

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
June 15, 2020

The Board of Directors of Harris County Municipal Utility District No. 401 met at Staybridge Suites, 10011 Farm to Market Road 2920, Harris County, Texas 77385, and by teleconference on June 15, 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
Sandee 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.

Jeff Vogler and Andres Aranzales of Van De Wiele and Vogler, Inc. ("VDWV") attended the meeting in person at Staybridge Suites. Also present via teleconference were Scott Shelnett of Municipal Operations & Consulting, Inc. ("MOC"); Mike Scott of Champions Hydro-Lawn, Inc. ("Champions"); Robin Goin of Bob Leared Interests, Inc. ("BLI"); Stephanie Viator of District Data Services, Inc. ("DDSI"); Sergeant Hight of the Harris County Precinct Four Constable's Office ("HCCO"); and Kara Richardson of Marks Richardson PC ("MRPC") and Miranda Jones Rajevac of MRPC.

The President called the meeting to order.

APPROVE MINUTES

As the first order of business, the Board considered approval of the minutes of the Board meetings held on May 18, 2020, and May 29, 2020. After discussion, Director Atchison made a motion to approve the minutes of the meeting of May 18, 2020, as presented, and defer approval of the minutes of the meeting on May 29, 2020. Director Thomas seconded the motion, which unanimously carried.

PUBLIC COMMENT

The Board deferred comments from the public, as no members of the public were present.

SECURITY PATROL

The Board next considered the report from the HCCO regarding security services in the District. Director Fesler reviewed the May 2020 Patrol Statistics, a copy of which is attached hereto as Exhibit A.

ACCEPTANCE OF OATHS OF RE-ELECTED DIRECTORS

The Board next considered the acceptance of the Oaths of Office ("Oaths"), Statements of Elected Officer ("Statements") and Elections Not to Disclose Certain Information ("Elections") for Directors Fesler, Wright and Solis. Directors Fesler, Wright and Solis took their respective Oaths and executed their respective Statements and Elections. Ms. Richardson advised that MRPC will file Oaths with the Secretary of State in a timely manner. After discussion, Director Fesler made a motion to accept said Oaths, Statements and Elections for Directors Fesler, Wright and Solis and declare them re-elected for four-year terms. Director Solis seconded the motion, which carried unanimously.

ELECTION OF OFFICERS

The Board next considered the election of officers of the Board of Directors. After discussion, Director Atchison made a motion to re-elect all officers of the Board to the positions that they currently hold. Director Thomas seconded the motion, which carried unanimously.

SOLID WASTE COLLECTION SERVICES

The Board next considered a discussion related to solid waste collection services for the District. No one present had anything new to report. The Board requested that the item be removed from the agenda.

BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated June 15, 2020, a copy of which is attached hereto as Exhibit B. After discussion, Director Thomas made a motion to approve the bookkeeper's report and to authorize payment for the invoices listed therein. Director Atchison seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin next presented and reviewed the tax assessor-collector's report dated May 31, 2020, a copy of which is attached hereto as Exhibit C. After discussion on the report presented, Director Thomas made a motion to approve the tax assessor-collector's report and to authorize payment of the checks listed therein. Director Atchison seconded the motion, which carried unanimously.

AUTHORIZE DELINQUENT TAX COLLECTIONS ATTORNEYS

The Board next considered authorizing Perdue to proceed with the collection of 2019 delinquent taxes, including the filing of lawsuits. After discussion, Director Atchison made a motion to authorize Perdue to proceed with the collection of the District's 2019 and prior years' delinquent tax accounts on July 1, 2020, including filing of lawsuits as necessary. Director Thomas seconded the motion, which carried unanimously.

DEVELOPER'S REPORTS

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

Director Atchison asked about remaining funds to be reimbursed to the District's developers.

FACILITY SITE MAINTENANCE

Mr. Scott presented and reviewed a detention and drainage facilities report from Champions dated June 15, 2020, a copy of which is attached hereto as Exhibit D. He stated that the fencing around the Albury Trails Estates, detention pond D came loose and has been fixed.

The Board next discussed de-silting of ponds. Director Atchison stated that Mr. Shelnett had previously recommended de-silting of the pond located behind the WWTP. Mr. Shelnett discussed de-silting the pond and installing an aerator to allow the pond to function better. Mr. Scott stated that he will obtain proposals for de-silting detention pond D.

Director Wright reported that her son recently noticed a female throwing something that resembled white powder into detention pond D.

ENGINEER'S REPORT

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

Mr. Aranzales reported on the review of bids and award of construction contract for sidewalk modifications at Inverness Crossing Blvd and Fanwick Drive. He stated that VDVW received bids for the project and recommends awarding the contract to the low bidder, Site Work Contractors LLC ("SWC"), with a bid of \$65,391.50. He then presented an executed TEC Form 1295 from SWC. After discussion, Director Atchison made a motion to award the contract to SWC in the amount of \$65,391.50. Director Thomas seconded the motion, with unanimously carried.

