

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
October 21, 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 October 21, 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.; Ken Farrar of Best Trash; 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. Sergeant Martinez reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit A.

PUBLIC COMMENT

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

SOLID WASTE COLLECTION SERVICES FROM BEST TRASH

The Board next considered the status of solid waste collection services from Best Trash, including review of a CPI adjustment. Mr. Farrar presented correspondence from Best Trash, attached hereto as Exhibit B, regarding the implementation of the annual CPI increase. He stated that the District’s contract with Best Trash provides for an automatic increase each year based on CPI-U data, and that, based on such data, the CPI increase for this year is 5.3%, which will increase the current rate from \$21.71 per connection to \$22.86 per connection. He stated that the CPI increase will take effect for the October billing cycle and continue through September 2025.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meeting held on September 16, 2024. After discussion, Director Atchison made a motion to approve the minutes of the meeting of September 16, 2024, as amended. Director Thomas seconded the motion, which unanimously carried.

PUBLIC HEARING

The Board next conducted a public hearing relative to the District's proposed 2024 debt service and maintenance tax rates. Ms. Goin advised that the tax rate publication was published in accordance with state law requirements. Director Fesler announced the hearing open and invited members of the public to address the Board on the proposed 2024 debt service and maintenance tax rates. Seeing no members of the public wishing to speak, Director Fesler then announced the hearing closed.

ORDER LEVYING TAXES

The Board next considered the adoption and levy of the District's 2024 debt service tax and maintenance tax. Ms. Richardson noted that the District published notice of a debt service tax rate of \$0.51 per \$100 of assessed valuation and a maintenance tax rate of \$0.27194 per \$100 of assessed valuation. After discussion, Director Thomas made a motion to levy a 2024 debt service tax of \$0.51 per \$100 of valuation and a 2024 maintenance tax of \$0.27194 per \$100 of valuation and to adopt the Order Levying Taxes, attached hereto as Exhibit C. Director Atchison seconded the motion, which carried unanimously.

AMENDMENT TO DISTRICT INFORMATION FORM

Ms. Richardson next presented and reviewed with the Board an Amendment to the Second Amended and Restated District Information Form in connection with the 2024 Tax Rate. After discussion, Director Thomas moved to approve the amendment and that the Board members present be authorized to execute same. Director Massey seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

The Board reviewed the bookkeeper's report received from District Data Services dated October 21, 2024, a copy of which is attached hereto as Exhibit D. After discussion, Director Thomas 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 September 30, 2024, a copy of which is attached hereto as Exhibit E. 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 F.

Mr. Griffith stated that the District was last serviced on October 1, 2024.

Mr. Griffith reported that fall overseeding and fertilization was completed following the recent service on October 1, 2024.

ENGINEER'S REPORT

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

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 stated that V&S will have bids for the Board's review at next month's meeting.

Mr. Aranzales reported on Water Plant No. 1, Well No. 2. He stated that the one-year (1) inspection was held for Well No. 2 and Alsay pulled the pump and column assembly for inspection. Mr. Aranzales stated that the hydrologist noted that some bearings, shafts, and joints need replacement and that the repairs are covered under warranty.

Mr. Aranzales reported on the approval of design plans and authorizing advertisement for bids for sanitary sewer cleaning and televising for Inverness Estates, Sections 1, 2 and 4. Mr. Aranzales requested that the Board authorize V&S to advertise for bids. After discussion, Director Thomas made a motion to authorize V&S to advertise for bids for the project. Director Massey seconded the motion, which unanimously carried.

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 the project should be completed this week. He then presented Partial Pay Application No. 1, in the amount of \$82,269.00 and recommended payment of same. After discussion, Director Thomas made a motion to approve payment of Partial Pay Application No. 1, in the amount of \$82,269.00, as discussed above. Director Massey seconded the motion, which unanimously carried.

Mr. Aranzales reported on park and facility maintenance. He stated that the new solar camera is being programmed. He also stated that all park gates were serviced. Mr. Aranzales then stated that the new constable signs are scheduled to be installed the week of October 21st.

