

OFFICIAL STATEMENT DATED APRIL 15, 2026

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS (I) IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND (II) IS NOT AN ITEM OF TAX PREFERENCE FOR PURPOSES OF THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE "TAX MATTERS" HEREIN, INCLUDING INFORMATION REGARDING POTENTIAL ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS.

THE BONDS HAVE BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

NEW ISSUE - Book-Entry-Only

Underlying Rating: Moody's "A2"
See "MUNICIPAL BOND RATING" herein.

\$7,060,000

HARRIS COUNTY UTILITY DISTRICT NO. 6

(A political subdivision of the State of Texas located within Harris County)

UNLIMITED TAX BONDS

SERIES 2026

Dated Date: April 1, 2026

Due: March 1, as shown below

Interest Accrual Date: Date of Delivery

Principal of the bonds described above (the "Bonds") will be payable at stated maturity or redemption upon presentation of the Bonds at the principal payment office of the paying agent/registrars, initially The Bank of New York Mellon Trust Company, N.A., Houston, Texas (the "Paying Agent/Registrar," "Paying Agent" or "Registrar") in Houston, Texas. Interest on the Bonds will accrue from the date of initial delivery (expected to be on or about April 24, 2026) (the "Date of Delivery") and be payable on March 1, 2027 and on each September 1 and March 1 thereafter until the earlier of maturity or redemption. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will be issued only in fully registered form in \$5,000 denominations or integral multiples thereof. The Bonds are subject to redemption prior to maturity as shown below.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "BOOK-ENTRY-ONLY SYSTEM."

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

Due (March 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Due (March 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2027	\$ 125,000	6.50 %	2.75	% 414205 KR4	2040	\$ 230,000 (c)	4.00	% 4.10	% 414205 LE2
2028	130,000	6.50	2.80	414205 KS2	2041	240,000 (c)	4.00	4.18	414205 LF9
2029	140,000	6.50	2.85	414205 KT0	2042	255,000 (c)	4.00	4.25	414205 LG7
2030	145,000	5.25	2.95	414205 KU7	2043	265,000 (c)	4.00	4.30	414205 LH5
2031	150,000	5.00	3.05	414205 KV5	2044	275,000 (c)	4.00	4.35	414205 LJ1
2032	160,000 (c)	5.00	3.15	414205 KW3	2045	290,000 (c)	4.00	4.40	414205 LK8
2033	165,000 (c)	4.00	3.40	414205 KX1	2046	305,000 (c)	4.00	4.45	414205 LL6
2034	175,000 (c)	4.00	3.50	414205 KY9	2047	320,000 (c)	4.00	4.50	414205 LM4
2035	185,000 (c)	4.00	3.60	414205 KZ6	2048	335,000 (c)	4.00	4.54	414205 LN2
2036	190,000 (c)	4.00	3.70	414205 LA0	2049	350,000 (c)	4.00	4.56	414205 LP7
2037	200,000 (c)	4.00	3.80	414205 LB8	2050	1,000,000 (c)	4.50	4.58	414205 LQ5
2038	210,000 (c)	4.00	3.90	414205 LC6	2051	1,000,000 (c)	4.50	4.60	414205 LR3
2039	220,000 (c)	4.00	4.00	414205 LD4					

- (a) Initial reoffering yield represents the initial offering yield to the public which has been established by the Initial Purchaser (as herein defined) for offers to the public and which may be subsequently changed by the Initial Purchaser and is the sole responsibility of the Initial Purchaser. The initial reoffering yields indicated above represent the lower of the yields resulting when priced at maturity or to the first call date.
- (b) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.
- (c) Bonds maturing on and after March 1, 2032, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on March 1, 2031, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. See "THE BONDS—Redemption Provisions."

The Bonds, when issued, will constitute valid and legally binding obligations of Harris County Utility District No. 6 (the "District") and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Harris County, the City of Houston, or any entity other than the District. The Bonds are subject to special investment risks described herein. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered by the Initial Purchaser subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Bond Counsel. Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about April 24, 2026.

TABLE OF CONTENTS

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS 1
OFFICIAL STATEMENT SUMMARY 3
SELECTED FINANCIAL INFORMATION 7
THE BONDS 8
BOOK-ENTRY-ONLY SYSTEM..... 13
THE DISTRICT 15
MANAGEMENT 16
HURRICANE HARVEY AND SEVERE WEATHER..... 17
THE SYSTEM..... 18
USE AND DISTRIBUTION OF BOND PROCEEDS 21
UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED..... 21
FINANCIAL STATEMENT (UNAUDITED) 22
ESTIMATED OVERLAPPING DEBT STATEMENT 23
TAX DATA 24
TAX PROCEDURES 26
WATER AND SEWER OPERATIONS..... 31
DEBT SERVICE REQUIREMENTS 32
INVESTMENT CONSIDERATIONS..... 33
LEGAL MATTERS 39
TAX MATTERS 39
SALE AND DISTRIBUTION OF THE BONDS 42
MUNICIPAL BOND RATING 42
PREPARATION OF OFFICIAL STATEMENT..... 43
CONTINUING DISCLOSURE OF INFORMATION 44
MISCELLANEOUS 46
INDEPENDENT AUDITOR’S REPORT AND FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED DECEMBER 31, 2024 APPENDIX A

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the District.

This Official Statement is not to be used in an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, upon payment of duplication costs.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. However, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information actually comes to its attention, the other matters described in this Official Statement until delivery of the Bonds to the Initial Purchaser and thereafter only as specified in “PREPARATION OF OFFICIAL STATEMENT—Updating the Official Statement.”

OFFICIAL STATEMENT SUMMARY

The following information is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement.

THE FINANCING

<i>The Issuer</i>	Harris County Utility District No. 6 (the “District”), a political subdivision of the State of Texas, is located in Harris County, Texas. See “THE DISTRICT.”
<i>The Issue</i>	\$7,060,000 Unlimited Tax Bonds, Series 2026 (the “Bonds”) are issued pursuant to a resolution (the “Bond Resolution”) of the District’s Board of Directors and are authorized pursuant to an election held within the District and an order of the Texas Commission on Environmental Quality (the “TCEQ” or the “Commission”). See “THE BONDS—Authority for Issuance.” The Bonds will be issued as fully registered bonds maturing on the years and in the amounts and paying interest at the rates shown on the cover hereof. Interest on the Bonds accrues from the Date of Delivery and is payable on March 1, 2027, and on each September 1 and March 1 thereafter until the earlier of maturity or prior redemption. See “THE BONDS—Redemption Provisions.”
<i>Redemption</i>	The Bonds maturing on and after March 1, 2032, are subject to redemption, in whole or from time to time in part, at the option of the District, prior to their maturity dates, on March 1, 2031, or on any date thereafter. Upon redemption, the Bonds will be payable at a price of par plus accrued interest to the date of redemption. See “THE BONDS.”
<i>Book-Entry-Only System</i>	The Depository Trust Company (defined as “DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and will be deposited with DTC. See “BOOK-ENTRY-ONLY SYSTEM.”
<i>Source of Payment</i>	The Bonds are payable from an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. See “TAX PROCEDURES.” The Bonds are obligations of the District and are not obligations of the State of Texas, Harris County, the City of Houston or any other political subdivision or agency other than the District. See “THE BONDS—Source of and Security for Payment.”
<i>Use of Proceeds</i>	Proceeds from the Bonds will be used to pay for items shown herein under “USE AND DISTRIBUTION OF BOND PROCEEDS,” including to pay for some of the funds for the Stage B proposed project, as further described herein. Bond proceeds are not expected to cover the full cost of the proposed project. The District expects the additional costs of the project can be funded by using legally available funds and/or surplus funds of the District, as necessary. Bond proceeds will also be used to pay administrative costs and certain other costs and fees related to the issuance of the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”
<i>Payment Record</i>	The District has previously issued five series of unlimited tax and revenue bonds, four series of unlimited tax bonds, two series of unlimited tax and revenue refunding bonds and one series of unlimited tax refunding bonds, of which \$11,915,000 principal amount remains outstanding (the “Outstanding Bonds”) as of the date hereof. The District has never defaulted on the payment of principal and interest on its previously issued bonds.
<i>Authority for Issuance</i>	At a bond election held within the District on May 1, 2021 (the “2021 Election”), the voters of the District authorized the issuance of \$7,060,000 principal amount of unlimited tax bonds for drainage and storm sewer facilities. The Bonds are the first and final issuance from the 2021 Election. The Bonds are issued by the District pursuant to the terms and conditions of the Bond Resolution, an order of the TCEQ, the elections held within the District, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas. See “THE BONDS—Authority for Issuance,” “—Issuance of Additional Debt” and “INVESTMENT CONSIDERATIONS—Future Debt.”

<i>Qualified Tax-Exempt Obligations</i>	The Bonds have been designated as “qualified tax-exempt obligations” for financial institutions. See “TAX MATTERS—Qualified Tax-Exempt Obligations.”
<i>Municipal Bond Rating</i>	Moody’s Ratings (“Moody’s”) has assigned an underlying rating of “A2” on the Bonds. An explanation of the rating may be obtained from Moody’s. The rating fee of Moody’s will be paid for by the District. See “MUNICIPAL BOND RATING.”
<i>Legal Opinion</i>	Allen Boone Humphries Robinson LLP, Houston, Texas.
<i>Disclosure Counsel</i>	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
<i>Financial Advisor</i>	Masterson Advisors LLC, Houston, Texas.

THE DISTRICT

Description The District is a political subdivision of the State of Texas created by a special act of the 61st Legislature of the State of Texas, effective May 29, 1969, codified in Chapter 8274, Texas Special District Local Laws Code, and operates under the provisions of Texas Water Code, Chapters 49 and 54, as amended. The District presently contains approximately 797 acres of land located in the western portion of Harris County, approximately 18 miles west of downtown Houston, Texas. The District is bounded on the south and east by Addicks Reservoir. State Highway 6 and Clay Road intersect within the District. The District lies entirely within the extraterritorial jurisdiction of the City of Houston and principally within Katy Independent School District. See “THE DISTRICT” and “AERIAL LOCATION MAP.”

Status of Development Development within the District consists of the single-family residential subdivisions of Bear Creek Village, Bear Creek Trails, Bear Creek West and Bear Creek Northwest, developed into 2,442 lots. As of February 27, 2026, the District contained 2,408 completed and occupied single-family homes and 34 completed and unoccupied single-family homes. Historically, approximately 20% of the homes in the District are rental homes. The average value of the homes in the District is approximately \$240,000 based on the rolls of the District for the 2025 tax year. Approximately 83 commercial businesses and 5 multi-family sites (1,056 units) and one condominium complex (92 units) have also been developed within the District. Further, the District serves one elementary school and 7 churches located within the boundaries of the District, which are exempt from ad valorem taxation by the District. The District also includes approximately 24 developable acres served by underground water, sewer and drainage facilities on which improvements have not been constructed. There is currently no active development activity in the District.

In addition to the development described above, the District contains approximately 16 acres of undevelopable land contained in drainage easements and rights-of-way. See “THE DISTRICT—Status of Development.”

SEVERE WEATHER INCLUDING HURRICANE HARVEY

General The greater Houston area is subject to occasional severe weather events, including tropical storms and hurricanes. If the District (as defined below) were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area has experienced multiple storms exceeding a 0.2% probability (i.e. “500-year flood” events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017 and brought historic levels of rainfall during the successive four days.

*Impact of Severe Weather and
Hurricane Harvey
on the District*

The District is located adjacent to Addicks Reservoir. Approximately half of the District is located within the flood pool of the Addicks Reservoir. In extreme flooding events, the Addicks Reservoir has shown a history of ponding into the District causing significant flooding damage.

According to Inframark (the District’s “Operator”), as a result of Hurricane Harvey, the District sustained material damage to Water Plant No. 1, Water Well No. 2 and Lift Station Nos. 1 and 2. According to the Operator, the regional wastewater treatment plant serving the District, operated by Jackrabbit Road Public Utility District (“Jackrabbit PUD”), sustained material damage and flooding. Further, according to the Operator, approximately 1,600 homes (or 65% of the total homes in the District) experienced flooding or other material damage. Additionally, a small portion of the District’s commercial properties were damaged by Hurricane Harvey.

Total repairs to District facilities are expected to cost approximately \$6,990,000. To date, the District has expended approximately \$5,184,400 for repairs and has received approximately \$2,840,000 from FEMA, insurance and Texas Division of Emergency Management. All known Hurricane Harvey repairs to the District’s utility system have been completed with the exception of replacement of the emergency generator and electrical control panel at Lift Station No. 2 and the electrical control panel at Well No. 2. The remaining generator and electrical work is estimated to cost approximately \$1,200,000. The District expects to receive additional reimbursements from FEMA upon completion of the projects. Bond proceeds from the District’s Unlimited Tax Bonds, Series 2022 (the “Series 2022 Bonds”), along with the FEMA reimbursements, were used to elevate critical infrastructure outside of the flood pool or harden infrastructure to prevent damage in the event of a flood with an elevation exceeding that of Hurricane Harvey.

Other local flooding events within the District’s boundaries have affected residential properties but only Hurricane Harvey damaged District facilities and commercial properties. To the best knowledge of the District, none of the apartments within the District were impacted. In addition, to the best knowledge of the District, Hurricane Harvey is the only event that impacted the Jackrabbit PUD Regional Wastewater Treatment Plant (which provides wastewater treatment for the District).

Harris County Flood Control District has identified the drainage concerns contributing to the local flooding events that have affected residential properties as a part of E-01 Subdivision Drainage Project for its 2018 Bond Program (the “Bond Program”) and detailed design plans have been developed to help address these concerns. The improvements in the Bond Program proposed within the District include drainage studies and watershed conveyance improvements within the District and Addicks Reservoir. The improvements were split into two construction packages: Stage A and Stage B. Bond proceeds from the District’s Unlimited Tax Bonds, Series 2023 (the “Series 2023 Bonds”) were used to fund the District’s 50/50 match for Stage A construction improvements. Stage A construction is complete. The District anticipates that proceeds of the Bonds will provide some of the funds for a 50/50 match for construction improvements included in the Stage B construction package. See “USE AND DISTRIBUTION OF BOND PROCEEDS.” Although these improvements will reduce the flood risk for local flooding events, the flood pool created by backwater conditions from Addicks Reservoir will remain unchanged upon completion of these improvements. Any changes to the Addicks flood pool would be under the purview of the United States Army Corps of Engineers.

In general, all District facilities have been restored to operational condition since Hurricane Harvey. The replacement of the generators and control panels was postponed to coincide with the flood mitigation efforts at the District’s facilities. Construction at Water Plant No. 1 is complete and construction at Lift Station No. 1 is expected to be complete in April 2026. The mitigation work at Lift Station No. 2 is underway with expected completion in August 2026. The generator and control panels will be replaced as part of the mitigation project.

The District does not expect the insurance claim for the generators and panels to be paid until the replacement work is performed. The District anticipates that up to \$4,357,600 may be available from FEMA grants for reimbursement of expenses associated with flood mitigation efforts and the replacement of damaged infrastructure, including generators and electrical equipment.

If a hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, with a corresponding decrease in tax revenues or necessity to increase the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District would be adversely affected. See "INVESTMENT CONSIDERATIONS—Severe Weather including Hurricane Harvey."

INVESTMENT CONSIDERATIONS

THE PURCHASE AND OWNERSHIP OF THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THIS ENTIRE OFFICIAL STATEMENT WITH RESPECT TO THE INVESTMENT SECURITY OF THE BONDS, INCLUDING PARTICULARLY THE SECTION CAPTIONED "INVESTMENT CONSIDERATIONS."

SELECTED FINANCIAL INFORMATION

2025 Certified Taxable Assessed Valuation	\$719,934,171 (a)
Gross Debt Outstanding (after the issuance of the Bonds).....	\$18,975,000 (b)
Estimated Overlapping Debt.....	<u>35,847,385 (c)</u>
Gross Debt and Estimated Overlapping Debt	\$54,822,385
Ratio of Gross Debt to:	
2025 Certified Taxable Assessed Valuation	2.64%
Ratio of Gross Debt and Estimated Overlapping Debt to:	
2025 Certified Taxable Assessed Valuation	7.61%
2025 Tax Rate:	
Debt Service.....	\$0.124
Maintenance and Operations.....	<u>0.164</u>
Total.....	\$0.288/\$100 A.V.
Average Annual Debt Service Requirements (2027-2051) of the Bonds and the Outstanding Bonds (“Average Requirement”)	\$1,249,436 (d)
Tax rate required to pay Average Requirement (2027-2051) based upon: 2025 Certified Taxable Assessed Valuation at a 95% collection rate.....	\$0.19/\$100 A.V. (e)
Maximum Annual Debt Service Requirements (2027) of the Bonds and the Outstanding Bonds (“Maximum Requirement”).....	\$1,417,675 (d)
Tax rate required to pay Maximum Requirement (2027) based upon: 2025 Certified Taxable Assessed Valuation at a 95% collection rate.....	\$0.21/\$100 A.V. (e)
Water Connections as of February 27, 2026:	
Single-Family Residential - Completed and Occupied.....	2,408
Single-Family Residential - Completed and Unoccupied	34
Multi-Family (1,056 total apartment units).....	9
Commercial.....	83
Other (School, Irrigation, Churches).....	<u>53</u>
Total.....	2,587
Estimated 2026 Population	10,598 (f)

(a) As certified by the Harris Central Appraisal District (the “Appraisal District”). See “TAX PROCEDURES.”
(b) After issuance of the Bonds. See “FINANCIAL STATEMENT (UNAUDITED)—Outstanding Bonds.”
(c) See “ESTIMATED OVERLAPPING DEBT STATEMENT.”
(d) See “DEBT SERVICE REQUIREMENTS.”
(e) See “TAX DATA—Tax Adequacy for Debt Service.”
(f) Based on 3.5 persons per occupied single-family home and 2.0 persons per apartment unit and 2.0 person per condo unit.

