

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401**  
**Minutes of Meeting of Board of Directors**  
**January 17, 2022**

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 January 17, 2022, 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  
Roland Massey, Assistant Vice President/Secretary  
Jordan Thomas, Assistant Vice President/Secretary

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

Also present were Andres Aranzales of Vogler and Spencer Engineering, Inc. ("V&S"); Lonnie Wright and Scott Shelnett 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"); Ken Streeter of Hendricks Interests ("Hendricks Interests"); Deputy Grimes and Deputy Martinez of the Harris County Precinct Four Constable's Office ("HCCO"); and Kara Richardson of Marks Richardson PC ("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. Deputy Martinez then reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit A. Deputy Martinez discussed various activity within the District over the past month.

APPROVAL OF INTERLOCAL AGREEMENT

The Board next considered the review and approval of an Interlocal Agreement ("Agreement") for Law Enforcement Services between Harris County and the District. Ms. Richardson reviewed the Agreement with the Board, noting that it provides for the same coverage as the current agreement. She stated that the contract term will begin March 1st. After discussion, Director Atchison made a motion to approve the Agreement and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Massey seconded the motion, which carried unanimously.

Deputy Martinez and Deputy Grimes exited the meeting at this time.

## PUBLIC COMMENT

The Board next considered comments from the public. Mr. Streeter stated that there are two reserves in Albury Trails Estates, Sections Three and Four that are still in Willow Creek Development's name per the Harris County Appraisal District. Ms. Richardson stated that she will check the District's files to see if those tracts have been deeded to the District. She stated that she will add an item to the agenda for next month's meeting to handle same if the tracts have not already been deeded to the District.

## APPROVE MINUTES

The Board next considered approval of the minutes of the Board meeting held on December 20, 2021. After discussion, Director Atchison made a motion to approve the minutes of the meeting of December 20, 2021, as written. Director Wright seconded the motion, which unanimously carried.

## BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated January 17, 2021, a copy of which is attached hereto as Exhibit B. Director Atchison asked about the garbage collections line item on the budget and if it should be increased since garbage collection price increase. The Board requested that an item be added to the agenda for next month's meeting to consider an amendment to the budget. After discussion, Director Atchison made a motion to approve the bookkeeper's report and to authorize payment for the invoices listed therein. Director Massey seconded said motion, which carried unanimously.

## ADOPT RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH DISTRICT

Ms. Richardson next advised the Board that requirements in the Public Funds Investment Act require the Board of Directors of the District to review, revise and adopt at least annually a list of qualified brokers authorized to engage in investment transactions with the District. She reviewed a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and the attached list of financial institutions, brokers and dealers attached to the Resolution as Exhibit "A", attached hereto as Exhibit C. Ms. Richardson noted that the District's bookkeeper prepared the list and recommended that the Board remove any institutions with which any of the directors has a relationship that could create a conflict of interest. After discussion, Director Atchison made a motion to approve the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District. Director Massey seconded the motion, which carried unanimously.

## TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated December 31, 2021, a copy of which is attached hereto as Exhibit D. 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 Massey seconded the motion, which carried unanimously.

## ADOPT RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Ms. Richardson next advised the Board that pursuant to Section 33.11 of the Property Tax Code, as amended, the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the delinquent personal property taxes, penalty and interest due the District on taxes that become delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent. Ms. Richardson discussed the penalties and presented a Resolution regarding same, which is attached hereto as Exhibit E. After discussion, Director Wright made a motion to adopt the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Director Atchison seconded the motion, which carried unanimously.

## 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 December 21, 2021.

Mr. Griffith stated that the grass is unusually brown for this time of year and likely due to decreased rain.

Mr. Griffith reported that fencing panels on Albury Trails Estates detention pond D have been removed once again. Director Atchison asked what can be done to prevent same from happening again. Mr. Griffith stated that he is meeting with a fencing company next week and will ask him for ideas. The Board then discussed various options, including the installation of bollards.