Mr. Aranzales reported on the installation of bat houses. He stated that he met with Director Massey and Eagle Scout Troop 41 to discuss the project details, and Troop 41 is preparing the project.

Mr. Aranzales then reported on the Inverness sidewalk repairs. He stated that V&S received a response from Harris County Precinct 3 today regarding the sidewalk depressions. Mr. Aranzales stated that Precinct 3 advised that they are no longer taking responsibility for sidewalk repairs. He stated that the District can repair the sidewalks if they are damaged by District facilities. Mr. Aranzales stated that V&S can televise the storm sewers and send the videos to Precinct 3 to see if they will take any action regarding the matter. He stated that he will include the televising with the televising project for Inverness Estates, Sections 1, 2 and 4.

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 from the Inverness Estates Property Owners Association ("POA") for the development of park and recreational facilities. Ms. Richardson presented draft correspondence to the IPOA regarding the request for the conveyance of certain tracts owned by the POA. The Board reviewed the correspondence and exhibits and asked that MRPC send the correspondence to the POA.

Director Thomas stated that the Wixford gate is not closing automatically after the contractor was informed of same. Mr. Aranzales stated that he will research the matter.

OPERATIONS REPORT

Mr. Shelnett presented and reviewed the operations report for August 2024, a copy of which is attached hereto as Exhibit I. He reported that the District accounted for 98% of the water pumped during the month of September and that the District's facilities operated in compliance with its respective permits during the month.

Mr. Shelnett next requested that the Board authorize MOC to turn over one (1) delinquent account totaling \$70.26 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 Massey seconded the motion, which passed unanimously.

Mr. Shelnett next reported that the meter replacement project is completed.

Mr. Shelnett reported that lift station no. 2 lift pump has been repaired and reinstalled.

Mr. Shelnett reported that the lead and copper rule revision survey is completed and the report has been sent to the Texas Commission on Environmental Quality.

Mr. Shelnett reported that the lift pumps at the WWTP were pulled and deragged and the check valves were cleaned.

Mr. Shelnutt reported that the RAS was unclogged at the WWTP.

Director Atchison asked whether there have been any issues regarding the new meters. Mr. Shelnutt stated that a customer called MOC today about a new meter because of a unusually high water usage on October 12th. He stated that he contacted Accurate Meter to research the matter.

AMENDMENT TO DISTRICT'S RATE ORDER

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

CONSIDER REVIEW AND APPROVAL OF INTERLOCAL AGREEMENT WITH HARRIS COUNTY PUBLIC HEALTH REGARDING PARTICIPATION IN HCPH WASTEWATER BASED EPIDEMIOLOGY PROGRAM

The Board next considered the review and approval of an Interlocal Agreement with Harris County Public Health regarding participation in the Wastewater Based Epidemiology Program. Ms. Richardson stated that she provided comments to HCPH regarding the Interlocal Agreement and has not yet received a response.

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.

DISCUSSION REGARDING CATASTROPHIC EQUIPMENT FAILURES AND LIABILITY RELATIVE TO SAME

The Board next discussed catastrophic equipment failures and liability relative to same. Director Fesler discussed an incident in Reid Road Municipal Utility District wherein the ground storage tank exploded and flooded homes. He stated that insurance is not covering the damage due to governmental immunity. Ms. Richardson agreed to contact the District's insurer to determine if there is coverage available for incidents similar to these.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

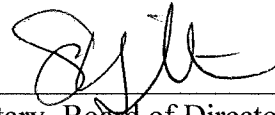
The Board next considered an update from Touchstone District Services. Ms. Richardson presented the Monthly Communications Report dated October 17, 2024, and reviewed same with the Board, a copy of which is attached hereto as Exhibit J.

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
October 21, 2024

- A. Patrol Report
- B. CPI Correspondence from Best Trash
- C. Order Levying Taxes
- D. Bookkeeper's Report
- E. Tax Assessor-Collector Report
- F. Detention and Drainage Facilities Report
- G. Engineer's Report
- H. Draft Correspondence to POA
- I. Operations Report and related handouts
- J. Touchstone Communications Report