

SUNBELT FRESH WATER SUPPLY DISTRICT
MINUTES OF MEETING OF BOARD OF DIRECTORS

August 6, 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 session at 5:00 p.m. on Thursday, August 6, 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
Reyes T. Garcia Jr.	Secretary
Sandra Jaramillo	Treasurer/Investment Officer
Lynda Powell	Assistant Secretary

All Board members were present, except Director Jaramillo, thus constituting a quorum. Also attending were Justin Edwards and Sarah Richard of A&S Engineers, Inc. ("Engineer" or "A&S"); Claudia Garza and Mario Garcia of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Simon Van Dyk of Touchstone District Services ("Touchstone"); and Nicholas L. Roberts of Radcliffe Adams Barner PLLC ("Attorney" or "RAB").

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 opened the meeting to public comment.

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

MINUTES

The Board then tabled approval of the minutes of the regular meeting held on July 2, 2026, until the Board has the opportunity to review the draft of such minutes.

OPERATOR'S REPORT

Ms. Garza presented the Operator's Report, a copy of which is available upon request, and reviewed the operation of the District's water and wastewater facilities, including all necessary maintenance and repairs that were performed over the last billing cycle.

Ms. Garza next reported the amount of revenue collected by the District during the most recent billing cycle, which was \$1,094,994.53.

Ms. Garza next reviewed with the Board the July 2026 door tag and cut-off count and stated that 68 water disconnects are currently scheduled within the District.

In response to a question from Director Garcia regarding the process for reconnection of water service that has been disconnected due to nonpayment, Ms. Garza explained to Director Garcia such process, which may be found in the District's Rate Order, and noted that there are penalties for payment of such service after the date such payment is due and fees associated with reconnection of such service. Director Garcia then requested that the Board consider whether customers aged 65 or older should be exempted from the payment of such fees. A brief discussion ensued regarding such exemption, and it was the consensus of the Board that such an exemption was not allowable.

Ms. Garza next updated the Board on the status of payments by the District to the City of Houston (the "City") for impact fees assessed pursuant to the water supply contracts between the District and the City. Ms. Garza then presented a summary of payments of such fees to the District since the year 2016. An extensive discussion ensued regarding the payment of such fees. In response to a question, Mr. Roberts explained that RAB has reached out to the City Attorney's Office in order to resolve such payments.

Ms. Garza then presented a historical reconciliation report, which identified the amount of impact fees collected by the District, which are held in the District's impact fee account. A discussion ensued regarding the funds held District impact fee account and the remittance of such funds to the City. Mr. Roberts informed the Board that RAB is working with the City's Legal Department to confirm the remittance process and how impact fees should be assessed by the District.

Ms. Garza reported that 51 bacteriological samples were collected within the District; testing of such samples confirmed that the District is in compliance with its approved Site Sampling Plan.

Fairgreen/High Meadows Service Area ("Fairgreen/High Meadows")

Ms. Garza reported on the status of water capacity, production, and ultrasonic leak detection in Fairgreen/High Meadows. Ms. Garza also reported that the total pumpage for the month of July was 19,203,000 gallons.

Ms. Garza next reported that 47 water service accounts were issued notices that payment is past due by door tag in Fairgreen and four (4) accounts received a second (2nd) notice that such service would be terminated; and that 236 such accounts were issued such notices by door tag in High Meadows, 18 of which received a second (2nd) notice that such service would be terminated, during the previous reporting period.

Ms. Garza then explained that four (4) additional delinquent water accounts in High Meadows were delinquent in the amount of \$1,937.92 and are 90 or more days delinquent; therefore, MOC recommends such accounts be written off because of the age of delinquency. A discussion ensued and it was the consensus of the Board to write off the delinquent accounts recommended by MOC and transfer such accounts to a collection agency.

Ms. Garza further reported that over the previous reporting period, Fairgreen's Wastewater Treatment Plant ("WWTP") operated at 44% of the amount of capacity allowable by TPDES permit and the High Meadows WWTP is using 38% of such amount allowable by such permit.

Ms. Garza noted that a pothole has developed in the pavement of the entrance to the Fairgreen WWTP. Ms. Garza went on to present an estimate of work to repair such pavement for \$1,800.00 from TyCon Services. A brief discussion ensued regarding such estimate and pothole.

Heather Glen Service Area ("Heather Glen")

Ms. Garza next presented to the Board the total pumpage for the month of July, which was 5,660,000 gallons for Heather Glen.

Ms. Garza next reported that 146 water service accounts were issued notices that payment is past due by door tag in Heather Glen and 15 accounts received a second (2nd) notice that such service would be terminated during the previous reporting period.

