

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
May 18, 2026

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 May 18, 2026, 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
Cesar Rodriguez, Secretary
Roland Massey, Assistant Vice President/Secretary
Jordan Thomas, Assistant Vice President/Secretary

and all of said persons were present, constituting a quorum.

Also present were Andres Aranzales of Vogler and Spencer Engineering, Inc. ("V&S"); Scott Shelnuitt of Municipal Operations & Consulting, Inc. ("MOC"); Les Griffith and John Rocha of Champions Hydro-Lawn, Inc. ("Champions"); Robin Goin of Bob Leared Interests, Inc.; Roksi Rivera of District Data Services; Sergeant Martinez of Harris County Constable's Office ("HCCO"); Godfrey Eta, President of Inverness Estates Homeowners Association ("IE HOA"); 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. Sergeant Martinez reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit A.

Director Fesler next presented and reviewed correspondence from the HCCO, which is attached hereto as Exhibit B regarding the rate increase beginning October 1, 2026, for the security patrol contract. He explained that the current contract provides for three (3) deputies devoting 70% of their working time to patrolling the District, and that with the recent salary increases, the District is expected to see an increase of \$7,670 per contract deputy for the upcoming year. Director Fesler stated that the HCCO is offering a 65/35 contract option to help offset the cost increases, and recommended the District consider same for the upcoming year. Director Atchison expressed concern that reducing the deputies' patrol time by 5% will result in a more substantial decrease in security visibility. Director Fesler advised that the 5% decrease in patrol time in the District will not significantly impact the District because the surrounding districts also contract for patrol services. After discussion, Director Atchison made a motion to proceed with the 65/35 security patrol contract option for the upcoming renewal. Director Massey seconded the motion, which passed unanimously.

PUBLIC COMMENT

The Board next considered comments from the public. Mr. Eta reported that the IE HOA has completed a lot of work throughout their neighborhood in the past weeks, including seeding. He advised that once the seeding is complete, the IE HOA will begin working water well rehabilitation project to serve the lakes in the community.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meeting held on April 20, 2026. After discussion, Director Atchison made a motion to approve the minutes of the meeting held on April 20, 2026, as written. Director Thomas seconded the motion, which unanimously carried.

ACCEPT QUALIFICATION STATEMENTS AND OATHS OF OFFICE

The Board next considered the acceptance of the Oaths of Office ("Oath") and Statements of Elected Officer ("Statement") for Directors Thomas and Atchison. Directors Thomas and Atchison took their Oaths and executed their Statements. Ms. Goodwin advised that the Oaths will be filed with the Secretary of State in a timely manner. Director Thomas made a motion to accept the Oaths and Statements for Directors Thomas and Atchison and to declare them re-elected for a four-year term. Director Atchison seconded the motion, which carried unanimously.

ELECTION OF OFFICERS OF THE BOARD OF DIRECTORS

The Board next considered the election of officers of the Board of Directors. After discussion, Director Atchison made a motion to re-elect all current officers of the Board to the position each currently holds. Director Thomas seconded the motion, which carried unanimously.

BOOKKEEPING REPORT

The Board next considered the bookkeeper's report prepared by District Data Services, a copy of which is attached hereto as Exhibit C. After discussion, Director Atchison made a motion to approve the checks in queue for payment this month and to have District Data Services circulate them prior to the Board's next meeting. Director Thomas seconded the motion, which passed unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated April 30, 2026, 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 Thomas seconded the motion, which carried unanimously.

DELINQUENT TAX REPORT

The Board next considered review of the delinquent tax report dated May 18, 2026, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached hereto as Exhibit E. After discussion, Director Atchison made a motion to authorize

Perdue to proceed with door hanger notices for water termination candidates and other accounts listed in the report. Director Massey 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 advised that Champions has begun desilting basins B and D.

Mr. Griffith next provided an update on the damaged weir at one of the District's ponds in Inverness Estates. He explained that when excavating to perform repairs on the weir, it was discovered that additional excavation work is needed in order to patch and reinforce the concrete wall. Mr. Aranzales noted that Champions could open the pond's sluice gates to allow Champions to control or isolate the stormwater flow to make the repairs. He advised that it has been over a decade since the District opened one of the sluice gates and that there is a risk that if opened, the sluice gates will not seal correctly and may require replacement. He explained that an alternative solution is to install a temporary barrier to dam the flow of water to allow Champions to make the repair. Mr. Aranzales and Mr. Griffith stated they would inspect the facilities during the District's facilities tour on Friday to determine the best course of action.

Mr. Griffith next presented some pictures of various dead trees in the District, and recommended removal of same. He advised that the trees are not at risk of damaging surrounding property, but they are at risk of falling over. After discussion, Director Atchison made a motion to authorize the removal of the dead trees at a total cost not to exceed \$400. Director Thomas seconded the motion, which passed unanimously.

Mr. Griffith next noted that some of rocks installed at the ponds in front of the clubhouse in Inverness Estates appear to be sliding into the water. Director Atchison informed Mr. Griffith that the ponds is owned by the IE HOA and the repairs are their responsibility.

Mr. Griffith next presented images of the progress for desilting basin B. He requested authorization for Champions to remove silt at the remaining areas of the detention basin for \$3,500. After discussion, Director Atchison made a motion to authorize Champions to continue desilting and relocate what is removed from the basins for a cost of approximately \$3,500. Director Thomas seconded the motion, which passed unanimously.

