

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
December 20, 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 December 20, 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, 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 of the Harris County Precinct Four Constable's Office ("HCCO"); and Blake Ellis 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. The Board discussed that the cameras located at the entrance to the subdivision has not been helpful in catching criminals.

Corporal Martinez 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 November 15, 2021. After discussion, Director Atchison made a motion to approve the minutes of the meeting of November 15, 2021, as written. Director Thomas seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated December 20, 2021, 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

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

REVIEW AND APPROVE CONTINUING DISCLOSURE REPORT

The Board next considered the review of a continuing disclosure report prepared by McCall Parkhurst & Horton ("MPH"), attached hereto as Exhibit D, and authorizing MPH to file the report with the appropriate repositories. After discussion, Director Atchison made a motion to authorize MPH to file the necessary documentation with the appropriate repositories. Director Thomas seconded said motion, which unanimously carried.

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 30, 2021.

Mr. Griffith reported that fencing panels on Albury Trails Estates detention pond D have been removed and Champions is in the process of repairing same. He also noted that Champions identified areas of dirt bike and four-wheeler activity within the past month.

ENGINEER'S REPORT

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

Mr. Aranzales reported on the status of construction contract with Alsay Incorporated ("Alsay") for Water Well No. 2. He stated that the contracts have been submitted for execution by Alsay. Mr. Aranzales then referenced the attached draft door hanger notifying residents of the project and construction schedule and asked the Board to review and provide comments, should they have any. He stated that the project is on schedule and final completion is estimated for November.

Mr. Aranzales next reported on the washout at the Albury Trails detention pond D. He stated that the plan is intended to provide a significant reduction of standing water in the ponds in the future. He stated that V&S recommends the pond repairs after the Harris County Flood Control District completes the Willow Creek rehabilitation.

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.

CONSIDER REVIEW AND APPROVAL OF RESOLUTION AUTHORIZING USE OF SURPLUS FUNDS

The Board next considered the review and approval of a Resolution Authorizing Use of Surplus Funds relative to the Water Well No. 2 project. Mr. Aranzales reminded the Board that the bid for the Water Well No. 2 project came in \$375,210 over the amount allocated to the project in the bond proceeds. After discussion, Director Atchison made a motion to approve the Resolution Authorizing Use of Surplus Funds in the amount of \$375,210 to cover the remaining portion of the project construction costs, and to authorize the President and Secretary to execute same on behalf of the Board and the District, attached hereto as Exhibit G. Director Thomas seconded the motion, which unanimously carried.

OPERATIONS REPORT

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

The Board next discussed termination of water service for delinquent payment of water bills. The Board concurred to postpone the cut-offs scheduled for December 28, 2021 until after January 1, 2022.

Mr. Shelnett next requested that the Board consider authorizing MOC to write-off one (1) delinquent account in the total amount of \$10.12, as outlined in the attached Uncollectible List. After discussion, Director Atchison made a motion to authorize MOC to write-off the one (1) subject account, as set out above. Director Thomas seconded the motion, which unanimously carried.

Ms. Shelnett next reviewed the action list. He stated that MOC recommends replacing seventy (70) End Points at a cost of \$20.00 each for a total of \$1,400 due to firmware issues. He stated that if you upgrade to the newer model of EP's and obtain the warranty for \$30.00, the total is \$50.00 per EP. He also stated that MOC recommends in the next few months to replace three hundred ninety-two (392) EP's due to a network change. After discussion, Director Thomas made a motion to approve replacement of seventy (70) EP's at \$50.00 each for a total of \$3,500.00, as discussed above. Director Atchison seconded the motion, which unanimously carried.

DISCUSS USE OF SURPLUS CAPITAL PROJECTS FUNDS FOR PARK AREAS

The Board next discussed the use of surplus capital projects funds for the park areas. Mr. Aranzales stated that the contractor is finishing the concrete work on the Willow Creek Trail

Extension. Ms. Viator stated that there is approximately \$200,000 available in surplus funds plus the remaining park bonds in the amount of \$156,000. The Board discussed using the surplus funds from the general operating fund and concurred that it would like to use capital surplus general operating funds for the project. The Board then weighed different options and phases and different features for each phase. The Board ultimately decided that it would like to move forward with just the sidewalk at this time and revisit other options in the future. After discussion, Director Atchison made a motion to authorize V&S to proceed with the preparation of plans and specifications for the Willow Creek Trail Extension. Director Massey 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.


Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
December 20, 2021

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Annual Financial Report from McCall Parkhurst & Horton
- E. Detention and Drainage Facilities Report
- F. Engineer's Report
- G. Resolution Authorizing Use of Surplus Funds and Interest Earned on
Construction Funds
- H. Operations Report