Ms. Garza then explained that three (3) additional delinquent water accounts in Heather Glen were delinquent in the amount of \$426.32 and are 90 or more days delinquent; therefore, MOC recommends such accounts be written off because of the age of delinquency. A discussion ensued and it was the consensus of the Board to write off the delinquent accounts recommended by MOC and transfer such accounts to a collection agency.

Ms. Garza further reported that over the previous reporting period, Heather Glen's WWTP operated at 77% of the amount of capacity allowable by TPDES permit.

Northline Terrace Service Area ("Northline")

Ms. Garza next presented to the Board the total pumpage for the month of July, which was 8,004,000 gallons for Northline.

Ms. Garza next reported that 124 water service accounts were issued notices that payment is past due by door tag in Northline and 13 accounts received a second (2nd) notice that such service would be terminated during the previous reporting period.

Ms. Garza further reported that over the previous reporting period, Northline's WWTP operated at 75% of the amount of capacity allowable by TPDES permit.

Ms. Garza presented to the Board a proposal to remove debris from, and perform routine maintenance on, the aeration basin at Northline's WWTP in the amount of \$100,080.00. Ms. Garza stated that MOC will convert the digester into a temporary aeration basin, pump, vacuum, remove, and properly dispose of debris from the aeration basin, and replace steel diffusers. A discussion ensued.

Oak Glen Service Area ("Oak Glen")

Ms. Garza next presented to the Board the total pumpage for the month of July, which was 1,221,000 gallons for Oak Glen.

Ms. Garza next reported that 28 water service accounts were issued notices that payment is past due by door tag in Oak Glen and seven (7) accounts received a second (2nd) notice that such service would be terminated during the previous reporting period.

Oakwilde Service Area ("Oakwilde")

Ms. Garza next presented to the Board the total pumpage for the month of July, which was 15,818,000 gallons for Oakwilde.

Ms. Garza then explained that two (2) additional delinquent water accounts in Oakwilde were delinquent in the amount of \$256.98 and are 90 or more days delinquent; therefore, MOC recommends such accounts be written off because of the age of delinquency. A discussion ensued and it was the consensus of the Board to write off the delinquent accounts recommended by MOC and transfer such accounts to a collection agency.

Ms. Garza next reported that 282 water service accounts were issued notices that payment is past due by door tag in Oakwilde.

Ms. Garza further reported that over the previous reporting period, Oakwilde's WWTP operated at 144% of the amount of capacity allowable by TPDES permit.

Ms. Garza then updated the Board on the status of septic system conversions in Oakwilde. Mr. Edwards reminded the Board that any resident that did not convert to the District's sanitary sewer system would bear the costs of decommissioning any remaining septic tanks and payment of connection fees. A discussion ensued regarding costs associated with the decommissioning of the septic system and related wastewater connection fees.

North Houston Heights Service Area ("North Houston Heights")

Ms. Garza next presented to the Board the total gallons billed for the month of July, which was 1,251,000 gallons for North Houston Heights.

Ms. Garza next reported that 22 water service accounts were issued notices that payment is past due by door tag in North Houston Heights.

Woodland Oaks Service Area ("Woodland Oaks")

Ms. Garza next presented to the Board the total pumpage for the month of July, which was 12,573,000 gallons for Woodland Oaks.

Ms. Garza next reported that 161 water service accounts were issued notices that payment is past due by door tag in Woodland Oaks and 11 accounts received a second (2nd) notice that such service would be terminated during the previous reporting period.

Ms. Garza then explained that one (1) additional delinquent water account in Woodland Oaks was delinquent in the amount of \$58.84 and are 90 or more days delinquent; therefore, MOC recommends such account be written off because of the age of delinquency. A discussion ensued and it was the consensus of the Board to write off the delinquent accounts recommended by MOC and transfer such accounts to a collection agency.

Mary Eleanor and Mary Frances Service Area ("ME & MF")

Ms. Garza next reported that 22 water service accounts were issued notices that payment is past due by door tag in ME & MF.

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: 1) TyCon Services proposal in the amount \$1,800.00 to repair the pothole Fairgreen's WWTP entrance; 2) acceptance of MOC's proposal to provide maintenance services to aeration basin at Northline's WWTP, in the amount of \$100,080.00; and 3) transfer of delinquent accounts for High Meadows, Heather Glen, Oakwilde and Woodland Oaks to a collection agency for payment, as presented.

ENGINEER'S REPORT

Mr. Edwards presented to the Board the Engineer's Report, a copy of which is available upon request.

