

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
May 17, 2021

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, on May 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
Sandee Wright, Secretary
Raul Solis, Assistant Vice President/Secretary
Jordan Thomas, Assistant Vice President/Secretary

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

Also present were Andres Aranzales of Vogler and Spencer Engineering, Inc. ("V&S"); Scott Shelnutt of Municipal Operations & Consulting, Inc. ("MOC"); Les Griffith of Champions Hydro-Lawn, Inc. ("Champions"); Stephanie Viator of District Data Services ("DDS"); Robin Goin of Bob Leared Interests, Inc. ("BLI"); Debbie Shelton of Masterson Advisors LLC ("Masterson"); Sergeant Barragan of the Harris County Precinct Four Constable's Office ("HCCO"); Mike Brazzell and Roland Massey, residents of the District; and Kara Richardson of Marks Richardson PC ("MRPC").

The Vice President called the meeting to order.

SECURITY PATROL

The Board next considered the report from the HCCO regarding security services in the District. Sergeant Barragan reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit A. He discussed various activity within the District and stated that there was one (1) theft of a motor vehicle and three (3) burglaries of a motor vehicle.

PUBLIC COMMENT

The Board considered comments from the public. Mr. Brazzell asked the Board about the common areas owned by the District. Ms. Richardson explained that certain common areas within the District are owned by the District rather than the POA since the POA is not a tax-exempt entity.

ACCEPTANCE OF RESIGNATION OF DIRECTOR SOLIS

The Board next considered the acceptance of the attached resignation letter from Director Solis. After discussion, the Board concurred to accept and acknowledge the resignation of Director Solis.

APPOINTMENT OF A NEW DIRECTOR

The Board next considered appointment of a new Director to fill the vacancy left by Director Solis. Mr. Massey stated that he would like to serve on the Board of Directors. After discussion, Director Wright made a motion to appoint Roland Massey to the Board of Directors to serve the remainder of the unexpired term of office of Raul Solis. Director Thomas seconded the motion, which carried unanimously.

ACCEPTANCE OF QUALIFICATION STATEMENT, OATH OF OFFICE, AFFIDAVIT OF CURRENT RESIDENT AND ELECTION NOT TO DISCLOSE CERTAIN INFORMATION

The Board next considered acceptance of a Qualification Statement, Oath of Office, Affidavit of Current Resident, and Election Not to Disclose Certain Information by Mr. Massey. Mr. Massey executed the Qualification Statement and took his oath of office. After discussion, Director Wright made a motion to accept the aforementioned documents and to accept the appointment of Roland Massey to the Board of Directors of the District for the unexpired term of Raul Solis. Director Thomas seconded the motion, which carried unanimously. Director Massey participated in the remainder of the meeting.

APPOINTMENT OF OFFICERS OF THE BOARD OF DIRECTORS

The Board next deferred consideration of the election of officers of the Board of Directors until next month's meeting after noting that Director Fesler was not present for the discussion.

APPROVE MINUTES

The Board next considered approval of the minutes of the Board meeting held on April 19, 2021. After discussion, Director Thomas made a motion to approve the minutes of the meeting of April 19, 2021, as amended. Director Atchison seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated May 17, 2021, a copy of which is attached hereto as Exhibit B. After discussion, Director Wright 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

Ms. Goin presented and reviewed the tax assessor-collector's report dated April 30, 2021, a copy of which is attached hereto as Exhibit C. 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 Thomas seconded the motion, which carried unanimously.

DELINQUENT TAX REPORT

Ms. Richardson next presented the delinquent tax report dated May 17, 2021, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), a

copy of which is attached hereto as Exhibit D. She noted that Perdue recommends moving two (2) accounts listed on the report to the uncollectible roll. After discussion, Director Atchison made a motion to move the two (2) accounts to the uncollectible roll. Director Thomas seconded the motion, which unanimously carried.

SERIES 2021 UNLIMITED TAX REFUNDING BONDS

The Board next considered the status of the District's \$2,345,000 Unlimited Tax Refunding Bonds, Series 2021 (the "Bonds"). Ms. Shelton stated that the refunding priced on April 28, 2021, and reviewed the summary of refunding effects, a copy of which is attached hereto as Exhibit E. She noted that the refunding issue attained a total present value savings of 17.20%, or \$382,720, with a total gross debt service savings of \$456,866.

The Board next considered the approval of various documents required in connection with the closing on the Bonds, scheduled for Tuesday, June 8, 2021. Ms. Richardson reviewed the various documents required in connection with the closing. After discussion, Director Wright made a motion to approve all documentation required in connection with the closing, to authorize the President to execute and the Secretary to attest to same, and to authorize the District's consultants to act on the Board's behalf to do all things necessary to effect the closing on the Bonds and the disbursement of proceeds. Director Massey seconded the motion, which passed unanimously.

The Board next considered the approval and execution of Internal Revenue Service Form 8038-G relative to the Bonds. After discussion, Director Wright made a motion to approve the Form and to authorize the President to execute same on behalf of the Board and District. Director Massey seconded the motion, which passed unanimously.

DEVELOPER'S REPORTS

The Board next considered the developer's report. No one present had anything new to report.

FACILITY SITE MAINTENANCE

Mr. Griffith presented and reviewed a detention and drainage facilities report from Champions, a copy of which is attached hereto as Exhibit F. He stated that Champions last serviced the District on April 27, 2021, and is scheduled to service the District before the end of May.