OFFICIAL STATEMENT

\$7,060,000

HARRIS COUNTY UTILITY DISTRICT NO. 6

(A political subdivision of the State of Texas located within Harris County)

UNLIMITED TAX BONDS SERIES 2026

This Official Statement provides certain information in connection with the issuance by Harris County Utility District No. 6 (the “District”) of its \$7,060,000 Unlimited Tax Bonds, Series 2026 (the “Bonds”).

The Bonds are issued pursuant to an election held within the District, Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended, a resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board of Directors of the District (the “Board”), and an order of the Texas Commission on Environmental Quality (the “TCEQ” or the “Commission”).

This Official Statement includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Allen Boone Humphries Robinson, LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Resolution of the Board authorizing the issuance and sale of the Bonds. The Bond Resolution authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds will be dated April 1, 2026 and accrue interest from the Date of Delivery, and are payable on each March 1 and September 1 (each, an “Interest Payment Date”) commencing March 1, 2027, until the earlier of maturity or prior redemption. The Bonds mature on March 1 in the amounts and years and accrue interest at the rates shown on the cover page of this Official Statement. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

The Bonds will be issued only in fully registered form in \$5,000 denominations or integral multiples thereof.

Authority for Issuance

At a bond election held within the District on May 1, 2021 (the “2021 Election”), the voters of the District authorized the issuance of \$5,595,000 principal amount of unlimited tax bonds for water and sanitary sewer facilities and \$5,695,000 and \$7,060,000 principal amounts of unlimited tax bonds for drainage and storm sewer facilities. After issuance of the Bonds, no unlimited tax bonds for water and sanitary sewer facilities from the 2021 Election will remain authorized but unissued and no unlimited tax bonds for drainage and storm sewer facilities bonds from the 2021 Election will remain authorized but unissued. Additionally, at a bond election held within the District on May 2, 1998 (the “1998 Election”), the voters of the District authorized the issuance of \$8,200,000 principal amount of unlimited tax bonds for water, sanitary sewer and drainage facilities. The District has \$3,743,621 principal amount of unlimited tax bonds for water, sanitary sewer, and drainage facilities from the 1998 Election authorized but unissued, \$4,920,000 principal amount of unlimited tax bonds for refunding purposes from the 1998 Election authorized but unissued, and \$71,379 principal amount of unlimited tax bonds for fire improvements from the 1998 Election authorized but unissued. See “— Issuance of Additional Debt” herein. The Commission has approved the District’s issuance of the Bonds for the purposes described in “USE AND DISTRIBUTION OF BOND PROCEEDS.”

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolution, an order of the Commission, Article XVI, Section 59 of the Texas Constitution, and the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended.

Before the Bonds can be issued, the Attorney General of Texas must pass upon the legality of certain related matters. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this Official Statement.

Method of Payment of Principal and Interest

In the Bond Resolution, the Board has appointed The Bank of New York Mellon Trust Company NA, Houston, Texas as the initial Paying Agent/Registrar for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America. In the event the book-entry system is discontinued, principal of the Bonds shall be payable upon presentation and surrender of the Bonds as they respectively become due and payable, at the principal payment office of the Paying Agent/Registrar in Houston, Texas and interest on each Bond shall be payable by check payable on each Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the registered owner of record (the "Registered Owner") as of the close of business on February 15 or August 15 immediately preceding each Interest Payment Date (defined herein as the "Record Date"), to the address of such Registered Owner as shown on the Paying Agent/Registrar's records (the "Register") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners.

If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day, as defined in the Bond Resolution.

Source of and Security for Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants to levy and annually assess and collect in due time, form and manner, and at the same time as other District taxes are appraised, levied and collected, in each year, a continuing direct annual ad valorem tax, without legal limit as to rate, upon all taxable property in the District sufficient to pay the principal and interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, with full allowance being made for delinquencies and costs of collection. In the Bond Resolution, the District covenants that said taxes are irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

The Bonds are obligations of the District and are not the obligations of the State of Texas, Harris County, the City of Houston, or any entity other than the District.

Funds

In the Bond Resolution, the Debt Service Fund is confirmed, and the proceeds from all taxes levied, assessed and collected for and on account of the Bonds authorized by the Bond Resolution shall be deposited, as collected, in such fund.

The proceeds from the sale of the Bonds shall be deposited into the Capital Projects Fund, to pay the costs of acquiring or constructing District facilities and costs of issuing the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a more complete description of the use of Bond proceeds.

No Arbitrage

The District will certify as of the date the Bonds are delivered and paid for that, based upon all facts and estimates then known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be "arbitrage bonds" under the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed thereunder. Furthermore, all officers, employees, and agents of the District have been authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District are authorized to certify to the facts and circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District covenants in the Bond Resolution that it shall make such use of the proceeds of the Bonds, regulate investment of proceeds of the Bonds, and take such other and further actions and follow such procedures, including, without limitation, calculating the yield on the Bonds, as may be required so that the Bonds shall not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

Record Date

The record date for payment of the interest on any regularly scheduled interest payment date is defined as the 15th day of the month (whether or not a business day) preceding such interest payment date.

Redemption Provisions

The District reserves the right, at its option, to redeem the Bonds maturing on and after March 1, 2032, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of \$5,000, on March 1, 2031, or on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all the Bonds of any maturity are redeemed at any time, the particular Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment and, if fewer than all the Bonds outstanding within any one maturity are to be redeemed, the numbers of the Bonds or the portions thereof to be redeemed. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest that would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution. While the Bonds are in the Book-Entry-Only System, the Bonds will be registered in the name of Cede & Co. and will not be transferred. See "BOOK-ENTRY-ONLY SYSTEM."

Replacement of Paying Agent/Registrar

Provision is made in the Bond Resolution for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a national or state banking institution, a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by federal or state authority, to act as Paying Agent/Registrar for the Bonds.

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System is discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, stolen or destroyed, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding. Registered Owners of lost, stolen or destroyed bonds will be required to pay the District's costs to replace such bond. In addition, the District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Issuance of Additional Debt

At a bond election held within the District on May 2, 1998 (the "1998 Election"), the voters of the District authorized the issuance of \$8,200,000 principal amount of unlimited tax bonds for water, sanitary sewer and drainage purposes. At a bond election held within the District on May 1, 2021 (the "2021 Election"), the voters of the District authorized the issuance of \$5,595,000 principal amount of unlimited tax bonds for water and sanitary sewer facilities and \$5,695,000 and \$7,060,000 principal amounts of unlimited tax bonds for drainage and storm sewer facilities. After issuance of the Bonds, no unlimited tax bonds for water and sanitary sewer facilities from the 2021 Election will remain authorized but unissued, no unlimited tax bonds for drainage and storm sewer facilities bonds from the 2021 Election will remain authorized but unissued, \$3,743,621 principal amount of unlimited tax bonds for water, sanitary sewer, and drainage facilities from the 1998 Election will remain authorized but unissued, \$4,920,000 principal amount of unlimited tax bonds for refunding purposes from the 1998 Election will remain authorized but unissued, and \$71,379 principal amount of unlimited tax bonds for fire improvements from the 1998 Election will remain authorized but unissued.

The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Issuance of additional bonds could dilute the investment security for the Bonds.

The District also is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) approval of a detailed fire plan by the Commission; (b) authorization of a detailed fire plan and bonds for such purpose by the qualified voters in the District; (c) approval of the fire bonds by the Commission; and (d) approval of bonds by the Attorney General of Texas.

The District prepared a detailed fire plan (the "Fire Plan") and held a public hearing after proper notice within the District on the Fire Plan and a proposed fire protection agreement with Cy-Fair Volunteer Fire Department ("Cy-Fair") for the acquisition and construction of the fire-fighting facilities to serve the District ("Fire Protection Agreement"). Under the Fire Plan and Fire Protection Agreement, the District made a one-time capital contribution of \$303,750 to Cy-Fair to improve Cy-Fair's existing fire station located within the District, and in exchange, Cy-Fair provides fire protection services to persons, buildings, and property located within the District's boundaries on a long-term basis. Because there was no opposition from the District's residents at the public hearing, the Board of Directors of the District adopted the Fire Plan and Fire Protection Agreement, which were subsequently approved by the Commission after proper notice and hearing. At an election on May 2, 1998, the District's voters authorized the issuance of \$465,000 in principal amount of unlimited tax bonds for the purpose of financing the Fire Plan and Fire Protection Agreement. The District has previously issued \$393,621 of bonds under such authorization and has no current plans to issue any additional fire related bonds.

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) amendments to existing city ordinances specifying the purposes for which the District may issue bonds; (b) preparation of a detailed park plan; (c) authorization of park bonds by the qualified voters in the District; (d) approval of the park project and bonds by the Commission; and (e) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District, unless, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not three percent (3%) of the value of the taxable property in the District. The Board has not considered authorizing the preparation of a park plan or calling a park bond election at this time, but has used surplus operating revenues to build recreational facilities.

Pursuant to Chapter 54 of the Water Code, a municipal utility district may petition the Commission for the power to issue bonds supported by property taxes to finance roads. Before the District could issue such bonds, the District would be required to receive a grant of such power from the Commission or the Texas Legislature, consent from the City of Houston, authorization from the District's voters to issue such bonds, and approval of the bonds by the Attorney General of Texas. The District has not considered acquiring "road powers" nor calling such an election at this time.

The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Issuance of additional debt and the levy of taxes in connection there with could dilute the investment security for the Bonds. See "INVESTMENT CONSIDERATIONS—Future Debt."

Annexation by the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, Texas ("Houston" or the "City") the District must conform to a City consent ordinance. Generally, the District may be annexed by the City without the District's consent, and the City cannot annex territory within the District unless it annexes the entire District; however, the City may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between the City and the District specifying the procedures for full purpose annexation of all or a portion of the District. See "—Strategic Partnership Agreement," for a description of the terms of the Strategic Partnership Agreement between the City and the District.

If the District is annexed, the City will assume the District's assets and obligations (including the Bonds) and dissolve the District. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

Strategic Partnership Agreement

The District entered into a Strategic Partnership Agreement (the “SPA”) with the City, effective December 2, 2002, as amended May 8, 2012, pursuant to Chapter 43 of the Texas Local Government Code. The SPA provides for a “limited purpose annexation” of that portion of the District developed for retail and commercial purposes in order to impose a sales and use tax, as well as apply certain City health, safety, and planning ordinances within that portion of the District. Residential development within the District is not subject to the limited purpose annexation. The SPA also provides that the City will not annex the District for “full purposes” for at least thirty (30) years from the effective date of the SPA. Also, as a condition to full purpose annexation, any unpaid reimbursement obligations due to a developer by the District for water, wastewater, and drainage facilities must be assumed by the City to the maximum extent permitted by Commission rules.

Upon execution of the SPA, the City imposed the one percent (1%) retail City Sales Tax within the portion of the District included in the limited purpose annexation. The City pays to the District an amount equal to one-half of all retail sales tax revenues generated within such area of the District and received by the City from the Comptroller (herein defined as the “Contract Sales Tax Revenue”). Pursuant to State law, the District is authorized to use the Contract Sales Tax Revenue generated under the SPA for any lawful purpose. None of the anticipated Contract Sales Tax Revenue is pledged toward the payment of principal and interest on the Bonds.

Consolidation

The District has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets (such as cash and the utility system) and liabilities (such as the Bonds), with the assets and liabilities of districts with which it is consolidating. Although no consolidation is presently contemplated by the District, no representation is made concerning the likelihood of consolidation in the future.

Remedies in Event of Default

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolution, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government’s sovereign immunity from suits for money damages. In the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District’s property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District. See “INVESTMENT CONSIDERATIONS—Registered Owners’ Remedies and Bankruptcy Limitations.”

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is quoted from Section 49.186 of the Texas Water Code, and is applicable to the District:

“(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic.”

“(b) A district’s bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them.”

The Public Funds Collateral Act (Chapter 2257, Texas Government Code) also provides that bonds of the District (including the Bonds) are eligible as collateral for public funds.

No representation is made that the Bonds will be suitable for or acceptable to financial or public entities for investment or collateral purposes. No representation is made concerning other laws, rules, regulations, or investment criteria which might apply to or which might be utilized by any of such persons or entities to limit the acceptability or suitability of the Bonds for any of the foregoing purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the suitability or acceptability of the Bonds for investment or collateral purposes.

Defeasance

The Bond Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the District payable from revenues or from ad valorem taxes or both or with a commercial bank or trust company designated in the proceedings authorizing such discharge, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct obligations of the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

Upon such deposit as described above, such bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in the future in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds.

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Direct Participants is on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating of “AA+” from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Initial Purchaser take any responsibility for the accuracy thereof.

THE DISTRICT

General

Harris County Utility District No. 6 (the “District”) is a political subdivision of the State of Texas created by a special act of the 61st Legislature of the State of Texas, effective May 29, 1969, codified in Chapter 8274, Texas Special District Local Laws Code, and operates under the provisions of Chapters 49 and 54 of the Texas Water Code and other general statutes applicable to municipal utility districts. The District is located wholly within the exclusive extraterritorial jurisdiction of the City of Houston, Texas (the “City of Houston”) and principally within Katy Independent School District.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also empowered to establish parks and recreational facilities for the residents of the District, to contract for or employ its own peace officers and, after approval by the City, the Commission and the voters of the District, to establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts.

The Commission exercises continuing supervisory jurisdiction over the District. The District is required to observe certain requirements of the City of Houston which limit the purposes for which the District may sell bonds for the acquisition, construction, and improvement of waterworks, wastewater, and drainage facilities, recreational facilities and firefighting facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of Houston of the District’s construction plans; and permit connections only to platted lots and reserves which have been approved by the Planning Commission of the City of Houston. Construction and operation of the District’s system are subject to the regulatory jurisdiction of additional government agencies. See “THE SYSTEM.”

The District presently contains approximately 797 acres of land. The District is located approximately 18 miles west of downtown Houston, Texas. The District is bounded on the south and east by Addicks Reservoir and State Highway 6 and Clay Road intersect the District. See “AERIAL LOCATION MAP.”

Status of Development

The District consists of the single-family residential subdivisions of Bear Creek Village, Bear Creek Trails, Bear Creek West and Bear Creek Northwest, developed into 2,442 lots. Various multi-family and commercial sites have also been developed.

Single-Family Development: Single-family residential development in the District is complete and includes the four subdivisions mentioned above. The District’s Operator reports 2,408 occupied and 34 unoccupied homes as of February 27, 2026. Historically, approximately 20% of the homes in the District are rental homes. The average value of the homes in the District is approximately \$240,000 based on the rolls of the District for the 2025 tax year.

Multi-Family Development: The District includes The Brighton Apartments with 236 units (95% occupied), Harpers Mill Apartments with 180 units (92% occupied), Green Tree Place Apartments with 200 units (93% occupied), Breckenridge Court with 272 units (95% occupied), and Trails of Timber Creek Apartments with 168 units (95% occupied), which contain an aggregate of 1,056 units. In addition to apartment complexes, the Aspen Club Condominiums are located in the District which consists of 92 separately owned 2-bedroom units.

Commercial Development: As of February 27, 2026, the District’s Operator reported approximately 83 commercial businesses. Commercial development in the District includes Palace Inn Hotel, two boutique hotels, Walmart, two day cares, two self-storage facilities, Taco Bell, Domino’s Pizza, Pizza Hut, Little Caesar’s Pizza, Popeyes Louisiana Kitchen, McDonald’s, various other restaurant establishments, Chase Bank, Enterprise Rent-A-Car, several gas stations with convenience stores, Spec’s Wines, Spirits and Finer Foods, several automobile repair/service centers, Advanced Auto Parts, a professional office park consisting of 11 medical/dental offices, and several office buildings and shopping centers with various other commercial/retail establishments. Further, the District serves one elementary school and 7 churches located within the boundaries of the District, which are exempt from ad valorem taxation by the District.

In addition to the development described above, the District contains an additional 24 acres of developable land which are presently served by underground water, sewer and drainage facilities for future commercial development and 16 acres of undevelopable land contained in drainage easements and rights-of-way. There is currently no active development activity in the District and the District cannot represent that construction of taxable improvements will occur in the future. See “INVESTMENT CONSIDERATIONS.”

Community Facilities

Community facilities are located in the general vicinity of the District. Neighborhood shopping facilities, including supermarkets, pharmacies, cleaners, restaurants, banking facilities and other retail and service establishments are located along areas adjacent to State Highway 6 and Clay Road. Fire protection for the District is provided by the Cy-Fair Volunteer Fire Department which operates one fire station within the District. See “THE BONDS—Issuance of Additional Debt.” The land within the District is principally located within the boundaries of Katy Independent School District, and children within the District attend the elementary, junior high and high schools of Katy Independent School District, including Bear Creek Elementary School which is located within the District. Approximately 20 acres within the District on the north side of Addick-Satsuma Road, are located within Cypress Fairbanks Independent School District.

MANAGEMENT

Board of Directors

The District is governed by the Board of Directors, consisting of five directors, which has control over and management supervision of all affairs of the District. All of the Directors listed below reside within the District. Directors are elected by the voters within the District for four-year staggered terms. Directors elections are held only in even numbered years. The directors and officers of the District are listed below:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Rebecca L. Watkins	President	May 2028
John J. Sugg	Vice President	May 2030
Elizabeth Van Doren	Secretary	May 2028
Anne Grzanka	Assistant Vice President	May 2028
Robert W. Schmitz	Assistant Secretary	May 2030

While the District does not employ any full-time employees, it has contracted for certain services as follows:

Tax Assessor/Collector

Land and improvements within the District are appraised for ad valorem taxation purposes by Harris Central Appraisal District. The District contracts with Tax Tech, Inc. to serve as Tax Assessor/Collector.

Bookkeeper

The District has engaged Municipal Accounts & Consulting, L.P., to serve as the District's bookkeeper.

