SPANISH COVE PUBLIC UTILITY DISTRICT
Minutes of Meeting of Board of Directors
June 2, 2026

The Board of Directors ("Board") of Spanish Cove Public Utility District met at 102-A Spanish Cove Dr., Crosby Texas 77532 on June 2, 2026 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 and Mr. Cole Davis, operators for the District; and Ms. Jennifer B. Seipel, 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 May 5, 2026. 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 2025 taxes as being 95.0% collected. 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 the bookkeeper's report, copy attached. Subject to that discussion, upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report as presented, including the checks listed thereon.

5. The Board reviewed the ethics letter and update by investment officer. It was noted that annually the investment officer is asked to disclose whether he has any personal business relationships (as that term is defined by statute) with anyone offering to engage in an investment transaction with the District. The bookkeeper submitted the required disclosure which indicated that he had no such relationships to disclose. It was noted that this document would be filed with the Texas Ethics Commission and in the District's records as required by law.

Upon unanimous vote, the Board approved the investment officer disclosure as presented and authorized its necessary filing.

6. Mr. Davis presented the operator's report, copy attached. He reported on operational matters during the prior month. He requested authorization to purchase a new air compressor in the amount of $2,950, which the Board approved. Subject to that discussion, the Board approved the operator's report as presented and the action items thereon.

7. The operator reported on the necessity to submit emergency operations information and an application for critical load status. Texas law requires that the District submit information regarding its emergency operations to state emergency operations offices and local Harris County offices. In addition, the District must apply for its critical water and sewer facilities to be given priority status for power restoration after a hurricane or other storm. The Board acknowledged the attorney's submission of the necessary documentation with input from the District's operator.

8. The Board discussed an amendment to its Rate Order and Fee Schedule to include a capital improvement fee of $50 per month per account. The Board had a lengthy discussion that the imposition of such fee is necessary to build the District's reserves in light of the recent failure of the bond election. The Board unanimously approved amendment of the rate order to reflect such fee and requested that the attorney prepare an information flyer to be sent to District residents explaining the rationale behind having a bond election.

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

Tommy E. Curry

Secretary