SUNBELT FRESH WATER SUPPLY DISTRICT

MINUTES OF MEETING OF BOARD OF DIRECTORS

June 17, 2026

The Board of Directors (individually referred to as "Directors," collectively, the "Board") of Sunbelt Fresh Water Supply District (the "District") met in a regular Bookkeeping and Management Session, at 5:00 p.m. on Wednesday, June 17, 2026, at 410 West Gulf Bank Road, Houston, Texas, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code; whereupon the roll was called of the members of the Board, to-wit:

Elizabeth Santiago	President
Ruben Salazar	Vice President
Sandra Jaramillo	Treasurer/Investment Officer
Reyes T. Garcia, Jr.	Secretary
Lynda Powell	Assistant Secretary

All Board members were present, thus constituting a quorum. Also attending were Barbara Nussa of Republic Services of Houston ("Republic"); Demitra Berry of McLennan & Associates ("McLennan" or "Bookkeeper"); Hilda Ibarra of Assessments of the Southwest, Inc. ("Tax Assessor-Collector" or "ASW"); Lonnie Wright and Claudia Garza of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Simon Van Dyk of Touchstone District Services ("Touchstone"); Elliot M. Barner of Radcliffe Adams Barner PLLC ("Attorney" or "RAB"), and members of the public listed on the attendance roster, a copy of which is available upon request.

The President, after finding that the notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order at 5:00 p.m. and declared it open for such business as may regularly come before it.

PUBLIC COMMENT

The President then opened the meeting to public comment.

As no public comments were offered, the President directed the Board to proceed with the agenda.

SOLID WASTE COLLECTION REPORT

Ms. Nussa presented Republic's Solid Waste Collection Report, a copy of which is available upon request.

MINUTES

The President directed the Board to consider approval of the minutes of May 21, 2026 Bookkeeping and Management meeting and June 11, 2026 special workshop meeting. A discussion ensued.

Upon a **motion** by Director Garcia, seconded by Director Santiago, after full discussion and with all Directors present voting aye, the Board approved the minutes of May 21, 2026 Bookkeeping and Management meeting and June 11, 2026 special workshop meeting.

DISTRICT WEBSITE REPORT

Mr. Van Dyk presented the Communications Services Report, a copy of which is available upon request. Mr. Van Dyk discussed with the Board logistics and pricing regarding livestreaming of District meetings and will present a proposal for same at the next Board meeting.

Upon a **motion** by Director Garcia, seconded by Director Salazar, after full discussion and with all Directors present voting aye, the Board approved the Communications Service Report, as presented.

DEFINED AREA NO. 1 TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Ibarra presented the Tax Assessor-Collector's Report for Defined Area No. 1 for the month of May 2026, a copy of which is available upon request. Ms. Ibarra reported that 99.26% of the 2025 taxes have been collected as of May 31, 2026.

Upon a motion by Director Garcia, seconded by Director Salazar, after full discussion and with all Directors present voting aye, the Board approved the Tax Assessor-Collector's Report, as presented.

BOOKKEEPER'S REPORT

Ms. Berry presented the Bookkeeper's Report, a copy of which is available upon request.

Ms. Berry reviewed with the Board the District's current bills and financial statements and responded to questions from the Board regarding several line items in the report.

Ms. Berry presented the Unclaimed Property Report for the period of March 1, 2024 through February 28, 2025, and recommended such report be filed with and a check for the unclaimed funds currently in possession of the District be sent to the Comptroller.

In response to a question, Mr. Barner explained that when an entity such as the District issues a refund or reimbursement of funds to a customer or property owner and they do not claim such funds, such unclaimed funds are escheated to the State of Texas pursuant to the Texas Unclaimed Property Act, as amended.

Upon a **motion** by Director Powell, seconded by Director Jaramillo, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report, as presented, including filing the Unclaimed Property Report.

ORDER ADOPTING BUDGET FOR YEAR ENDING ("FYE") JUNE 30, 2027

Ms. Berry next presented a revised draft of the proposed budget FYE June 30, 2027, and responded to questions from the Board. Extensive discussion then ensued regarding certain revenue and expenditure line items for each service area in such budget. Further extensive discussion ensued regarding the revisions noted by the Engineer. Mr. Barner presented for approval the Order Adopting Budget for FYE June 30, 2027.

Upon a **motion** by Director Salazar, seconded by Director Powell, after full discussion and with all Directors present voting aye, the Board adopted the budget FYE June 30, 2027.

OPERATOR'S REPORT

Ms. Garza then presented the Operator's Report, a copy of which is available upon request, and reviewed: 1) the general operations, maintenance and repairs that occurred within the District throughout the last billing period; 2) the operations of certain water distribution and wastewater collections systems; and 3) the water accountability for all service areas within the District.

WATER CONSERVATION PLAN ("WCP")/DROUGHT CONTINGENCY PLAN ("DCP")

Ms. Garza and Mr. Barner then reviewed with the Board the District's WCP and DCP. A brief discussion ensued, and it was the consensus of the Board that no changes are necessary at this time.

Upon a **motion** by Director Salazar, seconded by Director Garcia, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, including the WCP and DCP.

ANNUAL REVIEW OF RATE ORDER

Mr. Barner reminded the Board that the District's Rate Order is reviewed at this time each year to determine if the Board needs to consider increases in rates and fees. A brief discussion ensued, and it was the consensus of the Board to have Mr. John Howell of The GMS Group, L.L.C., financial advisor for the District, prepare and present a rate study regarding the District's water and wastewater rates and proposed increase, if any, to such rates.

RENEWAL OF DISTRICT'S INSURANCE THROUGH TEXAS MUNICIPAL LEAGUE ("TML") FOR DISTRICT FACILITIES

Mr. Barner reminded the Board that the District's current insurance coverage through TML expires on July 3, 2026, and reminded the Board that RAB previously provided the Declarations of Coverage for Board review. A discussion ensued. It was the consensus of the Board to authorize the renewal of the 2026-2027 insurance policies.

Upon a **motion** by Director Salazar, seconded by Director Powell, after full discussion and with all Directors present voting aye, the Board approved the renewal of the insurance policies with TML, as presented.

DIRECTOR'S REPORT

The Board discussed attendance at the Texas Commission on Environmental Quality Public Drinking Water Conference to be held in August 2026 in Austin, Texas.

ATTORNEY'S REPORT, INCLUDING POLICIES FOR LIVE-STREAMING MEETINGS AND DIRECTOR ATTENDANCE BY VIDEO CONFERENCE

Mr. Barner updated the Board options for virtual meeting policies to conduct District meetings by videoconference if necessary.

EXECUTIVE SESSION

Pursuant to Chapter 551 of the Texas Government Code, Subchapter D, of the Open Meetings Act, the President called the executive session to order at 6:00 p.m. to discuss matters of attorney-client privilege. Present for the executive session were the Board of Directors, Mr. Wright, Ms. Garza, and Mr. Barner.

RECONVENED IN OPEN SESSION

As of 6:32 p.m., the President declared the Executive Session was ended and the public session was resumed.

Upon a **motion** by Director Jaramillo, seconded by Director Salazar, after full discussion and with all Directors present voting aye, the Board approved the filing of the RRA, as discussed in Executive Session.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at 6:32 p.m.

PASSED AND APPROVED this 16th day of July, 2026.

Reyes T. Garcia, Jr., Secretary
Sunbelt Fresh Water Supply District

(DISTRICT SEAL)