Operator

The District contracts with Inframark LLC (the “Operator”) for maintenance and operation of the District’s utility system.

Engineer

The consulting engineer for the District in connection with the design and construction of the District’s facilities is AECOM Technical Services, Inc., Consulting Engineers (the “Engineer”).

Bond Counsel/Attorney

The District engages Allen Boone Humphries Robinson LLP as general counsel and as Bond Counsel in connection with the issuance of the Bonds. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds.

Financial Advisor

Masterson Advisors LLC (the “Financial Advisor”) serves as financial advisor to the District. The fees to be paid the Financial Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds.

Disclosure Counsel

The District has engaged McCall, Parkhurst & Horton L.L.P., Houston, Texas as disclosure counsel. The fees paid to disclosure counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

Auditor

As required by the Texas Water Code, the District retains an independent auditor to audit the District’s financial statements annually, which annual audited financial statements are filed with the Commission. The financial statements of the District as of December 31, 2024, and for the year then ended, included in this Official Statement, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. See “APPENDIX A” for a copy of the District’s December 31, 2024 audited financial statements. The District has engaged Forvis Mazars, LLP, independent auditors, to audit the District’s financial statements for the fiscal year ended December 31, 2025.

HURRICANE HARVEY AND SEVERE WEATHER

The District is located adjacent to Addicks Reservoir. Approximately half of the District is located within the flood pool of the Addicks Reservoir. In extreme flooding events, the Addicks Reservoir has shown a history of ponding into the District causing significant flooding damage.

According to the Operator, as a result of Hurricane Harvey, the District sustained material damage to Water Plant No. 1, Water Well No. 2 and Lift Station Nos. 1 and 2. According to the Operator, the regional wastewater treatment plant serving the District, operated by Jackrabbit Road Public Utility District (“Jackrabbit PUD”), sustained material damage and flooding. Further, according to the Operator, approximately 1,600 homes (or 65% of the total homes in the District) experienced flooding or other material damage. Additionally, a small portion of the District’s commercial properties were damaged by Hurricane Harvey.

Total repairs to District facilities are expected to cost approximately \$6,990,000. To date, the District has expended approximately \$5,184,400 for repairs and has received approximately \$2,840,000 from FEMA, insurance and Texas Division of Emergency Management. All known Hurricane Harvey repairs to the District’s utility system have been completed with the exception of replacement of the emergency generator and electrical control panel at Lift Station No. 2 and the electrical control panel at Well No. 2. The remaining generator and electrical work is estimated to cost approximately \$1,200,000. The District expects to receive additional reimbursements from FEMA upon completion of the projects. Bond proceeds from the District’s Unlimited Tax Bonds, Series 2022 (the “Series 2022 Bonds”), along with the FEMA reimbursements were used to elevate critical infrastructure outside of the flood pool or harden infrastructure to prevent damage in the event of a flood with an elevation exceeding that of Hurricane Harvey.

Other local flooding events within the District’s boundaries have affected residential properties but only Hurricane Harvey damaged District facilities and commercial properties. To the best knowledge of the District, none of the apartments within the District were impacted. In addition, to the best knowledge of the District, Hurricane Harvey is the only event that impacted the Jackrabbit PUD Regional Wastewater Treatment Plant (which provides wastewater treatment for the District).

Harris County Flood Control District identified the drainage concerns contributing to the local flooding events that have affected residential properties as a part of E-01 Subdivision Drainage Project for its 2018 Bond Program (the “Bond Program”) and detailed design plans have been developed to help address these concerns. The improvements in the Bond Program proposed within the District include drainage studies and watershed conveyance improvements within the District and Addicks Reservoir. The improvements were split into two construction packages: Stage A and Stage B. Bond proceeds from the District’s Unlimited Tax Bonds, Series 2023 (the “Series 2023 Bonds”) were used to fund the District’s 50/50 match for Stage A construction improvements. Stage A construction is now complete. The District anticipates that proceeds of the Bonds will provide some of the funds for a 50/50 match for construction improvements included in the Stage B construction package. See “USE AND DISTRIBUTION OF BOND PROCEEDS.” Although these improvements will reduce the flood risk for local flooding events, the flood pool created by backwater conditions from Addicks Reservoir will remain unchanged upon completion of these improvements. Any changes to the Addicks flood pool would be under the purview of the United States Army Corps of Engineers.

In general, all District facilities have been restored to operational condition since Hurricane Harvey. The replacement of the generators and control panels was postponed to coincide with the flood mitigation efforts at the District's facilities. Construction at Water Plant No. 1 is complete and Lift Station No. 1 is expected to be complete in April 2026. The mitigation work at Lift Station No. 2 is underway with expected completion in August 2026. The generator and control panels will be replaced as part of the mitigation project.

The District does not expect the insurance claim for the generators and panels to be paid until the replacement work is performed. The District anticipates that any difference between estimated replacement cost and insurance claim should be included in the FEMA grants.

If a hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, with a corresponding decrease in tax revenues or necessity to increase the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District would be adversely affected. See "INVESTMENT CONSIDERATIONS—Severe Weather including Hurricane Harvey."

THE SYSTEM

Regulation

According to the Engineer, the District's water supply and distribution, wastewater collection, and storm drainage facilities (collectively, the "System") have been designed in accordance with accepted engineering practices and the then current requirements of various entities having regulatory or supervisory jurisdiction over the construction and operation of such facilities. The construction of the System was required to be accomplished in accordance with the standards and specifications of such entities and is subject to inspection by each such entity. Operation of the System must be accomplished in accordance with the standards and requirements of such entities. The Commission exercises continuing supervisory authority over the District. Discharge of treated sewage is subject to the regulatory authority of the Commission and the U.S. Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of the Harris County Flood Control District, the City, Harris County and, in some instances, the Commission. Harris County and the City also exercise regulatory jurisdiction over the System. The regulations and requirements of entities exercising regulatory jurisdiction over the System are subject to further development and revision which, in turn, could require additional expenditures by the District in order to achieve compliance. In particular, additional or revised requirements in connection with any permit for the wastewater treatment plant in which the District owns capacity beyond the criteria existing at the time of construction of the plant could result in the need to construct additional facilities in the future. The following descriptions are based upon information supplied by the District's Engineer.

Water, Sanitary Sewer and Drainage Facilities

Source of Water Supply: The District obtains primary water supply capacity from surface water supplied by the West Harris County Regional Water Authority (the "Authority"). During peak flow and high usage conditions, the District can operate its water supply facilities, which consists of one 1,091 gallons per minute ("gpm") well, one 751 gpm well, 1,250,000 gallons of ground storage tank capacity, 750,000 gallons of elevated storage tank capacity, booster pumps totaling 3,950 gpm capacity, 10,000 gallons of pressure tank capacity, and appurtenant equipment. The District has two emergency interconnects with Jackrabbit Road Public Utility District. According to the Engineer, the District's water supply capacity is sufficient to serve approximately 4,561 single-family equivalent connections, which is adequate to serve the ultimate needs of the District. The damages to the District's water supply facilities related to Hurricane Harvey have been repaired. The District currently serves approximately 3,750 equivalent single-family connections.

Subsidence and Conversion to Surface Water Supply: The District is within the boundaries of the Harris-Galveston Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District. In 2001, the Texas legislature created the Authority to, among other things, reduce groundwater usage in, and to provide surface water to, the western portion of Harris County and a small portion of Fort Bend County. The District is located within the boundaries of the Authority. The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The Authority has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The District's groundwater well(s) are included within the Authority's GRP.

The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District to the Authority, which permit includes all groundwater wells that are included in the Authority's GRP. The Authority, among other powers, has the power to: (i) issue debt supported by the revenues pledged for the payment of its obligations; (ii) establish fees (including fees to be paid by the District for groundwater pumped by the District and for surface water received by the District from the Authority), user fees, rates, charges and special assessments as necessary to accomplish its purposes; and (iii) mandate water users, including the District, to convert from groundwater to surface water. The Authority currently charges the District, and other major groundwater users, a fee per 1,000 gallons based on the amount of groundwater pumped by the District and a fee per 1,000 gallons of surface water, if any, received by the District from the Authority. The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2035 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required: (i) through the year 2024, to limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the Authority's GRP; (ii) beginning in the year 2025, to limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the Authority's GRP; and (iii) beginning in the year 2035, and continuing thereafter, to limit groundwater withdrawals to no more than 20% of the total annual water demand of the water users within the Authority's GRP. If the Authority fails to comply with the above Subsidence District regulations or its GRP, the Authority is subject to a disincentive penalty fee per 1,000 gallons ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of 20% of the total water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from the District. If the District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely impose monetary or other penalties against the District.

The District cannot predict the amount or level of fees and charges, which may be due to the Authority in the future, but anticipates the need to pass such fees through to its customers: (i) through higher water rates and/or (ii) with portions of maintenance tax proceeds, if any. In addition, conversion to surface water could necessitate improvements to the System which could require the issuance of additional bonds by the District. No representation is made that the Authority: (i) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, (ii) will comply with the Subsidence District's surface water conversion requirements, or (iii) will comply with its GRP.

Source of Wastewater Treatment: Permanent wastewater treatment for the District is being provided by Jackrabbit Road Wastewater Treatment Plant, which is operated by Jackrabbit Road Public Utility District. The wastewater treatment plant has a capacity of 5.1 million gallons per day (gpd), of which the District owns 1,552,000 gpd of wastewater capacity. The Engineer estimates that the District's 1,552,000 gpd capacity will serve approximately 4,850 single-family equivalent connections, which is adequate to serve the ultimate needs of the District. The regional wastewater treatment plant serving the District, operated by Jackrabbit Road Public Utility District, sustained material damage and flooding due to Hurricane Harvey but all known damages have been repaired.

100-Year Flood Plain: "Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency ("FEMA") has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is no assurance that homes built in such area will not be flooded. The District's drainage system was designed and constructed to standards in effect at the time of construction.

The District is located adjacent to Addicks Reservoir. Approximately half of the District is located within the flood pool of the Addicks Reservoir. In extreme flooding events, the Addicks Reservoir has shown a history of ponding into the District causing significant flooding damage. All known Hurricane Harvey repairs to the system have been completed with the exception of replacement of the emergency generator and electrical control panel Lift Station No. 2 and the electrical control panel at Well No. 2. The remaining generator and electrical work is estimated to cost approximately \$1,200,000. The District has received partial insurance reimbursements for these projects and expects to receive additional reimbursements from FEMA upon completion of the projects. A portion of the bond proceeds from the Series 2022 Bonds were used on rehabilitation projects for Lift Station No. 1, Lift Station No. 2 and Water Plant No. 1.

A portion of the Bond proceeds will be used for drainage improvements to Bear Creek Village subdivision (Precinct 4). See "USE AND DISTRIBUTION OF BOND PROCEEDS."

The District has had other local flooding events within the District’s boundary effecting residential properties, but only Hurricane Harvey damaged District facilities and commercial properties. To the best knowledge of the District, none of the apartments within the District were impacted. In addition, to the best knowledge of the District, Hurricane Harvey is the only event that impacted the Jackrabbit PUD Regional Wastewater Treatment Plant (which provides wastewater treatment for the District).

Harris County Flood Control District identified the drainage concerns contributing to the local flooding events that have affected residential properties as a part of E-01 Subdivision Drainage Project for its 2018 Bond Program and detailed design plans have been developed to help address these concerns. In addition, projects and studies were funded by the Bond Program to help mitigate local flooding events as well as catastrophic events such as Hurricane Harvey. These include watershed conveyance improvements and drainage studies to investigate potential flood mitigation projects.

In general, all District facilities have been restored to operational condition since Hurricane Harvey. The replacement of the generators and control panels was postponed to coincide with the flood mitigation efforts at the District’s facilities. Construction at Water Plant No. 1 is complete and Lift Station No. 1 is expected to be complete in April 2026. The mitigation work at Lift Station No. 2 is underway with expected completion in August 2026. The generator and control panels will be replaced as part of the mitigation project.

The District does not expect the insurance claim for the generators and panels to be paid until the replacement work is performed. The District anticipates that any difference between estimated replacement cost and insurance claim should be included in the FEMA grants.

According to the Engineer, approximately 43 acres of developed single-family land are classified within the 100-year flood plain. The District has no knowledge of whether any existing structures on such acreage are constructed above the 100-year flood plain elevation. See “INVESTMENT CONSIDERATIONS—Severe Weather including Hurricane Harvey.”

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States (“Atlas 14”). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in the application of more stringent floodplain regulations applying to a larger area and potentially leaving less developable property within the District. The application of such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

USE AND DISTRIBUTION OF BOND PROCEEDS

The construction costs below were compiled by the District’s Engineer and were submitted to the Commission in the District’s bond application. Non-construction costs are based upon either contract amounts or estimates of various costs by the Engineer and Financial Advisor. The actual amounts to be paid by the District and the non-construction costs will be finalized after the sale of the Bonds. Bond proceeds are not expected to cover the full cost of the proposed project. The District expects the additional costs of the project can be funded by using legally available funds and/or surplus funds of the District, as necessary. The surplus funds may be expended for any lawful purpose for which surplus construction funds may be used, if approved by the Commission, where required.

CONSTRUCTION COSTS

Bear Creek Village Subdivision Drainage Improvements, Precinct 4 (Stage B).....	\$ 5,474,611
Construction Contingency (a).....	<u>1,053,989</u>
Total Construction Costs.....	\$ 6,528,600

NON-CONSTRUCTION COSTS

Legal Fees.....	\$ 120,900
Financial Advisory Fees.....	110,600
Capitalized Interest (a).....	-
Bond Discount (b).....	211,790
Bond Issuance Expenses.....	38,390
Bond Application Report.....	25,000
TCEQ Fee (0.25%).....	17,650
Attorney General Fee.....	7,060
Contingency (b).....	<u>10</u>
Total Non-Construction Costs.....	\$ 531,400

TOTAL BOND ISSUE.....	\$ 7,060,000
------------------------------	---------------------

- (a) Of such amount, the TCEQ approved \$423,600 of capitalized interest for the Bonds. The District has determined that it has adequate funds in its Debt Service Fund and no longer needs to capitalize interest on the Bonds. The District has also determined that the additional funds (\$423,600) will be needed to fund additional costs related to the Bear Creek Village Subdivision Drainage Improvements and will be expended as approved under the rules of the TCEQ.
- (b) The TCEQ approved a maximum Bond Discount of 3.00%. Contingency represents the difference in the estimated and actual amount of Bond Discount.

In the instance that approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses approved under the rules of the TCEQ. In the instance that actual costs exceed previously approved estimated amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required. The District cannot and does not guarantee the sufficiency of such funds for such purpose.

UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Issued to Date</u>	<u>Amount Unissued</u>
5/2/1998	Water, Sanitary Sewer and Drainage	\$8,200,000	\$4,456,379	\$3,743,621
5/2/1998	Fire-Fighting Facilities	\$465,000	\$393,621	\$71,379
5/2/1998	Refunding Bonds	\$4,920,000	\$0	\$4,920,000
5/1/2021	Water & Sanitary Sewer	\$5,595,000	\$5,595,000	\$0
5/1/2021	Drainage & Storm Sewer	\$5,695,000	\$5,695,000	\$0
5/1/2021	Drainage & Storm Sewer	\$7,060,000	\$7,060,000	\$0 (a)

(a) Includes the Bonds.

FINANCIAL STATEMENT (UNAUDITED)

2025 Certified Taxable Assessed Valuation	\$719,934,171 (a)
Gross Debt Outstanding (after the issuance of the Bonds).....	\$18,975,000
Ratio of Gross Debt to:	
2025 Certified Taxable Assessed Valuation	2.64%

Area of District — 797 acres
 Estimated 2026 Population — 10,598 (c)

- (a) As certified by the Harris Central Appraisal District (the “Appraisal District”). See “TAX PROCEDURES.”
 (b) Based on 3.5 persons per occupied single-family home and 2.0 persons per apartment unit and 2.0 persons per condo unit.

Cash and Investment Balances (unaudited as of March 17, 2026)

Operating Fund	Cash and Temporary Investments	\$4,212,610
Debt Service Fund	Cash and Temporary Investments	\$1,218,070 (a)
Capital Projects Fund	Cash and Temporary Investments	\$ 420,258

- (a) Neither Texas law nor the Bond Resolution requires the District to maintain any minimum balance in the Debt Service Fund.

Outstanding Bonds (as of March 2, 2026)

Series	Original Principal Amount	Principal Amount Outstanding as of March 2, 2026
2019 (a) \$	1,940,000	\$ 945,000
2022	5,595,000	5,400,000
2023	5,735,000	5,570,000
Total	\$ 13,270,000	\$ 11,915,000

- (a) Unlimited tax refunding bonds.

ESTIMATED OVERLAPPING DEBT STATEMENT

Expenditures of the various taxing entities within the territory of the District are paid out of ad valorem taxes levied by such entities on properties within the District. Such entities are independent of the District and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds (“Tax Debt”) was developed from information contained in the “Texas Municipal Reports” published by the Municipal Advisory Council of Texas. Except for the amounts relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of the overlapping Tax Debt of the District.

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping	
			Percent	Amount
Harris County.....	\$ 2,257,734,736	2/28/2026	0.11%	\$ 2,483,508
Harris County Flood Control District.....	937,165,000	2/28/2026	0.11%	1,030,882
Harris County Hospital District.....	861,580,000	2/28/2026	0.11%	947,738
Harris County Department of Education.....	28,960,000	2/28/2026	0.11%	31,856
Port of Houston Authority.....	386,074,397	2/28/2026	0.11%	424,682
Katy Independent School District.....	2,514,530,000	2/28/2026	1.23%	30,928,719
Total Estimated Overlapping Debt.....				\$ 35,847,385
The District.....	18,975,000 (a)	Current	100.00%	18,975,000
Total Direct and Estimated Overlapping Debt.....				\$ 54,822,385
Direct and Estimated Overlapping Debt as a Percentage of:				
2025 Certified Taxable Assessed Valuation of \$719,934,171.....				7.61%

(a) Includes the Outstanding Bonds and the Bonds.

