

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401**  
**Minutes of Meeting of Board of Directors**  
**November 21, 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 November 21, 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, 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.; Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Deputy Martinez of the Harris County Precinct Four Constable's Office ("HCCO"); and Blake Ellis 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 exited the meeting at this time.

**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 October 17, 2022. After discussion, Director Atchison made a motion to approve the minutes of the meeting of October 17, 2022, as presented. Director Thomas seconded the motion, which unanimously carried.

## REVIEW AND APPROVE AUDIT REPORT FOR FISCAL YEAR ENDING JULY 31, 2020

The Board next considered the approval of an audit report for the fiscal year ended July 31, 2022. Mr. Jenkins reviewed the draft audit report and management letter prepared by McCall, attached hereto as Exhibit B. After discussion, Director Atchison made a motion to approve the audit report, subject to MRPC's review and approval, to authorize the President to execute the Annual Filing Affidavit on behalf of the Board and District, and to authorize the filing of the audit report and Annual Filing Affidavit with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ") and the Texas Comptroller of Public Accounts. Director Massey seconded the motion, which carried unanimously.

## BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated November 21, 2022, a copy of which is attached hereto as Exhibit C. She stated that there are two (2) checks issued for payment relative to a refund and rental of the meeting room not reflected on today's report. After discussion, Director Atchison made a motion to approve the bookkeeper's report and to authorize payment for the invoices listed therein. Director Wright seconded said motion, which carried unanimously.

## ANNUAL REVIEW OF INVESTMENT POLICY

The Board next considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order") and the adoption of a Resolution relative thereto. Mr. Ellis advised that he has no changes to propose at this time and recommended that the current Order remain in effect. After discussion, Director Atchison made a motion to adopt the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer, attached hereto as Exhibit D, and to authorize the President to sign and the Secretary to attest the Resolution on behalf of the Board and 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 October 31, 2022, a copy of which is attached hereto as Exhibit E. 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 Wright seconded the motion, which carried unanimously.

Ms. Goin next presented the delinquent tax report dated November 21, 2022, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached hereto as Exhibit F.

## 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 G. He stated that the most recent service of the District was completed on November 2, 2022.

Mr. Griffith reported that the fall overseeding and fertilization was completed on November 11, 2022.

The Board next considered ratification of the Board's prior action relative to approval of an amendment to the Service Contract between Champions and the District. After discussion, Director Atchison made a motion to ratify the Board's prior action relative to approval of an amendment to the Service Contract between Champions and the District. Director Massey seconded the motion, which unanimously carried.

### ENGINEER'S REPORT

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

Mr. Aranzales reported on the status of the construction contract with Alsay Incorporated for Water Well No. 2. He discussed the proposed schedule for the completion of the project. Mr. Aranzales then presented Pay Application No. 8 in the amount of \$71,583.75 and recommended payment of same. After discussion, Director Thomas made a motion to approve payment of Pay Application No. 8 in the amount of \$71,583.75. Director Atchison seconded the motion, which unanimously carried.

Mr. Aranzales reported on the status of the construction contract with Green Dream International for the Willow Creek Trail Extension. He stated that he met with the resident at 22915 Shieldhall Lane to discuss the fence that was temporarily removed and will be re-installed. He noted that the conversation went well, but the resident does want 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. Director Atchison stated that he agreed with the resident's request and, in order to make her whole for what she originally paid for installation of a fence and gate, suggested that the District reimburse her for those costs. He also suggested that the District make it clear that the new fence on her property will be the property of the District. The Board requested that an item be added to the agenda for next month's meeting to discuss this same issue.

Mr. Aranzales next presented Pay Application No. 4 in the amount of \$105,061.18 and recommended payment of same, pending resolution of the slope pavement grade deficiencies at Wixford Lane. After discussion, Director Thomas made a motion to approve payment of Pay Application No. 4 in the amount of \$105,061.18, pending resolution of the issues noted above. Director Atchison seconded the motion, which unanimously carried.

Mr. Aranzales next reported on the status of the installation of the WWTP privacy screen by Texas Fence. He then presented Pay Application No. 1 and Final in the amount of \$9,939.25 and recommended payment of same. After discussion, Director Thomas made a motion to approve payment of Pay Application No. 1 and Final in the amount of \$9,939.25. Director Atchison seconded the motion, which unanimously carried.

Mr. Aranzales next reported on the status of lake aeration by Lake Management Services, LP for the Inverness Estates and Albury Trails detention ponds. He next presented a contract renewal proposal for maintenance in the amount of \$310 per month to take effect January 1, 2023.

After discussion, Director Thomas made a motion to approve the contract renewal proposal for maintenance in the amount of \$310, as set out above. Director Atchison seconded the motion, which carried unanimously.

### OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for October 2022, a copy of which is attached hereto as Exhibit I. He reported that the District accounted for 113% 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. Shelnutt next requested that the Board authorize MOC to turn over two (2) delinquent accounts totaling \$253.43 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 two (2) subject accounts to CU as set out above. Director Thomas seconded the motion, which passed unanimously.

Mr. Shelnutt reminded the Board of the proposal in the amount of \$3,800.00 to pressure wash, prep and paint the wrought iron fences at Mystic Stone, Silver Shield and Wixford Lane presented at last month's meeting. He then presented an additional quote in the amount of \$3,450 to complete the same work. After discussion, Director Atchison made a motion to approve the proposal in the amount of \$3,450 to pressure wash, prep and paint the wrought iron fences at Mystic Stone, Silver Shield and Wixford Lane. Director Thomas seconded the motion, which unanimously carried.

Director Atchison mentioned possibly adding to the wrought iron fence on Wixford Lane to extend the fence to where the oleanders are located. He stated that it would close this area off so people will have to use the gate and it will keep out golf carts.

Mr. Shelnutt next asked about an amendment to the District's Rate Order. Mr. Ellis explained that he discussed the matter with Ms. Viator following last month's meeting and determined an amendment is not needed relative to the price increase from Best Trash.

Mr. Shelnutt next stated that the Dowdell PUD was misreading a meter and will need to refund money to the District per the terms of the Emergency Water Supply Contract. He stated that he will be running the numbers this month to verify the reimbursement amount.

### DISTRICT FACEBOOK UPDATES

Director Atchison next asked about posting updates on Facebook regarding the District lowering the tax rate and to promote the Eye on Water system. The Board agreed to the posting of these certain items on Facebook.

### ITEMS FOR FUTURE AGENDAS


The Board next considered items for future agendas. The Board requested that an item be added to the agenda for next month's meeting to consider an amendment to the Professional Services Agreement between the District and V&S.

ADDITIONAL DISCUSSION

Directors Thomas and Fesler then exited the meeting along with all other attendees except Mr. Aranzales and Mr. Ellis. Directors Atchison, Wright, and Massey and Mr. Aranzales next further discussed the extension of the wrought iron fence along Wixford Lane. The remaining directors each agreed to visit the site before next month's meeting to determine the best plan. The remaining directors also discussed mowing responsibilities of the District and HOAs with Mr. Aranzales.

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  
November 21, 2022

- A. Patrol Report
- B. Draft Audit
- C. Bookkeeper's Report
- D. Resolution Regarding Review of Investment Policy
- E. Tax Assessor-Collector Report
- F. Delinquent Tax Report
- G. Detention and Drainage Facilities Report
- H. Engineer's Report
- I. Operations Report and related handouts