

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
November 15, 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 November 15, 2021, 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 Wright and 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"); Corporal Martinez and Deputy Rodriguez 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. Corporal Martinez then reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit A. Corporal Martinez discussed various activity within the District over the past month. Director Fesler asked about an incident where a car allegedly had its windows shot out according to people who heard the gunshots. Corporal Martinez stated that she has not heard anything but will research the matter. Director Massey asked about reports of Halloween decorations being stolen on Halloween night. Corporal Martinez stated that HCCO did not receive any reports of stolen decorations.

Corporal Martinez and Deputy Rodriguez exited the meeting at this time.

PUBLIC COMMENT

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

APPROVE MINUTES

The Board next considered approval of the minutes of the Board meeting held on October 18, 2021. After discussion, Director Atchison made a motion to approve the minutes of the meeting of October 18, 2021, as written. Director Massey seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated November 15, 2021, a copy of which is attached hereto as Exhibit B. The Board discussed the capital projects surplus fund and whether the funds can be used for the sidewalk project. The Board concurred that an item be added to the agenda for next month's meeting to discuss same. 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.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated October 31, 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 Massey seconded the motion, which carried unanimously.

DELINQUENT TAX REPORT

Ms. Richardson next presented the delinquent tax report dated November 15, 2021, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached hereto as Exhibit D.

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 E. He stated that Champions last serviced the District on November 1, 2021.

Mr. Griffith reported that Champions identified several areas near the detention ponds that appeared to reflect four-wheeler activity within the past month.

Mr. Griffith reported that there is a washout near Albury Trails Estates detention pond D that Champions will need to monitor.

Director Fesler asked about a tree that blew down during the windstorm. Mr. Griffith stated that Champions removed a large amount of debris after the storm and likely removed the tree.

ENGINEER'S REPORT

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

Mr. Aranzales reported on the review of bids and award of construction contract for Water Well No. 2. He stated that V&S received bids for the project and recommends awarding the contract to the low bidder, Alsay Incorporated (“Alsay”), with a bid of \$2,025,210.00. He then presented an executed TEC Form 1295 from Alsay. He noted that the bid is approximately \$370,000 over the amount allocated to the project in the bond proceeds. The Board discussed using surplus bond funds to pay the approximate \$370,000 in additional funds and requested that an item be added to the agenda for next month’s meeting to consider same. After discussion, Director Atchison made a motion to award the contract to Alsay in the amount of \$2,025,210.00. Director Massey seconded the motion, with unanimously carried.

Mr. Aranzales reported on the Hendricks Group feasibility study for the potential annexation of property into the District. He stated that a representative of the Hendricks Group advised him that they will be holding off on any new development for the time being.

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 on lake aeration maintenance services. He then presented a proposal from Lake Management Services, L.P. for lake aeration maintenance services in the amount of \$300 per month. After discussion, Director Atchison made a motion to approve the proposal for maintenance in the amount of \$300, as set out above. Director Massey seconded the motion, which carried unanimously.

Mr. Aranzales next reported on the washout at the Albury Trails detention pond D. He stated that V&S recommends installing rip rap and stated that he will obtain a proposal for the Board’s review at next month’s meeting.

OPERATIONS REPORT

Mr. Shelnuitt presented and reviewed the operations report for October 2021, a copy of which is attached hereto as Exhibit F. He reported that the District accounted for 94% of the water pumped during the month of October and that the District’s facilities operated in compliance with its respective permits during the month.

Mr. Shelnuitt reported that the autodialer at lift station no. 2 has been making erroneous call outs and needs to be replaced. He stated that the cost to replace is approximately \$4,400. After discussion, Director Atchison made a motion to approve replacement of the autodialer at lift station no. 2 at a cost not to exceed \$4,400. Director Massey seconded the motion, which unanimously carried.

The Board then thanked MOC for staying on top of the Water Plant generator repair and saving the District money.

STATUS OF TRANSFER OF SOLID WASTE COLLECTION AND RECYCLING SERVICES

The Board next considered the status of the transfer of solid waste collection and recycling services. Director Atchison stated that he has not heard any complaints regarding the transfer of service other than one (1) complaint from a resident who wanted to keep the old trash can.

CONSIDER STATUS OF AGREEMENT WITH INVERNESS POA RELATIVE TO WATER MAIN LOOP EASEMENT

The Board next considered the status of an Agreement with the Inverness Property Owners Association (“POA”) relative to the grate repairs around the pool area. Ms. Richardson stated that the POA signed the Letter Agreement and the bookkeeper is authorized to release the \$6,000 check to the POA.

CONSIDER APPROVAL OF INTERIM WATER SUPPLY AGREEMENT WITH DOWDELL PUBLIC UTILITY DISTRICT

The Board next considered approval of an Interim Water Supply Agreement with Dowdell Public Utility District (“Dowdell”). After discussion, Director Atchison made a motion to approve an Interim Water Supply Agreement with Dowdell, and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Massey seconded the motion, which unanimously carried.

CONSIDER DISCUSSION REGARDING CHANGES TO HARRIS COUNTY COMMISSIONER PRECINCTS

The Board next discussed the recent Harris County Commissioner Precinct changes noting that the District is now located in Precinct 3 rather than Precinct 4.

REVIEW OF ARBITRAGE ANALYSIS REPORT PREPARED BY MUNICIPAL RISK MANAGEMENT GROUP, L.L.C.

The Board next considered review of an arbitration analysis report prepared by Municipal Risk Management Group, L.L.C. Ms. Richardson reviewed the report with the Board and presented engagement letters from Arbitrage Compliance Specialists, Inc. (“ACS”) relative to the District’s Series 2016A Unlimited Tax Bonds and Series 2017 Unlimited Tax Bonds for the Board’s approval. She then presented an executed TEC Form 1295 from ACS. After discussion, Director Atchison made a motion to approve the engagement letters and to authorize the President to execute same on behalf of the Board and District. Director Massey 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.

A handwritten signature in black ink, appearing to read "S. P. T. O.", positioned above a horizontal line.

Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
November 15, 2021

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Delinquent Tax Report
- E. Detention and Drainage Facilities Report
- F. Engineer's Report
- G. Operations Report
- H. Arbitrage Analysis Report from MRMG