Overlapping Tax Rates for 2025

	2025 Tax Rate per \$100 of Taxable <u>Assessed Valuation</u>
Harris County (including Harris County Flood Control District, Harris County Hospital District, Harris County Department of Education, and the Port of Houston Authority).....	\$ 0.628928
Katy Independent School District (a).....	1.117100
Harris County Emergency Services District No. 9.....	0.038831
Total Overlapping Tax Rate.....	\$ 1.784859
The District.....	0.288000
Total Tax Rate.....	\$ 2.072859

(a) Approximately 20 acres within the District are located within Cypress-Fairbanks Independent School District, which levied a 2025 tax rate of \$1.0669.

TAX DATA

Tax Collections

The following statement of tax collections sets forth in condensed form the historical tax collection experience of the District. This summary has been prepared for inclusion herein, based upon information from District records. Reference is made to these records for further and more complete information.

Tax Year	Certified Taxable Assessed Valuation	Tax Rate	Total Tax Levy	Total Collections as of February 28, 2026 (a)	
				Amount	Percent
2021	\$ 553,199,788	\$ 0.1779	\$ 984,142	\$ 978,960	99.47%
2022	636,005,820	0.2350	1,494,614	1,485,408	99.38%
2023	703,925,751	0.2820	1,985,071	1,969,462	99.21%
2024	710,138,995	0.2820	2,002,592	1,968,705	98.31%
2025	719,934,171	0.2880	2,073,410	1,913,710	92.30% (b)

(a) Unaudited.

(b) Taxes for the 2025 tax year were due without penalty by January 31, 2026.

Taxes are due when billed and become delinquent if not paid before February 1 of the year following the year in which imposed. No split payments are allowed, and no discounts are allowed.

Tax Rate Distribution

	2025	2024	2023	2022	2021
Debt Service	\$0.1240	\$0.1720	\$0.1670	\$0.1100	\$0.0429
Maintenance and Operations	0.1640	0.1100	0.1150	0.1250	0.1350
Total	\$0.2880	\$0.2820	\$0.2820	\$0.2350	\$0.1779

Tax Rate Limitations

Debt Service: Unlimited (no legal limit as to rate or amount).

Maintenance and Operations: \$0.30 per \$100 assessed valuation.

Debt Service Tax

The Board covenants in the Bond Resolution to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds.

Maintenance and Operations Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by vote of the District's electors. Pursuant to an election held on September 14, 2002, the Board was authorized to levy such a maintenance tax in an amount not to exceed \$0.30 per \$100 of assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonds. For the 2025 tax year, the Board levied a maintenance tax in the amount of \$0.164 per \$100 assessed valuation.

Tax Exemptions

As discussed in the section titled "TAX PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. The District has exempted twenty (20%) percent of the appraised value of residential homesteads from taxation. For the 2026 tax year, the District adopted an exemption of \$50,000 of the appraised value of a residential homestead of persons who are disabled or 65 years of age or older.

Additional Penalties

The District has contracted with a delinquent tax attorney to collect certain delinquent taxes. In connection with that contract, the District established an additional penalty of twenty percent (20%) of the tax to defray the costs of collection. This 20% penalty applies to taxes that either: (1) become delinquent on or after February 1 of a year, but not later than May 1 of that year, and that remain delinquent on April 1 (for personal property) and July 1 (for real property) of the year in which they become delinquent or (2) become delinquent on or after June 1, pursuant to Title I of the Texas Tax Code.

Principal Taxpayers

The following list of principal taxpayers was provided by the District's tax assessor/collector and represents the principal taxpayers' value as a percentage of the 2025 Certified Taxable Assessed Valuation of \$719,934,171. This represents ownership as of January 1, 2025.

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2025 Certified Taxable Assessed Valuation</u>	<u>% of 2025 Certified Taxable Assessed Valuation</u>
Jaw Breckenridge CT LLC	Multi-Family	\$ 22,784,640	3.16%
Clay Creek LLC	Multi-Family	19,000,000	2.64%
GTP Clay Hill Partners LLC	Multi-Family	18,338,821	2.55%
Harpers Mill LLP	Multi-Family	12,253,429	1.70%
16211 HWY 6 Limited	Shopping Center	12,028,822	1.67%
5315 Trails Limited	Multi-Family	10,647,011	1.48%
Istorage JV Houston LLC	Storage Facility	6,868,029	0.95%
Wal Mart Real Estate	Commercial	6,083,495	0.85%
Harrow Rental Real Estate LLC Series One	Commercial	6,077,150	0.84%
CenterPoint Energy HOU ELE	Commercial	5,075,740	0.71%
Total		\$ 119,157,137	16.55%

Summary of Assessed Valuation

The following summary of the 2023, 2024 and 2025 Certified Taxable Assessed Valuations are provided by the District's Tax Assessor/Collector based on information provided by the Appraisal District and contained in the 2023, 2024 and 2025 tax rolls of the District.

	<u>2025 Certified Taxable Assessed Valuation</u>	<u>2024 Certified Taxable Assessed Valuation</u>	<u>2023 Certified Taxable Assessed Valuation</u>
Land	\$ 190,230,297	\$ 187,860,717	\$ 187,942,872
Improvements	641,155,884	635,221,788	623,416,013
Personal Property	33,037,712	29,673,691	28,010,971
Exemptions	(144,489,722)	(142,617,201)	(135,444,105)
Total	<u>\$ 719,934,171</u>	<u>\$ 710,138,995</u>	<u>\$ 703,925,751</u>

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per \$100 appraised valuation which would be required to meet average annual and maximum debt service requirements if no growth in the District's tax base occurred beyond the 2025 Certified Taxable Assessed Valuation of \$719,934,171. The calculations contained in the following table merely represent the tax rates required to pay principal of and interest on the Bonds when due, assuming no further increase or any decrease in taxable values in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service. See "DEBT SERVICE REQUIREMENTS."

Average annual debt service requirement (2027-2051)	\$1,249,436
\$0.19 tax rate on the 2025 Certified Taxable Assessed Valuation of \$719,934,171 at a 95% collection rate produces	\$1,299,481
Maximum annual debt service requirement (2027)	\$1,417,675
\$0.21 tax rate on the 2025 Certified Taxable Assessed Valuation of \$719,934,171 at a 95% collection rate produces	\$1,436,269

TAX PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Outstanding Bonds, the Bonds and any additional bonds payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS—Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolution to levy such a tax from year to year as described more fully herein under "THE BONDS—Source of and Security for Payment." Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and for the payment of certain contractual obligations. See "TAX DATA—Debt Service Tax" and "—Maintenance and Operations Tax."

Property Tax Code and County-Wide Appraisal District

Title I of the Texas Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here.

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Harris Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units within Harris County, including the District. Such appraisal values are subject to review and change by the Harris County Appraisal Review Board (the "Appraisal Review Board").

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years of age or older and of certain disabled persons to the extent deemed advisable by the Board. For the 2026 tax year, the District adopted an exemption of \$50,000 of the appraised value of a residential homestead of persons who are disabled or 65 years of age or older. The District may be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the previous election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between \$5,000 and \$12,000 of taxable valuation depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full

value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See "TAX DATA."

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1.

Freeport Goods and Goods-in-Transit Exemptions: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for fewer than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is limited to tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

Harris County or the City may designate all or part of the area within the District as a reinvestment zone. Thereafter, Harris County, the District, and the City (if it were to annex the District), at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Generally, assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. In determining market value, either the replacement cost or the income or the market data method of valuation may be used, whichever is appropriate. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. Increases in the appraised value of residence homesteads are limited by the Texas Constitution to 10 percent annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space, or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space, or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use, open space land and timberland.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses formally to include such values on its appraisal roll.

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% physically damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

District and Taxpayer Remedies

Under certain circumstances taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments

to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

Tax Payment Installations After Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area and whose property has been damaged as a direct result of the disaster or emergency, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction, such as the District, if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date. Additionally, the Property Tax Code authorizes a taxing jurisdiction such as the District, solely at the jurisdiction's discretion to adopt a similar installment payment option for taxes imposed on property that is located within a designated disaster area or emergency area and is owned or leased by certain qualified business entities, regardless of whether the property has been damaged as a direct result of the disaster or emergency.

Additional Penalties

The District has contracted with a delinquent tax attorney to collect certain delinquent taxes. In connection with that contract, the District can establish an additional penalty of twenty percent (20%) of the tax to defray the costs of collection. This 20% penalty applies to taxes that either: (1) become delinquent on or after February 1 of a year, but not later than June 1 of that year, and that remain delinquent on April 1 (for personal property) and July 1 (for real property) of the year in which they become delinquent or (2) become delinquent on or after June 1, pursuant to the Texas Tax Code.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the District has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per \$100 of taxable value are classified as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units: Special Taxing Units that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, may be required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, may be required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts: Districts that do not meet the classification of a Special Taxing Unit or a Developed District can be classified as Developing Districts. The qualified voters of these districts, upon the Developing District's adoption of a total tax rate that would impose more than 1.08 times the amount of the total tax rate imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are authorized to petition for an election to reduce the operation and maintenance tax rate. If an election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District is made by the Board of Directors on an annual basis. The District is designated as a "Developed District" for 2026. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "ESTIMATED OVERLAPPING DEBT STATEMENT—Overlapping Tax Rates for 2025." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both subject to the restrictions on residential homesteads described above under "Levy and Collection of Taxes." In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records. See "INVESTMENT CONSIDERATIONS—General" and "—Tax Collection Limitations and Foreclosure Remedies."

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WATER AND SEWER OPERATIONS

General

The Bonds and the Outstanding Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. Net revenues, if any, derived from the operation of the District's water and sewer operations are not pledged to the payment of the Bonds or the Outstanding Bonds but are available for any lawful purpose including payment of debt service on the Bonds and the Outstanding Bonds, at the discretion and upon action of the Board. It is not anticipated that any significant revenues will be available for the payment of debt service on the Bonds or the Outstanding Bonds.

Waterworks and Sewer System Operating Statement

The following statement sets forth in condensed form the historical results of operation of the District's General Fund. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such summary is based upon information obtained from the District's audited financial statements for the fiscal years ended December 31, 2021 through December 31, 2024 and an unaudited summary prepared by the District's bookkeeper for the fiscal year ended December 31, 2025. Reference is made to such statements and records for further and more complete information.

	Fiscal Year Ended December 31				
	2025 (a)	2024	2023	2022	2021
Revenues					
Property Taxes	\$ 776,325	\$ 802,180	\$ 792,365	\$ 747,007	\$ 696,772
City of Houston Rebates	264,009	270,715	276,640	293,708	288,188
Water Service	603,592	588,532	559,884	565,462	518,732
Sewer Service	599,064	566,049	439,963	434,053	425,491
Surface Water Fees	1,266,789	1,243,238	1,355,962	1,309,390	985,278
Penalty and Interest	87,680	71,109	65,984	56,931	34,088
Tap Connection/Inspection Fees	68,878	-	23,533	8,656	5,436
Investment Revenues	137,362	159,957	178,870	63,318	3,401
Other Income	277,849	2,175	946	2,410	864
Total Revenues	\$4,081,547	\$3,703,955	\$3,694,147	\$3,480,935	\$2,958,250
Expenditures					
Purchased Services	\$1,668,350	\$1,809,496	\$1,813,067	\$1,737,879	\$1,496,902
Regional Water Authority Fee	121,356	23,577	114,471	109,694	48,724
Professional Fees	224,534	209,445	143,602	144,446	169,486
Contracted Services	342,481	301,923	244,976	250,634	217,547
Utilities	59,079	58,851	67,238	65,968	58,915
Repairs and Maintenance	1,035,582	1,130,451	848,198	1,020,943	542,761
Other Expenditures	107,847	186,604	153,111	154,638	171,689
Tap Connections	67,950	-	-	-	-
Capital Outlay	479,115	761,164	749,831	309,860	800,844
Debt service, Debt Issuance Cost	-	3,755	6,702	-	21,446
Total Expenditures	\$4,106,294	\$4,485,266	\$4,141,196	\$3,794,062	\$3,528,314
Net Revenues	\$ (24,746)	\$ (781,311)	\$ (447,049)	\$ (313,127)	\$ (570,064)
Other Sources (Uses)					
Transfers In (Out)	\$ -	\$ (1,500)	\$ 21,447	\$ -	\$ -
Recovery from Government Agency	1,380,318 (b)	679,025 (b)	-	-	-
Total Other Sources (Uses)	\$1,380,318	\$ 677,525	\$ 21,447	\$ -	\$ -
Fund Balance (Beginning of Year)	\$3,019,469	\$3,123,255	\$3,548,857	\$3,861,984	\$4,432,048
Fund Balance (End of Year)	\$4,375,041	\$3,019,469	\$3,123,255	\$3,548,857	\$3,861,984

(a) Unaudited. Provided by the District's bookkeeper.

(b) Represents funds received from the Texas Division of Emergency Management related to Hurricane Harvey repairs. See "HURRICANE HARVEY AND SEVERE WEATHER."

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Outstanding Bonds and the Bonds.

Year	Outstanding Bonds	Plus: Debt Service on the Bonds			Total
	Debt Service Requirements	Principal	Interest	Total	Debt Service Requirements
2026	\$ 266,647 (a)				\$ 266,647
2027	881,181	\$ 125,000	\$ 411,494	\$ 536,494	1,417,675
2028	876,719	130,000	294,838	424,838	1,301,556
2029	876,744	140,000	286,063	426,063	1,302,806
2030	877,469	145,000	277,706	422,706	1,300,175
2031	848,219	150,000	270,150	420,150	1,268,369
2032	842,700	160,000	262,400	422,400	1,265,100
2033	841,431	165,000	255,100	420,100	1,261,531
2034	839,419	175,000	248,300	423,300	1,262,719
2035	841,406	185,000	241,100	426,100	1,267,506
2036	842,138	190,000	233,600	423,600	1,265,738
2037	841,569	200,000	225,800	425,800	1,267,369
2038	839,825	210,000	217,600	427,600	1,267,425
2039	837,031	220,000	209,000	429,000	1,266,031
2040	833,013	230,000	200,000	430,000	1,263,013
2041	832,459	240,000	190,600	430,600	1,263,059
2042	825,338	255,000	180,700	435,700	1,261,038
2043	821,975	265,000	170,300	435,300	1,257,275
2044	812,550	275,000	159,500	434,500	1,247,050
2045	807,063	290,000	148,200	438,200	1,245,263
2046	800,181	305,000	136,300	441,300	1,241,481
2047	791,897	320,000	123,800	443,800	1,235,697
2048	772,650	335,000	110,700	445,700	1,218,350
2049	752,672	350,000	97,000	447,000	1,199,672
2050	-	1,000,000	67,500	1,067,500	1,067,500
2051	-	1,000,000	22,500	1,022,500	1,022,500
Total	\$ 19,402,294	\$ 7,060,000	\$ 5,040,250	\$ 12,100,250	\$ 31,502,544

(a) Excludes the District's March 1, 2026 debt service payment in the amount of \$613,447.

Average Annual Debt Service Requirements (2027-2051).....	\$1,249,436
Maximum Annual Debt Service Requirements (2027).....	\$1,417,675

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and not obligations of the State of Texas, Harris County, the City of Houston, or any other political entity other than the District, will be secured by a continuing, direct, annual ad valorem tax levied, without legal limitation as to rate or amount, on all taxable property within the District. The ultimate security for payment of the principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities.

Severe Weather including Hurricane Harvey

The District is located adjacent to Addicks Reservoir. Approximately half of the District is located within the flood pool of the Addicks Reservoir. In extreme flooding events, the Addicks Reservoir has shown a history of ponding into the District causing significant flooding damage.

According to Inframark (the District's "Operator"), as a result of Hurricane Harvey, the District sustained material damage to Water Plant No. 1, Water Well No. 2 and Lift Station Nos. 1 and 2. According to the Operator, the regional wastewater treatment plant serving the District, operated by Jackrabbit Road Public Utility District ("Jackrabbit PUD"), sustained material damage and flooding. Further, according to the Operator, approximately 1,600 homes (or 65% of the total homes in the District) experienced flooding or other material damage. Additionally, a small portion of the District's commercial properties were damaged by Hurricane Harvey.

Total repairs to District facilities are expected to cost approximately \$6,990,000. To date, the District has expended approximately \$5,184,400 for repairs and has received approximately \$2,840,000 from FEMA, insurance and Texas Division of Emergency Management. All known Hurricane Harvey repairs to the District's utility system have been completed with the exception of replacement of the emergency generator and electrical control panel at Lift Station No. 2 and the electrical control panel at Well No. 2. The remaining generator and electrical work is estimated to cost approximately \$1,200,000. The District expects to receive additional reimbursements from FEMA upon completion of the projects. Bond proceeds from the District's Unlimited Tax Bonds, Series 2022 (the "Series 2022 Bonds"), along with the FEMA reimbursements were used to elevate critical infrastructure outside of the flood pool or harden infrastructure to prevent damage in the event of a flood with an elevation exceeding that of Hurricane Harvey.

Other local flooding events within the District's boundaries have affected residential properties but only Hurricane Harvey damaged District facilities and commercial properties. To the best knowledge of the District, none of the apartments within the District were impacted. In addition, to the best knowledge of the District, Hurricane Harvey is the only event that impacted the Jackrabbit PUD Regional Wastewater Treatment Plant (which provides wastewater treatment for the District).

