

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
August 17, 2020

The Board of Directors of Harris County Municipal Utility District No. 401 met by teleconference on August 17, 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"); Mike Scott of Champions Hydro-Lawn, Inc. ("Champions"); Stephanie Viator of District Data Services, Inc. ("DDSI"); Sergeant Hight of the Harris County Precinct Four Constable's Office ("HCCO"); Todd Art, Chris Cantu, Robert Gillette, Laura Naveratte, Rajin Drummond and Lance King, residents; and Kara Richardson of Marks Richardson PC ("MRPC") and Miranda Jones Rajevac of MRPC.

The President called the meeting to order.

SECURITY PATROL

As the first order of business, the Board considered the report from the HCCO regarding security services in the District. Sergeant Hight reviewed the July 2020 Patrol Statistics, a copy of which is attached hereto as Exhibit A. He stated that Captain Hoover has been added to the District's contract.

Director Fesler reviewed correspondence received from Harris County regarding a 2.5% increase to security patrol contract rates to account for higher benefits costs and salary increases beginning March 1, 2021.

PUBLIC COMMENT

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

APPROVE MINUTES

The Board next considered approval of the minutes of the Board meetings held on May 29, 2020 and July 20, 2020. After discussion, Director Thomas made a motion to approve the minutes of the meeting of July 20, 2020, as presented, and defer approval of the minutes of the meeting on May 29, 2020. Director Solis seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated August 17, 2020, a copy of which is attached hereto as Exhibit B. After discussion, Director Atchison made a motion to approve the bookkeeper's report and to authorize payment for the invoices listed therein. Director Thomas seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

The Board next deferred consideration of the tax assessor-collector's report until later in the meeting.

DEVELOPER'S REPORTS

The Board next deferred consideration of the developer's report as no developer was present at the meeting.

FACILITY SITE MAINTENANCE

Mr. Scott presented and reviewed a detention and drainage facilities report from Champions dated August 17, 2020, a copy of which is attached hereto as Exhibit C.

Director Atchison asked Mr. Scott about the status of de-silting the detention ponds. Mr. Scott stated that the de-silting is in process and coming along nicely.

ENGINEER'S REPORT

Mr. Aranzales presented and reviewed the Engineer's Report, attached hereto as Exhibit D, and reviewed the items listed therein with the Board.

Mr. Aranzales next reported on the status of the Water Main Loop. He reported that VDWV is preparing design plans and anticipates advertising for bids in November.

Mr. Aranzales next reported on the approval of plans for the installation of additional fencing in the District. He stated that VDWV is awaiting board action relative to the iron fence extension at Wixford Lane. Mr. Aranzales reported that VDWV received approval from Enterprise Pipeline for the fifty-foot (50') easement encroachment. He also reported that the Harris County Flood Control District is preparing an Interlocal Agreement for the pipe rail barrier across the Willow Creek right-of-way. Mr. Aranzales then requested that the Board authorize VDWV to solicit bids for the Inverness/Albury Trails fencing project. After discussion, Director Atchison made a motion to authorize VDWV to solicit bids for the Inverness/Albury Trails fencing project. Director Solis seconded the motion, which unanimously carried.

Mr. Aranzales reported on the status of construction contract with Site Work Contractors LLC ("SWC") for sidewalk modifications at Inverness Crossing Blvd and Fanwick Drive. He stated that a Notice to Proceed was issued August 10, 2020. He noted that SWC anticipates mobilizing on August 17, 2020.

Mr. Aranzales next reported on the status of the construction contract with TER Septic Site & Utilities LLC (“TER”) for the construction of a driveway extension and culvert outside of the back gate of the WWTP property. He stated that the Notice to Proceed was issued August 12, 2020. He noted that TER anticipates mobilizing on August 14, 2020.

The Board next discussed well production issues. Mr. Vogler reported that the water well is having increased run times causing an increase in gas volumes ultimately reducing the pumping capacity. He stated that the District may need to open the interconnect with Dowdell PUD to supplement the District’s water well. Mr. Vogler stated that the water well is sixteen (16) years old and may need to be pulled in the Fall or Spring to determine if the equipment is worn. He stated that a remote well may be necessary to maintain required pumping capacity in the future. Director Atchison asked about using authorized but unused bond funds for the construction of a new water well. Ms. Richardson discussed the District’s option to apply to the Texas Commission on Environmental Quality (“TCEQ”) for a Change in Scope of Project. The Board requested that an item be added to the agenda for next month to consider same. The Board discussed water pressure issues in the District and triggering the District’s drought contingency plan. Director Thomas asked if there are any low ground storage tank problems. Mr. Shelnutt stated that the District does not have any ground storage tank problems. He also stated that MOC is monitoring the water for any pressure and discoloration issues. The Board further discussed selling bonds to fund the construction of a new water well. The Board requested that an item be added to the agenda for next month’s meeting to discuss same.

