

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
September 9, 2020

The Board of Directors of Harris County Municipal Utility District No. 401 met by teleconference on September 9, 2020, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

Blair Fesler, President
Mark Atchison, Vice-President
Santee Wright, Secretary
Raul Solis, Assistant Vice President/Secretary
Jordan Thomas, Assistant Vice President/Secretary

and all of said persons were present, thus constituting a quorum.

Also present via teleconference were Jeff Vogler and Andres Aranzales of Van De Wiele and Vogler, Inc. (“VDWV”); Scott Shelnett of Municipal Operations & Consulting, Inc. (“MOC”); Debbie Shelton of Masterson Advisors LLC (“Masterson”); Shannon Waugh and Thomas Pope of Off Cinco (“Off Cinco”); Jeremy Roach of Apollo IT Consulting, Inc. (“Apollo”); Simon VanDyk of Touchstone District Services (“Touchstone”); Ren Nelson of AVR; and Kara Richardson of Marks Richardson PC (“MRPC”) and Miranda Jones Rajevac of MRPC.

The President called the meeting to order.

PUBLIC COMMENT

The Board deferred comments from the public, as no members of the public wished to speak.

REVIEW AND APPROVE PROPOSALS FOR WEBSITE MAINTENANCE

The Board next considered the review and approval of proposals for website design and maintenance for the District. Ms. Waugh introduced herself to the Board and presented the attached proposal for website design and maintenance. She reviewed various options for website design layouts ranging from \$1,500 to \$3,000, monthly hosting services and website maintenance. She also presented a draft Contract and executed TEC Form 1295 from Off Cinco. Ms. Waugh then discussed additional services offered by Off Cinco including, email message alerts, text message alerts and other services like logo design, photography and online document storage. The Board then asked various questions regarding options and services.

Ms. Waugh disconnected from the call at this time.

Mr. Roach connected to the call at this time.

Mr. Roach introduced himself to the Board and presented the attached proposal for website design and maintenance. He discussed the costs for building a basic website for \$900 plus a

monthly hosting fee of \$50. Mr. Roach then discussed optional services offered by Apollo including, photography, professional email, and district logo/seal creation. He also presented a draft Contract and executed TEC Form 1295 from Apollo. The Board then asked various questions regarding options and services.

Mr. Roach disconnected from the call at this time.

Mr. VanDyk connected to the call at this time.

Mr. VanDyk introduced himself to the Board and presented the attached proposal for website design and maintenance. He discussed the costs for building a customized website for \$2,750 plus a monthly hosting fee of \$200. Mr. VanDyk then discussed customized services offered by Touchstone including, an emergency text alert system. He also discussed in detail his history as a MUD board member and a member on an Association of Water Board Directors committee. Mr. VanDyk then presented a draft Contract and executed TEC Form 1295 from Touchstone District Services. The Board then asked various questions regarding options and services.

Mr. VanDyk disconnected from the call at this time.

DISCUSS MASS COMMUNICATION SYSTEM FOR THE DISTRICT

The Board next discussed a mass communication system for the District. Ms. Nelson introduced herself to the Board and discussed Iris, a communication system offered by AVR, the billing system used by MOC. She stated that Iris is already integrated with AVR's billing system and is \$225 per month. She discussed various options for the communication system. Ms. Nelson stated that MOC would be the point of contact for any questions or issues with Iris. The Board then asked various questions regarding options and services.

DISCUSS CONSTRUCTION OF NEW WATER WELL

The Board next discussed the construction of a new water well. Mr. Vogler presented the attached handout and discussed the options for the construction of a remote well to maintain required pumping capacity. He discussed the three (3) aquifers in the area and the potential costs and benefits of same. Ms. Richardson stated that in the District's last bond issue, the Texas Commission on Environmental Quality ("TCEQ") approved approximately \$4,000,000 for the expansion of the Water Plant, but the District decided not to move forward with the project and never sold the Bonds related to the project. She stated that the District could ask the TCEQ for a change in scope to utilize those funds for the water well.

Ms. Shelton next presented a Cash Flow Analysis and Operating Account handout for a proposed bond issue amount of \$3,260,000 to finance the costs of the proposed water well and site acquisition. She also presented a Cash Flow Analysis and Operating Account handout for a proposed bond issue amount of \$3,925,000 which includes funds for the water main loop currently in design.

APPROVE APPLICATION TO TCEQ FOR CHANGE IN SCOPE OF PROJECT

The Board considered approval of an Application to the TCEQ for Change in Scope of Project relative to the Series 2020 Bonds. The Board discussed submitting an Application for the construction of a new water well and including the Water Main Loop project. After discussion, Director Thomas made a motion to authorize MRPC and VDWV to submit an Application to the TCEQ for a Change in Scope of Project to redirect the funds allocated to the expansion of the wastewater treatment plant in the Series 2020 Bonds for the construction of a new water well and the Water Main Loop project, and to authorize the President and Secretary to execute the Resolution Authorizing the Application to the TCEQ on behalf of the Board and the District. Director Atchison seconded the motion, which unanimously carried.

APPROVE OFFICIAL INTENT RESOLUTION

The Board next considered the approval of an Official Intent Resolution. Ms. Richardson stated that the Resolution will allow for the District to utilize funds from the District's operating account to pay construction costs, land acquisition costs and engineering fees related to the water well project and the water main loop project and to reimburse the operating account with bond funds after the closing on the bonds. After discussion, Director Thomas made a motion to approve an Official Intent Resolution, as discussed above, and to authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Atchison seconded the motion, which unanimously carried.

The Board next requested that amendment to the District's Rate Order be added to the agenda for the next meeting.

Mr. Vogler, Mr. Aranzales, Ms. Shelton and Mr. Shelnuttt disconnected from the call at this time.

APPROVAL OF PROPOSALS FOR WEBSITE DESIGN AND MAINTENANCE

The Board next considered approval of proposals for website design and maintenance. Director Fesler stated that he is against a website for the District due to the initial costs, maintenance costs and the updates needed. Director Atchison stated that he is in favor of a website for the District as he does not believe it is too expensive and thinks it will benefit the community. Director Thomas stated that he is against a website because it is too costly, and he does not believe residents will utilize a website. Director Wright stated that she believes there is a benefit to the community for having a website. Director Solis stated that information needs to be disseminated to residents and believes starting with a mass communication system would be a good start. Director Fesler stated that he is okay with a mass communication system. The Board noted that Off Cinco, Touchstone and AVR provide a mass communication system. The Board concurred to defer action on the matter until the next meeting to allow the Board members to research the matter further.

DISCUSS SEPTEMBER BOARD MEETING

The Board next discussed the September Board meeting. The Board concurred to hold an in-person meeting for the regular Board meeting on September 21, 2020 and allow Consultants

and members of the public to decide between attending in person or via teleconference. Ms. Richardson stated that MRPC will contact Staybridge Suites to reserve the meeting space.

ITEMS FOR FUTURE AGENDAS

The Board next considered items for future agendas.

ADJOURN

There being no further business to come before the Board, the meeting was adjourned.

A handwritten signature in blue ink that reads "Sandee Wright". The signature is written in a cursive style.

63C1EB1DE83E403

Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
September 9, 2020

- A. Off Cinco proposal
- B. Apollo proposal
- C. Touchstone proposal
- D. Remote Well map handout
- E. Summary of Costs
- F. Cash Flow Analyses and Operating Account handout