Harris County Flood Control District identified the drainage concerns contributing to the local flooding events that have affected residential properties as a part of E-01 Subdivision Drainage Project for its 2018 Bond Program (the "Bond Program") and detailed design plans have been developed to help address these concerns. The improvements in the Bond Program proposed within the District include drainage studies and watershed conveyance improvements within the District and Addicks Reservoir. The improvements were split into two construction packages: Stage A and Stage B. Bond proceeds from the Series 2023 Bonds were used to finance the District's 50/50 match for Stage A construction improvements. Stage A construction is complete. The District anticipates that proceeds of the Bonds will provide some of the funds for a 50/50 match for construction improvements included in the Stage B construction package. Although these improvements will reduce the flood risk for local flooding events, the flood pool created by backwater conditions from Addicks Reservoir will remain unchanged upon completion of these improvements. Any changes to the Addicks flood pool would be under the purview of the United States Army Corps of Engineers.

In general, all District facilities have been restored to operational condition since Hurricane Harvey. The replacement of the generators and control panels was postponed to coincide with the flood mitigation efforts at the District's facilities. Construction at Water Plant No. 1 is complete and Lift Station No. 1 is expected to be complete in April 2026. The mitigation work at Lift Station No. 2 is underway with expected completion in August 2026. The generator and control panels will be replaced as part of the mitigation project.

The District does not expect the insurance claim for the generators and panels to be paid until the replacement work is performed. The District anticipates that any difference between estimated replacement cost and insurance claim should be included in the FEMA grants.

If a hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, with a corresponding decrease in tax revenues or necessity to increase the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District would be adversely affected.

Specific Flood Type Risks

Ponding (or Pluvial) Flood: Ponding, or pluvial, flooding occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can exceed the drainage capacity of a drainage system, which may result in water within the drainage system becoming trapped and diverted onto streets and nearby property until it is able to reach a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam, levee or reservoir.

Riverine (or Fluvial) Flood: Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or man-made drainage systems (canals or channels) downstream.

Certain Tax Exemptions Provided for Affordable Housing

A significant percentage of the District's tax base is composed of multi-family development. Certain multi-family housing may be exempt from ad valorem taxation by the District pursuant to Chapter 303 of the Texas Local Government Code (the "PFC Act"), Chapter 392 of the Texas Local Government Code (the "Housing Authority Act"), or Chapter 394 of the Texas Local Government Code (the "HFC Act"), if certain conditions are met.

The PFC Act authorizes cities, counties, school districts, housing authorities and special districts (a "Sponsor") to create a sponsored Public Facility Corporation ("PFC") to acquire, construct, rehabilitate, renovate, repair, equip, furnish and place in service public facilities. These activities may be financed through certain obligations of either the Sponsor or the PFC. Under the PFC Act, a "public facility" includes any real, personal, or mixed property, or an interest in property devoted or to be devoted to public use, and authorized to be financed under the PFC Act. A public facility, including a leasehold estate in a public facility, that is owned by a PFC is exempt from taxation by the State or a municipality or other political subdivision of the State, including the District. This exemption applies to both ad valorem and sales taxes levied by such taxing authorities. Subject to certain restrictions, a leasehold or other possessory interest granted by the PFC to the user of a PFC-owned multifamily residential development entitles that user to this same exemption. A PFC project approved on or after June 18, 2023, does not qualify for an exemption with respect to taxes imposed by a conservation and reclamation district providing water, sewer, or drainage services to the development, unless an agreement is entered into with the district concerning payments in lieu of taxation. Projects for which PFC or Sponsor approval was received prior to the effective date of H.B. 2071 are governed by the prior law and are not subject to the same requirements. The District is not aware of any public facilities located within the boundaries of the District that are either owned or leased by a PFC.

The HFC Act provides for the formation of housing finance corporations ("HFCs") by municipalities and counties for the purpose of providing decent, safe, and sanitary housing at affordable prices to residents of local governments. Public property owned by an HFC, including property for which an HFC holds an equitable interest, is exempt from taxes imposed by the state or any political subdivision of the state, including conservation and reclamation districts such as the District, provided certain conditions are met under the HFC Act. This exemption applies to both ad valorem and sales taxes levied by taxing authorities where the qualified project is located. Section 394.904(d) (as added by H.B. 21, 89th Texas Legislature, Regular Session) provides in part that, for property acquired by an HFC after May 28, 2025, such ad valorem tax exemptions do not apply to taxes levied by a conservation or reclamation district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, that provides water, sewer, or drainage service to the multifamily residential development owned by the HFC, unless the applicable HFC has entered into a written agreement with the district to make a payment to the district in lieu of taxation, in the amount specified in the agreement. Further, property acquired by an HFC prior to May 28, 2025, may become subject to taxation by a conservation and reclamation district in future tax years unless certain additional requirements are met under the HFC Act. The District is not aware of any public property located within the boundaries of the District that is owned by an HFC.

The Housing Authority Act authorizes cities and counties to create housing authorities to provide safe and sanitary housing for persons of low income within the area of operation of the housing authority. Multi-family property owned by a housing authority, including property for which a housing authority holds an equitable interest, is exempt from all taxes and special assessments of a city, county, the state, or another political subdivision, including conservation and reclamation districts such as the District, if certain conditions are met under the Housing Authority Act. The District is not aware of any public property located within the boundaries of the District that is owned by a housing authority.

Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of District property owners to pay their taxes. The 2025 Certified Taxable Assessed Valuation within the District is \$719,934,171. After issuance of the Bonds, the maximum annual debt service requirement will be \$1,417,675 (2027) and the average annual debt service requirement will be \$1,249,436 (2027-2051). Assuming no increase or decrease from the 2025 Certified Taxable Assessed Valuation and no use of funds other than tax collections, a tax rate of \$0.21 per \$100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement of \$1,417,675 and a tax rate of \$0.19 per \$100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement of \$1,249,436 (see “DEBT SERVICE REQUIREMENTS”). Although calculations have been made regarding the tax rate necessary to pay the maximum and average annual debt service on the Bonds based upon the 2025 Certified Taxable Assessed Valuation, the District can make no representations regarding the future level of assessed valuation within the District. See “TAX DATA—Tax Adequacy for Debt Service” and “TAX PROCEDURES.”

Potential Effects of Oil Price Volatility on the Houston Area

The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. The District cannot predict the impact that negative conditions in the oil and gas industry could have on property values in the District.

Environmental Regulations

Wastewater treatment, water supply, storm sewer facilities and construction activities within the District are subject to complex environmental laws and regulations at the federal, state and local levels that may require or prohibit certain activities that affect the environment, such as:

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;
- Restricting or regulating the use of wetlands or other properties; or
- Requiring remedial action to prevent or mitigate pollution.

Sanctions against a municipal utility district or other type of special purpose district for failure to comply with environmental laws and regulations may include a variety of civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions to ensure future compliance. Environmental laws and compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Environmental laws can also inhibit growth and development within the District. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the District.

Air Quality Issues: Air quality control measures required by the United States Environmental Protection Agency (the “EPA”) and the Texas Commission on Environmental Quality (the “TCEQ”) may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act (“CAA”) Amendments of 1990, the eight-county Houston-Galveston-Brazoria area (“HGB Area”)—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty Counties—has been designated a nonattainment area under two separate federal ozone standards: the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the “2008 Ozone Standard”), and the EPA’s most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the “2015 Ozone Standard”). While the State of Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

The HGB Area is currently designated as a “severe” nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2027. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a “serious” nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2027. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

In order to demonstrate progress toward attainment of the EPA’s ozone standards, the TCEQ has established a state implementation plan (“SIP”) for the HGB Area setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB Area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the HGB Area to reach attainment with the ozone standards by the EPA’s attainment deadlines. These additional controls could have a negative impact on the HGB Area’s economic growth and development.

Water Supply & Discharge Issues: Water supply and discharge regulations that municipal utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

Certain governmental entities regulate groundwater usage in the HGB Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act (“SDWA”) and the EPA’s National Primary Drinking Water Regulations (“NPDWRs”), which are implemented by the TCEQ’s Water Supply Division, a municipal utility district’s provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency’s rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyfluoroalkyl Substances (“PFAS”), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

Texas Pollutant Discharge Elimination System (“TPDES”) permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000) (“CGP”), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. The CGP has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act (“CWA”) and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district’s ability to obtain and maintain compliance with TPDES permits.

The District’s stormwater discharges currently maintain permit coverage through the Municipal Separate Storm System Permit (the “Current Permit”) issued to the Storm Water Management Joint Task Force consisting of Harris County, Harris County Flood Control District, the City of Houston, and the Texas Department of Transportation. In the event that at any time in the future the District is not included in the Current Permit, it may be required to seek independent coverage under the TCEQ’s General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the “MS4 Permit”), which authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. If the District’s inclusion in the MS4 Permit were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

Operations of utility districts, including the District, are also potentially subject to requirements and restrictions under the CWA regarding the use and alteration of wetland areas that are within the “waters of the United States.” The District must obtain a permit from the United States Army Corps of Engineers (“USACE”) if operations of the District require that wetlands be filled, dredged, or otherwise altered.

In 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of “waters of the United States” and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, “waters of the United States” includes only geographical features that are described in ordinary parlance as “streams, oceans, rivers, and lakes” and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection. Subsequently, the EPA and USACE issued a final rule amending the definition of “waters of the United States” under the CWA to conform with the Supreme Court’s decision.

While the *Sackett* decision and subsequent regulatory action removed a great deal of uncertainty regarding the ultimate scope of “waters of the United States” and the extent of EPA and USACE jurisdiction, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Future Debt

After issuance of the Bonds, no unlimited tax bonds for water and sanitary sewer facilities from the 2021 Election will remain authorized but unissued, and no unlimited tax bonds for drainage and storm sewer facilities bonds from the 2021 Election will remain authorized but unissued. Additionally, the District will have \$3,743,621 principal amount of unlimited tax bonds for water, sanitary sewer, and drainage facilities from the 1998 Election authorized but unissued, \$4,920,000 principal amount of unlimited tax bonds for refunding purposes from the 1998 Election authorized but unissued, and \$71,379 principal amount of unlimited tax bonds for fire improvements from the 1998 Election authorized but unissued. The District reserves in the Bond Resolution the right to issue any authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities, and for refunding purposes and the District may issue additional bonds which may be voted hereafter. See “THE BONDS—Authority for Issuance” and “—Issuance of Additional Debt.” The issuance of such future obligations may adversely affect the investment security of the Bonds. The District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. Any bonds issued by the District, however, must be approved by the Attorney General of Texas and the Board of the District and any bonds issued to acquire or construct water, sanitary sewer and drainage facilities must be approved by the Commission.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by market conditions limiting the proceeds from a foreclosure sale of taxable property and collection procedures. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. The costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See “TAX PROCEDURES—District's Rights in the Event of Tax Delinquencies.”

Registered Owners' Remedies and Bankruptcy Limitations

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, if it fails to make payments into any fund or funds created in the Bond Resolution, or if it defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default, and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a judgment for

money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Sections 901-946. The filing of such petition would automatically stay the enforcement of Registered Owner's remedies, including mandamus. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay, or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision such as the District may qualify as a debtor eligible to proceed in a Chapter 9 case only if it is (1) authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Special districts such as the District must obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code. The TCEQ is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby invoking the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be appealable, the concomitant delay and loss of remedies to the Registered Owner could potentially and adversely impair the value of the Registered Owner's claim.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating the collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against a district.

A district may not be forced into bankruptcy involuntarily.

Continuing Compliance with Certain Covenants

The Bond Resolution contains covenants by the District intended to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds. Failure by the District to comply with such covenants in the Bond Resolution on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "TAX MATTERS."

Marketability of the Bonds

The District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are more generally bought, sold or traded in the secondary market.

Cybersecurity

The District's consultants use digital technologies to collect taxes, hold funds and process disbursements. These systems necessarily hold sensitive protected information that is valued on the black market. As a result, the electronic systems and networks of organizations like the District's consultants are considered targets for cyber-attacks and other potential breaches of their systems. To the extent the District is determined to be the party responsible for various electronic systems or suffers a loss of funds due to a security breach, there could be a material adverse effect on the District's finances. Insurance to protect against such breaches is limited.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas, payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, to a like effect and to the effect that, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Code (as defined herein), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

Bond Counsel has reviewed the information appearing in this Official Statement under “THE BONDS,” “THE DISTRICT—General,” “TAX PROCEDURES,” “LEGAL MATTERS,” “TAX MATTERS,” and “CONTINUING DISCLOSURE OF INFORMATION” solely to determine if such information, insofar as it relates to matters of law, is true and correct, and whether such information fairly summarizes the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel’s limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

Allen Boone Humphries Robinson LLP also serves as General Counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold, and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., as disclosure counsel.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

No Material Adverse Change

The obligations of the Initial Purchaser to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District from that set forth or contemplated in the Preliminary Official Statement, as it may be amended or supplemented through the date of sale.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, executed by both the President and Secretary of the Board, and dated as of the date of delivery of the Bonds, to the effect that there is not pending, and to their knowledge, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices, and that no additional bonds or other indebtedness have been issued since the date of the statement of indebtedness or nonencumbrance certificate submitted to the Attorney General of Texas in connection with approval of the Bonds.

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Bond Resolution that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the District and other parties involved with the issuance of the Bonds with respect to matters solely within the knowledge of the District and such parties, which Bond Counsel has not independently verified. If the District fails to comply with the covenants in the Bond Resolution or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Bond Resolution upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Bonds from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer, and the Owners of the Bonds may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds, regardless of the ultimate outcome of the audit.

Qualified Tax-Exempt Obligations

The Code requires a pro rata reduction in the interest expense deduction of a financial institution to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. An exception to the foregoing provision is provided in the Code for "qualified tax-exempt obligations," which include tax-exempt obligations, such as the Bonds, (a) designated by the issuer as "qualified tax-exempt obligations" and (b) issued by or on behalf of a political subdivision for which the aggregate amount of tax-exempt obligations (not including private activity bonds other than qualified 501(c)(3) bonds) to be issued during the calendar year is not expected to exceed \$10,000,000.

The District has designated the Bonds as "qualified tax-exempt obligations" and has represented that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2026 is not expected to exceed \$10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2026.

Notwithstanding these exceptions, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense

Additional Federal Income Tax Considerations

Collateral Tax Consequences: Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

An "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15 percent alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation's "adjusted financial statement income," ownership of the Bonds could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the “branch profits tax” on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds.

Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium: If the issue price of any maturity of the Bonds exceeds the stated redemption price payable at maturity of such Bonds, such Bonds (the “Premium Bonds”) are considered for federal income tax purposes to have “bond premium” equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount: If the issue price of any maturity of the Bonds is less than the stated redemption price payable at maturity of such Bonds (the “OID Bonds”), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions “—Tax Exemption” and “—Additional Federal Income Tax Considerations—*Collateral Tax Consequences*” and “—*Tax Legislative Changes*” generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such OID Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such OID Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such OID Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriter has purchased the Bonds for contemporaneous sale to the public and (ii) all of the OID Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm’s-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the cover page of this Official Statement. Neither the District nor Bond Counsel has made any investigation or offers any assurance that the OID Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each OID Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner’s basis for such OID Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of OID Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such OID Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such OID Bonds.

Tax Legislative Changes: Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any recently enacted, proposed, pending or future legislation.

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net interest cost, which bid was tendered by Robert W. Baird & Co., Inc. (the "Initial Purchaser") bearing the interest rates shown on the cover page hereof, at a price of 97.0001% of the principal amount thereof which resulted in a net effective interest rate of 4.418655% as calculated pursuant to Chapter 1204 of the Texas Government Code.

Prices and Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed at any time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Initial Purchaser may over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of utility district bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold, or traded in the secondary market.

Securities Laws

No registration statement relating to the offer and sale of the Bonds has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

MUNICIPAL BOND RATING

Moody's Ratings ("Moody's") has assigned an underlying rating of "A2" to the Bonds. An explanation of the rating may be obtained from Moody's. The rating fees of Moody's will be paid by the District.

There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by Moody's, if in its judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this Official Statement has been obtained primarily from the District's records, the developers in the District, the Engineer, the Tax Assessor/Collector, the Appraisal District and information from certain other sources. All of these sources are believed to be reliable, but no guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and its inclusion herein is not to be construed as a representation on the part of the District except as described under “—Certification of Official Statement.” Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

Financial Advisor

Masterson Advisors LLC is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the Official Statement, including the Official Notice of Sale and the Official Bid Form for the sale of the Bonds. In its capacity as Financial Advisor, Masterson Advisors LLC has compiled and edited this Official Statement. In addition to compiling and editing, the Financial Advisor has obtained the information set forth herein under the caption indicated from the following sources:

“THE DISTRICT” – AECOM Technical Services, Inc., Consulting Engineers (the “Engineer”), and Records of the District (“Records”); “THE SYSTEM” - Engineer; “UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED” - Records; “FINANCIAL STATEMENT (UNAUDITED)” - Harris Central Appraisal District, Tax Tech Inc., Tax Assessor/Collector and Municipal Accounts & Consulting, L.P., Bookkeeper; “ESTIMATED OVERLAPPING DEBT STATEMENT” - Municipal Advisory Council of Texas and Financial Advisor; “TAX DATA” – Harris Central Appraisal District and Tax Tech Inc., Tax Assessor/Collector; “MANAGEMENT” - District Directors; “DEBT SERVICE REQUIREMENTS” - Financial Advisor; “THE BONDS,” “TAX PROCEDURES,” and “LEGAL MATTERS” - Allen Boone Humphries Robinson LLP.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement: “The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.”

Consultants

In approving this Official Statement, the District has relied upon the following consultants.

Engineer: The information contained in this Official Statement relating to engineering matters and to the description of the System and in particular that information included in the sections entitled “THE DISTRICT” and “THE SYSTEM” has been provided by AECOM Technical Services, Inc., Consulting Engineers, and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Appraisal District: The information contained in this Official Statement relating to the assessed valuations has been provided by the Harris Central Appraisal District and has been included herein in reliance upon the authority of such entity as experts in assessing the values of property in Harris County, including the District.