Mr. Aranzales reported that VDWV submitted the Emergency Preparedness Plan to the TCEQ.

The Board next deferred approval of a proposal from Lake Management Services, LP for lake aeration for the Inverness Estates and Albury Trails detention ponds until next month’s meeting.

The Board next deferred the review of quotes for storage shed options for the WWTP property.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for July 2020, a copy of which is attached hereto as Exhibit E. He reported that the District accounted for 93% of the water pumped during the month of July and that the District’s facilities operated in compliance with its respective permits during the month.

The Board next discussed the installation of an electric gate at the WWTP. The Board requested that MOC obtain a proposal for an electric gate to help facilitate entry to the WWTP for the Board’s review at next month’s meeting.

Director Thomas reported that he has not yet received a response from HCFCD. He asked Mr. Aranzales if he has a contact at HCFCD that he has worked with in the past. Mr. Aranzales stated that he will provide Director Thomas with his contact at HCFCD.

Mr. Shelnutt next asked how to handle water bills and the disconnection of water service. The Board discussed its plan adopted at last month's meeting. Mr. Shelnutt stated that the door hangers advise that water service will be disconnected in two (2) days. The Board discussed MOC hanging an additional door hanger advising of imminent termination in the event that MOC is unable to contact the customer. The Board agreed that the District will incur the costs of the additional door hanger. After discussion, Director Wright made a motion to 1) authorize MOC to send termination letters to delinquent customers which shall include language directing customers to contact MOC to set-up a payment plan to avoid termination, 2) authorize MOC to hang door-tags advising of water termination, 3) authorize MOC to work with customers to set up payment plans of up to six (6) months in duration, 4) authorize MOC to hang a second door tag if MOC has not made contact with the customer advising of water termination, 5) require customers who are terminated to make the first payment of the payment plan along with the reconnect fee prior to the restoration of service, and 6) appoint Director Thomas to coordinate with MOC and act on behalf of the Board and the District to make decisions regarding customer terminations that have extenuating or special circumstances. Director Atchison seconded the motion, which unanimously carried.

Mr. Shelnutt stated that the District's well usage last week triggered stage 1 of the Drought Contingency Plan and that MOC will be monitoring the situation.

The Board next deferred the review and approval of proposal for a rod iron fence at Wixford Lane.

The Board next considered approval of pressure washing, sanding and painting of the rod iron fence located on Wixford Lane for \$1,300. After discussion, Director Atchison made a motion to approve the proposal for \$1,300 to pressure wash, sandblast and paint the rod iron fence on Wixford Lane. The motion then failed for lack of a second.

The Board next requested that Champions provide a proposal for maintenance of the oleanders. Mr. Scott agreed to obtain a proposal for the Board's review at next month's meeting.

ADOPT DISTRICT RULES REGARDING USE OF CERTAIN DISTRICT PROPERTY AND AUTHORIZE PUBLICATION OF NOTICE

The Board next deferred consideration of the adoption of District rules regarding the use of certain District property until next month's meeting.

DISCUSS WEBSITE, SOCIAL MEDIA PLATFORM AND MASS COMMUNICATION SYSTEM FOR THE DISTRICT

The Board next discussed a website, social media platform and/or mass communication system for the District. The Board discussed obtaining proposals for website design and maintenance. There was a discussion regarding a Facebook page for the District and the implications of same. Ms. Richardson discussed the records retention procedures for having a Facebook page and emphasized the fact that the District must be in control of the page to comply with the Texas Open Meetings Act and Texas Public Information Act. Director Wright stated that she would prefer a mass communication system for the District. Mr. Shelnutt stated that several of his districts use Iris, a communication system offered by AVR, the billing system used by MOC.

Ms. Richardson stated that she will obtain proposals for website design and maintenance from Off Cinco, Apollo IT Consulting and Touchstone District Services. The Board concurred to hold a special meeting on September 9, 2020 at 7:00 p.m. to consider proposals for website design and maintenance and mass communication systems.

ITEMS FOR FUTURE AGENDAS

The Board next considered items for future agendas. Director Thomas asked about the possibility to hold the regular meeting in September in person at the Springhill Suites. Ms. Richardson discussed holding a hybrid meeting with directors and consultants having the choice to attend the meeting in person or via teleconference.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Richardson next recommended that the Board approve the tax assessor-collector's report, attached hereto as Exhibit F, and authorize payment of the checks. After discussion on the report presented, Director Atchison made a motion to approve the tax assessor-collector's report and to authorize payment of the checks listed therein. Director Wright seconded the motion, which carried unanimously.

ADJOURN

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



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Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
August 17, 2020

- A. Patrol Report
- B. Bookkeeper's Report
- C. Detention and Drainage Facilities Report
- D. Engineer's Report
- E. Operations Report
- F. Tax Assessor-Collector Report