

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
August 18, 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 August 18, 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
Sandee Wright, Secretary
Roland Massey, Assistant Vice President/Secretary
Jordan Thomas, Assistant Vice President/Secretary

and all of said persons were present, with the exception of 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"); Roksi Rivera of District Data Services; Robin Goin of Bob Leared Interests, Inc.; Sergeant Martinez 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 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. A discussion occurred regarding the anticipated increase in fees contract patrol costs in 2026. Director Fesler proposed amending the District's Rate Order to add a security fee in anticipation of such future increase. 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 Massey seconded the motion, which carried unanimously.

Sergeant Martinez exited the meeting at this time.

PUBLIC COMMENT

The Board next considered comments from the public. Mr. Eta reported that the Inverness Estates Homeowners Association (“HOA”) Board of Directors voted in favor of donating the property along Kerrisdale to the District. The Board next requested that an item be added to next month’s agenda to authorize a survey of the property and the preparation of conveyance documents.

Director Atchison next discussed the hotel being constructed in Dowdell Public Utility District (“Dowdell”) on property located adjacent to homes in Inverness Estates. Mr. Eta advised that the President of the Property Owner’s Association (“POA”) has sent a list of questions regarding the matter to the hotel developer to ensure the hotel is complying with building standards. Director Atchison next stated that he was informed by the engineer for the Dowdell and Dennis Wright, a resident, that the hotel is considering additional measures to accommodate the surrounding residents such as fencing or landscaping to create a buffer zone.

A discussion occurred regarding the fence located behind the Jack in the Box restaurant adjacent to the District. Director Atchison asked if the HOA is going to increase the height of the fence. Mr. Eta advised that the HOA is discussing options to rehab the fence as it is degrading in some parts.

Mr. Eta exited the meeting at this time.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meeting held on July 21, 2025. After discussion, Director Massey made a motion to approve the minutes of the meeting of July 21, 2025, as presented. Director Atchison seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

The Board reviewed the bookkeeper’s report prepared by District Data Services dated August 18, 2025, 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 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, 2025, 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.

DELINQUENT TAX REPORT

Ms. Goin next presented the delinquent tax report dated August 18, 2025, 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 reported that three inlets located near the District's Wastewater Treatment Plant ("WWTP") are eroding and two (2) sinkholes have developed. He next presented the attached quote in the amount of \$9,361.20 from Champions to repair the sinkholes and excavate the area to raise the ground elevation. After discussion, Director Atchison made a motion to approve the sinkhole repairs and excavation for \$9,361.20. Director Massey seconded the motion, which passed unanimously.

Mr. Griffith next reported that there is no evidence of people entering District property from the Sugarberry neighborhood.

A discussion occurred regarding the responsibility for the erosion surrounding the amenity ponds. Mr. Aranzales advised that the District owns the property, however the HOA is responsible for maintaining the property. He stated he will walk the perimeter of the ponds to inspect the maintenance of them and will report his findings to the Board during next month's meeting.

ENGINEER'S REPORT

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

Mr. Aranzales advised that the District's Capital Improvement Plan ("CIP") has been updated and is included in the District's budget for the fiscal year ending July 31, 2026.

Mr. Aranzales reported on the contract for the sanitary sewer repairs for Inverness Estates, Sections 1, 2 and 4 with AMAR Contractors, LLC. He next requested authorization to prepare plans for the next phase of the project and presented the attached map in connection with same. Ms. Richardson noted that the cost for the project can be paid for out of the District's surplus construction funds. After discussion, Director Atchison made a motion to authorize V&S to prepare plans for the next phase of the District's sanitary sewer cleaning and televising project, relative to Inverness Estates, Sections 7-9. Director Thomas seconded the motion, which passed unanimously.

Mr. Aranzales next reported on the status of repairs to the sinkhole and sidewalk located on Wixford Lane. He stated that he received quotes to repair the unsettled sidewalk for \$1,800 and requested authorization to complete the repair. After discussion, Director Atchison made a motion to authorize the repair. Director Thomas seconded the motion, which passed unanimously.

Mr. Aranzales next reported that Harris County Precinct No. 3 reported a potential leak in the sanitary sewer line underneath the uneven sidewalk on Castlehead Drive. He recommended including this line in the 2026 sewer line televising, as outlined in the updated CIP.

Ms. Richardson next reported on the status of the Hooks Property. She advised that MRPC is actively working to contact the property owner.

Mr. Aranzales next discussed the status of a potential sidewalk extension in Albury Trails Estates. He next presented the attached image and cost estimate, displaying options for 4-foot and 6-foot widths. After discussion, the Board concurred to add an item to next month's agenda.

Mr. Aranzales next stated that it will cost \$2,850 to remove the dead tree on Kerrisdale Road and noted that the HOA has given the District permission to remove the tree. After discussion, Director Atchison made a motion to authorize the dead tree removal on Kerrisdale Road for \$2,850. Director Massey seconded the motion, which passed unanimously.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for July 2025, a copy of which is attached hereto as Exhibit G. He reported that the District accounted for 94% 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 \$270.19 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 Massey seconded the motion, which passed unanimously.

Mr. Shelnutt reported that a 1-1.5-inch IRR meter was replaced on July 25, 2025.

Mr. Shelnutt next reported that the District received a Notice of Violation letter from the TCEQ for failure to submit a Disinfectant Level Quarterly Operating Report, but the matter has since been resolved.

Mr. Shelnutt stated that the HOA request to install an electrical outlet in connection with its irrigation timers is complete.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

The Board next considered an update from Touchstone District Services. Ms. Richardson presented the Monthly Communications Report dated July 21, 2025, and reviewed same with the Board, a copy of which is attached hereto as Exhibit H.

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