

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
September 16, 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 September 16, 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
Sandee 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.; Debbie Shelton of Masterson Advisors, LLC (“Masterson”); Michael Willett of Touchstone District Services (“Touchstone”); Deputy Martinez of Harris County Constable’s Office (“HCCO”); Will Weaver of Boy Scouts of America; 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. Director Atchison asked about the new daytime deputy. Sergeant Martinez stated that the new deputy is still in training and she is unsure whether he will be the permanent replacement. She stated that HCCO has a K-9 unit deployed in the meantime. Director Atchison stated that he observed some kids jumping the fence in the middle of the night but they jumped right back over the fence.

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 August 19, 2024. After discussion, Director Atchison made a motion to approve the minutes of the meeting

of August 19, 2024, as amended. Director Thomas seconded the motion, which unanimously carried.

The Board next considered a discussion regarding installation of bat houses. Director Massey stated that he contacted the local Boy Scout troops regarding interest in the installation of bat houses. He then introduced Will Weaver to the Board and stated that Mr. Weaver showed interest in completing the bat houses as part of his Eagle Scout project. He then gave an overview of the project and materials needed. Mr. Weaver stated that he will raise the money for the project and the bat houses will be completed by his Boy Scout troop with input and help from District if interested. He then presented some proposed locations for the bat houses. Mr. Weaver stated that he prefers wooden poles as they do not sway as much. Mr. Aranzales stated that wooden or metal poles can be used. Director Thomas asked about the maintenance of the bat houses. Mr. Weaver stated that there is virtually no maintenance as the boxes are open at the bottom.

Mr. Weaver exited the meeting at this time.

BOOKKEEPING REPORT

The Board reviewed the bookkeeper's report received from District Data Services dated September 16, 2024, a copy of which is attached hereto as Exhibit B. After discussion, Director Thomas made a motion to approve the bookkeeper's report and to authorize payment for the invoices listed therein. Director Atchison seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated August 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.

TAX RATE RECOMMENDATION

Ms. Shelton next presented an analysis and recommendation regarding the proposed 2024 debt service and maintenance tax rate prepared by Masterson, a copy of which is attached hereto as Exhibit D. After discussion, Director Atchison made a motion to authorize the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a combined proposed 2024 tax rate of \$0.78194 per \$100 of assessed valuation, with such hearing to be held at the District's next regular meeting. Director Massey seconded said 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 the District was last serviced on August 21, 2024.

Mr. Griffith reported that the drainage channel located in Willow Creek is still blocked with debris. He stated that the detention basin B was not approved for the storm water quality permit renewal because the water is backing up in Willow Creek and not allowing the water to drain. He stated that the issue is being caused by Harris County, and he will coordinate with them on same.

ENGINEER'S REPORT

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

Mr. Aranzales reported on the blended phosphate water treatment project. He stated that V&S completed design and pump sizing and submitted the design plans to the Texas Commission on Environmental Quality for approval. Mr. Aranzales then requested authorization to solicit bids. After discussion, Director Thomas made a motion to authorize V&S to solicit bids for the blended phosphate water treatment project. Director Atchison seconded the motion, which unanimously carried.

Mr. Aranzales reported on Water Plant No. 1, Well No. 2. He stated that V&S will resubmit a twelve-month (12) water quality report by the end of October 2024. He then stated that the warranty inspection was held for well no. 2 and it was noted that the motor was in good shape. He stated that Alsay will be evaluating, adjusting and re-testing the pump column assembly.

Mr. Aranzales reported on the installation of bat houses. Ms. Richardson suggested that the District work with the Boy Scouts on installation to ensure the integrity of the poles. Mr. Aranzales agreed to coordinate with the Boy Scouts.

Mr. Aranzales reported on the status of the construction contract with Wright Solutions, LLC for Inverness Estates Detention Pond Outfall Pipe Repairs. He stated that V&S held the pre-construction meeting on September 12, 2024. Ms. Richardson reported that MRPC is reviewing bonds and insurance. Mr. Aranzales then discussed posting a notice on the District's website notifying residents of the upcoming construction. The Board noted that it will also send a text alert to residents.

Mr. Aranzales reported on the District's Capital Improvements Plan ("CIP"). He reminded the Board that the CIP was presented and approved at the August meeting. He then requested authorization to proceed with plan preparation for Water and Sewer Line Item No. 1 for the Inverness Estates Sections, 1, 2 and 4 Sanitary Sewer Cleaning and Televising. After discussion, Director Thomas made a motion to authorize V&S to begin design plans for the Sanitary Sewer Cleaning and Televising for Inverness Estates, Sections 1, 2 and 4. Director Atchison seconded the motion, which unanimously carried.