Tax Assessor/Collector: The information contained in this Official Statement relating to the historical breakdown of the Assessed Valuations, principal taxpayers, and certain other historical data concerning tax rates and tax collections has been provided by Tax Tech, Inc., and is included herein in reliance upon, the authority of said firm as an expert in assessing and collecting taxes.

Auditor: As required by the Texas Water Code, the District retains an independent auditor to audit the District’s financial statements annually, which annual audited financial statements are filed with the Commission. The financial statements of the District as of December 31, 2024, and for the year then ended, included in this Official Statement, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. See “APPENDIX A” for a copy of the District’s December 31, 2024 audited financial statements.

Bookkeeper: The information related to the “unaudited” summary of the District's General Operating Fund as it appears in “WATER AND SEWER OPERATIONS” has been provided by Municipal Accounts & Consulting, L.P. and is included herein in reliance upon the authority of such firm as experts in the tracking and managing the various funds of municipal utility districts.

Updating the Official Statement

If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time as required by law (but not more than 90 days after the date the District delivers the Bonds).

Certification of Official Statement

The District, acting through its Board of Directors in its official capacity, hereby certifies, as of the date hereof, that the information, statements, and descriptions or any addenda, supplement and amendment thereto pertaining to the District and its affairs contained herein, to the best of its knowledge and belief, contain no untrue statement of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they are made, not misleading. With respect to information included in this Official Statement other than that relating to the District, the District has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading; however, the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District. In rendering such certificate, the official executing this certificate may state that he has relied in part on his examination of records of the District relating to matters within his own area of responsibility, and his discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants and representatives of the District.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the District has made the following agreement for the benefit of the Registered and Beneficial Owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain events, to the Municipal Securities Rulemaking Board (the "MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") System.

Annual Reports

The District will provide certain financial information and operating data annually to the MSRB. The financial information and operating data which will be provided with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "FINANCIAL STATEMENT (UNAUDITED)," "TAX DATA," and in APPENDIX A (Independent Auditor's Report and Financial Statements). The District will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2025. Any financial statements provided by the District shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable year to the MSRB within such six-month period and audited financial statements when the audit report becomes available.

The District's current fiscal year end is December 31. Accordingly, it must provide updated information by June 30 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Specified Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger,

consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material to a decision to purchase or sell Bonds and (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms “obligated person” and “financial obligation” when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (“the Rule”). The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under “—Annual Reports.”

Availability of Information from MSRB

The District has agreed to provide the foregoing updated information only to the MSRB. The MSRB makes the information available to the public through the EMMA internet portal at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although Registered or Beneficial Owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt the changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Registered and Beneficial Owners of the Bonds. The District may amend or repeal the agreement in the Bond Resolution if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Initial Purchaser from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under “—Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

During the last five years, the District has complied in all material respects with its prior continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

MISCELLANEOUS

All estimates, statements and assumptions in this Official Statement and the Appendix hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any such statements will be realized.

This Official Statement was approved by the Board of Directors of Harris County Utility District No. 6, as of the date shown on the cover page.

/s/ Rebecca L. Watkins
President, Board of Directors

ATTEST:

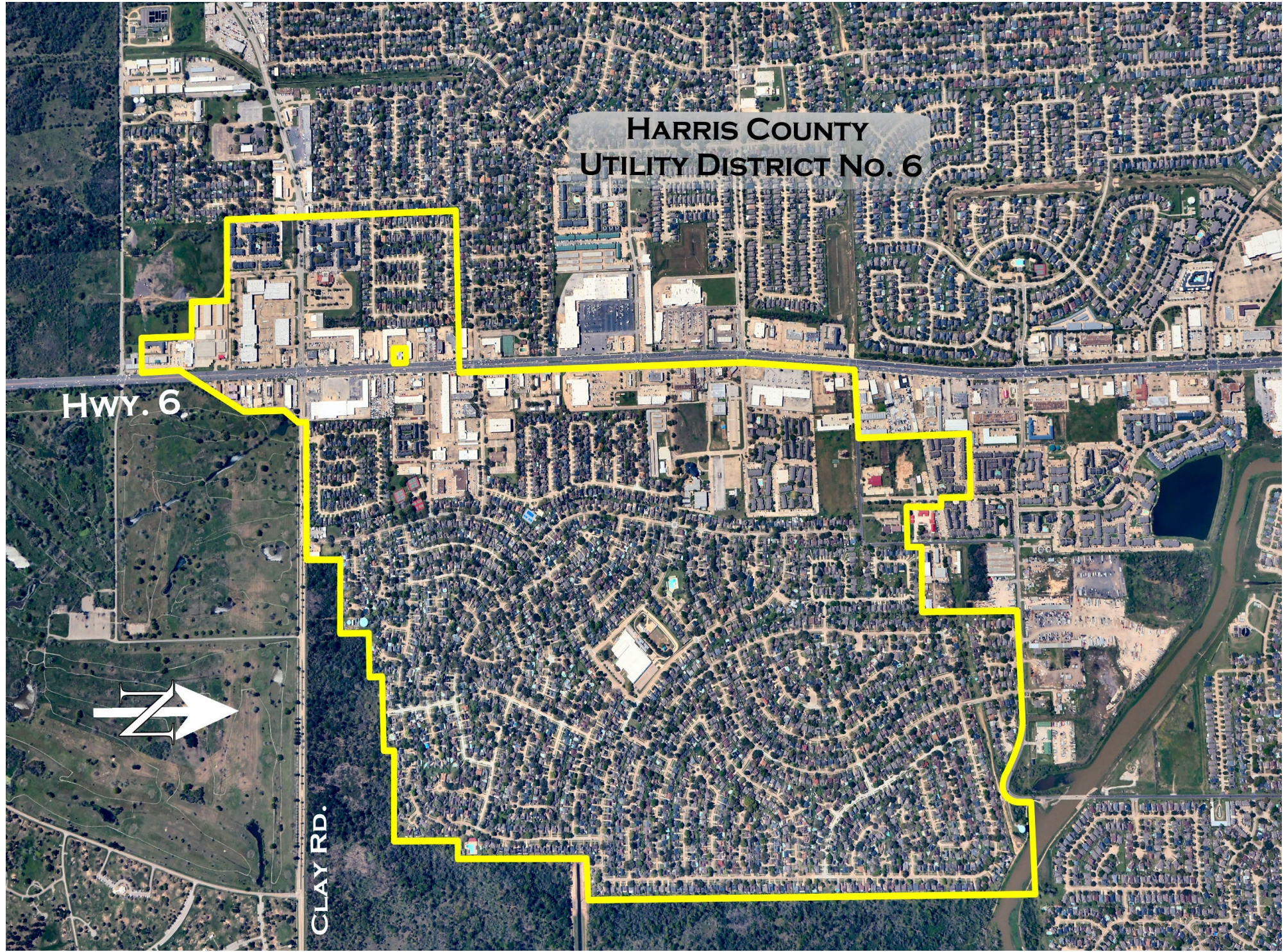
/s/ Elizabeth Van Doren
Secretary, Board of Directors

AERIAL LOCATION MAP
(Approximate Boundaries as of March 2026)

HARRIS COUNTY
UTILITY DISTRICT No. 6

Hwy. 6

CLAY RD.



PHOTOGRAPHS OF THE DISTRICT
(Taken March 2026)













APPENDIX A

Independent Auditor's Report and Financial Statements for the fiscal year ended December 31, 2024



**Harris County Utility District
No. 6
Harris County, Texas**

**Independent Auditor's Report and
Financial Statements**

December 31, 2024



Harris County Utility District No. 6
Contents
December 31, 2024

Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements	
Statement of Net Position and Governmental Funds Balance Sheet	8
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances	10
Notes to Financial Statements	11
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	23
Notes to Required Supplementary Information	24
Supplementary Information	
Other Schedules Included Within This Report	25
Schedule of Services and Rates	26
Schedule of General Fund Expenditures	27
Schedule of Temporary Investments	28
Analysis of Taxes Levied and Receivable	29
Schedule of Long-Term Debt Service Requirements by Years	31
Changes in Long-Term Bonded Debt	35
Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund – Five Years	36
Board Members, Key Personnel and Consultants	38

Independent Auditor's Report

Board of Directors
Harris County Utility District No. 6
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Harris County Utility District No. 6 (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Forvis Mazars, LLP

**Houston, Texas
May 12, 2025**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled as fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2024	2023
Current and other assets	\$ 10,802,391	\$ 10,986,563
Capital assets	7,472,577	6,493,671
Total assets	18,274,968	17,480,234
Deferred outflows of resources	12,476	14,570
Total assets and deferred outflows of resources	\$ 18,287,444	\$ 17,494,804
Long-term liabilities	\$ 12,413,904	\$ 12,734,194
Other liabilities	967,541	858,821
Total liabilities	13,381,445	13,593,015
Deferred inflows of resources	2,039,050	2,040,476

Summary of Net Position (Continued)

	<u>2024</u>	<u>2023</u>
Net position:		
Net investment in capital assets	\$ 3,298,143	\$ 2,960,284
Restricted	1,541,200	745,707
Unrestricted	<u>(1,972,394)</u>	<u>(1,844,678)</u>
Total net position	<u>\$ 2,866,949</u>	<u>\$ 1,861,313</u>

The total net position of the District increased by \$1,005,636, or about 54%. The majority of the increase in net position is related to tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	<u>2024</u>	<u>2023</u>
Revenues:		
Property taxes	\$ 1,972,566	\$ 1,500,324
City of Houston rebates	270,949	275,923
Charges for services	2,397,819	2,355,809
Other revenues	<u>1,229,486</u>	<u>588,674</u>
Total revenues	<u>5,870,820</u>	<u>4,720,730</u>
Expenses:		
Services	3,960,609	3,624,424
Conveyance of capital assets	-	5,049,719
Depreciation	337,156	326,229
Debt service	<u>567,419</u>	<u>771,325</u>
Total expenses	<u>4,865,184</u>	<u>9,771,697</u>
Change in net position	1,005,636	(5,050,967)
Net position, beginning of year	<u>1,861,313</u>	<u>6,912,280</u>
Net position, end of year	<u>\$ 2,866,949</u>	<u>\$ 1,861,313</u>

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended December 31, 2024, were \$7,872,990, a decrease of \$307,174 from the prior year.

The general fund's fund balance decreased by \$103,786, primarily due to service operations and capital outlay expenditures exceeding property taxes, City of Houston rebates and services revenues as well as recovery from government agency.

The debt service fund's fund balance increased by \$280,816 due to property tax revenues and investment income exceeding bond principal and interest requirements and contracted services expenditures.

The capital projects fund's fund balance decreased by \$484,204, primarily due to capital outlay expenditures exceeding investment income.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to surface water fees revenue and purchased services and capital outlay expenditures being lower than expected, as well as sewer service revenues, recovery from governmental agency proceeds and professional fees, contracted services, and repairs and maintenance expenditures being higher than expected. The fund balance as of December 31, 2024, was expected to be \$1,917,870 and the actual end-of-year fund balance was \$3,019,469.

Capital Assets and Related Debt

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized as follows:

Capital Assets (Net of Accumulated Depreciation)

	<u>2024</u>	<u>2023</u>
Land and improvements	\$ 124,033	\$ 124,033
Construction in progress	2,708,416	1,916,819
Water facilities	1,115,259	1,187,174
Wastewater facilities	<u>3,524,869</u>	<u>3,265,645</u>
Total capital assets	<u>\$ 7,472,577</u>	<u>\$ 6,493,671</u>

During the current year, additions to capital assets are as follows:

Construction in progress related to flood mitigation and rehabilitation of water plant No. 1, lift station Nos. 1 & 2, and water plant No. 2 off-site water well rehabilitation	\$ 903,172
Construction in progress related to clarifier repairs at Jackrabbit Road Wastewater Treatment Plant	175,121
Flood wall at the Jackrabbit Road Wastewater Treatment Plant	1,229
Sanitary sewer rehabilitation project	106,202
Replace lift pump No. 2 at lift station No. 2	<u>130,338</u>
Total additions to capital assets	<u>\$ 1,316,062</u>

Debt

The changes in the debt position of the District during the fiscal year ended December 31, 2024, are summarized as follows.

Long-term debt payable, beginning of year	\$ 12,734,194
Decreases in long-term debt	<u>(320,290)</u>
Long-term debt payable, end of year	<u>\$ 12,413,904</u>

At December 31, 2024, the District had \$71,379 of fire plan bonds and \$10,803,621 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

The District’s Refunding Series 2019, Series 2022 and Series 2023 bonds carry an “A2” underlying rating from Moody’s Investors Service.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, because the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City for full purposes without the District’s consent, except as set forth below. Effective December 2, 2002, the District entered into a Strategic Partnership Agreement (the SPA), as amended May 8, 2012, with the City, which annexed certain portions of the District into the City for “limited purposes,” as described therein. Under the terms of the SPA, the City has agreed it will not annex the District as a whole for full purposes for 30 years from the date of the amendment to the SPA, at which time the City has the option to annex the District if it chooses to do so, subject to meeting the requirement of state law.

Harris County Utility District No. 6
Statement of Net Position and Governmental Funds Balance Sheet
December 31, 2024

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets						
Cash	\$ 497,662	\$ 1,005,290	\$ 224	\$ 1,503,176	\$ -	\$ 1,503,176
Short-term investments	2,416,208	1,009,136	4,023,599	7,448,943	-	7,448,943
Receivables:						
Property taxes	445,248	675,357	-	1,120,605	-	1,120,605
Service accounts	437,689	-	-	437,689	-	437,689
City of Houston rebates	45,009	-	-	45,009	25,344	70,353
Accrued penalty and interest	-	-	-	-	22,338	22,338
Interfund receivables	394,251	-	-	394,251	(394,251)	-
Operating reserve	199,287	-	-	199,287	-	199,287
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	124,033	124,033
Construction in progress	-	-	-	-	2,708,416	2,708,416
Infrastructure	-	-	-	-	4,640,128	4,640,128
Total assets	<u>4,435,354</u>	<u>2,689,783</u>	<u>4,023,823</u>	<u>11,148,960</u>	<u>7,126,008</u>	<u>18,274,968</u>
Deferred Outflows of Resources						
Deferred amount on debt refundings	-	-	-	-	12,476	12,476
Total assets and deferred outflows of resources	<u>\$ 4,435,354</u>	<u>\$ 2,689,783</u>	<u>\$ 4,023,823</u>	<u>\$ 11,148,960</u>	<u>\$ 7,138,484</u>	<u>\$ 18,287,444</u>

Harris County Utility District No. 6
Statement of Net Position and Governmental Funds Balance Sheet
December 31, 2024

(Continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 385,068	\$ 10,172	\$ 18,000	\$ 413,240	\$ -	\$ 413,240
Accrued interest payable	-	-	-	-	187,373	187,373
Customer deposits	202,931	-	-	202,931	-	202,931
Interfund payables	-	394,251	-	394,251	(394,251)	-
Retainage payable	-	-	163,997	163,997	-	163,997
Long-term liabilities:						
Due within one year	-	-	-	-	330,000	330,000
Due after one year	-	-	-	-	12,083,904	12,083,904
Total liabilities	587,999	404,423	181,997	1,174,419	12,207,026	13,381,445
Deferred Inflows of Resources						
Deferred property tax revenues	827,886	1,273,665	-	2,101,551	(62,501)	2,039,050
Fund Balances/Net Position						
Fund balances:						
Restricted:						
Debt service on unlimited tax bonds	-	1,011,695	-	1,011,695	(1,011,695)	-
Water, sewer and drainage	-	-	3,841,826	3,841,826	(3,841,826)	-
Assigned to:						
Future expenditures	995,841	-	-	995,841	(995,841)	-
Operating reserve	199,287	-	-	199,287	(199,287)	-
Unassigned	1,824,341	-	-	1,824,341	(1,824,341)	-
Total fund balances	3,019,469	1,011,695	3,841,826	7,872,990	(7,872,990)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 4,435,354	\$ 2,689,783	\$ 4,023,823	\$ 11,148,960		
Net position:						
Net investment in capital assets					3,298,143	3,298,143
Restricted for debt service					876,649	876,649
Restricted for capital projects					664,551	664,551
Unrestricted					(1,972,394)	(1,972,394)
Total net position					\$ 2,866,949	\$ 2,866,949

Harris County Utility District No. 6
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Year Ended December 31, 2024

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues						
Property taxes	\$ 802,180	\$ 1,161,848	\$ -	\$ 1,964,028	\$ 8,538	\$ 1,972,566
City of Houston rebates	270,715	-	-	270,715	234	270,949
Water service	588,532	-	-	588,532	-	588,532
Sewer service	566,049	-	-	566,049	-	566,049
Surface water fees	1,243,238	-	-	1,243,238	-	1,243,238
Penalty and interest	71,109	32,265	-	103,374	2,103	105,477
Investment income	159,957	59,164	223,688	442,809	-	442,809
Other income	2,175	-	-	2,175	679,025	681,200
	<u>3,703,955</u>	<u>1,253,277</u>	<u>223,688</u>	<u>5,180,920</u>	<u>689,900</u>	<u>5,870,820</u>
Total revenues						
Expenditures/Expenses						
Service operations:						
Purchased services	1,809,496	-	-	1,809,496	-	1,809,496
Regional water authority	23,577	-	-	23,577	-	23,577
Professional fees	209,445	11,342	-	220,787	845	221,632
Contracted services	301,923	59,854	-	361,777	741	362,518
Utilities	58,851	-	-	58,851	-	58,851
Repairs and maintenance	1,130,451	-	-	1,130,451	152,548	1,282,999
Other expenditures	186,604	14,572	360	201,536	-	201,536
Capital outlay	761,164	-	709,032	1,470,196	(1,470,196)	-
Depreciation	-	-	-	-	337,156	337,156
Debt service:						
Principal retirement	-	315,000	-	315,000	(315,000)	-
Interest and fees	-	571,693	-	571,693	(8,029)	563,664
Debt issuance costs	3,755	-	-	3,755	-	3,755
	<u>4,485,266</u>	<u>972,461</u>	<u>709,392</u>	<u>6,167,119</u>	<u>(1,301,935)</u>	<u>4,865,184</u>
Total expenditures/expenses						
Excess (Deficiency) of Revenues Over Expenditures						
	<u>(781,311)</u>	<u>280,816</u>	<u>(485,704)</u>	<u>(986,199)</u>	<u>1,991,835</u>	
Other Financing Sources (Uses)						
Interfund transfers in (out)	(1,500)	-	1,500	-	-	
Recovery from government agency	679,025	-	-	679,025	(679,025)	
	<u>677,525</u>	<u>-</u>	<u>1,500</u>	<u>679,025</u>	<u>(679,025)</u>	
Total other financing sources						
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses						
	<u>(103,786)</u>	<u>280,816</u>	<u>(484,204)</u>	<u>(307,174)</u>	<u>307,174</u>	
Change in Net Position						
					1,005,636	1,005,636
Fund Balances/Net Position						
Beginning of year	3,123,255	730,879	4,326,030	8,180,164	-	1,861,313
End of year	<u>\$ 3,019,469</u>	<u>\$ 1,011,695</u>	<u>\$ 3,841,826</u>	<u>\$ 7,872,990</u>	<u>\$ -</u>	<u>\$ 2,866,949</u>

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Harris County Utility District No. 6 (the District) was created by Acts of the 61st Legislature of the State of Texas, Regular Session, 1969. Pursuant to a consolidation agreement approved by the Board of Directors (the Board) of the District and Harris County Utility District No. 7, which was approved at an election held May 5, 1973, the districts were consolidated into one district operating under and governed by the provisions of Chapter 51, Texas Water Code and Section 59 of Article XVI of the Texas Constitution. On March 19, 1980, the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the Commission), approved the conversion of the District to a municipal utility district governed by the provisions of Chapter 54, Texas Water Code and Article XVI, Section 59, of the Texas Constitution. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District.