Fairgreen/High Meadows Service Area

Mr. Edwards updated the Board on the status of the Surface Water Transmission Line Project to extend the existing 12-inch (12") City water transmission line down JFK Boulevard and to supply water to the Marquita Water Plant (the "Marquita WP"). Mr. Edwards reported that A&S provided RAB with an updated cost estimate to be used in an amendment to the existing Interlocal Agreement between the District and East Aldine District ("EAD"). Mr. Roberts informed the Board that RAB is coordinating with Allen Boone Humphries Robinson ("ABHR"), EAD's general counsel, to review the amendment and prepare such amendment for execution.

Mr. Edwards updated the Board regarding the Marquita WP Improvements, for which the scope of work includes installation of a new 10,000-gallon hydropneumatic tank ("HPT") with associated piping and electrical/control modifications. Mr. Edwards reminded the Board that A&S provided RAB an updated cost estimate to be used in an amendment to the existing Interlocal Agreement between the District and EAD. Mr. Roberts confirmed that the updated cost estimate was included in the draft amendment provided to ABHR.

Mr. Edwards reported that A&S received approval from the Texas Commission on Environmental Quality for the elevated storage tank variance request.

Mr. Edwards then updated the Board regarding the service request for the proposed residential development of single-family homes located on Gloger Street. Mr. Edwards reminded the Board that Phase I will now require 13 equivalent single-family connections ("ESFCs") and noted that the developer's plans require the approval of Harris County (the "County"). Mr. Edwards then informed the Board that the developer has requested an additional water line easement and a sanitary sewer line easement, and recommended approval of both easements, subject to RAB's review.

Mr. Edwards next updated the Board on the status of the service request for Maya Lagoon Park, located at 2026 Connorvale Road. Mr. Edwards noted that A&S has informed the property owner that in order to receive service from the District, the private water well must be plugged and the septic system must be decommissioned and disposed of as per TCEQ regulations. Mr. Edwards further noted that the applicant has provided the Letter of Intent and required deposit and will coordinate with RAB to prepare the required annexation application documents.

Mr. Edwards reported to the Board that there were no updates regarding the service request for a gas station, convenience store and strip center development located at 13114 JFK Blvd., which will require six (6) ESFCs. Mr. Edwards reminded the Board that A&S provided a Utility Commitment Letter previously approved by the Board and is still awaiting plans from the developer to review.

Mr. Edwards then informed the Board of no change to the status of the water and wastewater service request for a restroom facility within a food truck park containing an eating and play area to be located south of a strip center located at 3708 Aldine Mail Route and east of Fern Meadow Lane. Mr. Edwards reminded the Board that the feasibility study has been provided to the applicant, and A&S has not received any additional communication at this time.

Northline Terrace Service Area

Mr. Edwards reminded the Board that the primary improvements to the Northline Terrace Water Plant ("Northline WP"), which are being funded by the Texas Water Development Board ("TWDB"), include removing or replacing HPT No. 1, replacing Ground Storage Tank No. 1, and, depending on bids received, additional rehabilitation items. Mr. Edwards stated that A&S provided the environmental exclusion report and engineering report for TWDB review.

Mr. Edwards reported no change regarding the status of the West Gulf Bank Road Widening Project. Mr. Edwards stated that A&S is still waiting for the recorded drawings related to such project and final project accounting.

Mr. Edwards then updated the Board regarding the County improvements to Sweetwater Lane, which is located between West Canino Road and West Mount Houston Road, to include, but is not limited to, road and bridge widening (the "Sweetwater Lane Widening Project"). Mr. Edwards stated that several existing water and sanitary sewer lines would need to be relocated due to the Sweetwater Lane Widening Project. Mr. Edwards then noted that A&S has reached out to the County to request a survey to determine the depth of affected sanitary sewer lines.

Mr. Edwards then reported to the Board that A&S submitted an application for grant funding through TWDB, to drill a new well at Northline WP, in the amount of \$1,327,280. Mr. Edwards stated that such grant would cover the design, bidding, construction, and contingencies and notification awarding the grant is expected to be announced in late 2026.

Oak Glen Service Area

Mr. Edwards updated the Board regarding the status of the Oak Glen Water Line Replacement, Phase II Project ("Phase II"), awarded to McKinney Construction. Mr. Edwards reminded the Board of the purpose of Phase II, which is to replace approximately 7,670 linear feet of water lines. Mr. Edwards informed the Board that McKinney has installed approximately 4,220 linear feet to date and recommended approval of McKinney's Pay Application No. 2 in the amount of \$154,829.03. Mr. Edwards confirmed that the stated amount reflects a ten percent (10%) retainage, which is being withheld.

