

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401**  
**Minutes of Meeting of Board of Directors**  
**August 21, 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 August 21, 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 Harris County Constable's Office ("HCCO"); 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. Ms. Richardson stated that the District has not yet received the Interlocal Agreement for Law Enforcement Services between the District and Harris County but noted that the HCCO is requesting approval in advance to expedite the process since the contract is set to expire at the end of September. She noted that the new Agreement will be for a one-year term effective October 1<sup>st</sup> and that there is a 5% cost increase from last year.

Director Atchison stated that he received a text last week at 11:30 p.m. from a resident reporting sounds of gunfire. He advised the person calling to contact HCCO in the future when and if it happens again. He stated that residents in the Sugarberry neighborhood may know who the perpetrators are. Deputy Martinez stated that the HCCO has asked around at Sugarberry and no one is talking for fear of retaliation. Director Atchison stated that there is a new sign in English and Spanish located on the fence at the Sugarberry neighborhood advising there is no trespassing into the District. Deputy Martinez stated that she will visit the front office of the Sugarberry neighborhood to remind them to enforce the no trespassing signage.

The Board next discussed additional security measures. Director Massey suggested trying out game cameras before making a big investment in an expensive camera system.

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 Wright seconded the motion, which carried unanimously.

#### PUBLIC COMMENT

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

#### APPROVE MINUTES

The Board considered approval of the minutes of the Board meetings held on May 5, 2023, and July 17, 2023. After discussion, Director Thomas made a motion to approve the minutes of the meeting of July 17, 2023, as presented. Director Wright seconded the motion, which unanimously carried. The Board deferred action on the minutes of the meeting on May 5, 2023, until next month's meeting.

#### BOOKKEEPING REPORT

Ms. Viator presented and reviewed the bookkeeper's report dated August 21, 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 Wright seconded said motion, which carried unanimously.

#### ADOPT OPERATING BUDGET

The Board next deferred adoption of an operating budget for the District's fiscal year ending July 31, 2024, as Ms. Viator noted that she would like to hold off one (1) more month to allow all consultants to provide input.

#### TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated July 31, 2023, a copy of which is attached hereto as Exhibit C. She then presented correspondence received from a taxpayer requesting a waiver of the penalty and interest due to not receiving a tax statement. Ms. Goin noted that the taxpayer had previously paid its taxes on time and, accordingly, was aware that they should have received a bill. Ms. Richardson noted that this request does not fall under an exception allowing the Board to waive the penalty and interest on the account. Director Atchison then asked to review the over-65 tax exemptions next month. Ms. Goin stated that she will coordinate with Masterson Advisors, LLC on the matter. After discussion on the report presented, Director Atchison made a motion to approve the tax assessor-collector's report, to authorize payment of the checks listed therein and to deny the request of the taxpayer for a waiver of penalty and interest on the account. Director Massey seconded the motion, which carried unanimously.

## DELINQUENT TAX REPORT

Ms. Richardson next presented the delinquent tax report dated August 21, 2023, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached hereto as Exhibit D.

## 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 August 17, 2023.

Mr. Griffith reviewed a photo of the fence located behind Albury Trails Estates detention basin D reflecting that the fence was opened again. Mr. Aranzales stated that the fence was being repaired today. Mr. Griffith stated that there are no recent signs of four-wheeler activity at the detention ponds. He also stated that he noticed a tree had fallen in the detention pond area and noted that it may provide a barrier to those trying to access the pond areas on vehicles.

## 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 the construction is complete, and the well is functioning properly. Mr. Shelnett stated that MOC feels comfortable that it is pumping adequately. He stated that MOC is still scheduled to pull well no. 1 in the fall. Mr. Aranzales then presented Pay Application No. 13 in the amount of \$8,395.20 and Pay Application No. 14 and Final in the amount of \$203,177.50 and recommended payment of same. After discussion, Director Atchison made a motion to approve payment of Pay Application No. 13 in the amount of \$8,395.20 and Pay Application No. 14 and Final in the amount of \$203,177.50. Director Massey seconded the motion, which unanimously carried.