The District is governed by a Board consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-Wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Harris County Utility District No. 6
Notes to Financial Statements
December 31, 2024

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District’s governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District’s Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund

Harris County Utility District No. 6
Notes to Financial Statements
December 31, 2024

balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Investments and Investment Income

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

Harris County Utility District No. 6
Notes to Financial Statements
December 31, 2024

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Any collections on the current year tax levy are deferred and recognized in the subsequent fiscal year. Current year revenues recognized are those taxes collected during the fiscal year for prior years' tax levies, plus any collections received during fiscal 2023 on the 2023 levy.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended December 31, 2024, the tax levied in October 2024 is recorded as receivable and deferred inflows of resources and will be considered earned during the fiscal year ending December 31, 2025. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets, with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives, as follows:

	<u>Years</u>
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45

Deferred Amount on Debt Refundings

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts on bonds during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Harris County Utility District No. 6
Notes to Financial Statements
December 31, 2024

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, generally, it is the District's policy to use restricted resources first.

Reconciliation of Government-Wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 7,472,577
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	62,501
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	22,338
Receivables that are not collected within 60 days after year-end are not reported in the funds.	25,344
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	12,476
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(187,373)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(12,413,904)</u>
Adjustment to fund balances to arrive at net position.	<u>\$ (5,006,041)</u>

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	\$ (307,174)
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense and noncapitalized costs in the current period.	978,906

Harris County Utility District No. 6
Notes to Financial Statements
December 31, 2024

Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	\$ 315,000
Revenues that do not provide current financial resources are not reported as revenues for the funds, but are reported as revenues in the statement of activities.	10,875
Some expenses previously reported in the statement of activities are reported as expenditures in the governmental funds.	<u>8,029</u>
Change in net position of governmental activities.	<u>\$ 1,005,636</u>

Note 2. Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. The District’s deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At December 31, 2024, none of the District’s bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than “A,” insured or collateralized certificates of deposit, and certain bankers’ acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District also invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District’s investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District’s investments in Texas CLASS are reported at net asset value.

Harris County Utility District No. 6
Notes to Financial Statements
December 31, 2024

At December 31, 2024, the District had the following investments and maturities:

Type	Maturities in Years				
	Fair Value	Less Than 1	1-5	5-10	More Than 10
Texas CLASS	\$ 7,448,943	\$ 7,448,943	\$ -	\$ -	\$ -

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pools are presented as investments with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2024, the District’s investments in Texas CLASS were rated “AAAm” by Standard & Poor’s.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet and statement of net position at December 31, 2024, as follows:

Carrying value:	
Deposits	\$ 1,503,176
Investments	<u>7,448,943</u>
Total	<u>\$ 8,952,119</u>

Investment Income

Investment income of \$442,809 for the year ended December 31, 2024, consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurements as of December 31, 2024:

- Pooled investments of \$7,448,943 are valued at fair value per share of the pool’s underlying portfolio.

Note 3. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2024, is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Reclassifications	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	\$ 124,033	\$ -	\$ -	\$ 124,033
Construction in progress	<u>1,916,819</u>	<u>1,078,293</u>	<u>(286,696)</u>	<u>2,708,416</u>
Total capital assets, non-depreciable	<u>2,040,852</u>	<u>1,078,293</u>	<u>(286,696)</u>	<u>2,832,449</u>

Harris County Utility District No. 6
Notes to Financial Statements
December 31, 2024

<u>Governmental Activities (Continued)</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Reclassi- fications</u>	<u>Balances, End of Year</u>
Capital assets, depreciable:				
Water production and distribution facilities	\$ 5,282,570	\$ -	\$ -	\$ 5,282,570
Wastewater collection and treatment facilities	9,049,937	237,769	286,696	9,574,402
Total capital assets, depreciable	<u>14,332,507</u>	<u>237,769</u>	<u>286,696</u>	<u>14,856,972</u>
Less accumulated depreciation:				
Water production and distribution facilities	(4,095,396)	(71,915)	-	(4,167,311)
Wastewater collection and treatment facilities	(5,784,292)	(265,241)	-	(6,049,533)
Total accumulated depreciation	<u>(9,879,688)</u>	<u>(337,156)</u>	<u>-</u>	<u>(10,216,844)</u>
Total governmental activities, net	<u>\$ 6,493,671</u>	<u>\$ 978,906</u>	<u>\$ -</u>	<u>\$ 7,472,577</u>

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended December 31, 2024, were as follows:

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Decreases</u>	<u>Balances, End of Year</u>	<u>Amounts Due in One Year</u>
Bonds payable:				
General obligation bonds	\$ 12,900,000	\$ 315,000	\$ 12,585,000	\$ 330,000
Add premiums on bonds	71,242	10,239	61,003	-
Less discounts on bonds	237,048	4,949	232,099	-
Total governmental activities long-term liabilities	<u>\$ 12,734,194</u>	<u>\$ 320,290</u>	<u>\$ 12,413,904</u>	<u>\$ 330,000</u>

General Obligation Bonds

	<u>Refunding Series 2019</u>	<u>Series 2022</u>
Amounts outstanding, December 31, 2024	\$1,370,000	\$5,530,000
Interest rates	3.00% to 4.00%	4.00% to 5.00%
Maturity dates, serially beginning/ending	March 1, 2025/2030	March 1, 2025/2049
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	March 1, 2025	March 1, 2029

*Or any date thereafter, callable at par plus accrued interest to the date of redemption.

Harris County Utility District No. 6
Notes to Financial Statements
December 31, 2024

	<u>Series 2023</u>
Amount outstanding, December 31, 2024	\$5,685,000
Interest rates	4.00% to 6.50%
Maturity dates, serially beginning/ending	March 1, 2025/2049
Interest payment dates	March 1/ September 1
Callable date*	March 1, 2029

*Or any date thereafter, callable at par plus accrued interest to the date of redemption.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at December 31, 2024:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 330,000	\$ 554,506	\$ 884,506
2026	340,000	540,094	880,094
2027	355,000	526,181	881,181
2028	365,000	511,719	876,719
2029	380,000	496,744	876,744
2030-2034	1,990,000	2,259,238	4,249,238
2035-2039	2,400,000	1,801,968	4,201,968
2040-2044	2,930,000	1,195,335	4,125,335
2045-2049	3,495,000	429,462	3,924,462
	<u>\$ 12,585,000</u>	<u>\$ 8,315,247</u>	<u>\$ 20,900,247</u>
Total	<u>\$ 12,585,000</u>	<u>\$ 8,315,247</u>	<u>\$ 20,900,247</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Project bonds voted	\$ 39,030,000
Project bonds sold	28,226,379
Refunding bonds voted	4,920,000
Fire plan bonds voted	465,000
Fire plan bonds sold	393,621

Note 5. Significant Bond Resolution and Commission Requirements

(A) The Bond Resolutions require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended December 31, 2024, the District levied an ad valorem debt service tax at the rate of \$0.1720 per \$100 of assessed valuation, which

**Harris County Utility District No. 6
Notes to Financial Statements
December 31, 2024**

resulted in a tax levy of \$1,243,676 on the taxable valuation of \$723,067,548 for the 2024 tax year. The interest and principal requirements to be paid from the tax revenues and other available resources are \$884,506.

(B) In accordance with the Series 2022 and Series 2023 Bond Resolutions, a portion of the bond proceeds were deposited into the debt service fund and reserved for the payment of bond interest during the construction period. This bond interest reserve is reduced as the interest is paid. The bond interest reserve of \$186,329 was fully utilized in the current year.

Note 6. Maintenance Taxes

At an election held September 14, 2002, voters authorized a maintenance tax not to exceed \$0.30 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended December 31, 2024, the District levied an ad valorem maintenance tax at the rate of \$0.1100 per \$100 of assessed valuation, which resulted in a tax levy of \$795,374 on the taxable valuation of \$723,067,548 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7. Financing and Operation of Regional Facilities

The District entered into an agreement on March 20, 1973 (amended December 11, 1975, July 25, 1978, January 11, 1983, May 19, 1998, and November 14, 2017), with Jackrabbit Road Public Utility District (Jackrabbit Road) for construction and operational cost sharing of waste treatment facilities located within Jackrabbit Road, whereby Jackrabbit Road agreed to provide, or cause to be provided, waste treatment and disposal services for the participants. Jackrabbit Road has oversight responsibilities and holds title for the benefit of the participating districts. Construction costs were based on the pro rata share of capacity acquired by the districts. The District has contributed approximately \$975,000 for its share of construction costs in prior years.

Each participant’s capacity, including the District, Jackrabbit Road, Barker-Cypress Municipal Utility District (Barker-Cypress), Harris County Municipal Utility District No. 183 (District No. 183), Harris County Municipal Utility District No. 136 (District No. 136) and Harris County Municipal Utility District No. 276 (District No. 276) and percent of ownership is as follows:

Participants	Gallons-per-day Capacity	Percent
The District	1,552,000	30.43
Barker-Cypress	1,115,000	21.86
Jackrabbit Road	1,100,500	21.59
District No. 183	635,000	12.45
District No. 136	500,000	9.80
District No. 276	197,500	3.87
Totals	5,100,000	100.00

Jackrabbit Road operates the regional facilities. Cost sharing is based on the amount of treatment capacity acquired by each district. The agreement continues until January 11, 2053. The District’s share of operational costs for the year was \$551,541. The District has contributed \$199,287 as its share of a two-month operating reserve.

Harris County Utility District No. 6
Notes to Financial Statements
December 31, 2024

The following represents condensed audited financial information of the governmental fund of the facility, as of and for the year ended July 31, 2024:

Total assets	<u>\$ 882,881</u>
Total liabilities	\$ 148,840
Total fund balance	<u>734,041</u>
 Total liabilities and fund balance	 <u>\$ 882,881</u>
Total revenues	\$ 1,803,634
Total expenditures	<u>(1,803,634)</u>
 Excess revenues	 <u>\$ -</u>

Note 8. Emergency Water Supply Agreement

On August 13, 1975, the District entered into an Emergency Water Supply Agreement with Jackrabbit Road, amended on July 21, 2015. The price of water furnished under this agreement shall be determined by adding \$1.00 to the then current West Harris County Regional Water Authority (the Authority) surface water fee per 1,000 gallons. During the current year, the District did not receive any water from Jackrabbit Road in connection with this agreement.

Note 9. Strategic Partnership Agreement

The District entered into a Strategic Partnership Agreement (the SPA) with City of Houston (the City) effective December 2, 2002, as amended May 8, 2012. Pursuant to the terms of the SPA, the City annexed the District for limited purposes. The SPA provides for the levy of City sales tax (currently \$0.01) on qualifying retail sales in the District and payment to the District of 50% of the sales tax revenue collected by the City from sales tax collected from entities located within the boundaries of the District. The District will continue to provide water, sewer and drainage services to all properties within its boundaries. The City has also agreed not to annex the District for full purposes without the consent of the District during the 30-year term of the amendment to the SPA. During the year ended December 31, 2024, the District recorded revenues of \$270,949 related to this agreement.

Note 10. Regional Water Authority

The District is within the boundaries of the West Harris County Regional Water Authority (the Authority), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal. As of December 31, 2024, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells and \$4.35 per 1,000 gallons of surface water received. These amounts are subject to future adjustments.

Note 11. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Note 12. Hurricane Harvey

The Houston area sustained widespread flooding as a result of Hurricane Harvey's landfall along the Texas Gulf Coast on August 25, 2017, and historic levels of rainfall during the succeeding four days. The District sustained material damage at its facilities, including water plant No. 1, water well No. 2 and lift station Nos. 1 and 2, and damages incurred were estimated to be approximately \$3,950,000. The District filed an insurance claim with their insurance provider and a claim with the Federal Emergency Management Agency (FEMA). During prior years, the District received \$1,000,000 from the insurance company towards repairs and \$59,902 from FEMA. During the current year, the District received a total of \$679,025 from the Texas Division of Emergency Management towards repairs.

Supplementary Information

**Harris County Utility District No. 6
 Budgetary Comparison Schedule – General Fund
 Year Ended December 31, 2024**

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 821,800	\$ 802,180	\$ (19,620)
City of Houston rebates	284,600	270,715	(13,885)
Water service	572,900	588,532	15,632
Sewer service	446,600	566,049	119,449
Surface water fees	1,362,572	1,243,238	(119,334)
Penalty and interest	65,400	71,109	5,709
Tap connection and inspection fees	7,500	-	(7,500)
Investment income	157,400	159,957	2,557
Other income	1,000	2,175	1,175
	<u>3,719,772</u>	<u>3,703,955</u>	<u>(15,817)</u>
Total revenues			
Expenditures			
Service operations:			
Purchased services	2,042,918	1,809,496	233,422
Regional water authority	-	23,577	(23,577)
Professional fees	148,000	209,445	(61,445)
Contracted services	256,500	301,923	(45,423)
Utilities	69,500	58,851	10,649
Repairs and maintenance	870,800	1,130,451	(259,651)
Other expenditures	169,227	186,604	(17,377)
Tap connections	5,000	-	5,000
Capital outlay	1,592,320	761,164	831,156
Debt service, debt issuance costs	-	3,755	(3,755)
	<u>5,154,265</u>	<u>4,485,266</u>	<u>668,999</u>
Total expenditures			
Deficiency of Revenues Over Expenditures	<u>(1,434,493)</u>	<u>(781,311)</u>	<u>653,182</u>
Other Financing Sources (Uses)			
Interfund transfers out	-	(1,500)	(1,500)
Recovery from governmental agency	229,108	679,025	449,917
	<u>229,108</u>	<u>677,525</u>	<u>448,417</u>
Total other financing sources			
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(1,205,385)</u>	<u>(103,786)</u>	<u>1,101,599</u>
Fund Balance, Beginning of Year	<u>3,123,255</u>	<u>3,123,255</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,917,870</u>	<u>\$ 3,019,469</u>	<u>\$ 1,101,599</u>

Harris County Utility District No. 6
Notes to Required Supplementary Information
December 31, 2024

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during 2024.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Supplementary Information

Harris County Utility District No. 6
Other Schedules Included Within This Report
December 31, 2024

(Schedules included are checked or explanatory notes provided for omitted schedules.)

