MINUTES
HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 51

October 14, 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 14th day of October, 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:

Vacant	President
Michael Bilnoski	Vice President
Lee Brown	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 were: Shelia Ortega, Bill Palko, Michael Miller, and Quinton Thomas, members of the public; Alyssa Saccomen of McCall Gibson Swedlund Barfoot Ellis PLL; Rita Rodriguez, President of the North Channel Water Authority (the "Authority"); Pamela Redden of McLennan & Associates, L.P; Odett Champion of Bob Leared Interests; Marcel Khouw of IDS Engineering Group ("IDS"); Terri Quebodeaux, General Manager of the District; and Andrew B. Vaughan and Franky Wallace of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Bilnoski opened the meeting for public comments. There being no members of the public requesting to make a public comment, Director Bilnoski moved to the next agenda item.

APPROVE MINUTES

The Board reviewed the minutes of the September 9, 2026, meeting. Director Gray noted revisions to the minutes. After review and discussion, Director Stephens moved to approve the minutes, as revised. Director Brown seconded the motion, which passed unanimously.

AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2026

Ms. Saccomen presented the draft audit for fiscal year ending June 30, 2026. The Board inquired about details of the draft audit and Ms. Saccomen answered questions

from the Board. Following review and discussion, Director Gray moved to approve the audit for fiscal year ended June 30, 2026, subject to final review. Discussion ensued. Director Stephens seconded the motion, which passed unanimously

DIRECTOR MATTERS

ACCEPT RESIGNATION OF DIRECTOR DOMINY

Mr. Vaughan stated that Director Dominy has submitted his resignation from the Board of Directors. A copy of the letter is attached.

Director Bilnoski expressed his appreciation to Director Dominy, on behalf of the Board, thanking him for his 56 years of dedicated service on the Board.

APPOINTMENT OF NEW DIRECTOR

Mr. Vaughan introduced Mr. Palko 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. Palko 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:

Michael Bilnoski	President
Cary Stephens	Vice President
Lee Brown	Secretary
David Gray	Assistant Secretary
Bill Palko	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. Palko 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. Palko 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 Stephens moved to (1) accept Director Dominy resignation and direct that it be filed appropriately and retained in the District's official records; (2) appoint Mr. Palko to the Board of Directors; (3) approve Mr. Palko'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; (4) approve the officer's positions, as discussed; (5) 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 (6) approve and authorize execution of the List of Local Government Officers. Director Gray seconded the motion, which passed unanimously.

REPORT REGARDING THE AUTHORITY

Ms. Rodriguez reviewed the September and October report regarding the

Authority, copies of which are attached.

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 presented an updated list of broker/dealers and depository institutions and confirmed that the list includes all banks where the District maintains deposits or investments. The Board discussed the District's banking options and requested that Ms. Redden provide public funds and interest rates from various banks for the Board's consideration at the next meeting.

Discussion ensued regarding the lost check for Association of Water Board Directors ("AWBD") membership application, and Ms. Redden stated she would void check no. 23978 in the amount of $750 and reissue hand-written check no. 24039 in the same amount.

Following review and discussion, Director Gray moved to approve the bookkeeper's report and authorize payment of the District's bills, and hand-written check no. 24039. Director Stephens seconded the motion, which 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 96.884% of the 2025 taxes have been collected as of September 30, 2026. Following review and discussion, Director Brown moved to approve the tax report. Director Gray 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 also discussed the proposed Woodforest Boulevard bridge replacement, including the required relocation of the 24-inch force main. He stated that Harris County is preparing cost estimates and that an Interlocal Agreement would be required. Mr. Vaughan and Mr. Khouw answered the Board's questions.

Following review and discussion, Director Bilnoski moved to approve the engineering report. Director Gary seconded this motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Vaughan stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2026 total tax rate of $0.12447 per $100 of assessed valuation.

Mr. Vaughan opened the public hearing. There being no comments from the public, Mr. Vaughan closed the public hearing.

Mr. Vaughan presented an Order Levying Taxes reflecting the proposed 2026 tax rate. He then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment to Information Form will be filed with the TCEQ and recorded in the Official Public Records of Harris County.

After review and discussion, Director Bilnoski moved to: (1) adopt the Order Levying Taxes reflecting a total 2026 tax rate of $0.12447 per $100 of assessed valuation, comprised of $0.07 to pay debt service on water, sewer, and drainage bonds and $0.05447 for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order Levying Taxes and Amendment to Information Form be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which passed by unanimous vote.

REPORT FROM GENERAL MANAGER

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

Ms. Quebodeaux reported that lead and copper testing has been completed.

The Board discussed security and safety measures at the District's facilities and related insurance coverage.

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 Brown 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 Bilnoski seconded the motion, which passed unanimously.

MEETING PLANNING MATTERS

The Board concurred its next meeting will be held on November 11, 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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