

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
July 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 July 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, except Director Wright, 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 Medina and Corporal Cowen of Harris County Constable’s Office (“HCCO”); and Jacquelyn Goodwin of Marks Richardson PC (“MRPC”).

The President called the meeting to order.

SECURITY PATROL

As the first order of business, the Board deferred consideration of the report from the HCCO regarding security services in the District until later in the meeting.

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 June 17, 2024. After discussion, Director Atchison made a motion to approve the minutes of the meeting of June 17, 2024, as presented. Director Massey seconded the motion, which unanimously carried.

ENGAGE AUDITOR

The Board next considered the engagement of an auditor to prepare the District’s audit report for the fiscal year ending July 31, 2024. Ms. Goodwin reported that the District has an evergreen contract with McCall Gibson Swedlund Barfoot PLLC (“McCall”) and therefore does not need to formally approve the engagement. She reviewed an audit continuance letter received

from McCall, a copy of which is attached hereto as Exhibit A and noted that McCall will begin preparation of the audit report to present to the Board in a few months.

BOOKKEEPING REPORT

The Board reviewed the bookkeeper's report received from District Data Services dated July 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.

ADOPT OPERATING BUDGET

Ms. Riley presented and reviewed a proposed operating budget for the District's fiscal year ending July 31, 2025. Director Atchison requested changes to the capital outlay and detention repair line items on the operating fund budget comparison. After discussion, Director Atchison moved to adopt the operating budget for the fiscal year ending July 31, 2025, as amended. Director Massey seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated June 30, 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 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.

Mr. Griffith stated that the District was last serviced on June 22, 2024.

Mr. Griffith reported that the District areas successfully weathered Hurricane Beryl.

ENGINEER'S REPORT

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

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 and that V&S will resubmit a twelve-month (12) water quality report by October 2024.

Mr. Aranzales reported on the Inverness Detention Pond Outfall Pipe Repairs. He stated that the design plans are complete but V&S will hold off on advertisement of bids until August due to the power outage during Hurricane Beryl.

Mr. Aranzales reported that there are no current construction projects.

Mr. Aranzales reported on future recreational projects in Albury Trails Estates and Reserve at Inverness. Ms. Goodwin noted that MRPC awaits a response from the Hooks family regarding the potential donation of the property to the District for development into a park and/or trails.

Mr. Aranzales reported on the District's Capital Improvements Plan. He stated that plan preparation is underway and V&S is coordinating with MOC regarding same. Mr. Aranzales noted that V&S is evaluating the WWTP mechanical headworks screen and other equipment.

Mr. Aranzales reported on the Albury Trails amenity lakes concept. He presented the attached exhibit and preliminary cost estimate and reviewed same with the Board. Mr. Aranzales reviewed two (2) options in the amounts of \$150,000 and \$400,000. The Board took no action on the matter at this time.

Mr. Aranzales reported on park and facility maintenance. He stated that the interim surveillance camera swap is complete. Mr. Aranzales stated that a camera in Willowcreek is under service and that the solar panels should be up this month.

Mr. Aranzales reported that the pedestrian gate to the WWTP is in need of repair. He stated that V&S is evaluating all other pedestrian gates to include in the work order if necessary. Mr. Aranzales also stated that the timed gate lock was reprogrammed to 9:00 p.m.

The Board next discussed whether the power washing on the paving features had been completed. Mr. Shelnuttt stated that the power washing is complete.

Director Atchison next asked the Board whether it would be interested in installing bat houses in Willowcreek to help with the mosquitoes, bugs and gnats. Mr. Griffith suggested asking the local boy scout troops to build the bat houses. Director Atchison requested that V&S obtain an estimate for the Board's review at next month's meeting and that MRPC add an item to the agenda for next month to consider same.

SECURITY PATROL

The Board next considered the report from the HCCO regarding security services in the District. Deputy Medina reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit F. Director Atchison stated that there have been reports of people walking into the District from the Sugarberry neighborhood and that HCCO is giving citations instead of making arrests. Director Atchison stated that people are parking at the park and trespassing into the District to fish in the ponds.

Deputy Medina and Corporal Cowen exited the meeting at this time.

REVIEW AND APPROVAL OF RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS

The Board next deferred consideration of the review and approval of a Resolution Authorizing Application to the Texas Commission on Environmental Quality (“TCEQ”) for the Use of Surplus Construction Funds until next month’s meeting.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for June 2024, 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 June 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 \$376.82 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.

Mr. Shelnutt reported that the District’s valve survey is complete.

Mr. Shelnutt reported that the sprinkler system has been installed on Wixford Lane.

Mr. Shelnutt reported that spillway pressure washing is complete.

Mr. Shelnutt reported that the damaged fence post at the Water Plant has been repaired.

Mr. Shelnutt reported that the surge protection module on the incoming power supply at the Water Plant was replaced on May 21, 2024.

Mr. Shelnutt next gave an update on the status of the meter replacement project.

Mr. Shelnutt reported that the new dialer has been ordered to replace the defective one at the WWTP.

Mr. Shelnutt reported that there is a defective control panel at lift station no. 3 that needs to be repaired. He stated that MOC is waiting on Cummins to assess the problem.

Mr. Shelnutt reported that the slide gate at the WWTP was damaged during Hurricane Beryl and has now been repaired.

Mr. Shelnutt reported that the power at the Water Plant was restored on July 9th and the power at the WWTP was restored on July 11th following power loss from Hurricane Beryl. He stated that the generators functioned properly.

Director Atchison stated that he forwarded the map prepared by V&S showing the property that the District is responsible for mowing to the Inverness Property Owners Association (“POA”).

He stated that he would like to discuss the acquisition of a property on Kerrisdale currently owned by the POA.

Mr. Shelnutt stated that Albury Manor recently had a name change on their account which would potentially affect the current Out of District Service Contract that the District had with Albury Manor. He asked MRPC to research whether anything needs to be done regarding the new ownership.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

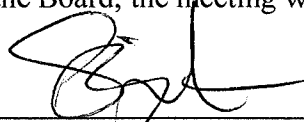
The Board next deferred consideration of an update from Touchstone District Services until next month's meeting.

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
July 15, 2024

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