Mr. Aranzales reported on park and facility maintenance. He stated that the solar camera was replaced but it failed again so a new camera is being sent as a replacement. Mr. Aranzales stated that the pedestrian gate to the WWTP is scheduled to be repaired on September 21, 2024. He also noted that V&S received the constable signs and will coordinate installation with Director Atchison. Mr. Aranzales then asked whether the Board wants to build up the barrier behind the fence some more. Director Atchison stated that more branches could be thrown over the fence to

build it up more. The Board then discussed building a berm but are concerned that it may not last. The Board then agreed to leave it alone for now.

Mr. Aranzales then reported on the Inverness sidewalk repairs. He stated that V&S reported the sidewalk depressions to Harris County Precinct 3 and is awaiting a response.

Mr. Aranzales reported on future recreational projects in Albury Trails Estates and Reserve at Inverness. Ms. Richardson noted that she sent certified mail to the Hooks family regarding the Board's interest in the Hooks property and has not received a response.

The Board next considered a discussion regarding the potential acquisition of property on Kerrisdale. The Board discussed 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. Director Atchison stated that it would be good to not pay taxes and the District only maintain the property. The Board requested that MRPC send correspondence asking for conveyance of the property. Ms. Richardson agreed to prepare a draft for the Board's review at next month's meeting.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for August 2024, 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 August 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 two (2) delinquent accounts totaling \$191.79 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 two (2) subject accounts to CU as set out above. Director Massey seconded the motion, which passed unanimously.

Mr. Shelnutt reported that the sprinkler system on Wixford Lane is installed and runs on Tuesdays, Thursdays and Saturdays.

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

Mr. Shelnutt next gave an update on the status of the meter replacement project. He stated that MOC replaced thirty-seven (37) defective meters in August.

Mr. Shelnutt reported that the semi-annual lead and copper sampling is complete. He then presented the attached draft notice to customers advising of no lead and copper in the service lines. Ms. Richardson stated that MRPC will review the notice.

Mr. Shelnutt next presented a request from Harris County Public Health for the Wastewater Based Epidemiology Program, a copy of which is attached hereto as Exhibit H. He stated that the program monitors and analyzes wastewater to help track certain communicable diseases, providing valuable data that can improve community health and safety and is provided at no cost to the District. After discussion, Director Thomas made a motion to proceed with participation in the

Wastewater Based Epidemiology Program and requested that an item be added to the agenda for next month's meeting to consider approval of the Interlocal Agreement. Director Massey seconded the motion, which unanimously carried.

CONSIDER PROPOSAL FROM HARRIS COUNTY PUBLIC HEALTH REGARDING PARTICIPATION IN HCPH WASTEWATER BASED EPIDEMIOLOGY PROGRAM

The Board next deferred consideration of a proposal from Harris County Public Health as same was discussed under the operator's report.

DISCUSS POTENTIAL ACQUISITION OF PROPERTY ON KERRISDALE

The Board next deferred consideration of a discussion regarding the potential acquisition of property on Kerrisdale as same was previously discussed under the engineer's report.

APPROVAL OF SIGNAGE FOR THE DISTRICT

The Board next deferred consideration of the approval of signage for the District as same was previously discussed under the engineer's report.

REVIEW OF ARBITRAGE ANALYSIS REPORT PREPARED BY MUNICIPAL RISK MANAGEMENT GROUP, L.L.C.

The Board next considered review of an arbitration analysis report prepared by Municipal Risk Management Group, L.L.C., attached hereto as Exhibit I. Ms. Richardson reviewed the annual maintenance for arbitration analysis report with the Board and presented an engagement letter from Arbitrage Compliance Specialists, Inc. ("ACS") relative to the District's Unlimited Tax Refunding Bonds, Series 2021. After discussion, Director Atchison made a motion to approve the engagement letter from ACS relative to the District's Unlimited Tax Refunding Bonds, Series 2021. Director Thomas seconded the motion, which unanimously carried.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

The Board next considered an update from Touchstone District Services. Ms. Richardson presented the Monthly Communications Report dated September 16, 2024, and reviewed same with the Board. Director Atchison stated that a Touchstone representative only needs to attend Board meetings as needed. Director Wright stated that she will be the District liaison to coordinate with Touchstone.

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
September 16, 2024

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Tax Rate Recommendation
- E. Detention and Drainage Facilities Report
- F. Engineer's Report
- G. Operations Report and related handouts
- H. Harris County Public Health Wastewater Based Epidemiology Program
- I. Touchstone Communications Report