

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
August 15, 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 August 15, 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 ("DDS"); Robin Goin of Bob Leared Interests, Inc. ("BLI"); Deputy Martinez of the Harris County Precinct Four Constable's Office ("HCCO"); Mike Brazzell, resident of the District; and Kara Richardson 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. 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. The Board discussed kids riding four-wheelers on District property. Deputy Martinez stated that she investigated the reports of kids possibly shooting a bow and arrow or a gun at a blue tarp around the pond in Albury Trails Estates. She stated that she spoke to a jogger who said the tarp had been in that condition for a long time.

The Board next considered the approval of the Interlocal Agreement for Law Enforcement Services with Harris County. Ms. Richardson reviewed the Agreement with the Board and noted that the cost has increased slightly from the previous year. She stated that the new Agreement will be for a one-year term effective October 1st. After discussion, Director Atchison made a motion to approve the Agreement and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Massey seconded the motion, which carried unanimously.

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 meetings held on July 11, 2022 and July 18, 2022. After discussion, Director Atchison made a motion to approve the minutes of the meetings of July 11, 2022 and July 18, 2022, as amended. Director Thomas seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated August 15, 2022, 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 July 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.

DELINQUENT TAX REPORT

Ms. Richardson next presented the delinquent tax report dated August 15, 2022, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached hereto as Exhibit D.

TAX RATE RECOMMENDATION

The Board next deferred the Financial Advisor's recommendation concerning the establishment of the District's 2022 tax rate until next month's meeting.

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 July 22, 2022.

Mr. Griffith reviewed photos of the Albury Trails Estates detention pond D which show evidence that someone has been driving around the pond.

Mr. Griffith reviewed a photo of the blue tarp in question and stated that the tarp has been there for years.

The Board next discussed whether the fence should be repaired between the District and the Sugarberry neighborhood. Mr. Griffith stated that it appears that some fencing has been installed on Sugarberry's side which seems to be keeping vehicular traffic out of the District. The Board agreed to defer on repair of the fence to see if the fencing that Sugarberry has installed is working.

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 ("Alsay") for Water Well No. 2. He stated that the test pumping and development is underway and there were no gases found. Mr. Aranzales next presented Pay Application No. 6 in the amount of \$36,000 and recommended payment of same. After discussion, Director Atchison made a motion to approve payment of Pay Application No. 6 in the amount of \$36,000, as discussed above. Director Thomas seconded the motion, which unanimously carried. Mr. Aranzales noted that a Change Order No. 1 was on hold to deduct \$18,960 from the contract for unused underream, casing and screen.

Mr. Aranzales reported on the status of the construction contract with Green Dream International for the Willow Creek Trail Extension. He stated that he inquired about HDPE slats on the chain link fence to screen the WWTP and that same will cost approximately \$10,000 to \$15,000. He reviewed an example of the slats that would be used and stated that he will obtain firm pricing for next month's meeting. Mr. Aranzales next presented Pay Application No. 1 in the amount of \$26,197.92 and recommended payment of same. After discussion, Director Atchison made a motion to approve payment of Pay Application No. 1 in the amount of \$26,197.92, as discussed above. Director Thomas seconded the motion, which unanimously carried.

Mr. Aranzales reported on the status of the installation of fencing by Kean Construction at the Reserve at Inverness. He stated that the final inspection was held, and V&S received approval from the pipeline company. Mr. Aranzales next presented Pay Application No. 1 and Final in the amount of \$17,250 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 \$17,250, as discussed. Director Thomas seconded the motion, which unanimously carried.

Mr. Aranzales reported on the access driveway improvements at Loudon Drive. He stated that he received bids from Champions for \$34,491.90 and eight (8) calendar days and from Kean Construction for \$28,400 for seven (7) calendar days. Mr. Aranzales stated that the project will require a Harris County Minor Site Development permit. The Board took no action on the matter at this time.

Mr. Aranzales reported on the potential removal and disposal of the package treatment plant. He stated that he met with potential buyers on site to evaluate the condition of the package plant. Mr. Aranzales stated that the overall cost estimate for demolition, salvaging materials and hauling off is \$100,000 and stated that the project will require the advertisement of bids. The Board concurred not to take any action on the matter at this time.

Mr. Aranzales reported on the WWTP discharge permit renewal application. He stated that the permit expires March 1, 2023 and that V&S is compiling supporting application documents for submission by September 1, 2023.

OPERATIONS REPORT

Mr. Wright presented and reviewed the operations report for July 2022, a copy of which is attached hereto as Exhibit G. He reported that the District accounted for 97% of the water pumped during the month of July and that the District's facilities operated in compliance with their respective permits during the month.

Mr. Shelnutt reported that the repair of the chain link structure at the pond inlet will occur on August 17, 2022.

Mr. Shelnutt reported that all generator sets have had maintenance including new oil and filters.

Mr. Shelnutt reported that MOC installed the additional water connection with Dowdell Public Utility District. He stated that the District is using approximately 225,000 gallons per day from Dowdell.

Mr. Shelnutt reported that he contacted the Inverness Property Owners Association ("POA") regarding the high-water usage and the need to reduce the water usage. He stated that all of the POA water accounts were linked together and set up for online access.

Mr. Shelnutt reported that the well test was performed and the water well production, and static levels have dropped since March.

Director Atchison next asked about the invoice reflecting two hundred eighty-nine (289) connections for multi-family and commercial connections as the District has none of those types of connections. Mr. Shelnutt agreed to research the matter.

Director Atchison asked whether MOC is encouraging residents to sign up for Eye on Water when residents contact them regarding a water leak or high usage. Mr. Shelnutt stated that MOC is encouraging same when water usage hits a certain threshold and that MOC will also leave a doorhanger at the residence. He stated that MOC also encourages it when people call in to complain about their water bill. Mr. Shelnutt stated that he will research the percentage of customers who are using Eye on Water.

The Board next discussed sending information to residents about EOW. Director Massey suggested that MOC send out information about EOW when MOC sends notices regarding the new billing system.

Mr. Shelnutt next requested that the Board authorize MOC to turn over four (4) delinquent accounts totaling \$575.60 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 four (4) subject accounts to CU, as set out above. Director Thomas seconded the motion, which passed unanimously.

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
August 15, 2022

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Delinquent Tax Report
- E. Detention and Drainage Facilities Report
- F. Engineer's Report
- G. Operations Report