

SPANISH COVE PUBLIC UTILITY DISTRICT

Minutes of Meeting of Board of Directors

January 6, 2026

The Board of Directors ("Board") of Spanish Cove Public Utility District met at 102-A Spanish Cove Dr., Crosby Texas 77532 on January 6, 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; and Mr. John Davis and Mr. Cole Davis, operators 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 December 2, 2025. 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 28% 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. One question was raised regarding the insurance premium; Ms. Arellano stated that she would investigate the matter. 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. It was reported to the meeting that under the provisions of Article VIII, Section 1-b(e) of the Constitution of Texas, the District may exempt from ad valorem taxation by its own action up to twenty percent (20%) of the market value of each residence homestead owned by an adult and taxable by the District for the year 2026, but not producing an exemption

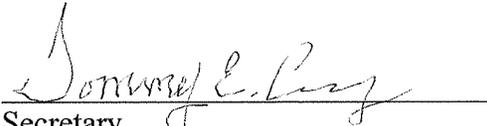
of less than \$5,000 when such percentage is applied to a particular homestead. Those present discussed the various points for or against the adoption of the exemption by the District. After the discussion, it was duly moved, seconded and unanimously carried, the Board adopted the attached order providing for a homestead exemption in the amount of twenty percent (20%) of the market value of residence homesteads for the year 2026.

6. It was further reported to the meeting that under the provisions of Article VIII, Section 1-b of the Constitution of Texas, this District may exempt by its own action not less than \$3,000 of the assessed value of the residence homesteads of persons 65 years of age or older or disabled from all ad valorem taxes thereafter levied by the District. Those present discussed the various points for or against the adoption of the exemption by the District. After the discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the attached Order providing a \$60,000 homestead exemption for residents of the District 65 years of age or older or disabled for the year 2026.

7. Mr. Davis presented the operator's report, copy attached. He reported that the City of Houston's project to construct an interconnect with the District is on hold pending funding and further discussion. The operator also discussed with the Board the scheduling of a bond election, with the Board electing to discuss the matter further in February. Subject to that discussion, the Board approved the operator's report as presented.

8. The Board then reviewed its Rate Order and Fee Schedule. The operator recommended that the District adjust water and sewer rates to account for increasing costs of production and treatment. Upon motion duly made and seconded, the Board approved the Rate Order and Fee Schedule as presented.

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


Secretary