Mr. Aranzales next reported on the status of the Water Main Loop. He reported that VDWV is preparing design plans and awaiting topo verification. Mr. Aranzales stated that VDWV will resubmit the plans for agency review. The Board discussed adding a hike and bike trail extension to the current plans so that the access trail to be constructed on top of the waterline easement could connect with the extension to create a looped trail. Ms. Richardson suggested that the extension could be bid as an alternate item with the waterline project. Mr. Aranzales next reviewed the hike and bike trail options, including granite trail with concrete edging for \$111,612.27, granite trail with metal edging for \$96,005.47, asphalt trail for \$82,763.33, and concrete trail for \$156,068.00. The Board discussed the various options and agreed to proceed with a design utilizing concrete for the trail. Mr. Aranzales requested that the Board authorize VDWV to solicit bids for the Water Main Loop project and include the concrete hike and bike trail extension as an alternate bid item. After discussion, Director Atchison made a motion to authorize

VDWV to solicit bids for the Water Main Loop project and include the concrete hike and bike trail extension as an alternate bid item. Director Solis seconded the motion, which unanimously carried.

Mr. Aranzales next reported on the approval of plans for construction of a driveway extension and culvert outside of the back gate of the WWTP property. He reviewed the attached proposal from TER Septic Site & Utilities LLC in the amount of \$8,568.00 for the driveway and culvert work. After discussion, Director Atchison made a motion to approve the proposal from TER Septic Site & Utilities LLC in the amount of \$8,568.00 for the driveway and culvert work. Director Solis seconded the motion, which unanimously carried.

Mr. Aranzales next reviewed a proposal from Lake Management Services, LP for lake aeration for the Inverness Estates and Albury Trails detention ponds.

Mr. Aranzales next reviewed quotes for storage shed options for the WWTP property.

Mr. Aranzales next reported on the approval of plans for the installation of additional fencing in the District. He stated that VDWV staked the property corners for the proposed iron fence extension at Wixford Lane and reviewed photos of same. Mr. Aranzales then stated that VDWV submitted the steel pipe fence plan to the Harris County Flood Control District for approval. He also stated that VDWV requested permission from Enterprise Pipeline to encroach upon its fifty-foot (50') pipeline easement with the proposed chain link fence.

REVIEW PROPOSALS AND AUTHORIZE PURCHASE OF ALL-TERRAIN VEHICLE AND SHED STRUCTURE

The Board next considered proposals for the purchase of an all-terrain vehicle and shed structure for the District. Director Atchison reviewed proposals for the purchase of a six-seater vehicle with roof and truck bed for approximately \$19,000. Ms. Richardson recommended that the vehicle be reviewed and approved by HCCO. Director Atchison stated that the HCCO reviewed the vehicle for utilization purposes. Director Fesler recommended that MRPC research the insurance requirements for such vehicle. The Board deferred action on the matter until next month's meeting to review the proposals and various information further. Director Atchison stated that he will forward all of the information to MRPC.

OPERATIONS REPORT

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

Mr. Shelnutt next requested that the Board authorize MOC to turn one (1) delinquent account (over \$25.00) totaling \$349.22 over to Collections Unlimited ("CU"), as shown on the list attached to the Operator's Report. After discussion, Director Thomas made a motion to authorize MOC to turn over the one (1) subject account to CU, as set out above. Director Wright seconded the motion, which passed unanimously.

Mr. Shelnutt next asked whether to suspend the disconnection of water service for another thirty (30) days. After discussion, Director Atchison made a motion to suspend the disconnection of water service for another thirty (30) days. Director Wright seconded the motion, which carried unanimously.

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

The Board next considered the adoption of District rules regarding the use of certain District property. Ms. Richardson reviewed the attached draft Rules and Regulations for Parks Owned and Operated by the District and draft correspondence to residents regarding implementation of rules and regulations to govern the use of current and future recreational areas owned by the District. She stated that Captain Zitzman has reviewed and approved the Rules and Regulations. Ms. Richardson stated that a notice of adoption will be published in accordance with the requirements for same. After lengthy discussion, the Board deferred action on the matter until next month's meeting.

VOTING SYSTEM ANNUAL FILING FORM

Ms. Richardson next discussed a Voting System Annual Filing Form ("Form") from the Secretary of State's Office. She advised that pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file the Form with the Secretary of State's Office. After discussion, Director Atchison made a motion to approve the Form and authorize MRPC to file same with the Secretary of State's Office. Director Thomas seconded the motion, which carried unanimously.

EXECUTIVE SESSION

The Board next deferred recessing into Executive Session to discuss real property matters pursuant to §551.072, Texas Government Code and pending or contemplated litigation or a settlement offer pursuant to §551.071, Texas Government Code.

RECONVENE IN OPEN SESSION

The Board next deferred taking action relative to real property matters pursuant to §551.072, Texas Government Code and contemplated litigation or a settlement offer pursuant to §551.071, Texas Government Code.

APPROVE AGREED FINAL JUDGMENT RELATIVE TO CONDMENATION OF WATERLINE EASEMENT


The Board next considered approval of the Agreed Final Judgement relative to the condemnation of the waterline easement. Ms. Richardson stated that the Inverness Estates Property Owners Association (the "POA") approved the Final Judgement and upon approval by the District, the Final Judgement will be filed with the Court. After discussion, Director Thomas made a motion to approve the Agreed Final Judgment and authorize filing of same with the Court. Director Solis seconded the motion, which unanimously carried.

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.

DocuSigned by:

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Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
June 15, 2020

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Detention and Drainage Facilities Report
- E. Engineer's Report
- F. Operations Report
- G. Draft Rules and Regulations for Parks Owned and Operated by the District
and draft correspondence to residents