MINUTES
HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51

September 9, 2026

The Board of Directors (the "Board") of Harris County Fresh Water Supply District No. 51 (the "District") met in regular session, open to the public, on the 9th day of September, 2026, at 367 Queenstown Road, Houston, Texas, 77015 inside the boundaries of the District, and the roll was called of the members of the Board:

Jerry Dominy	President
Michael Bilnoski	Vice President
Vacant	Secretary
David Gray	Assistant Secretary
Cary Stephens	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present at the meeting either in person or via videoconference was: Michael Miller and Lee Brown, members of the public; Rita Rodriguez, President of the North Channel Water Authority (the "Authority"); Pamela Redden of McLennan & Associates, L.P; Adam Lund of Capital Bank; Terri Quebodeaux, General Manager of the District; Odett Champion of Bob Leared Interests; Misael Flores of Post Oak Municipal Advisors LLC; Marcel Khouw of IDS Engineering Group ("IDS"); and Andrew B. Vaughan and Franky Wallace of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

The Board opened the meeting for public comments. There being no additional members of the public wishing to address the Board, the Board closed the public comments portion of the meeting.

APPROVE MINUTES

The Board reviewed the minutes of the August 12, 2026, meeting. After review and discussion, Director Bilnoski moved to approve the minutes, as presented. Director Gray seconded the motion, which passed unanimously.

DIRECTOR MATTERS

APPOINTMENT OF NEW DIRECTOR

Mr. Vaughan introduced Mr. Brown to the Board and stated he is interested in serving on the Board of Directors.

APPROVE SWORN STATEMENT, OFFICIAL BOND, AND OATH OF OFFICE

Mr. Vaughan stated that Mr. Brown must execute a Sworn Statement, Official Bond, and Oath of Office as required by the Texas Constitution and Texas Water Code.

REORGANIZE THE BOARD OF DIRECTORS AND AUTHORIZE EXECUTION OF DISTRICT REGISTRATION FORM

The Board then considered reorganizing the Board. After discussion, the Board concurred to reorganize the Board as follows:

Jerry Dominy	President
Michael Bilnoski	Vice President
Lee Brown	Secretary
David Gray	Assistant Secretary
Cary Stephens	Assistant Vice President

Mr. Vaughan stated the District Registration Form must be filed with the Texas Commission on Environmental Quality ("TCEQ") to show the new slate of officers. The Board then considered authorizing filing of an updated District Registration Form with the TCEQ, reflecting the newly reorganization of the Board.

TEXAS OPEN MEETINGS ACT TRAINING AND PUBLIC INFORMATION ACT TRAINING

Mr. Vaughan then reviewed a memorandum regarding Texas Open Meetings Act and Public Information Act training requirements for Directors and encouraged Mr. Brown to receive his training as soon as possible and forward his certificates of completion to ABHR for inclusion in the District's permanent records.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE, INCLUDING REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND LIST OF LOCAL GOVERNMENT OFFICERS

Mr. Vaughan next reviewed with the Board legislation enacting Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. Mr. Vaughan reviewed with the Board the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District. Mr. Vaughan encouraged Mr. Brown to contact ABHR if assistance is needed in determining whether a conflict

requires disclosure or in making a required disclosure. The Board then considered approving and authorizing execution of a List of Local Government Officers.

CYBERSECURITY AND ARTIFICIAL INTELLIGENCE TRAINING

Mr. Vaughan reviewed a memorandum to the Board regarding annual cybersecurity training requirements for certain local government employees and elected officials pursuant to Chapter 2054, Texas Government Code.

Following discussion, Director Bilnoski moved to (1) appoint Mr. Brown to the Board of Directors; (2) approve Mr. Brown's Sworn Statement, Official Bond, and Oath of Office, and direct that they be filed and retained in the District's official records and that the Oath of Office be filed with the Secretary of State of the State of Texas; (3) approve the officer's positions, as discussed; (4) authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records; and (5) approve and authorize execution of the List of Local Government Officers. Director Stephens seconded the motion, which passed unanimously.

REPORT REGARDING THE AUTHORITY

Ms. Rodriguez updated the Board stating that there was no Authority report due to the Authority's meeting being scheduled to occur after today's Board meeting. She then reviewed the agenda items for the upcoming Authority meeting.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Redden reviewed the bookkeeper's report, including a summary of investments, a copy of which is attached, and submitted the bills for the Board's review. The Board inquired about details of the bookkeeper's report. Ms. Redden and Mr. Vaughan answered questions from the Board.