Oakwilde Service Area

Mr. Edwards reminded the Board that R.P. Constructors, Inc. ("R.P.") was selected and awarded the Oakwilde WWTP and Lift Station Project. Mr. Edwards updated the Board regarding the continued installation of multiple concrete basins and other site work. Mr. Edwards then presented for consideration and approval R.P.'s Pay Application No. 17 in the amount of \$508,138.82. Mr. Edwards confirmed that the stated amount reflects a ten percent (10%) retainage, which is being withheld.

Mr. Edwards next updated the Board regarding the construction plans for the Seven-Mile Road Water Plant Improvements Project, which includes: (i) the ground storage tank, (ii) booster pump addition, (iii) new electrical service, (iv) upgrades to the existing electrical components, and (v) other site modifications. Mr. Edwards informed the Board that A&S has scheduled the pre-bid for August 20, 2026, with all bids due by August 28, 2026, and intends to present the bids at the September 3, 2026 Board meeting.

Mr. Edwards then updated the Board regarding the application for service for a proposed 0.884-acre annexation at 11709 Aldine Westfield Road. Mr. Edwards noted that the City recently issued its consent to the District's annexation of the land and upon full execution the revised District boundary map will be provided to RAB.

Mr. Edwards reminded the Board that Sweeping Corporation of America, LLC ("Sweeping Corp.") was awarded the Oakwilde Smoke Testing Project, which included smoke testing of Oakwilde, the MF/ME wastewater collection systems, and the North Houston Heights neighborhoods. Mr. Edwards reported Sweeping Corp. has remobilized on site and has begun performing cleaning/televising of the missed lines.

Mr. Edwards then informed the Board that there was no change to the service request for 11730 Aldine Westfield Road. Mr. Edwards explained that the commercial development, which consists of renovating a 7,945-foot building that will be used as a banquet hall, requires capacity in the amount of two (2) ESFCs. Mr. Edwards reported that A&S has not received plans for such development from the property owner.

Mr. Edwards updated the Board regarding the Westfield Estates Wastewater Collection and Lift Station Project awarded to C.E. Barker, Ltd., and stated that construction is ongoing. Mr. Edwards reported that A&S is attending periodic construction progress meetings being conducted by the County and A&S is conducting performance testing on the wastewater collection system.

Mr. Edwards informed the Board that the Westfield Estates lift station will be placed into service soon and reported that the Operator is coordinating with the contractor for installation of cellular service for the autodialer. Mr. Edwards further informed the Board that C.E. Barker has begun decommissioning residential septic systems and connecting residents to the newly installed wastewater collection system.

Mr. Edwards updated the Board regarding the status of the Community Development Block Grant ("CDBG") application for the Harris County Housing and Community Development ("HCHCD") 2026 Plan Year, the purpose of which is to fund the Oakwilde Water Line Replacement, Phase 7 project ("Phase 7"). Mr. Edwards reported that A&S has received approval from the TWDB for Phase 7, to replace approximately 8,000 linear feet of water lines, and has been awarded a conditional award of \$772,277 in CDBG funds with a leverage amount of \$262,840 for a total project cost of \$1,035,117. Mr. Edwards stated that plans have been submitted to the County and City for review.

Mr. Edward further stated that HCHCD has provided an Interlocal Agreement and A&S is requesting approval of such agreement, subject to RAB's review.

Heather Glen Service Area

Mr. Edwards updated the Board regarding the Houston Food Bank's annexation request for multiple buildings (totaling 432,350 square feet) and a revised capacity of 117 ESFCs. Mr. Edwards informed the Board that RAB has received the executed Letter of Intent and is currently reviewing annexation documents. Mr. Edwards stated that A&S is awaiting the required deposit to begin preparation of the engineering documents for this annexation.

Mr. Edwards then updated the Board on the status of the Heather Glen Water Line Replacement funding project, which was funded through House Bill 500/Senate Bill 1 in the amount of \$11,942,000. Mr. Edwards stated that A&S submitted the requisite application and resolution to TWDB to obtain the allotted funds and received approval for such funds. Mr. Edwards informed the Board that the TWDB is coordinating with RAB regarding the Grant and Escrow Agreement. Mr. Roberts then updated the Board regarding the closing timeline provided by TWDB and stated that the TWDB Grant was expected to close and be funded by September 10, 2026.

Woodland Oaks Service Area

Mr. Edwards then updated the Board on the status of the new well at Woodland Oaks Water Plant No. 1. Mr. Edwards stated that a groundwater hydrologist is working on the design parameters for the new well. Mr. Edwards then noted that A&S has updated the feasibility study to reflect the revised costs required for the new well, which has been provided to RAB for review.