## ENGINEER'S REPORT

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

Mr. Aranzales reported on the status of approval of plans and specifications and advertisement of bids for the Willow Creek Trail Extension. He stated that V&S is awaiting the topographic survey with an expected delivery of January 25, 2022.

Mr. Aranzales reported on the status of construction contract with Alsay Incorporated ("Alsay") for Water Well No. 2. He stated that the V&S provided construction notices to residents of Inverness Estates, Section 9 regarding the project and construction schedule.

Mr. Aranzales next reported on the washout at the Albury Trails detention pond D. He stated that V&S received the schedule and exhibit from the Harris County Flood Control District for the proposed Willow Creek improvements. Mr. Aranzales stated that the schedule notes that construction will begin March 2024. He next reviewed a proposal for the installation of an eighteen-inch (18") thick gabion mat but stated that V&S is looking into flap gate options. Mr. Aranzales stated that V&S will review an old drainage study before determining how to proceed on the matter and will report to the Board next month.

Mr. Aranzales reported on the crosswalk at Fanwick Drive and Inverness Crossing Boulevard. He stated that V&S is coordinating a work order with the newly designated Harris County Precinct 3 engineer. He noted that the traffic study is being updated to warrant installation of a crosswalk at Fanwick Drive.

Mr. Aranzales reported that there is a Jack in the Box being built on Springcroft Court within Dowdell Municipal Utility District and the drive-through will share a property line with four (4) homes in the District.

Mr. Aranzales next requested that an item be added to the agenda for next month's meeting to discuss a resident from Albury Manor that shares a property with Albury Trails Estates. He stated that there is an inlet on the resident's property that has some erosion, and he will investigate the matter and report to the Board next month.

### OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for December 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 December and that the District's facilities operated in compliance with its respective permits during the month.

Mr. Wright requested that an item be added to the agenda for next month's meeting to consider a review of the contract with MOC for operation services.

### AUTHORIZE OPERATOR TO PROVIDE REQUIRED INFORMATION TO DISTRICTS RECEIVING WATER THROUGH EMERGENCY INTERCONNECT RELATIVE TO CONSUMER CONFIDENCE REPORTS

The Board next considered authorizing MOC to provide required information to districts receiving water through an emergency interconnect relative to Consumer Confidence Reports. After discussion, Director Atchison made a motion to authorize MOC to provide the required information. Director Massey seconded the motion, which carried unanimously.

### CONSIDER CALLING DIRECTORS ELECTION

The Board next considered the calling of a Directors Election to be held on May 7, 2022, determining the procedure for giving notice of same, and the adoption of an Order in connection therewith, including the appointment of an agent for the District in connection therewith. Ms. Richardson presented the Order calling such election to be held on May 7, 2022, noting that the terms of office of Directors Atchison and Thomas will expire in May 2022. Following discussion, Director Massey made a motion to adopt the Order calling the election to give notice of the election by posting the notice at a public place in the District and by posting such notice at the location where notices of the meetings are posted. Director Wright seconded the motion, which carried unanimously. Ms. Richardson then advised the Board that, in accordance with Subchapter C of Chapter 2 of the Election Code, after 5:00 p.m. on February 18, 2022, the District may cancel the

election if each candidate whose name is to appear on the ballot is unopposed, and the Board of Directors of the District can then declare such unopposed candidates to be elected.

CONSIDER APPOINTMENT OF AN AGENT

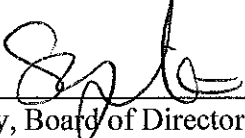
Ms. Richardson next advised the Board that an agent should be appointed to perform election duties in connection with the Director Election. After discussion on the matter, Director Massey made a motion to adopt the Notice of Appointed Agent appointing the law office of Marks Richardson PC as election agent for the District and to authorize the President and Secretary to execute the Notice on behalf of the Board and the District. Director Wright seconded said 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.

  
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Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS

January 17, 2022

- A. Patrol Report
- B. Bookkeeper's Report
- C. Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with District
- D. Tax Assessor-Collector Report
- E. Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- F. Detention and Drainage Facilities Report
- G. Engineer's Report
- H. Operations Report