additional turf establishment.

In connection with the Consent to Encroachment ("Consent") by and between the District and CenterPoint Energy Houston Electric, LLC, Ms. Gonzalez advised the Board that the Consent is to allow the installation of utilities within CenterPoint's easements.

Ms. Gonzalez next discussed the request for fire suppression services for Spring First Church. She advised the Board that the Church currently only has sewer service and would need to amend the current utility commitment or provide a new utility commitment letter based on their request and they would be responsible for tap fees.

After discussion on the various engineering and construction projects, Director Aranzales moved that: (i) OEG be authorized to advertise for bids for the WP No. 1 Motor Control Center Update; (ii) that Carlson McClain be awarded the contract for repairs to the detention ponds to serve DPEG and that the TEC Form 1295 be accepted, and that the President be authorized to executed same on behalf of the Board and the District; (iii) that C3 Constructors, LLC be awarded the contract for WP No. 1 Improvements and that the TEC Form 1295 be accepted, and that the President be authorized to executed same on behalf of the Board and the District; (iv) that Change Order No. 1 received from Faith Utilities, LLC in the amount of \$3967.50 for the additional turf establishment; and (v) the Consent to Encroachment by and between the District and CenterPoint Energy Houston Electric, LLC be approved. Director Shelnutt seconded said motion, which unanimously carried.

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 the annexation of the DPEG-related tracts. He advised that SPH still needs to review the Water District Consent Application Form and attachments thereto, and SPH is still awaiting the additional \$50,000 that was requested in late December 2024.

Mr. Rubinsky next updated the Board on the status of the SRPF D/Holzwarth ("Stream") annexation. In connection therewith, Ms. Gonzalez and Mr. Wellborn provided an update on the Stream development.

ISSUANCE OF UTILITY COMMITMENTS

The Board deferred consideration of various Utility Commitments, noting no updates at this time.

DEVELOPERS' REPORTS

The Board deferred further consideration of the Developer's 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")

Mr. Rubinsky provided the Board with a brief update on the Groundwater Reduction Plan Participation Fee that was discussed at the Authority Board meeting. No action was required of the Board in connection with said matter.

RENEWAL OF DISTRICT INSURANCE COVERAGE

The Board next considered the review of a proposal from Arthur J. Gallagher ("Gallagher"), the District's current insurance carrier, for the term expiring March 31, 2025. After discussion on the matter, Director Shelnuttt moved that (i) the proposal from Gallagher for a term of March 31, 2025, to March 31, 2026, a copy of which is attached hereto as **EXHIBIT J**, be accepted by the Board and that the President be authorized to executed such proposal on behalf of the Board and the District, and (ii) that Texas Ethics Commission ("TEC") Form 1295 from Gallagher be accepted and SPH be authorized to acknowledge receipt of same with the TEC. Director Aranzales seconded said motion, which unanimously carried.

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 January 2025, a copy of which is attached hereto as **EXHIBIT K**, and discussed the current status of criminal activities in the District and surrounding areas.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Rubinsky recommended that the Board appoint a committee to review the Amended and Restated Agreement for Shared Detention Facilities with Meadowhill Regional Municipal Utility District ("Meadowhill Agreement") once SPH has completed revisions to same. In connection therewith, Director Patridge moved that Director Shelnuttt and Director Aranzales be appointed to serve on said committee. Director O'Neal seconded said motion, which unanimously carried.

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

Secretary, Board of Directors



A handwritten signature in blue ink, appearing to be "J. M. J.", is written over a horizontal line.

List of Exhibits to
Spring West Municipal Utility District
Minutes of Meeting held February 12, 2025

- Exhibit A Bookkeeper's Report
- Exhibit B Annual Maintenance for Arbitrage Analysis Report
- Exhibit C Tax Assessor/Collector's Report
- Exhibit D Resolution Concerning Developed District Status for 2025 Tax Year
- Exhibit E Operator's Report
- Exhibit F Storm Water Solutions LLC
- 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 Arthur J. Gallagher 2025-2026 Insurance Proposal
- Exhibit K Harris County Constable Precinct 4 Office Monthly Activity Report