SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
July 20, 2026

The Board of Directors (the "Board") of Spring Creek Utility District (the "District") held its regular monthly meeting in accordance with the duly posted notice of meeting and the Texas Open Meetings Act. The roll was called of the duly constituted officers and members of said Board, as follows:

Claude Humbert	-	President
Mark Fusca	-	Vice President
Leslie Gourley	-	Secretary
Paul Sterling	-	Assistant Secretary
MJ Dougherty IV	-	Director

All the said members were present, thus constituting a quorum.

Also present were Monica Pena of Utility Tax Service, LLC (the "District's Tax Assessor"); Amber Hurd of Cobb, Fendley & Associates, Inc. (the "District's Engineer"); Lonnie Wright and Claudia Garza of Municipal Operations & Consulting, Inc. (the "District's Operator"); Jonathan Roach, Ray Arce, Jessica Armilla, and Kirsten Womack of Roach & Associates, PLLC (the "District's Attorney"); Eric Gonzalez and David Summerlin of Clarity Consulting Corporation (the "District's Bookkeeper"); Aric Braddock of ASB Services, Inc. (the "District's Inspector"); Calep Estes of Touchstone District Services (the "District's Communications Consultant"); Ryan Nokelby of HDR Engineering; Jonah Pedroso and Elenor Coursey, who both entered later in the meeting, of Bank OZK; and Lindsey DeLong, a member of the public.

Call to Order: President Humbert called the meeting to order.

PUBLIC COMMENTS

There were no public comments.

HB500 GRANT FUNDING TASK ORDER AND RELATED APPROVALS

Mr. Nokelby presented a status report regarding the Texas Water Development Board House Bill 500 Water Supply Infrastructure Grant ("TWDB WSIG") application, noting that the application deadline is July 30, 2026.

Mr. Pedroso entered the meeting.

Mr. Nokelby explained that lower-income districts generally receive higher rankings in the grant evaluation process than higher-income districts and advised that the District would likely receive a lower ranking due to the demographics of its service area.

Ms. Coursey entered the meeting.

Mr. Nokelby further reported that the proposed project would require Montgomery County Municipal Utility District No. 89 ("MC89") to acquire (10) easements. He noted that the costs associated with acquiring the easements would be shared among MC89, Montgomery County Municipal Utility District No. 88 ("MC88"), and the District pursuant to the proposed agreement.

Ms. DeLong temporarily exited the meeting.

After discussion, Director Fusca moved to approve the resolution authorizing submission of the TWDB WSIG grant application and to authorize all necessary actions outside the meeting to facilitate the application process. Director Sterling seconded the motion, which passed unanimously. Director Sterling then moved to approve the supplemental agreement with MC88 and MC89 relating to the grant application and associated project costs. Director Dougherty seconded the motion, which passed unanimously.

Ms. DeLong re-entered the meeting.

CONSENT AGENDA: MINUTES

The Board considered the regular meeting minutes of June 15, 2026. After discussion, Director Humbert motioned to approve the minutes, subject to revisions. Director Gourley seconded the motion, which passed unanimously.

CONSENT AGENDA: CONSULTANT REPORTS

Following discussion, Director Gourley motioned to approve the following consultant reports: (1) Garbage Collection Report, attached hereto as **Exhibit "A"**; (2) Security Report, attached hereto as **Exhibit "B"**; (3) Tax Assessor's Report, attached hereto as **Exhibit "C"**; and (4) Communications Report, attached hereto as **Exhibit "D"**. Director Sterling seconded the motion, which passed unanimously.

CONSENT AGENDA: COMMITTEE REPORTS

1. Budget & Finance Committee. Director Humbert reported that the District's Financial Advisor has recommended that the Board begin considering whether to proceed with the District's next bond issuance. He noted that the matter will require further evaluation and discussion by the Board before any action is taken.

2. Rate Order Committee. Mr. Roach noted that in addition to the amendments discussed at a recent Rate Order Committee meeting, GFL Environmental, Inc.'s consumer price index would take effect August 1, 2026.

3. Communications Committee. Director Humbert noted that the quarterly newsletter was posted last month.

BOOKKEEPER'S REPORT

Mr. Pedroso introduced himself, and Ms. Coursey of Bank OZK to the Board. Next. Mr. Gonzalez presented the Bookkeeper's Report, attached hereto as **Exhibit "E"**. During the discussion, Director Fusca noted that he has received DocuSign requests for documents that had not previously been discussed with him and requested that additional information and communication be provided prior to requesting his signature. The Board then discussed the District's fund currently held in TexPool.

Ms. Garza temporarily exited the meeting.

After some discussion, the Board concurred to move their existing monies out of TexPool.

Mr. Braddock temporarily exited the meeting.

Following some discussion, Director Gourley motioned to approve the Bookkeeper's Report and payment of invoices. Director Dougherty seconded the motion, which passed unanimously.

Mr. Summerlin exited the meeting.

ANNUAL AUDIT REPORT FOR FYE APRIL 30, 2026

Mr. Roach noted that this would be presented at the next meeting.