Mr. Griffith next reported on the status of repairs to the fence along the District's sewer plant. He stated an inspection of the lower fenceline determined that there is a drainage swale along the bottom of the fence that serves a drainage function for the District's property. He stated that the drainage facility should not be filled.

Mr. Griffith next presented a picture of an inlet in need of repair in Inverness Estates. He advised that the inlet was impacted by an unknown object, and shift from its original placement as a result. He noted that it will cost approximately \$1,600 to repair and reposition the inlet. After discussion, Director Atchison made a motion to approve the proposal for the inlet repair for \$1,600. Director Thomas seconded the motion, which passed unanimously.

Mr. Griffith next presented the attached correspondence from Champions regarding the implementation of a fuel surcharge. Ms. Goodwin stated that an item will be placed on the next agenda to discuss an amendment to the District's contract with Champions to address the fuel surcharge.

ENGINEER'S REPORT

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

Mr. Aranzales next reported on the status of the contract with CFG Industries for the Lift Station Wet Well and Piping project. He reported that recoatings of the facilities are underway.

Mr. Aranzales reported on the status of the 6-foot-wide sidewalk extension in Albury Trails Estates. He stated that MRPC has reviewed and approved the bond and insurance requirements for the project and presented the contracts for Board execution.

The Board next considered the status of the sanitary sewer line rehabilitation for Inverness Estates, Sections 7-9 and Reserve at Inverness Section 2. Mr. Aranzales next presented Pay Application No. 1 and Final in the amount of \$14,555 and recommended approval and payment of same, and acceptance of the project as complete. After discussion, Director Thomas made a motion to approve Pay Application No. 1 and Final and accept the project as complete. Director Massey seconded the motion, which passed unanimously.

Mr. Aranzales next reviewed the attached Capital Improvements Plan with the Board and recommended the solicitation of bids for the sanitary sewer cleaning and televising of Albury Trails, Sections 1-4. He advised these are the last sections of the District's facilities to be cleaned and televised. After discussion, Director Thomas made a motion to authorize V&S to solicit bids to clean and televise the sanitary sewer lines in Albury Trails, Sections 1-4. Director Massey seconded the motion, which passed unanimously.

The Board next discussed the acquisition of the Hooks property. Ms. Goodwin stated that MRPC awaits receipt of the appraisal for the property.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for April 2026, a copy of which is attached hereto as Exhibit H. He reported that the District accounted for 100% of the water pumped during the month of March and that the District's facilities operated in compliance with its respective permits during the month.

Mr. Shelnutt reported that the fire hydrant painting was completed last month.

Mr. Shelnutt reported that all of the District's mechanical equipment was serviced for preventative maintenance.

Mr. Shelnutt next provided an update on the status of the District's ground storage tank. He reported that MOC would like to wait to recoat Ground Storage Tank No. 2 until the fall.

Mr. Shelnutt next provided an update on the status of the District's well meter. He advised that the NHCRWA has authorized the requested credit to the District due to the previous issue of the well's injector and flow meter reading incorrectly in the fall and winter.

Mr. Shelnutt next requested that the Board authorize MOC to turn over two (2) delinquent account totaling \$241.76 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 two (2) subject accounts to CU as set out above. Director Thomas seconded the motion, which passed unanimously.

APPROVE CONSUMER CONFIDENCE REPORT

The Board next considered approval of the Consumer Confidence Report, which is attached hereto as Exhibit I and authorization to distribute same to District customers. After discussion, Director Thomas made a motion to approve the Consumer Confidence Report, subject to MRPC's review and approval, and authorize the operator to include a link on water bills to District customers. Director Atchison seconded the motion, which passed unanimously.

REVIEW AND APPROVAL OF AMENDED AND RESTATED AGREEMENT FOR YIELD RESTRICTION AND REBATE CALCULATIONS

The Board next considered approval of an Amended and Restated Agreement for Yield Restriction and Rebate Calculation Analysis from Municipal Risk Management Group, LLC. Ms. Goodwin advised that the services included in the contract are the same with a \$150 increase per issuance for initial yield and rebate services and all new issuances, a \$100 annual increase for annual maintenance and a \$100 hourly increase for additional service items. After discussion, Director Thomas moved to approve the Amended and Restated Agreement for Yield Restriction and Rebate Calculation Analysis with Municipal Risk Management Group, LLC. Director Atchison seconded the motion, which unanimously carried.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

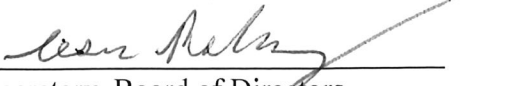
The Board next considered an update from Touchstone District Services. Ms. Goodwin presented the Monthly Communications Report dated May 18, 2026, and reviewed same with the Board, a copy of which is attached hereto as Exhibit J.

ITEMS FOR FUTURE AGENDAS

The Board next considered items for future agendas. The Board requested that an item be added to discuss the fuel surcharge presented by Champions to the Board's next meeting agenda.

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
May 18, 2026

- A. Patrol Report
- B. HCCO Rate Increase Correspondence
- C. Bookkeeper's Report
- D. Tax Assessor's Report
- E. Delinquent Tax Report
- F. Detention and Drainage Facilities Report
- G. Engineer's Report
- H. Operations Report
- I. Consumer Confidence Report
- J. Touchstone Communications Report