SPRING CREEK UTILITY DISTRICT
Minutes of Meeting of Board of Directors
May 18, 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, Claudia Garza, and Dale DeLatte, all whom entered later in the meeting, of Municipal Operations & Consulting, Inc. (the "District's Operator"); Jonathan Roach, Ray Arce, and Jewel Wheeler of Roach & Associates, PLLC (the "District's Attorney"); Brian Desilets of Clarity Consulting Corporation (the "District's Bookkeeper"); Aric Braddock of ASB Services, Inc. (the "District's Inspector"); Calep Estes and Danae Dehoyos of Touchstone District Services (the "District's Communications Consultant"); Ryan Fortner of Revenue Management Services (the "District's Sales Tax Consultant"); Patrick Byrne* and Lindsay Adams of BCS Capital Group ("BCS"); Harry Thompson* of Allen Boone Humphries Robinson LLP; Joseph Ellis of McCall Gibson Swedlund Barfoot Ellis (the "District's Auditor"); and Anthony Cerda, Lindsey DeLong, Anne Hughes, David Mustain, Kat Barnes, Ashleigh Musselman, Bruce Gourley, Chase Hearne, Jimesna Hearne, Dave Palacio, Judy Palacio, Jodi Caesar, Richard Ryan, Roger Gragert, Noel Gragert, Linda Kimbrough, Alexandria Ware, and Lisa Myers, all whom entered the meeting at various times, members of the public.

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

PUBLIC COMMENTS

Mr. Mustain introduced himself as President of the Lockeridge Farms Homeowners Association ("LFHOA") and stated that he was speaking on behalf of the LFHOA residents regarding the proposed BCS development. Mr. Mustain expressed concerns regarding the current conceptual plans, which depict a concrete pathway connecting the proposed development to an existing detention pond. He stated that residents are concerned the pathway could provide public access to the Lockeridge Farms neighborhood, creating potential security and safety issues.

Ms. Pena exited the meeting.

Mr. Mustain next inquired about funding for the proposed detention pond expansion. The Board explained that the Developer would initially fund the improvements and may seek reimbursement in the future, subject to applicable regulatory approvals. Mr. Mustain expressed opposition to any potential taxpayer responsibility for such improvements and discussed reimbursement mechanisms and applicable law. Discussion then turned to fencing and access controls associated with the project. Ms. Adams stated that fencing around the detention pond is contractually required and noted that the plans presented are conceptual in nature and remain subject to revisions, including potential modification to pedestrian pathways and sidewalk connections.

Ms. Musselman introduced herself as legal counsel for LFHOA. She stated that LFHOA has only provided conceptual plans for the proposed development and requested updated project information as it becomes available. Ms. Musselman noted residents' concerns regarding pedestrian access, neighborhood security, and potential reimbursement of project costs. A discussion followed regarding future communications and potential bond financing consideration. The Board explained that financing details have not yet been finalized.

Mr. Bruce Gourley, Mr. Hearne, and Ms. Hearne entered the meeting.

Mr. Gourley expressed concerns regarding the area's flooding history, drainage capacity, public safety considerations, and the District's ability to serve the proposed development. Mr. Gourley and the Board continued discussion regarding these matters.

Messrs. Wright, DeLatte, Fortner, Palacio, Ryan, Captain Carswell, Ms. Palacio, and Ms. Caesar entered the meeting.

Mr. Hearne stated that many long-term residents have concerns regarding the proposed development, particularly those whose properties are adjacent to the detention pond. He noted that residents are primarily concerned with maintaining neighborhood safety, privacy, and character and expressed a desire for additional transparency and consideration of resident input as the project moves forward. Ms. Adams reiterated that all plans remain conceptual and that resident comments are being considered as part of the planning process.

Messrs. Ellis, Roger Gragert, and Noel Gragert entered the meeting.

Mr. Gourley raised additional concerns regarding potential commercial development, water demand, and the District's water supply capacity. In response, Ms. Hurd reported that the District currently operates one active water well, participates in a joint water supply arrangement, and has an additional well under construction. Further discussion ensued regarding water system capacity, water quality, and system reliability.

Ms. Garza entered the meeting.

Mr. Roach suggested that the Board consider holding quarterly meetings with LFHOA representatives to facilitate communication regarding the proposed development and related matters.