Mr. Aranzales reported on the status of the construction contract with Wright Solutions, LLC for the concrete trail widening. He stated that the concrete pour is scheduled for August 23, 2023. Director Atchison stated that he will post a notice on Facebook with a map alerting residents to the activity and showing the location of same. Mr. Aranzales stated that the project should only take two (2) to three (3) days.

Mr. Aranzales reported on the status of the construction contract with Wright Solutions, LLC for the addition of slide gates and keypad at WWTP. He stated that the estimated time of arrival for the slide gate motors is September 20, 2023.

Mr. Aranzales reported on the status of the construction contract with Wright Solutions, LLC for District park rules signage and fencing. He stated that the sign manufacturing should be completed on August 25, 2023.

Mr. Aranzales reported on the status of the construction contract with Aber Fence for the Inverness detention pond fence fortification. He stated that the repairs are scheduled for August 21, 2023.

Mr. Aranzales reported on the soil amendment and irrigation at Shieldhall Lane and Wixford Lane. He stated that the proposals came in much higher than expected. He stated that the project will need to be publicly bid due to the estimates coming in over \$150,000. Mr. Griffith stated that he would wait to place sod until closer to fall because of the drought to which the Board agreed.

Mr. Aranzales next reported on the Inverness Pond security cameras. He presented a proposal from Wright Solutions, a copy of which is attached to Exhibit F, for various camera options. After discussion, Director Thomas made a motion to approve a proposal from Wright Solutions for Option 1 for three cameras for a total cost of \$17,000. Director Atchison seconded the motion, which unanimously carried.

### OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for July 2023, a copy of which is attached hereto as Exhibit G. He reported that the District accounted for 96% of the water pumped during the month of July 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 in the total amount of \$126.23 to Collections Unlimited ("CU"). After discussion, Director Atchison moved to authorize MOC to turn over the one (1) subject account to CU, as set out above. Director Thomas seconded the motion, which unanimously carried.

Mr. Shelnutt presented a quote in the amount of \$18,250 for the replacement of lift pump no. 2 at the WWTP. He stated that the cost to rebuild lift pump no. 2 would be over \$10,000 and that he does not recommend same due to continual issues with rags getting clogged.

The Board noted that the water has smelled like chlorine lately. Mr. Shelnutt stated that he checked the water levels, and they seemed to be normal. Mr. Shelnutt stated that the odor could be from two (2) different water sources being used from different aquifers. Director Wright stated that her husband tested the chlorine level last week and it was 3.6 which is slightly elevated. Director Atchison stated that the water pressure has seemed a bit low recently and requested that Mr. Shelnutt research same. After discussion, Director Atchison made a motion to approve the quote in the amount of \$18,250 for the lift pump no. 2 replacement, as discussed above. Director Thomas seconded the motion, which unanimously carried.

Mr. Shelnutt reported on the diesel tank replacement at the WWTP. He stated that the replacement is scheduled for September.

Mr. Shelnutt stated that the North Harris County Regional Water Authority is in stage 1 of the Drought Contingency Plan which required the implementation of stage 1 of the District's Drought Contingency Plan.

STATUS OF AGREEMENT WITH INVERNESS PROPERTY OWNERS ASSOCIATION  
RELATIVE TO FIREWORKS SHOW

The Board next considered the status of an Agreement with the Inverness Property Owners Association ("POA") relative to fireworks show. Director Fesler that the POA is currently in the process of changing the deed restrictions for the neighborhood and part of that will be to remove the prohibition for fireworks in the neighborhood.

ITEMS FOR FUTURE AGENDAS

The Board next considered items for future agendas. Director Atchison then asked the Board if it would like to take over responsibility for payment of the streetlights in the District. He stated that he is unsure of the costs of same but will obtain information for next month's meeting. The Board requested that an item be added to the agenda for next month's meeting to consider same.

ADJOURN

There being no further business to come before the Board, the meeting was adjourned.

  
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Secretary, Board of Directors