

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
August 19, 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 August 19, 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”); Stephanie Viator of District Data Services; Robin Goin of Bob Leared Interests, Inc.; Deputy Martinez and Deputy Ramirez of Harris County Constable’s Office (“HCCO”); Courtney Smith, resident; 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. Sergeant Martinez reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit A. She then introduced Deputy Ramirez and stated that she is the new night shift deputy on the District’s contract.

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 Thomas 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 meeting held on July 15, 2024. After discussion, Director Atchison made a motion to approve the minutes of the meeting of July 15, 2024, as presented. Director Thomas seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

The Board reviewed the bookkeeper's report received from District Data Services dated August 19, 2024, a copy of which is attached hereto as Exhibit B. Ms. Viator stated that she added a new page to the report regarding surplus funds tracking from previous bond issues. After discussion, Director Atchison made a motion to approve the bookkeeper's report and to authorize payment for the invoices listed therein. Director Thomas 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, 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.

DELINQUENT TAX REPORT

Ms. Richardson next presented the delinquent tax report dated August 19, 2024, 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.

Mr. Griffith stated that the District was last serviced on August 15, 2024.

Mr. Griffith reported that there were no signs of activity behind the fence near the Sugarberry neighborhood.

Mr. Griffith reported that a tree fell near the rear of the property line by the drainage channel in the Reserve at Inverness. He stated that the fallen tree is not disturbing or damaging any areas and recommended leaving the tree alone for now. The Board concurred with Mr. Griffith's recommendation.

Director Atchison stated that there are reports of people entering into the District through the fenced area as seen on the cameras. He stated that he believes a 'No Trespassing' sign should be installed in the area.

Director Massey asked about reports of someone firing gun shots within the past month. Director Atchison stated that HCCO inspected the subject area and did not find anything related to same.

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 V&S held a site meeting with the lab to plan for polyphosphate equipment and piping. Mr. Aranzales stated that V&S is also preparing a treatment modifications design report for approval from the Texas Commission on Environmental Quality ("TCEQ"). He then stated that the District received approval from 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. He then stated that the warranty inspection was held for well no. 2 and it was noted that there was some noise in the motor. He stated that the manufacturer will be evaluating, adjusting and re-testing the motor.

Mr. Aranzales reported on the review of bids and award of construction contract for Inverness Estates Detention Pond Outfall Pipe Repairs. He stated that V&S received two (2) bids for the project, with the lowest bidder being AR Turnkee with a bid of \$144,026.00. He stated that AR TurnKee did not have good references and that V&S recommended awarding the contract to Wright Solutions, LLC ("WS") with a bid of \$147,660.00. After discussion, Director Massey made a motion to award the construction contract to WS in the amount of \$147,660.00, as discussed above. Director Thomas seconded the motion, which unanimously carried.

Mr. Aranzales reported on the review and approval of proposals for the installation of bat houses. He stated that V&S received two (2) bids for the project, with the low bidder being AMAR Contractors with a bid of \$6,000 for the installation of three (3) bat houses. Director Atchison asked about maintenance of the bat houses. Mr. Aranzales stated that the bats go to Mexico during the winter months so maintenance would be performed by the operator during this time. Director Massey stated that he likes the idea of installing bat houses and would like to approach the Inverness Property Owners Association ("POA") about installing bat houses as well. The Board requested that the item remain on the agenda for next month's meeting to allow Director Massey to obtain information on whether the local Boy Scout group would like to participate.

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. Richardson stated that MRPC sent certified mail to 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 ("CIP"). He presented the attached CIP prepared with input from MOC and reviewed same with the Board. Mr. Aranzales then discussed the Polyphosphate Treatment project at the Water Plant.

Mr. Aranzales reported on park and facility maintenance. He stated that the pedestrian gate to the WWTP has not yet been repaired. He stated that the timed gate lock was reprogrammed to

9:00 p.m. last month. Mr. Aranzales then stated that V&S is awaiting solar panel replacements from the manufacturer and expects same at the end of August.

Ms. Director Fesler then acknowledged a member of the public in attendance at the meeting. ~~Mr.~~ Courtney Smith introduced herself and stated that she is a resident of the District. She stated that she is concerned about the water quality from recent posts about same on Facebook. Director Atchison stated that most of the water quality complaints were received after the District flushed the lines which stirred up particulate in the waterlines. He noted that while the water may have temporarily looked murky, it was and is safe to drink. Mr. Aranzales stated that the addition of polyphosphate should clear up any water quality issues. Director Wright stated that the District should notify the residents in advance on the website and via text alerts the next time the flushing is scheduled.

REVIEW AND APPROVAL OF RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS

The Board next considered the review and approval of a Resolution Authorizing the Use of Surplus Construction Funds relative to the Inverness Detention Pond Outfall Pipe Repairs project. Ms. Richardson reviewed the Resolution authorizing the use of surplus construction funds in the amount of \$147,660. After discussion, Director Atchison made a motion to approve the Resolution authorizing the use of surplus construction funds in the amount of \$147,660 relative to the Inverness Detention Pond Outfall Pipe Repairs project, and to authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Thomas seconded the motion, which unanimously carried.

AMENDMENT TO RATE ORDER

The Board next deferred consideration of an amendment to the District's Rate Order until next month's meeting.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for July 2024, a copy of which is attached hereto as Exhibit G. He reported that the District accounted for 95% 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 totaling \$83.00 to Collections Unlimited ("CU"), as shown on the list attached to the Operator's Report. After discussion, Director Thomas made a motion to authorize MOC to turn over the one (1) subject account to CU as set out above. Director Atchison seconded the motion, which passed unanimously.

Mr. Shelnutt next gave an update on the status of the meter replacement project. He stated that MOC replaced sixty-nine (69) defective meters in July and that MOC hopes to speed up the replacements this month.

Mr. Shelnutt reported that lift pump no. 2 went out and is in the shop being rebuilt. He stated that Neil Technical Services is completing the work which will cost approximately \$6,200.

Director Thomas stated that he has not seen the sprinkler system on Wixford Lane run since it was initially installed. Mr. Shelnutt stated that he will investigate the matter.

Mr. Shelnutt reported that Cummins replaced the defective control panel at lift station no. 3 on August 7, 2024.

Mr. Shelnutt reported that MOC replaced the defective autodialer at the WWTP July 25, 2024.

Director Atchison stated that he forwarded the POA information on the maintenance responsibility for the common areas. He asked that MOC research whether the POA is now mowing the areas for which they are responsible so the District can discontinue maintenance of same.

DISCUSS POTENTIAL ACQUISITION OF PROPERTY ON KERRISDALE

The Board next considered a discussion regarding the potential acquisition of property on Kerrisdale. Director Atchison stated that he has had conversations with the POA about the District potentially taking ownership of the tract adjacent to Kerrisdale and upon which the District's water line easement and walking trail is located. He noted that this is the same property upon which the District condemned the water line easement due to the POA's refusal to grant same to the District. He noted that the MUD maintains the easement and trail, but the POA is not regularly maintaining the surrounding property. He stated that the property would become tax exempt if conveyed to the MUD. Director Atchison stated that he will follow up with the POA regarding the matter.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

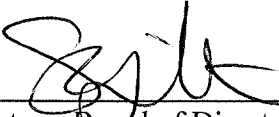
The Board next considered an update from Touchstone District Services. Ms. Richardson presented the Monthly Communications Report dated August 19, 2024, and reviewed same with the Board. The Board requested that MRPC advise Touchstone to coordinate with Director Wright regarding proposed articles for the website.

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 19, 2024

- 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 and related handouts
- H. Touchstone Communications Report