

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
October 20, 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 October 20, 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, except Director Thomas, thus constituting a quorum.

Also present were Andres Aranzales of Vogler and Spencer Engineering, Inc. ("V&S"); Scott Shelnutt 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.; Sergeant Martinez, Captain Flores and Deputy Ramos of Harris County Constable's Office ("HCCO"); Ken Farrar of Best Trash; Godfrey Eta, resident of the District; 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. Captain Flores advised that correspondence will be sent to the District regarding the proposed price increase in connection with the 2026 Interlocal Agreement for Law Enforcement Services.

Sergeant Martinez, Captain Flores and Deputy Ramos exited the meeting at this time.

PUBLIC COMMENT

Mr. Eta reported that there was a drowning in the Inverness Estates POA ("IE POA") pond and that the IE POA provided video footage of the incident to the HCCO. He advised that the IE POA is installing signage that indicates no swimming in the pond.

Mr. Eta next discussed the proposed transfer of ownership for the property located on Kerrisdale Road. He noted that the IE POA has prepared a draft deed for the Board's approval. Ms. Richardson advised the Board that MRPC just received the draft and will review and coordinate with the IE POA. Mr. Eta further explained that the IE POA wishes to restrict the construction of buildings on the property.

Mr. Eta next reported that he anticipates that the streetlights will be replaced with LED lights early next year.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meeting held on September 15, 2025. After discussion, Director Atchison made a motion to approve the minutes of the meeting held on September 15, 2025, as revised. Director Massey seconded the motion, which unanimously carried.

PUBLIC HEARING

The Board next conducted a public hearing relative to the District's proposed 2025 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 2025 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 2025 debt service tax and maintenance tax. Ms. Richardson noted that the District published notice of a debt service tax rate of \$0.50 per \$100 of assessed valuation and a maintenance tax rate of \$0.275 per \$100 of assessed valuation. After discussion, Director Atchison made a motion to levy a 2025 debt service tax of \$0.50 per \$100 of valuation and a 2025 maintenance tax of \$0.275 per \$100 of valuation and to adopt the Order Levying Taxes, attached hereto as Exhibit B. Director Massey 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 2025 Tax Rate. After discussion, Director Atchison moved to approve the amendment and that the Board members present be authorized to execute same. Director Massey seconded said motion, which unanimously carried.

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 C, 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%, which will increase the current rate from \$22.86 per connection to \$24.00 per connection. He stated that the CPI increase will take effect for the October billing cycle and continue through September 2026. After discussion, Director Atchison moved to approve the attached CPI adjustment from Best Trash to

increase the current rate to \$24.00 per connection for the October billing cycle and through September 2026. Director Massey seconded the motion, which passed unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated September 30, 2025, a copy of which is attached hereto as Exhibit D. 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.

BOOKKEEPING REPORT

The Board reviewed the bookkeeper's report prepared by District Data Services dated October 20, 2025, a copy of which is attached hereto as Exhibit E. After discussion, Director Atchison 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.

DELINQUENT TAX REPORT

The Board next deferred review of the delinquent tax collection attorney report.

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 the week of October 13, 2025.

Mr. Griffith reported that there has been no evidence of four-wheeler activity in the District this month.

ENGINEER'S REPORT

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

Mr. Aranzales reported on the status of the 6-foot-wide sidewalk extension in Albury Trails Estates. He advised that preliminary design is underway and anticipates construction to begin in March.

Mr. Aranzales reported on the contract to repair deficiencies found during the sanitary sewer cleaning and televising for Inverness Estates, Sections 7-9. He stated that the contracts will be submitted for execution after MRPC issues approval of the bonds and insurance requirements.

Mr. Aranzales next reported that V&S is awaiting mobilization to rehab the drainage swale near the District's Wastewater Treatment Plant ("WWTP"). He advised that V&S is continuing to coordinate with Champions for an additional scope relative to amenity lake erosion and the sinkholes discussed last month.

Mr. Aranzales reported that the fence construction is complete on Brave Legion Way.

The Board next discussed the status of the sinkhole located on Castlehead Drive. Mr. Aranzales reported that Harris County Precinct No. 3 reported a potential leak in the sanitary sewer line located underneath the sidewalk. He advised that the line will be included for televising with the sanitary sewer cleaning and televising for Inverness Estates, Sections 7-9.

Mr. Aranzales next discussed the proposed acquisition of the 7.509-acre tract owned by IE HOA. He advised that the survey was complete. Ms. Richardson advised that MRPC will revise the draft deed to reflect the previously discussed restrictions on residential dwellings and commercial structures.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for September 2025, a copy of which is attached hereto as Exhibit H. He reported that the District accounted for 84% 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 advised that the NHCRWA meter on water well no. 2 is not registering properly, resulting in the lower accountability for the month. He stated he reported the issue to the NHCRWA and contacted Southern Flowmeter Inc to investigate the matter.

Mr. Shelnutt next reported that the insurance claim relative to the sort-circuiting of blower 2 at the WWTP is pending.

Mr. Shelnutt reported on the completed fire hydrant survey conducted by MOC. He reviewed the attached list of recommended repairs with the Board, noting a total estimated cost of \$17,455. After discussion, Director Atchison made a motion to authorize MOC to complete the attached list of hydrant repairs, totaling \$17,455. Director Massey seconded the motion, which carried unanimously.

Mr. Shelnutt next requested that the Board authorize MOC to turn over one (1) delinquent account totaling \$392.47 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. Shelnutt stated that the issue regarding the submittal of the District's DMR has been resolved.

Mr. Shelnutt next reported on the status of inspecting various facilities in the District. He reported that MOC is preparing to inspect the interior coating for the District's water well. He advised that he will have more to report on the matter next month. Mr. Shelnutt next advised that MOC is also preparing to inspect the internal coating of the District's ground storage tank and hydropneumatic tank. He also reported that MOC will test the District's generator prior to the weather getting colder.

Mr. Shelnutt reported the MOC installed new seals on non-potable pump no. 2.

Mr. Shelnutt next requested that an item be placed on next month's agenda to amend the District's contract with MOC relative to a proposed price increase.

Mr. Aranzales next stated that the TCEQ requested the transmittal letter that the District received relative to the WWTP construction in 2014. He reported that V&S was able to locate the letter of approval from the TCEQ but not the transmittal letter. He stated that V&S submitted an Public Information Request to the TCEQ requesting the transmittal letter that was issued in 2014.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

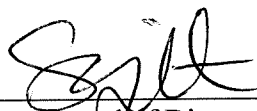
The Board next considered an update from Touchstone District Services. Ms. Richardson advised that a new representative, Danae Dehoyos, has been assigned to the District and that a report will be prepared for the next Board of Directors meeting.

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