

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
February 17, 2025

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 February 17, 2025, 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 and Corporal Love of Harris County Constable's Office ("HCCO"); Godfrey Eta, 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 stated that the stolen vehicle discussed at the last meeting was recovered within a week. Corporal Love advised that vandalism charges are being filed against juveniles from Sugarberry neighborhoods.

Deputy Martinez and Corporal Love 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 January 27, 2025. After discussion, Director Atchison made a motion to approve the minutes of the meeting of January 27, 2025, as presented. Director Wright seconded the motion, which unanimously carried.

Mr. Aranzales reported on the construction contract with Allteam Solutions, LLC for the sanitary sewer cleaning and televising for Inverness Estates, Sections 1, 2 and 4. He stated that the project is 95% complete. He reported that the contractor found cement blocks inside the sanitary sewer line located on Blanefield Lane. He stated that the contractor used chains to remove the blocks and clear the blockage. He also advised that the contractor found a leaking joint on Wixford which will require a point repair.

Mr. Aranzales reported that V&S is assembling 2024 data for the Albury Manor water rate update which is due March 2025 and will present the data at the Board's next meeting.

Mr. Aranzales reported on the status of installation of bat houses. He stated that the project was approved by the Eagle Scout District. He noted that V&S has donated the poles for the project, and the Scouts are responsible for fundraising to purchase the remaining materials, with construction tentatively scheduled to begin in the middle of next month. He then stated that the Scouts have requested authorization to build one (1) bat house per pole to ensure longevity of each unit, to which the Board approved.

Mr. Aranzales reported on park and facility maintenance. He stated that the locks for the gate on Champion Forest have been replaced and programmed and that heavy-duty hinges were added to stabilize the gate.

Mr. Aranzales next reported on the status of the construction contract with Infrastructure Construction Services for the park pad and bench addition. He stated that the benches are estimated to arrive on March 6, 2025.

Mr. Aranzales then reported on the status of the plans and specifications for the purchase and installation of a generator at the District's facilities. He advised that the Water Plant's existing generator was installed in 2010 and that the cost of a replacement generator is estimated to be between \$500,000 and \$550,00. He also stated that V&S is working on a generator cost estimate for the District's Wastewater Treatment Plant.

Mr. Aranzales next reported that V&S is updating the District's Emergency Preparedness Plan for submission to the TCEQ, as the current five-year cycle will conclude in August 2025.

Mr. Aranzales then reported on the Inverness sidewalk repairs. He stated that V&S submitted a second request to Harris County Precinct 3 regarding the sidewalk depressions on Wixford and Lacombe, and a work order was created to repair them. Mr. Aranzales reported that the sanitary sewer inspections will be included with the Allteam Solutions, LLC contract. He also stated that V&S reported the damaged curb to Harris County Precinct 3, and a work order for the repairs has been generated.

Mr. Aranzales reported on future recreational projects in Albury Trails Estates and Reserve at Inverness. He stated that he had no updates on the matter.

Mr. Aranzales next reported that Harris County plans to construct a bridge over Willow Creek at Champions Forest Drive to connect Champions Forest Drive to the Grand Parkway. He advised that Silver Shield Way will be closed during this project, which is estimated to begin in

two (2) years. He also noted that Harris County's engineers may contact the District regarding lighting for the bridge.

APPROVAL OF WATER RATES FOR ALBURY MANOR PURSUANT TO WHOLESALE WATER SUPPLY AGREEMENT

The Board next considered approval of water rates for Albury Manor pursuant to the Wholesale Water Supply Agreement. Mr. Aranzales stated that V&S is assembling the 2024 expense information and will present it to the Board at next month's meeting.

OPERATIONS REPORT

Mr. Shelnett presented and reviewed the operations report for January 2025, a copy of which is attached hereto as Exhibit H. He reported that the District accounted for 95% of the water pumped during the month of January and that the District's facilities operated in compliance with its respective permits during the month.

Mr. Shelnett reported on the status of the meter replacement. He stated that sixty (60) meters are pending replacement per Accurate Meter.

Mr. Shelnett stated that the automatic transfer switch at Lift Station No. 2 has been programmed.

Mr. Shelnett next discussed the District's generators. He advised that the cost to order an emergency control module for the generator at Lift Station No. 2 would be \$22,000 with a one (1) year warranty included and expected delivery time of four (4) to six (6) weeks. He reported that a diesel technician inspected the generator to see if a mini split could be used to assist with the generator's temperature but advised against it due to the vibration of the generator. He stated that he will get quotes for heater strips. Mr. Shelnett also presented pricing quotes for the District to rent generators. He advised that renting a 500-kilowatt generator would cost \$11,000 monthly and that a 600 kilowatt generator would cost \$12,000 monthly.

Mr. Shelnett advised that there are duplicate charges for the auto dialer work and it will reflect as a credit on next month's invoice.

Director Massey requested that Mr. Shelnett look into reserving a rental unit in case one is needed.

Director Thomas noted the pumpage difference in the report for water well no. 1 and water well no. 2. Mr. Shelnett advised that this is due to well water no. 2 being out of service for sampling.

CONSIDER PROPOSALS FOR RENEWAL OF INSURANCE COVERAGE

The Board next considered proposals relative to the renewal of the District's insurance coverage for term expiring March 31, 2025. Ms. Richardson reviewed the renewal proposal

received from Gallagher, a copy of which is attached hereto as Exhibit I, relative to property, comprehensive boiler and machinery, commercial general liability and hired car and non-ownership automobile liability, pollution liability, directors and officers liability, umbrella, public employee blanket crime, directors position schedule bond, tax assessor/collector bond, worker's compensation, and business travel coverage scheduled to expire on March 31, 2026. She noted that the premium increased by \$12,843.10 due to an increase in property values and that Gallagher has provided MRPC with an executed Form 1295 for the proposal. After discussion, the Board requested that MRPC seek an additional quote for insurance coverage due to the cost increase on the current policy.

APPROVAL OF FEE INCREASE FROM MRPC

The Board next considered the review and approval of a fee increase by MRPC, a copy of which is attached hereto as Exhibit J. Ms. Richardson reviewed the attached proposed MRPC Rates with the Board and noted that the increase will become effective March 1, 2025. After discussion, Director Thomas made a motion to approve the fee increases from MRPC as set out above, effective March 1, 2025. Director Massey 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 February 17, 2025, and reviewed same with the Board, a copy of which is attached hereto as Exhibit K.

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