Regarding the status of the Woodland Oaks Water Plant No. 2 upgrades, Mr. Edwards reported no change while A&S continues working with the engineer to include in the upgrades the installation of an additional booster pump.

Mr. Edwards updated the Board regarding the extension of the off-site water and sewer line installation to serve the Pinehaven development ("Pinehaven"). Mr. Edwards reminded the Board that ISJ Utilities, LLC was awarded the contract to provide installation services to Pinehaven. Mr. Edwards reported that A&S and RAB continue to work with the developer and the Operator to calculate the tap fees for new residential water meters.

Miscellaneous Service Requests

Mr. Edwards reported that there is no change to the status of the water and wastewater service request from Aldine Independent School District Transportation Center located at 1617 Lauder Road.

Mr. Edwards presented to the Board the updated Project Accounting Worksheet. A discussion ensued.

Mr. Edwards then reminded the Board that A&S received an inquiry from a different engineering firm about a water and wastewater service request for a 78-unit multi-family development located at 3420 Aldine Mail Route and east of Fall Meadow Lane. Mr. Edwards stated that A&S has already provided the application for service and deposit requirements to the applicant.

Castledale Drive Sanitary Sewer Line Extension

Mr. Edwards informed the Board that Harris County Precinct No. 2 was conditionally awarded CDBG funding regarding the installation of a wastewater collection system along Fishel Street and Castledale Drive (approximately 1,800 linear feet), which EAD is funding the leverage portion. Mr. Edwards stated that at the request of EAD, A&S has prepared construction drawings for the installation of the wastewater collection system extension. Mr. Edwards stated that A&S is coordinating with RAB to determine if the agreement with Aqua Texas should be amended to include additional connections.

Amendment to General Engineering Services Agreement with A&S Engineering, Inc.

Mr. Edwards next reminded the Board that during the last three (3) years, A&S has not increased the hourly billing rates charged to the District for engineering services. Mr. Edwards then reviewed with the Board a proposed schedule of increased hourly rates for engineering services provided by A&S. Mr. Edwards explained that since A&S last increased its hourly rates, the cost of skilled labor, software licensing, and construction materials have increased.

Upon a **motion** by Director Salazar, seconded by Director Garcia, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report, including: 1) the water line and sanitary sewer line easements for Phase I of the Gloger Street annexation, subject to RAB's review; 2) McKinney's Pay Application No. 2 in the amount of \$154,829.03; 3) R.P.'s Pay Application No. 17 in the amount of \$508,138.82; 4) HCHCD Interlocal Agreement, subject to RAB's review; and 5) amendment to the General Engineering Services Agreement, as presented.

BIDS FOR PURCHASE OF SURPLUS PROPERTY

The President opened the sealed bids (the "Bids") received by the District for the surplus and salvage property declared at the July 2, 2026 Board meeting. The Board reviewed the Bids and determined that the District would accept the Bids for: 1) the 2016 Nissan, in the amount of \$1,500.00; and 2) the 2017 Ford F150 Truck, in the amount of \$3,000.00. The Board rejected all of the Bids for the 2022 Nissan King Cab. All other Bids were accepted for the bid amount received.

Upon a **motion** by Director Garcia, seconded by Director Santiago, with all Directors present voting aye, the Board accepted the following Bids: 1) 2016 Nissan in the amount of \$1,500.00; 2) 2017 Ford F150 Truck in the amount of \$3,000.00; and 3) all other Bids for the additional surplus and salvage property received by the Board at the requested bid amount, as identified by the President.

ATTORNEY'S REPORT

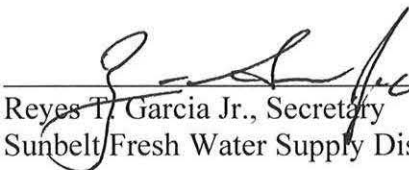
Mr. Roberts reviewed with the Board a draft policy covering procedures for attending District Board meetings via videoconferencing (the "Remote Attendance Policy") in accordance with the Texas Open Meetings Act. An extensive discussion ensued.

It was the consensus of the Board to approve the Remote Attendance Policy, subject to said policy being updated to include a provision for requesting to attend a Board meeting remotely after the request deadline has passed.

Upon a **motion** by Director Salazar, seconded by Director Garcia, after full discussion and with all Directors present voting aye, the Board approved the Attorney's Report, including approval of the Remote Attendance Policy, subject to the specified revisions.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at 7:38 p.m.

PASSED AND APPROVED this 3rd day of September, 2026.



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