

SOUTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

December 9, 2025

The Board of Directors ("Board") of Southwest Harris County Municipal Utility District No. 1 ("District") met at 2727 Allen Parkway, Suite 1100, Houston, Harris County, Texas, on December 9, 2025 in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Keith W. Bynam, President
Jo Ann W. Miller, Vice President
Stephanie A. Johnson, Secretary
Bruce Zaborowski, Director
Horace Q. Buckley, Director

and the following were absent:

None.

Also present were Ms. Dawn Mouton of Inframark; Ms. Michelle Guerrero of Bob Leared Interests; Mr. Bob Ideus of Municipal Business Services, Inc.; and Mr. James D. Bonham of Smith, Murdaugh, Little, & Bonham, L.L.P.

The President called the meeting to order and declared it open for such business as might properly come before it.

1. The Board considered the minutes of the Board of Directors meeting held November 11, 2025, and upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as presented.

2. The Board then recognized Mr. Bob Ideus who presented the bookkeeper's report. The Board reviewed invoices presented by the bookkeeper and reviewed a schedule of District investments. The Board also reviewed the general fund budget comparison of actual versus budgeted revenues and expenditures for the fiscal year ending December 31, 2025. After review and discussion, upon unanimous vote, the Board approved the bookkeeper's report and the checks listed thereon.

3. The Board then considered a Resolution adopting a general fund budget for the fiscal year ending December 31, 2026 and upon unanimous vote, the budget was adopted by the Board.

4. The Board then confirmed engagement of the auditor and acknowledged that the auditor has been engaged on an evergreen engagement letter.

5. The Board then recognized the tax assessor who presented the tax assessor/collector's report reflecting the District's 2025 taxes to be 3.6% collected. The Board reviewed activity in the tax account and the checks presented for the Board's approval. The

Board reviewed a schedule of delinquent taxes, and after discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the tax assessor/collector's report and the checks drawn on the tax account.

6. The Board then recognized Ms. Dawn Mouton who presented the operator's report and reviewed with the Board the billing and collections data which appears therein, as well as the repairs and maintenance required to the District's facilities during the previous month. Ms. Mouton advised that blower No. 1 at the Wastewater Treatment Plant needs to be repaired or replaced. The Board discussed the matter and upon unanimous vote agreed to replace the blower. The operator reported that 100.57% of the water received through the interconnect during the reporting period had been accounted for and advised that there were no waste discharge permit violations during the reporting period. After further discussion, upon unanimous vote, the Board approved the operator's report and authorized termination of water service to all customers on the delinquent account list in accordance with the District's Rate Order.

7. The attorney for the District then discussed with the Board the requirement to file an eminent domain report with the state comptroller's office and upon unanimous vote, the Board acknowledged that the attorney will prepare and file the report as required.

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


Secretary

SOUTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

NOTICE OF PUBLIC MEETING

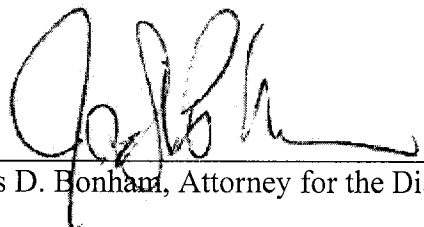
Notice is hereby given to all interested members of the public that the Board of Directors of the captioned district will hold a public meeting at **2727 Allen Parkway, Suite 1100, Houston, Texas 77019.**

The meeting will be held at **11:15 a.m. on Tuesday, December 9, 2025.**

The subject of the meeting is to receive public comment on, consider and act on the following:

1. Minutes of Board of Directors Meeting(s)
2. Bookkeeper's Report; Checks and Invoices; Investment of District Funds; Depository Pledge Agreement(s)
3. Resolution Adopting Operating Budget
4. Engage Auditor
5. Tax Assessor/Collector's Report; Invoices and Checks; Delinquent Tax Collections; Investment of District Funds; Tax Rate; Tax Exemptions
6. Operator's Report; Operation, Maintenance, and Repair of District Facilities; Rate Order; Consumer Confidence Report; Waste Discharge Permit; Customer Appeals; Termination of Service on Delinquent Accounts
7. Engineer's Report; Request for Waste Treatment Service
8. Public Discussion of Storm Water Management Plan; Documents Related to Storm Water Management Plan and Permit
9. Eminent Domain Report
10. Other Matters: Messaging Service; Insurance; Consultant Contracts; Contract for Electric Power; Audit Report; Critical Load Submission; Application to Texas Commission on Environmental Quality; Water Conservation Plan; Drought Contingency Plan; Continuing Disclosure
11. Pending Business




James D. Bonham, Attorney for the District

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Compliance with Texas Government Code Section 551.043

Pursuant to Texas Government Code § 551.043(c), a physical copy of the proposed budget has been attached to this Notice of Public Meeting

Taxpayer Impact Statement

Below is a comparison of a property tax bill for a median-valued¹ homestead property in the District for the current fiscal year to an estimate of a property tax bill for the same property for the upcoming fiscal year if the proposed budget is adopted.

Description	Tax Bill (\$)
Property tax bill for a median-valued homestead property in District for current fiscal year	\$782.41
Estimated property tax bill for the same median-valued homestead property in District for upcoming fiscal year if proposed budget is adopted	\$782.41

Taxing units such as the District adopt their tax rates under the authority of Chapter 49, Texas Water Code and are not governed by the no-new-revenue tax rate calculations set forth in Chapter 26, Texas Tax Code. Therefore, this Taxpayer Impact Statement does not provide a comparison of property tax bills for the current fiscal year to a balanced budget funded at the no-new-revenue-tax rate as calculated under Chapter 26, Texas Tax Code.

¹ While Texas Government Code § 551.043 uses the term “median-valued,” such term does not appear in the sections of Texas Tax Code Chapter 26 that are applicable to taxing units such as the District. Laws applicable to the District require its tax assessor-collector to calculate the tax rate using the “average taxable value” of homestead properties. (*Texas Water Code, Sections 49.23601, 49.23602(d) and 49.23603*) Therefore this Taxpayer Impact Statement calculates the property tax bill using such “average taxable value.”

DECEMBER 9, 2025

**SOUTHWEST HARRIS COUNTY MUD 1
OPERATING BUDGET
FYE 12--31--26**

REVENUE

WATER REVENUE	\$375,000.00
SEWER REVENUE	\$300,000.00
PENALTY AND INTEREST	\$25,000.00
MAINTENANCE TAX	\$325,000.00
INTEREST INCOME	\$50,000.00
TAP FEES	

**PROPOSED
2026**

\$1,075,000.00

EXPENDITURES

DIRECTORS FEES	\$15,000.00
OPERATOR FEES	\$30,000.00
REPAIRS AND MAINTENANCE	\$350,000.00
STORM WATER MANAGEMENT PLAN	\$16,000.00
OFFICE EXPENSE	\$20,000.00
LAB	\$30,000.00
SLUDGE REMOVAL	\$15,000.00
UTILITIES	\$30,000.00
GARBAGE	\$105,000.00
LEGAL	\$64,000.00
LEGAL - RECORDS MAINTENANCE	\$3,000.00
ENGINEERING	\$12,000.00
BOOKKEEPING	\$15,000.00
INSURANCE	\$24,500.00
PERMITS	\$3,600.00
AUDIT	\$18,000.00
CHEMICALS	\$8,000.00
INSPECTIONS	\$2,000.00
PURCHASED WATER	\$190,000.00
PURCHASED SEWER	\$12,000.00
TELEPHONE	\$1,500.00
MISC.	\$7,500.00
ELECTION	\$25,000.00
PAYROLL TAXES	\$1,150.00
MESSAGING	\$0.00

\$998,250.00

EXCESS REV (EXPENSES)

\$76,750.00