

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401**  
**Minutes of Meeting of Board of Directors**  
**July 21, 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 July 21, 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, 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"); Roksi Rivera of District Data Services; Robin Goin of Bob Leared Interests, Inc.; Corporal Driver of Harris County Constable's Office ("HCCO"); and Jacquelyn Goodwin 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. Corporal Driver reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit A.

**PUBLIC COMMENT**

The Board next deferred consideration of comments from the public after noting no members from the public were present.

**APPROVE MINUTES**

The Board considered approval of the minutes of the Board meeting held on June 16, 2025. After discussion, Director Massey made a motion to approve the minutes of the meeting of June 16, 2025, as presented. Director Atchison seconded the motion, which unanimously carried.

**ENGAGE AUDITOR**

The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending July 31, 2025. Ms. Goodwin presented the audit continuance letter received from McCall Gibson Swedlund Barfoot Ellis PLLC ("McCall") a copy of which is

attached hereto as Exhibit B. She stated that McCall previously provided the District with an evergreen audit engagement letter and that no changes were required for the current engagement. She stated that McCall estimates the fee for preparing the District's audit for the fiscal year ending July 31, 2025, to range between \$16,750 - \$18,750, not including out of pocket costs such as printing, postage and other charges incidental to the completion of the audit. Ms. Goodwin noted that McCall will begin preparation of the audit report to present to the Board in a few months. After discussion, Director Atchison made a motion to approve the continuation of the engagement of McCall to prepare the District's annual audit report. Director Thomas seconded the motion, which passed unanimously.

#### BOOKKEEPING REPORT

The Board reviewed the bookkeeper's report prepared by District Data Services dated July 21, 2025, a copy of which is attached hereto as Exhibit C. 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.

#### ADOPT OPERATING BUDGET

Ms. Rivera presented and reviewed a proposed operating budget for the District's fiscal year ending July 31, 2026. Director Atchison suggested that the District budget \$50,000 for election expenses. After discussion, Director Atchison moved to adopt the operating budget for the fiscal year ending July 31, 2026, as amended. Director Thomas seconded said motion, which unanimously carried.

#### TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated June 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 Fesler seconded the motion, which carried unanimously.

#### DELINQUENT TAX REPORT

Ms. Goin next presented the delinquent tax report dated July 21, 2025, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), a copy of which is attached hereto as Exhibit E. She stated that account 1 listed under "Other Accounts" would be tagged for water termination if payment is not received. After discussion, Directors Atchison made a motion to authorize Perdue to move forward with tagging account 1 for water termination if payment is not received. Director Thomas seconded the motion, which passed 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 is currently being serviced.

A discussion occurred regarding the fallen tree located on Kerrisdale Road that was reported during last month's meeting. Mr. Griffith next presented a photo of the tree along with a proposal to remove the tree for approximately \$2,850. Director Atchison the noted that the property upon which the tree is located is owned by the Inverness Estates Property Owner's Association ("POA"). He suggested asking the POA to donate the property to the District, and in exchange, the District will remove the tree and take over the maintenance responsibilities of the property. The Board requested that Mr. Aranzales work with MRPC regarding the matter.

#### ENGINEER'S REPORT

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

Mr. Aranzales reported on the contract for the sanitary sewer repairs for Inverness Estates, Sections 1, 2 and 4 with AMAR Contractors, LLC. He presented Pay Application No. 1 in the amount of \$147,093.50 and recommended payment of same. After discussion, Director Atchison made a motion to approve Pay Application No. 1 and authorize payment of same in the amount of \$147,093.50. 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 reported that the sinkhole was sealed by Harris County and that the county has deemed the repair as complete. He next stated that the County also repaired the 3-inch pop-off valve for the resident's french drains, which should prevent the sinkhole from forming again. Mr. Aranzales recommended that the District perform a dye test to ensure there aren't any leaks in the line prior to repairing the sidewalk. He also stated that he will investigate costs for repairing the sidewalk to present to the Board at a later date. After discussion, Director Atchison made a motion to authorize V&S to perform a dye test on the line located at Wixford Lane. Director Thomas seconded the motion, which passed unanimously.

Mr. Aranzales next reported that V&S received approval of the District's Emergency Preparedness Plan from the TCEQ.