ACCEPT QUALIFICATION STATEMENTS, BONDS, OATH OF OFFICE, AFFIDAVITS OF CURRENT DIRECTORS, AND ELECTIONS NOT TO DISCLOSE INFORMATION FOR NEWLY/RE-ELECTED/APPOINTED DIRECTORS

Mr. Roach reviewed the qualification documents required for the re-elected Directors and recommended that the Board approve the documents, subject to execution at the Board's next in-person meeting. He noted that Director's Humbert and Dougherty were re-elected and that their new terms commenced on May 2, 2026. Following discussion, Director Sterling motioned to approve the qualification documents for Director Humberts and Dougherty, subject to execution, and also to maintain the same officer positions. Director Gourley seconded the motion, which passed unanimously.

Mr. Hearne, Ms. Hearne, and Ms. Barnes exited the meeting.

SALES TAX REPORT

Mr. Fortner presented the Sales Tax Report, noting that the City of Houston (the "City") released certain information later than expected. He explained that delays in processing the District's Strategic Partnership Agreement ("SPA") Amendment were reportedly attributable to staffing changes within the City's legal department. Following discussion, Director Fusca motioned to approve: (1) the Sales Tax Report; and (2) authorize the District's Attorney to send a letter to the City regarding the status of the SPA Amendment. Director Gourley seconded the motion, which passed unanimously.

Ms. Kimbrough and Ms. Ware entered the meeting during the discussion.

Mr. Fortner exited the meeting.

GRANT/AGENCY FUNDING OPPORTUNITIES (HB500, TEXAS WATER DEVELOPMENT BOARD, ETC.)

Mr. Roach discussed compliance requirements associated with House Bill No. 500 ("HB500") grant program, including certain domestic sourcing requirements applicable to materials used in grant-funded projects. He noted that if Montgomery County Municipal Utility District No. 89 ("MC89") were to award its portion of the project in a manner that does not satisfy such requirements, the District's eligibility for grant funding could be adversely affected. Following discussion, the Board concurred that the District's Attorney attend the next MC89 meeting to provide information regarding the applicable grant requirements and potential implications for the project.

DIRECTOR CYBERSECURITY/ARTIFICIAL INTELLIGENCE ("AI") TRAINING

The Board concurred to defer this item.

CONSENT AGENDA: MINUTES

The Board considered the minutes of the March 31, 2026, April 8, 2026, and April 29, 2026, special meeting minutes, and the April 20, 2026, regular meeting minutes. After some discussion, Director Fusca motioned to approve the minutes of the March 31, 2026, April 8, 2026, and April 29, 2026, special meeting minutes, and the April 20, 2026, regular meeting 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. Next, Mr. Carswell presented the Security Report.

Director Fusca temporarily exited the meeting.

CONSENT AGENDA: COMMITTEE REPORTS

1. Park/Admin Building Committee. Director Sterling requested authorization for Grace Acoustics to assess and address the ongoing audio issues in the building, whereby the Board concurred.

2. Communications Committee. Director Humbert noted that progress is being made on the next District newsletter, with hopes that promoting EyeOnWater and WaterSmart will continue to encourage water conservation and customer engagement.

Director Fusca re-entered the meeting.

Ms. Myers entered the meeting.

BOOKKEEPER'S REPORT

Mr. Desilets presented the Bookkeeper's Report, attached hereto as **Exhibit "E"**. Following discussion, Director Fusca motioned to approve the Bookkeeper's Report and payment of invoices. Director Sterling seconded the motion, which passed unanimously.

ENGAGE AUDITOR TO PREPARE THE FISCAL YEAR END ("FYE") APRIL 30, 2026, AUDIT (*MGSBE EVERGREEN*)

Mr. Ellis presented the audit engagement letter and reviewed the proposed fees. Director Humbert expressed concerns regarding costs associated with the joint facility, noting that the District's costs appear significantly higher than the cost for the joint facilities operated by MC89. Mr. Ellis explained that he does not represent the joint entity and could only address the fees and amounts reflected in the District's engagement. After a brief discussion, Director Gourley motioned to approve the audit engagement letter. Director Sterling seconded the motion, which passed unanimously.

Mr. Ellis departed the meeting, and Mr. Roach temporarily exited the meeting.

ENGINEER'S REPORT

Ms. Hurd presented the Engineer's Report, attached hereto as **Exhibit "F"**.

