

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
April 15, 2024

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 15, 2024, 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”); Angela Riley 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. The Board then discussed several instances where boys were coming onto the District’s property wearing black clothing.

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 considered approval of the minutes of the Board meeting held on March 18, 2024. After discussion, Director Atchison made a motion to approve the minutes of the meeting of March 18, 2024, as presented. Director Massey seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

The Board reviewed the bookkeeper's report received from District Data Services dated April 15, 2024, 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, 2024, 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 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 E.

Mr. Griffith stated that Champions has not seen any evidence of four-wheeler activity during the past month.

Mr. Griffith stated that Champions is still letting the vegetation grow by the fence near the Sugarberry neighborhood.

Mr. Aranzales stated that Wright Solutions removed the graffiti located near the Albury Trails detention pond at no charge.

Director Fesler stated that he saw some video footage of people trying to cut the fencing near the Sugarberry neighborhood but the people got spooked and ran away.

ENGINEER'S REPORT

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

Mr. Aranzales reported on Water Plant No. 1, Well No. 2. He stated that the District received approval from the Texas Commission on Environmental Quality (the "TCEQ") on the six-month (6) water quality report.

Mr. Aranzales reported on the status of the construction contract with C&C Water Services for the Water Plant No. 1, Well No. 1 Rehabilitation. He stated that rehabilitation is complete and test pumping is underway. Mr. Aranzales stated that the contractor will be releasing methane gas built-up downhole during offline period prior to setting the permanent motor. He then presented Pay Application No. 1 and Final in the amount of \$256,706.00 and recommended holding payment until the GM performance test is completed. After discussion, Director Atchison made a motion to approve payment of Pay Application No. 1 and Final in the amount of \$256,706.00, pending completion of GM performance test. Director Thomas seconded the motion, which unanimously carried.

Mr. Aranzales reported on the Willow Creek trespassing solutions. He stated that the contractor completed the punchlist items. Mr. Aranzales then presented Pay Application No. 1 and Final in the amount of \$9,700.00 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 \$9,700.00. Director Thomas seconded the motion, which unanimously carried.

Mr. Aranzales reported on future recreational projects in Albury Trails Estates and Reserve at Inverness. Ms. Richardson stated that she contacted the Hooks family regarding the potential donation of the property to the District for development into a park and/or trails but has not received a response.

Mr. Aranzales reported on the flushing plan update. He stated that V&S received the WaterCAD models from Quiddity Engineering (formerly Jones & Carter, Inc.), and V&S is currently working on updating the report to add the Willowcreek Water Line Loop and Well No. 2. He also stated that V&S is updating the GIS website for MOC to perform the valve and hydrant surveys.

Mr. Aranzales reported that Wright Solutions removed the graffiti on the Willowcreek overflow concrete swale as a courtesy. Director Atchison asked the Board whether they would like to address the outflow areas that have graffiti. Mr. Aranzales stated that he can meet with Wright Solutions to inspect same and see what needs to be done in the three (3) areas with the graffiti.

Mr. Aranzales reported that Shieldhall Lane will be seeded by Champions this month. He stated that he wants Land Crafters to hold off on moving for a bit to let it grow following seeding.

Mr. Aranzales reported that V&S requested that the Willowcreek Dam be removed and he noted that V&S is awaiting a scheduled date.

REVIEW AND APPROVAL OF RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS

The Board next considered the review and approval of a Resolution Authorizing Use of Surplus Construction Funds to finance the costs associated with the various District projects totaling \$148,965.21, as reflected on Exhibit G. After discussion, Director Atchison made a motion to approve the Resolution Authorizing Use of Surplus Construction Funds, and to authorize

the President and Secretary to execute same on behalf of the Board and the District. Director Massey seconded the motion, which unanimously carried.

OPERATIONS REPORT

Mr. Shelnett presented and reviewed the operations report for March 2024, a copy of which is attached hereto as Exhibit H. He reported that the District accounted for 96% 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. Shelnett reported that all generators should be exercised, and preventative maintenance completed prior to the end of the month.

Mr. Shelnett then discussed replacing certain meters in the District and presented a photo of the old smart meters that the District has and the newer electronic type meters available for purchase. He stated that the old meters have a warranty for 750,000 gallons of water usage and the newer meters have a ten (10) year full warranty and then a ten (10) year prorated warranty following. Mr. Shelnett stated that the old meters cost \$310 per meter and the new meters cost \$365 per meter. He stated that he is waiting on the warranty information and will update the Board next month. Director Atchison suggested using surplus funds to pay for the new meters. The Board then requested that an item be added to the agenda for the next meeting to consider approval of an application to the TCEQ authorizing use of surplus funds.

Mr. Shelnett stated that he will bring a quote for the sprinkler system on Wixford Lane for next month's meeting.

Director Atchison next asked about water pressure for the summer months. Mr. Shelnett stated that MOC is hopeful that the new well will help with the water pressure.

Mr. Shelnett presented a draft Consumer Confidence Report and reviewed same with Board. Ms. Richardson stated that an item will be added to the agenda for next month's meeting to approve same.

DROUGHT CONTINGENCY PLAN

The Board next considered the adoption of a Resolution Regarding Review of Drought Contingency Plan ("Plan"). Ms. Richardson advised that the TCEQ requires that the Plan be reviewed on a set five-year schedule with the next review deadline being May 1, 2024. She advised that the District reviewed the Plan in April 2019 and that MRPC does not have any changes to recommend. After discussion on the matter, Director Atchison moved to adopt the Resolution Regarding Review of Drought Contingency Plan, attached as Exhibit I, and to authorize MRPC to file same with the necessary reporting agencies. Director Thomas seconded said motion, which unanimously carried.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

The Board next considered an update from Touchstone District Services. The Board discussed that the new website is up in draft form and agreed that information regarding park rules,

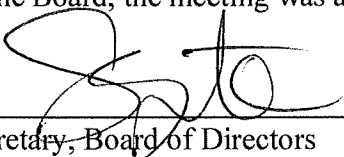
Eye on Water, public service announcements from the Association of Water Board Directors, and contact numbers for garbage and HCCO be included. The Board discussed adding photos of the subdivision entrances and including non-emergency numbers for HCCO and garbage collection services provider. The Board agreed that the website go live following the noted updates.

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 16, 2024

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Resolution Authorizing Additional Penalty on Delinquent Real Property Taxes
- E. Detention and Drainage Facilities Report
- F. Engineer's Report
- G. Capital Expenditures from Surplus Funds
- H. Operations Report and related handouts
- I. Resolution Regarding Review of Drought Contingency Plan