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 11-22
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-Term Debt Service Requirements by Years
- [X] Changes in Long-Term Bonded Debt
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund –
Five Years
- [X] Board Members, Key Personnel and Consultants

**Harris County Utility District No. 6
Schedule of Services and Rates
Year Ended December 31, 2024**

1. Services provided by the District:

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input checked="" type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input checked="" type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) | | |
| <input type="checkbox"/> Other _____ | | |

2. Retail service providers

a. Retail rates for a 5/8" meter (or equivalent):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate Per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>
Water:	\$ 12.00	5,000	N	\$ 1.50 \$ 2.00	5,001 to 10,000 10,001 to No Limit
Wastewater:	\$ 15.00	-	Y		
Regional water fee:	\$ 4.785	1	N	\$ 4.785	1 to No Limit
Conservation charge:	\$ 10.00 (over 15,000 gallons)				

Does the District employ winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage (including fees): Water \$ 67.35 Wastewater \$ 15.00

b. Water and wastewater retail connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC*</u>
Unmetered	-	-		-
≤ 3/4"	2,463	2,431	x1.0	2,431
1"	32	32	x2.5	80
1 1/2"	25	25	x5.0	125
2"	50	49	x8.0	392
3"	5	5	x15.0	75
4"	5	5	x25.0	125
6"	2	2	x50.0	100
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	2,582	2,549		3,328
Total wastewater	2,544	2,511	x1.0	2,511

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	294,364
Gallons billed to customers:	263,003
Water accountability ratio (gallons billed/gallons pumped):	89.35%

*"ESFC" means equivalent single-family connections

**Harris County Utility District No. 6
Schedule of General Fund Expenditures
Year Ended December 31, 2024**

Personnel (including benefits)		\$ -
Professional Fees		
Auditing	\$ 21,000	
Legal	116,591	
Engineering	71,854	
Financial advisor	-	209,445
Purchased Services for Resale		
Bulk water and wastewater service purchases		1,809,496
Regional Water Authority		23,577
Contracted Services		
Bookkeeping	76,327	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	225,596	301,923
Utilities		58,851
Repairs and Maintenance		1,130,451
Administrative Expenditures		
Directors' fees	24,217	
Office supplies	55,147	
Insurance	27,830	
Other administrative expenditures	79,410	186,604
Capital Outlay		
Capitalized assets	608,616	
Expenditures not capitalized	152,548	761,164
Debt Service		
Debt issuance costs		3,755
Tap Connection Expenditures		-
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
Total expenditures		<u><u>\$ 4,485,266</u></u>

**Harris County Utility District No. 6
Schedule of Temporary Investments
December 31, 2024**

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
General Fund				
Texas CLASS	4.65%	Demand	\$ 2,416,208	\$ -
Debt Service Fund				
Texas CLASS	4.65%	Demand	1,009,136	-
Capital Projects Fund				
Texas CLASS	4.65%	Demand	4,001,496	-
Texas CLASS	4.65%	Demand	22,103	-
			<u>4,023,599</u>	<u>-</u>
Totals			<u>\$ 7,448,943</u>	<u>\$ -</u>

**Harris County Utility District No. 6
 Analysis of Taxes Levied and Receivable
 Year Ended December 31, 2024**

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 475,216	\$ 662,368
Additions and corrections to prior years' taxes	<u>(30,728)</u>	<u>(37,176)</u>
Adjusted receivable, beginning of year	<u>444,488</u>	<u>625,192</u>
2024 Original Tax Levy	726,062	1,135,297
Additions and corrections	<u>69,312</u>	<u>108,379</u>
Adjusted tax levy	<u>795,374</u>	<u>1,243,676</u>
Total to be accounted for	1,239,862	1,868,868
Tax collections: Current year	(382,638)	(598,308)
Prior years	<u>(411,976)</u>	<u>(595,203)</u>
Receivable, end of year	<u><u>\$ 445,248</u></u>	<u><u>\$ 675,357</u></u>
Receivable, by Years		
2024	\$ 412,736	\$ 645,368
2023	12,531	18,198
2022	8,153	7,174
2021	5,267	1,674
2020	3,928	1,600
2019	1,117	528
2018	696	371
2017	426	220
2016	171	89
2015	174	102
2014	48	32
2013	1	1
Receivable, end of year	<u><u>\$ 445,248</u></u>	<u><u>\$ 675,357</u></u>

**Harris County Utility District No. 6
Analysis of Taxes Levied and Receivable
Year Ended December 31, 2024**

(Continued)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Property Valuations				
Land	\$ 187,404,837	\$ 187,302,731	\$ 183,618,250	\$ 181,728,692
Improvements	644,696,718	637,697,170	561,570,116	468,709,025
Personal property	29,363,762	26,076,833	26,449,167	20,824,618
Exemptions	<u>(138,397,769)</u>	<u>(127,503,395)</u>	<u>(116,892,015)</u>	<u>(108,530,769)</u>
Total property valuations	<u>\$ 723,067,548</u>	<u>\$ 723,573,339</u>	<u>\$ 654,745,518</u>	<u>\$ 562,731,566</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.1720	\$ 0.1670	\$ 0.1100	\$ 0.0429
Maintenance tax rates*	<u>0.1100</u>	<u>0.1150</u>	<u>0.1250</u>	<u>0.1350</u>
Total tax rates per \$100 valuation	<u>\$ 0.2820</u>	<u>\$ 0.2820</u>	<u>\$ 0.2350</u>	<u>\$ 0.1779</u>
Tax Levy	<u>\$ 2,039,050</u>	<u>\$ 2,040,476</u>	<u>\$ 1,538,652</u>	<u>\$ 1,001,100</u>
Percent of Taxes Collected to Taxes Levied**	<u>48%</u>	<u>98%</u>	<u>99%</u>	<u>99%</u>

*Maximum tax rate approved by voters: \$0.30 on September 14, 2002

**Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

**Harris County Utility District No. 6
 Schedule of Long-Term Debt Service Requirements by Years
 December 31, 2024**

Due During Fiscal Years Ending December 31	Refunding Series 2019		
	Principal Due March 1	Interest Due March 1, September 1	Total
2025	\$ 210,000	\$ 39,000	\$ 249,000
2026	215,000	31,575	246,575
2027	225,000	24,975	249,975
2028	230,000	18,150	248,150
2029	240,000	11,100	251,100
2030	250,000	3,750	253,750
Totals	<u>\$ 1,370,000</u>	<u>\$ 128,550</u>	<u>\$ 1,498,550</u>

Harris County Utility District No. 6
 Schedule of Long-Term Debt Service Requirements by Years
 December 31, 2024

(Continued)

Due During Fiscal Years Ending December 31	Series 2022		
	Principal Due March 1	Interest Due March 1, September 1	Total
2025	\$ 65,000	\$ 261,950	\$ 326,950
2026	65,000	258,700	323,700
2027	65,000	255,450	320,450
2028	65,000	252,200	317,200
2029	70,000	248,825	318,825
2030	70,000	245,675	315,675
2031	180,000	240,675	420,675
2032	190,000	233,156	423,156
2033	200,000	224,988	424,988
2034	210,000	216,275	426,275
2035	220,000	207,000	427,000
2036	230,000	197,013	427,013
2037	240,000	186,287	426,287
2038	250,000	174,956	424,956
2039	260,000	163,000	423,000
2040	270,000	150,413	420,413
2041	280,000	137,000	417,000
2042	290,000	122,750	412,750
2043	300,000	108,000	408,000
2044	310,000	92,750	402,750
2045	320,000	77,000	397,000
2046	330,000	60,750	390,750
2047	340,000	44,000	384,000
2048	350,000	26,750	376,750
2049	360,000	9,000	369,000
Totals	\$ 5,530,000	\$ 4,194,563	\$ 9,724,563

Harris County Utility District No. 6
 Schedule of Long-Term Debt Service Requirements by Years
 December 31, 2024

(Continued)

Due During Fiscal Years Ending December 31	Series 2023		
	Principal Due March 1	Interest Due March 1, September 1	Total
2025	\$ 55,000	\$ 253,556	\$ 308,556
2026	60,000	249,819	309,819
2027	65,000	245,756	310,756
2028	70,000	241,369	311,369
2029	70,000	236,819	306,819
2030	75,000	233,044	308,044
2031	200,000	227,543	427,543
2032	200,000	219,544	419,544
2033	205,000	211,444	416,444
2034	210,000	203,144	413,144
2035	220,000	194,407	414,407
2036	230,000	185,125	415,125
2037	240,000	175,280	415,280
2038	250,000	164,869	414,869
2039	260,000	154,031	414,031
2040	270,000	142,600	412,600
2041	285,000	130,459	415,459
2042	295,000	117,588	412,588
2043	310,000	103,975	413,975
2044	320,000	89,800	409,800
2045	335,000	75,062	410,062
2046	350,000	59,431	409,431
2047	365,000	42,897	407,897
2048	370,000	25,900	395,900
2049	375,000	8,672	383,672
Totals	\$ 5,685,000	\$ 3,992,134	\$ 9,677,134

Harris County Utility District No. 6
 Schedule of Long-Term Debt Service Requirements by Years
 December 31, 2024

(Continued)

Due During Fiscal Years Ending December 31	Annual Requirements For All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	\$ 330,000	\$ 554,506	\$ 884,506
2026	340,000	540,094	880,094
2027	355,000	526,181	881,181
2028	365,000	511,719	876,719
2029	380,000	496,744	876,744
2030	395,000	482,469	877,469
2031	380,000	468,218	848,218
2032	390,000	452,700	842,700
2033	405,000	436,432	841,432
2034	420,000	419,419	839,419
2035	440,000	401,407	841,407
2036	460,000	382,138	842,138
2037	480,000	361,567	841,567
2038	500,000	339,825	839,825
2039	520,000	317,031	837,031
2040	540,000	293,013	833,013
2041	565,000	267,459	832,459
2042	585,000	240,338	825,338
2043	610,000	211,975	821,975
2044	630,000	182,550	812,550
2045	655,000	152,062	807,062
2046	680,000	120,181	800,181
2047	705,000	86,897	791,897
2048	720,000	52,650	772,650
2049	735,000	17,672	752,672
Totals	<u>\$ 12,585,000</u>	<u>\$ 8,315,247</u>	<u>\$ 20,900,247</u>

**Harris County Utility District No. 6
Changes in Long-Term Bonded Debt
Year Ended December 31, 2024**

	Bond Issues			Totals
	Refunding Series 2019	Series 2022	Series 2023	
Interest rates	3.00% to 4.00%	4.00% to 5.00%	4.00% to 6.50%	
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1	
Maturity dates	March 1, 2025/2030	March 1, 2025/2049	March 1, 2025/2049	
Bonds outstanding, beginning of current year	\$ 1,570,000	\$ 5,595,000	\$ 5,735,000	\$ 12,900,000
Retirements, principal	200,000	65,000	50,000	315,000
Bonds outstanding, end of current year	<u>\$ 1,370,000</u>	<u>\$ 5,530,000</u>	<u>\$ 5,685,000</u>	<u>\$ 12,585,000</u>
Interest paid during current year	<u>\$ 47,200</u>	<u>\$ 265,200</u>	<u>\$ 256,969</u>	<u>\$ 569,369</u>

Paying agent's name and address:

Series 2019 - The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Series 2022 - The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Series 2023 - The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Bond authority:

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	\$ 39,030,000	\$ 465,000	\$ 4,920,000
Amount issued	\$ 28,226,379	\$ 393,621	\$ -
Remaining to be issued	<u>\$ 10,803,621</u>	<u>\$ 71,379</u>	<u>\$ 4,920,000</u>

Debt service fund cash and temporary investment balances as of December 31, 2024: \$ 2,014,426

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 836,010

**Harris County Utility District No. 6
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended December 31,**

	Amounts				
	2024	2023	2022	2021	2020
General Fund					
Revenues					
Property taxes	\$ 802,180	\$ 792,365	\$ 747,007	\$ 696,772	\$ 634,895
City of Houston rebates	270,715	276,640	293,708	288,188	252,329
Water service	588,532	559,884	565,462	518,732	518,246
Sewer service	566,049	439,963	434,053	425,491	436,103
Surface water fees	1,243,238	1,355,962	1,309,390	985,278	961,645
Penalty and interest	71,109	65,984	56,931	34,088	29,212
Tap connection and inspection fees	-	23,533	8,656	5,436	3,696
Investment income	159,957	178,870	63,318	3,401	26,959
Other income	2,175	946	2,410	864	9,152
Total revenues	3,703,955	3,694,147	3,480,935	2,958,250	2,872,237
Expenditures					
Service operations:					
Purchased services	1,809,496	1,813,067	1,737,879	1,496,902	1,379,049
Regional water authority	23,577	114,471	109,694	48,724	120,931
Professional fees	209,445	143,602	144,446	169,486	120,423
Contracted services	301,923	244,976	250,634	217,547	233,751
Utilities	58,851	67,238	65,968	58,915	60,620
Repairs and maintenance	1,130,451	848,198	1,020,943	542,761	523,168
Other expenditures	186,604	153,111	154,638	171,689	155,271
Tap connections	-	-	-	-	4,734
Capital outlay	761,164	749,831	309,860	800,844	280,350
Debt service, debt issuance cost	3,755	6,702	-	21,446	-
Total expenditures	4,485,266	4,141,196	3,794,062	3,528,314	2,878,297
Deficiency of Revenues Over Expenditures	(781,311)	(447,049)	(313,127)	(570,064)	(6,060)
Other Financing Sources (Uses)					
Interfund transfers in (out)	(1,500)	21,447	-	-	-
Recovery from governmental agency	679,025	-	-	-	7,374
Total other financing sources	677,525	21,447	-	-	7,374
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(103,786)	(425,602)	(313,127)	(570,064)	1,314
Fund Balance, Beginning of Year	3,123,255	3,548,857	3,861,984	4,432,048	4,430,734
Fund Balance, End of Year	\$ 3,019,469	\$ 3,123,255	\$ 3,548,857	\$ 3,861,984	\$ 4,432,048
Total Active Retail Water Connections	2,549	2,541	2,560	2,560	2,544
Total Active Retail Wastewater Connections	2,511	2,502	2,520	2,522	2,505

Percent of Fund Total Revenues

<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
21.6 %	21.4 %	21.5 %	23.6 %	22.1 %
7.3	7.5	8.4	9.7	8.8
15.9	15.2	16.2	17.5	18.1
15.3	11.9	12.5	14.4	15.2
33.6	36.7	37.6	33.3	33.5
1.9	1.8	1.6	1.2	1.0
-	0.6	0.3	0.2	0.1
4.3	4.8	1.8	0.1	0.9
0.1	0.1	0.1	0.0	0.3
100.0	100.0	100.0	100.0	100.0
48.9	49.1	49.9	50.6	48.0
0.6	3.1	3.2	1.7	4.2
5.7	3.9	4.2	5.7	4.2
8.1	6.6	7.2	7.4	8.1
1.6	1.8	1.9	2.0	2.1
30.5	23.0	29.3	18.3	18.2
5.0	4.1	4.4	5.8	5.4
-	-	-	-	0.2
20.6	20.3	8.9	27.1	9.8
0.1	0.2	-	0.7	-
121.1	112.1	109.0	119.3	100.2
(21.1) %	(12.1) %	(9.0) %	(19.3) %	(0.2) %

**Harris County Utility District No. 6
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended December 31,**

	Amounts				
	2024	2023	2022	2021	2020
Debt Service Fund					
Revenues					
Property taxes	\$ 1,161,848	\$ 695,763	\$ 238,565	\$ 284,345	\$ 300,602
Penalty and interest	32,265	22,772	23,878	17,551	19,956
Investment income	59,164	40,890	2,451	319	1,001
Total revenues	<u>1,253,277</u>	<u>759,425</u>	<u>264,894</u>	<u>302,215</u>	<u>321,559</u>
Expenditures					
Current:					
Professional fees	11,342	7,663	9,330	4,741	7,170
Contracted services	59,854	54,219	48,983	48,212	47,566
Other expenditures	14,572	13,316	11,937	9,364	7,782
Debt service:					
Principal retirement	315,000	185,000	180,000	175,000	150,000
Interest and fees	571,693	351,598	62,050	69,219	65,887
Total expenditures	<u>972,461</u>	<u>611,796</u>	<u>312,300</u>	<u>306,536</u>	<u>278,405</u>
Excess (Deficiency) of Revenues Over Expenditures	280,816	147,629	(47,406)	(4,321)	43,154
Other Financing Sources					
General obligation bonds issued	-	243,738	237,788	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	280,816	391,367	190,382	(4,321)	43,154
Fund Balance, Beginning of Year	<u>730,879</u>	<u>339,512</u>	<u>149,130</u>	<u>153,451</u>	<u>110,297</u>
Fund Balance, End of Year	<u>\$ 1,011,695</u>	<u>\$ 730,879</u>	<u>\$ 339,512</u>	<u>\$ 149,130</u>	<u>\$ 153,451</u>

Percent of Fund Total Revenues

<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
92.7 %	91.6 %	90.1 %	94.1 %	93.5 %
2.6	3.0	9.0	5.8	6.2
<u>4.7</u>	<u>5.4</u>	<u>0.9</u>	<u>0.1</u>	<u>0.3</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.9	1.0	3.5	1.6	2.2
4.8	7.1	18.5	15.9	14.8
1.2	1.8	4.5	3.1	2.4
25.1	24.4	68.0	57.9	46.7
<u>45.6</u>	<u>46.3</u>	<u>23.4</u>	<u>22.9</u>	<u>20.5</u>
<u>77.6</u>	<u>80.6</u>	<u>117.9</u>	<u>101.4</u>	<u>86.6</u>
<u>22.4 %</u>	<u>19.4 %</u>	<u>(17.9) %</u>	<u>(1.4) %</u>	<u>13.4 %</u>

**Harris County Utility District No. 6
Board Members, Key Personnel and Consultants
Year Ended December 31, 2024**

Complete District mailing address:	Harris County Utility District No. 6 c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027
District business telephone number:	713.860.6400
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	February 18, 2025
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

<u>Board Members</u>	<u>Term of Office Elected & Expires</u>	<u>Fees*</u>	<u>Expense Reimbursements</u>	<u>Title at Year-End</u>
Rebecca L. Watkins	Elected 05/24- 05/28	\$ 5,304	\$ 1,643	President
John J. Sugg	Elected 05/22- 05/26	3,315	87	Vice President
Don Durgin	Elected 05/24- 05/28	4,862	2,570	Secretary
Anne Grzanka	Elected 05/24- 05/28	7,200	3,783	Assistant Vice President
Robert W. Schmitz	Elected 05/22- 05/26	3,536	52	Assistant Secretary

*Fees are the amounts actually paid to a director during the District's fiscal year.

**Harris County Utility District No. 6
Board Members, Key Personnel and Consultants
Year Ended December 31, 2024**

(Continued)

Consultants	Date Hired	Fees and Expense Reimbursements	Title
AECOM Technical Services	08/04/72	\$ 280,468	Engineer
Allen Boone Humphries Robinson LLP	07/28/03	132,465	General Counsel
Forvis Mazars, LLP	11/19/85	21,000	Auditor
Harris Central Appraisal District	Legislative Action	16,850	Appraiser
Inframark, LLC	06/27/12	1,628,026	Operator
Masterson Advisors LLC	05/15/18	-	Financial Advisor
Municipal Accounts & Consulting, L.P.	04/17/18	81,742	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	04/01/92	11,342	Delinquent Tax Attorney
Tax Tech, Incorporated	08/22/86	57,168	Tax Assessor/ Collector
Investment Officers			
Mark Burton and Ghia Lewis	08/21/18	N/A	Bookkeepers