

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
January 16, 2023

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 16, 2023, 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"); Scott Shelnett of Municipal Operations & Consulting, Inc. ("MOC"); Les Griffith of Champions Hydro-Lawn, Inc. ("Champions"); Stephanie Viator of District Data Services; Robin Goin of Bob Leared Interests, Inc.; Deputy Martinez of the Harris County Precinct Four Constable's Office ("HCCO"); and Kara Richardson of Marks Richardson PC.

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 reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit A. She then discussed various activity within the District over the past month. Deputy Martinez reported that HCCO conducted a traffic initiative within the past month which resulted in twenty-eight (28) traffic contacts. She also stated that reports were received regarding three (3) suspects damaging District property with ATV's. She noted that two (2) suspects have been identified and issued trespass citations and the third suspect was seen riding back to the Sugarberry neighborhood. Deputy Martinez stated that she sent a diagram of the property entrances to the Precinct to make all officers aware of the issues. Director Atchison asked about the District buying an ATV to combat this activity. Deputy Martinez stated that she is open to the idea, but the Board needs to weigh the expense of same versus the results that it might not produce. Deputy Martinez recommended coordinating with Captain Zitzman about specifications for an officer-utilized ATV. The Board agreed to assess the need for an ATV over the next few months and then make a decision regarding same.

PUBLIC COMMENT

The Board next considered comments from the public. No one present had anything new to report.

APPROVE MINUTES

The Board next considered approval of the minutes of the Board meeting held on December 19, 2022. After discussion, Director Thomas made a motion to approve the minutes of the meeting of December 19, 2022, as presented. Director Massey seconded the motion, with Directors Thomas, Massey, Wright and Fesler voting in favor, and Director Atchison abstaining.

BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated January 16, 2023, a copy of which is attached hereto as Exhibit B. She reminded the Board to only submit per diems for yourself and not for other Directors. 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.

DISCUSSION REGARDING FEES OF OFFICE

The Board next considered a discussion regarding fees of office. Director Fesler stated that Board members need to send in their own requests for fees of office and that other Board members should not submit requests on other Board member's behalf. Ms. Richardson then explained the laws relating to fees of office. and suggested that Board members email her if they have questions related to same. .

ADOPTION OF RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board next deferred consideration of the adoption of a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District until next month's meeting.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated December 31, 2022, 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.

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 D. After discussion, Director Thomas 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 E. He stated that the most recent service of the District was completed on December 23, 2022.

Mr. Griffith reported that he met with a Sergeant from HCCO earlier in the month to walk District property.

Mr. Griffith stated that the District may want to consider replacing the sign at the Reserve at Inverness detention pond which is covered in graffiti. He also stated that a sign is missing at the Reserve at Inverness detention pond. After discussion, the Board concurred to authorize Champions to replace the signs.

Mr. Griffith reported that there is some erosion in the pipe at the Albury Trails Estates detention pond and that same needs to be monitored.

Mr. Griffith reported that he inspected the areas around the trails and detention ponds with Deputy Martinez and found evidence of vehicles driving over the grass and curbs causing damage. Director Atchison stated that it may be Green Dream International causing the damage as it appears that the damage would have been caused by much larger vehicles than ATVs. Mr. Aranzales stated that he will contact Green Dream International to discuss the matter.

Director Atchison then asked about the algae found in the Inverness Estates detention pond and whether another treatment should be done. Mr. Griffith suggested waiting another a month to allow the weather to warm up.

ENGINEER'S REPORT

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

Mr. Aranzales reported on the status of the construction contract with Alsay Incorporated for Water Well No. 2. He stated that V&S received approval from the Texas Commission on Environmental Quality for the well use application. Mr. Aranzales also stated that V&S received the permanent pump for the well. He then discussed the proposed schedule for the completion of the project.

Mr. Aranzales reported on the status of the construction contract with Green Dream International for the Willow Creek Trail Extension. He stated that the contractor is addressing punchlist items and that V&S will not recommend payment of the final pay application until all items are addressed.

Mr. Aranzales reported that V&S will plan to proceed with rehabilitating Well No. 1 in the fall.

The Board next discussed the Wixford Lane fence extension. Mr. Aranzales reminded the Board that the resident at 22915 Shieldhall Lane requested an additional four-foot (4') fence on the edge of her property at the sidewalk to deter people and dogs from getting in her yard. He stated that the resident is also concerned about the placement of a new bench which might allow people to sit on the bench and look into her home. Mr. Aranzales reported that the residents at 22915 and 22911 Shieldhall Lane want a new fence along the property lines along the new sidewalk. He stated that he will obtain a quote for the fencing along the sidewalk.

The Board next discussed possibly reimbursing the homeowners for the cost of the original fence which was approximately \$2,060. The Board requested that MRPC draft an Agreement to terminate the original Letter Agreement and reimburse the resident for the installation of the original fence. He then presented the attached exhibit and cost estimate in the amount of \$10,200 for the fence extension. The Board concurred to discuss the matter further at a special Board meeting after they have the opportunity to walk the subject trail and property.

The Board concurred to hold a special meeting to walk to the property along Wixford Lane to inspect the area for the fence extension.

The Board next discussed fence modifications to prevent the ongoing trespassing issues from the Sugarberry neighborhood. The Board noted that people keep cutting the fence to access the area around the detention ponds. Mr. Aranzales stated that he had a guy visit the site who suggested welding another bar to the fence for approximately \$25,000. Mr. Griffith discussed a fence with bollards that could be installed for approximately \$35,000. Director Thomas stated that there is not as much motorbike traffic recently from the Sugarberry neighborhood but thinks most of the activity comes from the District neighborhoods. Director Fesler then asked about using railroad ties on the fences. Mr. Griffith stated that he will research the matter.

The Board then discussed fencing on Kerrisdale and agreed to defer action on the matter to determine if the damage is being caused by Green Dream International.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for December 2022, a copy of which is attached hereto as Exhibit G. 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. Shelnutt next requested that the Board authorize MOC to turn over one (1) delinquent account totaling \$102.64 to Collections Unlimited ("CU"), as shown on the list attached to the Operator's Report. After discussion, Director Atchison made a motion to authorize MOC to turn over the one (1) subject account to CU as set out above. Director Thomas seconded the motion, which passed unanimously.

Mr. Shelnutt stated that there were no issues with District facilities during the recent freezing event.

Mr. Shelnutt next discussed the force main spill. He stated that a resident made a complaint to MOC and that MOC will handle the matter.

The Board next discussed that the water pressure was increased, and the Board likes the increased pressure.

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 Thomas seconded the motion, which carried unanimously.

CONSIDER FACEBOOK POSTING PROTOCOLS

The Board next considered Facebook posting protocols. Director Fesler noted that the Board has previously authorized Directors Wright and Atchison to spearhead the Facebook postings. He suggested that Ms. Richardson review posts that are out of ordinary prior to posting. After discussion, Director Thomas made a motion that MRPC review Facebook posts that are out of the ordinary prior to posting. Director Atchison seconded the motion, which unanimously carried.

ITEMS FOR FUTURE AGENDAS

The Board next considered items for future agendas. Director Atchison requested that an item be added to the agenda for next month's meeting to consider a discussion regarding repossessing vehicles impermissibly used on District property. He stated that he believes Harris County MUD No. 381 does same. Ms. Richardson agreed to research the matter.

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
January 16, 2023

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Resolution Authorizing an Additional Penalty on Delinquent Personal
Property Taxes
- E. Detention and Drainage Facilities Report
- F. Engineer's Report
- G. Operations Report and related handouts