

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
April 17, 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 April 17, 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 Kara Richardson of Marks Richardson PC.

The President called the meeting to order.

APPROVE MINUTES

As the first order of business, the Board considered approval of the minutes of the Board meetings held on March 10, 2023, and March 20, 2023. After discussion, Director Atchison made a motion to approve the minutes of the meetings of March 10, 2023, and March 20, 2023, as amended. Director Massey seconded the motion, which unanimously carried.

SECURITY PATROL

The Board next 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.

PUBLIC COMMENT

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

BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated April 17, 2023, 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 Massey seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

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

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT TAXES

Ms. Richardson next advised the Board that pursuant to Section 33.07 of the Tax Code, as amended, the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due to the District on July 1 on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, Director Atchison made a motion to adopt the Resolution Authorizing Additional Penalty on Delinquent Taxes, attached hereto as Exhibit D. Director Massey 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 March 24, 2023.

Mr. Griffith reported that there is a tree that has fallen near the Albury Trails Estates detention pond B. He stated that Champions is scheduled to have it chopped and moved out of the way.

Mr. Griffith reported that there were reports of four-wheeler activity within the past month in one area of the District.

ENGINEER'S REPORT

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

Mr. Aranzales reported on the review and approval of design plans and authorizing advertisement of bids for installation of automatic gates and keypad at WWTP. He stated that V&S is currently working on electrical designs. Mr. Aranzales stated that the construction plan will include concrete widening of trails to allow for vehicular turns. He then reviewed photos of the concrete pavement being extended. Mr. Aranzales stated that the guard rail sand paving is still being designed.

Mr. Aranzales reported on the status of the construction contract with Alsay Incorporated for Water Well No. 2. He stated that the motor control center was damaged in transit and that delivery is expected in May. He also noted that GE Motors is providing an additional one-year warranty for the inconvenience.

Mr. Aranzales reported on the status of the construction contract with Salco Fence for the installation of wrought iron fencing. He then presented Pay Application No. 2 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. 2 in the amount of \$2,400.00. Director Massey seconded the motion, which unanimously carried.

Mr. Aranzales stated that he met with Director Atchison and Ms. Marsha Kelley regarding her request to revise the lengths of the District's fence alongside her property. The Board concurred to leave the panel as is because it is already installed, and it matches the other fence directly across from it.

Mr. Aranzales stated that he met with Champions to discuss the sand/backfill and re-seeding of the areas around the slope paving as part of the general pond maintenance.

Mr. Aranzales reported on the status of the construction contract with Kean Construction for the Wixford Lane fence addition. He then presented Pay Application No. 1 and Final in the amount of \$14,900.00 and recommended payment of same. After discussion, Director Atchison made a motion to approve payment of Pay Application No. 1 and Final in the amount of \$14,900.00. Director Massey seconded the motion, which unanimously carried.

Mr. Aranzales reported on the Albury Trails detention pond storm sewer repairs. He presented a quote from Champions in the amount of \$24,978.50 to complete the repairs. After discussion, Director Atchison made a motion to approve the quote from Champions in the amount of \$24,978.50 for the Albury Trails detention pond storm sewer repairs. Director Massey seconded the motion, which unanimously carried.

The Board next discussed the ongoing trespassing issues from the Sugarberry neighborhood. Mr. Aranzales presented a quote from Aber Fence in the amount of \$25,000 and from Texas Fence in the amount of \$30,000 for the installation of razor wire on the bottom of the chain link fence. After discussion, Director Atchison made a motion to approve the quote from Aber Fence in the amount of \$25,000 for the installation of razor wire on bottom of the chain link fence. Director Massey seconded the motion, which unanimously carried.

Mr. Aranzales reported on the request to Harris County Flood Control District ("HCFCD") regarding Willow Creek. He stated that V&S requested that HCFCD remove the dams formed in Willow Creek near Albury Trails and is awaiting a response on same.

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

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.

Director Atchison asked whether the locks on Shieldhall Lane have been fixed. Mr. Shelnutt stated that someone is coming out tomorrow to inspect same.

APPROVAL OF REIMBURSEMENT FOR PRIVATE FENCING ON SHIELDHALL

The Board next considered approval of reimbursement for private fencing on Shieldhall Lane and the approval of an agreement relative to same. Ms. Richardson reviewed a draft Termination of Letter Agreement between the District and Ms. Marsha Kelley regarding the removal of fencing previously installed across the District's drainage swale, a copy of which is attached hereto as Exhibit G. After discussion, Director Atchison made a motion to approve the Termination of Letter Agreement and to authorize the reimbursement of \$1,060.00 upon receipt of an executed Termination of Letter Agreement from Ms. Kelley. Director Thomas seconded the motion, which unanimously carried.

OPERATIONS REPORT

Mr. Shelnut presented and reviewed the operations report for March 2023, a copy of which is attached hereto as Exhibit H. He reported that the District accounted for 93% of the water pumped during the month of March and that the District's facilities operated in compliance with its respective permits during the month.

Mr. Shelnut reported that the customer billing transition from AVR to Starnik is now complete.

Mr. Shelnut reported that two (2) of the three (3) lift pumps at the WWTP are in the shop for repair. He stated that one (1) rental lift pump was installed.

Mr. Shelnut presented correspondence from K3-BMI advising of a CPI increase of 6.92% from January 2022 to January 2023 and that on April 1, 2023, K3-BMI will be implementing a new pricing structure increase.

Mr. Shelnut next reviewed the superior public water requirements. He stated that, in order to qualify, the District would need to have two (2) wells with capacity large enough to provide average daily consumption, which is not the case now but will be after the rehabilitation.

Mr. Shelnut reported that an inspection was conducted by the Texas Commission on Environmental Quality at the Water Plant last week. He stated that it was noted that there is a dripping valve which has not yet been resolved.

Director Atchison asked whether customers were informed of the reduced fee for the North Harris County Regional Water Authority. Mr. Shelnut stated that customers were informed of the decrease.

AUTHORIZE OPERATOR TO PREPARE CONSUMER CONFIDENCE REPORT

The Board next considered authorizing the operator to prepare a draft Consumer Confidence Report. After discussion, Director Atchison moved to authorize the operator to prepare a Consumer Confidence Report. Director Thomas seconded the motion, which carried unanimously.

DISCUSSION REGARDING APPROVAL OF PARK RULES AND SIGNAGE

The Board next considered a discussion regarding the approval of park rules and signage. The Board agreed to hold a special meeting on April 27, 2023, at 3:00 p.m. to discuss same.

RESOLUTION REGARDING DEVELOPMENT DESIGNATION OF DISTRICT

Ms. Richardson next discussed certain statutory requirements which set limitations on the amount by which certain municipal utility districts can increase property taxes without triggering mandatory elections to approve such increases. In connection therewith, Ms. Richardson presented a Resolution designating the District as a Developed District pursuant to Section 49.23602 of the Texas Water Code, attached hereto as Exhibit I, and noted that the District's engineer had certified such designation. After discussion, Director Atchison made a motion to approve the Resolution and authorize the President and Secretary to execute same on behalf of the Board and the District. 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
April 17, 2023

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- E. Detention and Drainage Facilities Report
- F. Engineer's Report
- G. Draft Correspondence to Marsha Kelley
- H. Operations Report and related handouts
- I. Resolution Declaring Development Status of District