

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
March 20, 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 March 20, 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 4 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. Director Atchison discussed adding rules for the parks to enforce that the parks are for use by District residents and guests only, locking the gates, and the idea that anyone in violation would be trespassing. Deputy Martinez mentioned that “No Trespassing” signs must meet certain specifications. Director Massey asked how often Deputy Martinez patrols the WWTP and rear detention basins. Deputy Martinez stated that she does drive back to the WWTP and detention basins because she does not want to mess up the grass. Director Atchison then provided Deputy Martinez with the various gate codes to the District facilities. Director Massey asked about HCCO patrolling the Water Plant as he noticed that the fence was down following the special meeting on March 10th. Deputy Martinez stated that the night shift patrols the area on a regular basis.

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 February 20, 2023. After discussion, Director Atchison made a motion to approve the minutes of the meeting of March 20, 2023, as presented. Director Massey seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated March 20, 2023, a copy of which is attached hereto as Exhibit B. Director Atchison asked if the budget needed to be updated. Ms. Viator stated that it is up to the Board, but that nothing was required at this time. 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 February 28, 2023, 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.

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 D. He stated that the most recent service of the District was completed on February 23, 2023.

Mr. Griffith reported that there were no reports of four-wheeler activity within the past month.

The Board next considered the review and approval of a proposal for planting vegetation behind the fence around Albury Trails Estates detention basin D. Mr. Griffith presented a proposal in the amount of \$44,400.00 to install oak leaf holly trees and rose bushes, a copy of which is attached hereto as Exhibit E. He also stated that the Board could install razor wire along the bottom of the fence. Director Atchison asked about welding the existing chain link fence to the other fence. He then asked about silt issues in the ponds. Mr. Griffith stated there was nothing to note. The Board then concurred to defer action on the proposal at this time.

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 he spoke to the contractor regarding the fence being down around the Water Plant and was advised that the subcontractor did not follow through on putting

up the fence and should have been supervised by Alsay. Mr. Aranzales stated that the contractor will install the permanent fence after the aboveground piping is completed. He then presented Pay Application No. 10 in the amount of \$147,802.50 and recommended payment of same. After discussion, Director Atchison made a motion to approve payment of Pay Application No. 10 in the amount of \$147,802.50. Director Massey 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 the construction is complete, and V&S turned over the automatic timed gate lock operations to MOC.

Mr. Aranzales reported on the status of the construction contract with Salco Fence for the installation of wrought iron fencing. He stated that the contractor will hang notices on doors prior to mobilization. Director Atchison stated that he will follow up with the homeowner who lives adjacent to the walkway and fence to: 1) address her concerns regarding the maintenance of the grass on District property, 2) the lock on the gate to the detention pond area, and 3) installation of the fence along her property. Mr. Aranzales then presented Pay Application No. 1 in the amount of \$2,400.00 and recommended payment of same. After discussion, Director Atchison made a motion to approve payment of Pay Application No. 1 in the amount of \$2,400.00. Director Massey seconded the motion, which unanimously carried.

Mr. Aranzales reported that V&S will plan to proceed with rehabilitating Well No. 1 in the fall. He stated that the District will need to consider terminating its Interim Water Supply Agreement with Dowdell Public Utility District once Water Well No. 2 is online.

Director Wright then asked what is involved with being designated as a Superior Water System. Mr. Aranzales agreed to research the matter.

Mr. Aranzales reported on the Harris County Precinct 3 traffic study update. He stated that he is awaiting a Memorandum from Precinct 3 and expects completion in April 2023.

The Board next discussed the Wixford Lane fence extension. Mr. Aranzales presented a quote from Kean Construction in the amount of \$23,900 to remove and replace the existing fence with a six-foot (6') tall wrought iron fence. Director Fesler asked to delay action on the fence, but the remaining Board members expressed concern about the fence not extending on either side. Director Massey asked about extending the height of the fence at a later time. Mr. Aranzales stated that this would not be feasible from a cost perspective. Director Thomas expressed concerns of nearby residents spending additional money on fencing when there is already a fence in place. The Board then discussed planting bushes or shrubs on either end of the fence to obstruct the openings. Director ~~Aranzales~~ suggested requesting a revised quote to leave the fence at four-foot (4') high, but extending the fence on the sides to form an enclosure and eliminating the gaps underneath the fence. After discussion, Director Atchison made a motion to authorize V&S to request a revised quote to extend the fence on either side to form an enclosure and eliminate the gaps between the bottom of the fence and pavement, subject to the quote being at or less than \$15,000. Director Massey seconded the motion, which unanimously carried.

