

SPANISH COVE PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

September 2, 2025

The Board of Directors ("Board") of Spanish Cove Public Utility District met at 102-A Spanish Cove Dr., Crosby Texas 77532 on September 2, 2025 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
Don Housely Jr., Director

and the following absent:

David Hilditch, Treasurer

Also present were Ms. Debbie Arellano, tax assessor-collector for the District; Mr. Ruffy Salgado, bookkeeper for the District; Mr. John Davis and Mr. Colton Davis, operators for the District; and Ms. Jennifer B. Seipel, attorney for the District. Also present was Mr. Andrew Theiss.

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 August 4, 2025. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Under public comment, Mr. Theiss plead his case regarding charges assessed by the District for damage that Mr. Theiss caused to a District water line during the course of his installation of a new fence around his yard. After a thorough discussion of the facts, including that Mr. Theiss made great efforts to locate any utilities prior to fence installation, the Board unanimously agreed to waive the charges assessed against Mr. Theiss. He thanked the Board for their time and left the meeting.

3. Ms. Arellano presented the tax assessor-collector's report, copy attached. The report showed the District's 2024 taxes as being 96.1% collected. The attorney also presented a request from the District's delinquent tax counsel requesting permission to send water termination letters. The Board agreed with the recommendation. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. Ms. Arellano presented a recommendation with respect to the District's 2025 tax rate. The Board reviewed the analysis and recommendation. The Board considered the

attached Resolution Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, Calling Public Hearing on 2025 Tax Rate, and Authorizing Tax Assessor-Collector to Prepare and Publish Notice of the Public Hearing. After discussion, upon unanimous vote, the Board found that the District is a Developed district under Texas Water Code §49.23602 and adopted the attached Resolution so stating. The Board also authorized publication of a Notice of a Public Hearing on October 7, 2025, at which the Board will consider adoption of a total 2025 tax rate of \$0.4487 per \$100 assessed valuation. The attorney noted that after considering a proposed tax rate, the District must update the transparency report required by Section 26.18 of the Texas Tax Code. Upon unanimous vote, the Board authorized the attorney to update the compliance document and post it on the internet.

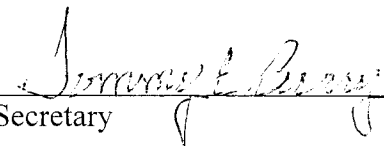
5. The Board then considered the bookkeeper's report, copy attached. After discussion, upon motion duly made and seconded, the Board unanimously approved the bookkeeper's report as presented.

6. The Board considered a Resolution Adopting an Operating Budget for the Fiscal Year Ending September 30, 2026. Upon motion duly made, seconded, and unanimously carried, the Board approved the budget as presented.

7. The Board considered the continued engagement of their auditor, McCall, Gibson, Swedlund Barfoot PLLC, for the performance of an audit of the September 30, 2025 fiscal year. It was noted that the auditor anticipates the fee for such audit to be similar to that charged for the prior year. The Board unanimously agreed to retain the auditor.

8. Mr. Davis presented the operator's report, copy attached. The operator noted that the City of Houston's project to establish an interconnect with the District is set to be bid in the coming weeks. He also provided an update on the alarm system at the District's plant facilities. Subject to that discussion, the Board approved the operator's report as presented.

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


Secretary