Regarding the BCS pond expansion and utility extension project, Ms. Hurd reported that the construction contracts have been compiled and forwarded for execution and that a preconstruction meeting has been scheduled. Discussion followed regarding a maintenance item associated with the existing detention pond. Ms. Adams and Mr. Thompson explained that the work was not needed for the proposed expansion but was included within the project bid as a necessary component. Mr. Braddock further explained that desilting of the pond is required to restore capacity and facilitate the proposed improvements. Additional discussion ensued.

Mr. Roach re-entered the meeting during the discussion.

Mr. Byrne and Ms. Adams exited the meeting.

Ms. Hurd next reported that all change order work associated with the District Administration Building has been completed and presented Final Pay Estimate No. 14 in the amount of $1,679.00, for approval. Next, she reported that the underground electrical work is progressing, and that the well-drilling contractor is expected to remobilize to the site at the end of the month to complete the well. She then presented Change Order No. 4 in the amount of $12,995.00 for installation of seven (7) removable bollards adjacent to the booster pump pad and Change Order No. 5 in the amount of $17,940.00 related to the extended use of the sound wall due to permitting delays that prolonged the drilling schedule. Ms. Hurd also presented Pay Estimate No. 10 in the amount of $9,927.50, for Board approval.

Mr. Mustain, Ms. Myers, Ms. Ware, and Ms. Kimbrough exited the meeting.

Ms. Hurd then reported on the Reclaimed Water Treatment project, noting that major equipment has been delivered and that the contractor is expected to remobilize following the next sludge haul to complete the underground piping, chlorination and dechlorination equipment, and the remaining driveway improvements. She then presented Pay Estimate No. 5 in the amount of $778,525.00 for approval.

After some discussion, Director Gourley motioned to approve: (1) the Engineer's Report; (2) Final Pay Estimate No. 14; (3) Change Order No. 4; (4) Change Order No. 5; (5) Pay Estimate No. 10; and (6) Pay Estimate No. 5. Director Sterling seconded the motion, which passed unanimously.

Messrs. Gragert, Palacio, Ms. Gragert, and Ms. Palacio exited the meeting.

OPERATOR'S REPORT

Mr. Wright presented the Operator's Report, attached hereto as **Exhibit "G"**. He also presented the delinquent cut-off list and the Consumer Confidence Report ("CCR"). Next, Mr. Wright presented a leak adjustment request for a commercial customer, explaining that unusually high water usage resulted from a leak that remained unrepaired for approximately two (2) months. After discussion, the Board concurred to deny the adjustment request. After no further discussion, Director Sterling motioned to approve the: (1) Operator's Report, including the delinquent cut-off list; and (2) CCR. Director Gourley seconded the motion, which passed unanimously.

Mr. Ryan and Ms. Caesar exited the meeting.

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

The Board entered an executive session at 8:01 p.m. with the District's Attorney for legal consultation.

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

The Board reconvened in an open session at 8:23 p.m.

Mr. Gourley and Ms. Hughes exited the meeting.

NOVAGUARD AGREEMENT

This item was deferred.

INSPECTOR'S REPORT

Mr. Braddock presented the Inspector's Report, attached hereto as **Exhibit "H"**. He requested that the District's Attorney review a proposed grease trap maintenance agreement associated with the 2121 Riley Fuzzel development. Next, he presented printer options for the District's Administration Building, whereby the Board concurred to defer consideration of this item. After no further discussion, Director Dougherty motioned to approve: (1) the Inspector's Report; and (2) authorize parking lot improvements at Spring Creek District Park. Director Gourley seconded the motion, which passed unanimously.

JOINT FACILITIES ADVISORY COMMITTEE ("JFAC") MATTERS

There was nothing new to report.

DIRECTORS REPORT

Director Humbert noted that the proposed GMA-14 Desired Future Conditions would be open for public comment on July 1, 2026.

REVIEW CONSULTANT AND VENDOR CONTRACT OPTIONS

This item was deferred.

ATTORNEY'S REPORT

Mr. Roach provided an update regarding the crime policy and noted that the Director's bonds were not included in the 2026-2027 insurance renewal from Arthur J. Gallagher ("AJG"). He reported that AJG is currently reviewing whether these items were inadvertently omitted or need to be added, as well as the crime policy.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS CONTINUED

The Board concurred to reconvene for their next regular meeting on June 15, 2026, at 5:00 p.m. There being no further business to discuss, Director Fusca motioned to adjourn the meeting. Director Dougherty seconded the motion, which passed unanimously.

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Passed and approved this 15th day of June 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