Mr. Griffith reported that the fence at the Albury Trails Estates detention pond D was vandalized. The Board also discussed the graffiti on the concrete near the Albury Trails Estates detention pond D.

ENGINEER'S REPORT

Mr. Aranzales presented and reviewed the Engineer's Report, attached hereto as Exhibit G.

Mr. Aranzales reported on the approval of plans and authorizing advertisement for bids for Water Well No. 2. He stated that V&S received all agency plan approvals. Mr. Aranzales stated that V&S will open bids for the project on May 28, 2021.

Mr. Aranzales next reported on the status of the construction contract with Kean Construction, LLC ("Kean") for the Water Main Loop. He stated that the water line installation is complete and has been pressure tested. He noted that V&S is awaiting BAC-T results. Mr. Aranzales stated that V&S expects the last segment of the concrete trail to be poured by May 21, 2021. He next presented Pay Application No. 2, in the amount of \$223,346.70, and recommended payment of same. After discussion, Director Wright made a motion to approve payment of Pay Application No. 2, in the amount of \$223,346.70, as discussed above. Director Massey seconded the motion, which unanimously carried.

The Board next discussed planting the vegetative buffer zone along the Water Main Loop trail. Mr. Aranzales stated that the planting is not included in the construction contract. He stated that he will coordinate with MRPC to obtain specifics on planting a buffer along the trail as agreed to between the District and the Inverness POA.

Mr. Aranzales reported on the status of the construction contract with Site Work Contractors LLC ("SWC") for sidewalk modifications at Inverness Crossing Blvd and Fanwick Drive. He stated that the construction is complete and that the District is withholding retainage until the completion of the punchlist items. Mr. Aranzales stated that HCED inspected the project and is awaiting direction about the median nose modifications. He stated that Harris County Precinct 4 installed the crosswalk at Windbourne Drive and that V&S is awaiting response regarding an additional crosswalk at Fanwick Drive.

Mr. Aranzales next reported on the well production issues and the construction of a new water well. He stated that the water well will be pulled in the spring for inspection to determine if the equipment is worn. Director Atchison asked about the timeline for the Water Well No. 2 project. Mr. Aranzales stated that the project will take approximately two hundred (200) days after the project proceeds.

Mr. Aranzales next reported that V&S is awaiting approval from the Texas Commission on Environmental Quality ("TCEQ") relative to the update to the Emergency Preparedness Plan.

The Board considered the status of an Application to the TCEQ for Extension of Commission Approved Bond Issue and Approval of Change in Scope of Project relative to the Series 2020 Bonds. Ms. Richardson stated that the TCEQ approved the Application for Extension of Commission Approved Bond Issue and is still reviewing the Approval of Change in Scope of Project.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for April 2021, a copy of which is attached hereto as Exhibit H. He reported that the District accounted for 93% of the water pumped during the month of April and that the District's facilities operated in compliance with its respective permits during the month.

CONSIDER REQUEST FROM HARRIS COUNTY PRECINCT 4

The Board next considered the request from Harris County Precinct 4 relative to drainage improvement project. Ms. Richardson stated that she received email correspondence from Ms. Victoria Bryant of Precinct 4 requesting the District's participation with a flood mitigation project on Holderrieth Road. The Board concurred it would not be interested in partnering with Precinct 4 on the project.

DISCUSS SOLID WASTE COLLECTION SERVICES BY TEXAS PRIDE DISPOSAL

The Board next discussed solid waste collection services by Texas Pride Disposal, including a request for a rate increase. Ms. Richardson presented the correspondence attached as Exhibit I requesting an increase of \$0.734, for a proposed new service rate of \$15.68. She stated that the request for an increase is due to the unexpected impacts of the pandemic, including the increase in volume of garbage and recycling that is being collected. The Board discussed the request in detail and noted that Texas Pride's performance has diminished significantly over the past few months. The Board concurred to withhold approval of the fee increase and evaluate Texas Pride's performance over the next few months.

APPROVE CONSUMER CONFIDENCE REPORT

The Board next considered approval of the Consumer Confidence Report and authorization to distribute same to District customers. After discussion, Director Wright made a motion to approve the Consumer Confidence Report, subject to MRPC's review and approval, and to authorize the operator to distribute the report to District customers. Director Massey seconded the motion, which passed unanimously.

CONSIDER APPROVAL TO USE FACEBOOK FOR DISTRICT PURPOSES

The Board next considered approval to use Facebook for District purposes. Director Atchison reported that he would like to have a Facebook page for the District which would be solely utilized for informational purposes and would not allow for public comments on posts. The Board concurred to allow a Facebook page for the District and to designate Directors Atchison and Wright to spearhead the effort.

CONSIDER REVIEW OF CONSULTANT CONTRACTS

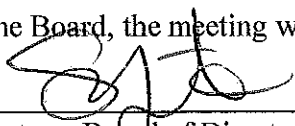
The Board next considered review of consultant contracts. The Board discussed the performance and costs of various District consultants and requested that MRPC email all consultant contracts to the Board for review.

ITEMS FOR FUTURE AGENDAS

The Board next considered items for future agendas. Director Atchison stated that he would like to hold a special meeting on June 11, 2021, at 9:00 a.m. to tour the District's facilities.

ADJOURN

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



Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
May 17, 2021

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Delinquent Tax Report
- E. Refunding Effects
- F. Detention and Drainage Facilities Report
- G. Engineer's Report
- H. Operations Report
- I. Texas Pride Rate Adjustment Request