Ms. Redden noted hand-written check no. 23978 in the amount of $750.00 payable to AWBD, check no. 4892 in the amount of $30,964.13 payable to Harris County FWS 51 GOF fund, check no. 4480 in the amount of $42,369.01 payable to Harris County FWS 51 GOF fund, and check no. 4481 in the amount of $71,121.05 payable to Harris County FWS 51 GOF fund are also being presented for approval but is not included in the report.

After review and discussion, Director Gray moved to accept the bookkeeper's report and approve payment of the bills listed in the report, including hand-written check nos. 23978, 4892, 4480, and 4481, as discussed. Director Bilnoski seconded the motion, which passed unanimously.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted an annual review of the District's Investment Policy and concurred that no updates were necessary at this time. Mr. Vaughan reviewed a Resolution Regarding Annual Review of Investment Policy with the Board. Following review and discussion, Director Bilnoski moved to adopt a Resolution Regarding Annual Review of Investment Policy reflecting that the current policy will remain in effect and direct that the Resolution be filed appropriately and retained in the District's official records. Director Gray seconded the motion, which passed by unanimous vote.

REVIEW, REVISE, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board considered adopting the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Mr. Vaughan noted that the District's bookkeeper has provided an updated list of broker/dealers and depository institutions, and Ms. Redden confirmed the list includes all banks where the District maintains deposits or investments.

Mr. Lund introduced himself to the Board and discussed Capital Bank's services.

After review and discussion, Director Bilnoski moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that it be filed appropriately and retained in the District's official records. Director Gray seconded the motion, and the motion passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Champion presented and reviewed a report on tax assessment and collection matters, a copy of which is attached. She stated that 96.744% of the 2025 taxes have been collected as of August 31, 2026. Following review and discussion, Director Bilnoski moved to approve the tax report. Director Stephens seconded the motion, which passed unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2026 TAX YEAR

Mr. Vaughan discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. He reviewed the definitions for each of the three categories and

said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2026 tax year.

Following review and discussion, Director Stephens moved to adopt a Resolution Regarding Development Status for 2026 Tax Year establishing the District as a Developed district for the 2026 tax year, pursuant to Section 49.23602 Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Bilnoski seconded the motion, which passed unanimously.

DISCUSS 2026 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2026 tax rate. Mr. Flores distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2026 water, sewer, and drainage debt service tax rate of $0.07 per $100 of assessed valuation, based on the District's initial 2026 certified value of $844,386,410 plus $54,284,561 representing 96% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Flores discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Stephens moved to: (1) set the public hearing date for October 14, 2026; and (2) authorize the tax assessor/collector to publish notice in the North Channel Star of the District's meeting on October 14, 2026, to set the proposed 2026 total tax rate of $0.12447 per $100 of assessed valuation, with $0.07 allocated for debt service on water, sewer, and drainage bonds and $0.05447 allocated for operations and maintenance. Director Bilnoski seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Khouw presented and reviewed the engineer's report, a copy of which is attached.

Mr. Khouw updated the Board regarding construction of the Regional Wastewater Treatment Plant Generator Addition and reviewed and recommended approval of Pay Estimate No. 5 in the amount of $24,795.23, payable to Experts Underground Solutions, LLC.

Mr. Khouw reviewed the plans and specifications and requested the Board authorize IDS to advertise for bids for the construction of the Regional Wastewater Treatment Plant.

Mr. Khouw reported on the sanitary sewer system investigation.

Following review and discussion, Director Bilnoski moved, based on the engineer's recommendation, to (1) approve Pay Estimate No. 5, payable to Experts Underground Solutions, LLC, in the amount of $24,795.23 for Regional Wastewater Treatment Plant Generator Addition; (2) approve the plans and specifications and to authorize IDS to advertise for bids for the Regional Wastewater Treatment Plant; and (3) approve the engineering report. Director Gray seconded this motion, which passed unanimously.

REPORT FROM GENERAL MANAGER

Ms. Quebodeaux reviewed the General Manager's report of the District, a copy of which is attached.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

The Board conducted a hearing on the termination of utility service. Ms. Quebodeaux reported that the customers appearing on the termination list were given proper notice and an opportunity to explain, contest, or correct the utility service bills and show reason why utility service should not be terminated for reason of nonpayment, all as required by the District's Rate Order.

Following review and discussion, Director Bilnoski moved to authorize the District to proceed with the process for termination of utility service to the delinquent accounts pursuant to the provisions of the District's Rate Order and the Texas Water Code. Director Stephens seconded the motion, which passed unanimously.

DIRECTOR MATTERS (CON'T)

Mr. Dominy expressed his appreciation for 56 years of service to the District and stated that he will submit his resignation, effective September 10, 2026.

MEETING PLANNING MATTERS

The Board concurred its next meeting will be held on October 14, 2026.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

Secretary, Board of Directors

(SEAL)

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