Atchison

Director Atchison then mentioned that the gate at Silver Shield and the gate at Mystic Stone need repainting. After discussion, Director Atchison made a motion to authorize V&S to solicit

bids for repainting the gates at Silver Shield and Mystic Stone. Director Massey seconded the motion, which unanimously carried.

The Board next discussed fence modifications to prevent the ongoing trespassing issues from the Sugarberry neighborhood. Mr. Aranzales presented a quote in the amount of \$7,500 for installation of a three-foot (3') tall pipe rail and boulder barricade, with the boulders costing approximately \$2,500 each with delivery. Director Atchison stated that he expected that the pipe rail would be six-foot (6') tall. The Board discussed then discussed options for the location and height of the fence. After discussion, Director Atchison made a motion to authorize V&S to solicit bids for the repair of the chain link fence and installation of razor wire along the entire fence around Albury Trails Estates detention basin D and authorize installation of same if the bid comes in less than \$15,000. Director Massey seconded the motion, which unanimously carried.

The Board next considered the addition of a motorized gate and keypad at the WWTP. Mr. Aranzales next presented an estimate in the amount of \$20,000 to \$30,000 for the installation of a LiftMaster gate at the WWTP to allow HCCO to easily access the rear detention pond area. After discussion, Director Atchison made a motion to authorize V&S to begin preparation of design plans for the addition of a motorized gate and keypad at the WWTP. Director Massey seconded the motion, which unanimously carried.

APPROVAL OF WATER RATES FOR ALBURY MANOR PURSUANT TO WHOLESALE WATER SUPPLY AGREEMENT

Mr. Aranzales next reported on the approval of water rates for Albury Manor pursuant to the Wholesale Water Supply Agreement. He reviewed the attached analysis and recommended that the District decrease Albury Manor's water rate to \$6.86 per 1,000 gallons of water, effective April 1, 2023. After discussion, Director Atchison made a motion to approve a decrease in the Albury Manor water rate to \$6.86 per 1,000 gallons of water, effective April 1, 2023. Director Massey seconded the motion, which unanimously carried.

PREVAILING WAGE RATE SCALES

The Board next considered the annual review of the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects. After discussion, Director Atchison made a motion to adopt the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects based on the Department of Labor rates for Harris County projects. Director Thomas seconded the motion, which carried unanimously.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for February 2023, a copy of which is attached hereto as Exhibit G. He reported that the District accounted for 94% of the water pumped during the month of February 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 \$31.66 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.

ACCESS PROTOCOL WITH RESPECT TO NEW ACCESS GATES

The Board next considered an access protocol with respect to new access gates. The Board then agreed to unlock the gates at 5:00 a.m. and lock the gates at 9:00 p.m. and instructed MOC to set the locks accordingly.

DISCUSSION REGARDING NEW SIGNS FOR THE PARK

The Board next considered a discussion regarding new signs for the park. The Board agreed that the signs state that the park hours are 5:00 a.m. to 9:00 p.m., the park is for use by residents and guests only, and no ATVs or golf carts are allowed. The Board agreed to review the sample rules that V&S recently prepared and revise accordingly for the District.

DISCUSS ENERGY CONSULTING SERVICES BY ACCLAIM ENERGY

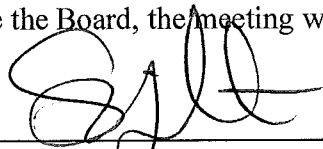
The Board next deferred consideration of a discussion regarding energy consulting services by Acclaim Energy and requested that this item be removed from the agenda.

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 the review and approval of new park signs.

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
March 20, 2023

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Detention and Drainage Facilities Report
- E. Proposal from Champions
- F. Engineer's Report
- G. Operations Report and related handouts