Mr. Aranzales next discussed the property adjacent to Albury Trails located at the north end of Brave Legion Way. He reported that he was contacted by the resident in response to the letter V&S sent last month. He stated that the property owner has no plans to modify the fence further and that it was installed to block view of an adjacent resident's yard. Mr. Aranzales next reported that he is gathering quotes for a 6-foot cedar fence to be constructed along the District's property. After discussion, Director Atchison made a motion to appoint Director Fesler to approve a quote for the 6-foot cedar fence in an amount not to exceed \$6,000. Director Thomas seconded the motion, which passed unanimously.

Mr. Aranzales next reported that the engineer for Harris County Precinct No. 4 contacted him about a potential sidewalk partnership between the HCCO and surrounding municipal utility districts in the area. He advised that the partnership will apply to only the proposed sidewalks along Precinct 3 maintained roads. He also stated that application deadline is September 5, 2025.

Mr. Aranzales reported that the District's Capital Improvement Plan ("CIP") is being updated for inclusion in the District's budget for the fiscal year ending July 31, 2026 and stated that V&S will present the updated CIP for approval at the Board's next meeting.

A discussion next occurred regarding the potential installation of a concrete fence in partnership with surrounding HOAs. Director Atchison stated that he spoke with Mr. Ryan with Harris County Municipal Utility District No. 383 ("MUD 383") regarding the construction of the concrete fence within MUD 383's community. The Board took no action on the matter.

Mr. Aranzales next reported on the status of future recreational projects in the District. He reported that he has no new updates on the Hooks property.

Mr. Aranzales next reported on the status of the sinkholes located near inlets at the District's Wastewater Treatment Plant ("WWTP"). He reported that the pipe was inspected and no deficiencies were found. He reported that V&S is awaiting pricing from Champions to backfill the sinkholes and regrade the drainage swale.

Director Atchison then requested that V&S obtain pricing for installing sidewalks on both sides of the District's ponds, with options for 4-foot and 6-foot widths. He noted that the proposed sidewalks would not cross the Hooks property.

#### DISCUSSION REGARDING A PROPERTY ON BRAVE LEGION WAY

The Board noted that this matter had been previously discussed in the meeting.

#### OPERATIONS REPORT

Mr. Shelnuttt presented and reviewed the operations report for June 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 May and that the District's facilities operated in compliance with its respective permits during the month.

Mr. Shelnuttt next requested that the Board authorize MOC to turn over one (1) delinquent account totaling \$160.24 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. Shelnuttt reported on the status of fire hydrants in the District. He stated that MOC inspected 136 hydrants for a total cost of \$4,100. Mr. Shelnuttt noted that the cost includes minor repairs and adjustments to the hydrants that were found during the inspection. After discussion, Director Atchison made a motion to authorize payment in the above-mentioned amount for the fire hydrant inspections and repairs. Director Thomas seconded the motion, which carried unanimously.

Director Atchison next discussed the insurance claim filed by MOC last month after an electrical issue occurred at the District's water plant. He suggested installing a second set of breakers in addition to the existing breaker.

Mr. Shelnutt next reported that lift pump no. 2 at the District's small pond needs a new air release valve. He estimated that the repair will cost \$7,800. After discussion, Director Atchison made a motion to authorize MOC to replace lift pump no. 2 at the District's small pond. Director Massey seconded the motion, which unanimously carried.

#### DISCUSSION REGARDING TRASH COLLECTIONS SERVICES IN THE DISTRICT

A discussion occurred regarding trash collection services in the District. Director Thomas stated that he received a report from his neighbor stating that Best Trash failed to collect a couch that the neighbor placed on the curb. Director Thomas noted that Best Trash's website states that heavy trash and bulk item pickup are offered each service day. He stated that he will reach out to Best Trash to inquire about the failure to collect the couch and to confirm the specifics with respect to heavy trash pickup.

#### UPDATE FROM TOUCHSTONE DISTRICT SERVICES

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

#### CONSIDER REVIEW OF UPDATE OF 89<sup>TH</sup> TEXAS LEGISLATURE

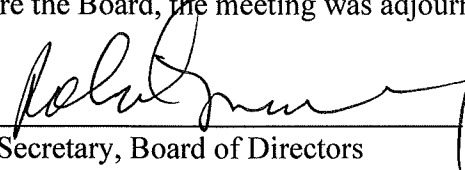
Ms. Goodwin next presented and reviewed the attached Legislative Update of the 89<sup>th</sup> Regular Session of the Texas Legislature prepared by MRPC, a copy of which is attached hereto as Exhibit J.

#### 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