ENGINEER'S REPORT

Ms. Hurd presented the Engineer's Report, attached hereto as **Exhibit "F"**, noting that the Capital Improvement Plan has been updated to include the Ground Storage Tank replacement. Next, the Board discussed potential Water Well No. 4 locations, noting that the ideal land owned by KB Homes is also held by several mineral right owners. Mr. Roach advised that the District can acquire surface rights to the property, subject to the mineral rights. After further discussion, Director Gourley motioned to acquire the proposed property from KB Homes. Director Fusca seconded the motion, which passed unanimously. Then Ms. Hurd noted that the painting of the above-ground piping at Water Plant No. 3 is complete. She stated that the drilling rig was remobilized to the site to complete well construction, completed reaming to start casing installation, and noted that the rig will be on-site for approximately four (4) more weeks. She then stated that she will be meeting with the Lonestar Groundwater Conservation District ("LSGCD") on July 28, 2026, to discuss the well permit. She also presented Pay Estimate No. 12 in the amount of $158,859.00, payable to Schier Construction Company, Inc., for approval. Finally, Ms. Hurd presented an engineering fee amendment of $1,400.00, payable to the District's Engineer. After some discussion, Director Fusca motioned to approve: (1) the Engineer's Report; (2) the engineering amendment; and (3) Pay Estimate No. 12. Director Gourley seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Mr. Wright presented the Operator's Report, attached hereto as **Exhibit "G"**, including the delinquent cut-off list. He then recommended that the District move back to stage one (1) in the Drought Contingency Plan.

Next, Director Fusca noted several recent move-outs within the District where large amounts of trash had been left at the properties for collection. He inquired whether the District's Rate Order contains any provisions that would allow a resident's deposit to be applied in such circumstances. The Board discussed the matter and the applicability of the District's current policies.

Mr. Gonzales next advised that payment to the Lone Star Groundwater Conservation District ("LSGCD") may become due before the next Board meeting and requested authorization to issue the payment once the final amount is determined. After discussion, the Board authorized Check No. 10753 payable to LSGCD in an amount not to exceed $3,500.

The Board then reviewed the proposed revisions to the District's Rate Order that had been discussed by the Rate Order Committee.

Ms. Coursey and Mr. Gonzalez exited the meeting.

After further discussion, Director Gourley motioned to approve the proposed Rate Order amendments. Director Sterling seconded the motion, which passed unanimously.

NOVAGUARD AGREEMENT

There was nothing new to report.

INSPECTOR'S REPORT

Mr. Braddock presented the Inspector's Report, attached hereto as **Exhibit "H"**, and provided updates regarding ongoing inspection matters. He noted that the District's existing fire vaults are not equipped with meters but suggested that the Board could amend the District's Rate Order to require meters for future installations. After discussion, Director Gourley motioned to approve the Inspector's Report. Director Dougherty seconded the motion, which passed unanimously.

EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTIONS 551.071, 551.074, ET. SEQ.

The Board entered an executive session at 8:22 p.m. with the District's Attorney and Inspector.

RECONVENE IN OPEN SESSION AND AUTHORIZE ANY ACTION RESULTING FROM EXECUTIVE SESSION

The Board reconvened in an open session at 9:07 p.m.

JOINT FACILITIES ADVISORY COMMITTEE ("JFAC") MATTERS

Mr. Roach noted that the next JFAC meeting was scheduled for August 31, 2026.

DIRECTORS REPORT

Mr. Roach noted that the Texas Special Districts Coalition Summit is on July 31, 2026, in Round Rock, Texas.

INSURANCE RENEWAL OPTIONS (*EXPIRE SEPTEMBER 30, 2026*)

Mr. Roach advised that the District's current insurance policies with Arthur J. Gallagher ("AJG") expire on September 30, 2026. He informed the Board that they could request a renewal quote from AJG or have the District's Attorney send Requests for Proposal ("RFPs") to other insurance companies for additional proposals. After a brief discussion, the Board concurred with sending RFPs to other insurance companies for additional proposals.

ARBITRAGE REVIEW

Mr. Roach reported that Cory Burton had prepared an updated arbitrage agreement but stated that the agreement requires additional review before it will be presented to the Board for consideration.

ATTORNEY'S REPORT

Mr. Roach noted that the determination of a District's developing status is an annual requirement and reminded the Board of the tax rate adoption procedures for special districts under Chapter 49 of the Texas Water Code. He noted that the procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "developed" or "developing" District under new Senate Bill 2 requirements, noting the impact on District tax rates and potential election requirements. After some discussion, Director Fusca motioned to recognize the District as a "developing" district for the 2026 tax year and adopt the corresponding resolution. Director Dougherty seconded the motion, which passed unanimously.

Next, Mr. Roach reported that the District's Attorney is preparing a proposed Public Comment Policy for the Board's consideration. Following further discussion, the Board authorized the District's Attorney to investigate matters relating to the HMF Americana acreage, as discussed in executive session.

REVIEW CONSULTANT AND VENDOR CONTRACT OPTIONS

The Board reviewed various proposals and options for providing the District's operating services. After some discussion, the Board concurred in continuing to utilize the District's current operator. The Board then discussed several operational matters, including mowing services, potential microgrid opportunities, and the possibility of implementing a District mobile application that would allow residents to submit service requests and complaints.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to reconvene for their next regular meeting on August 17, 2026, at 5:00 p.m. and a special JFAC meeting on August 31, 2026. There being no further business to discuss, Director Fusca motioned to adjourn the meeting. Director Dougherty seconded the motion, which passed unanimously.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Passed and approved this 17th day of August 2026.

/s/ Leslie Gourley

Secretary, Board of Directors

[SEAL]

LIST OF EXHIBITS

Exhibit A – Garbage Collection Report
Exhibit B – Security Report
Exhibit C – Tax Assessor's Report
Exhibit D – Communications Report
Exhibit E – Bookkeeper's Report
Exhibit F – Engineer's Report
Exhibit G – Operator's Report
Exhibit H – Inspector's Report