

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
May 19, 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 May 19, 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"); Stephanie Viator of District Data Services; Robin Goin of Bob Leared Interests, Inc.; Deputy Ramirez and Corporal Cowan of Harris County Constable's Office ("HCCO"); Godfrey Eta, resident; Dennis Wright, member of public; 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 Cowan reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit A. Director Atchison asked about the status of the individual seen using a rifle to hunt ducks in the District. Corporal Cowan stated that the issue is an arrestable offense and the HCCO is in communication with the Texas Parks and Wildlife Department.

Deputy Ramirez and Corporal Cowan exited the meeting at this time.

PUBLIC COMMENT

The Board next considered comments from the public. Mr. Eta reported that the Inverness Estates POA ("POA") has been in communication with CenterPoint Energy, Inc. ("CenterPoint") regarding the conversion of the current streetlights within the neighborhood to LED streetlights. He stated that the conversion of the streetlights has been added to CenterPoint's work schedule. Mr. Eta next presented a report prepared by Sam Hill with the Texas A&M Forest Service, a copy of which is attached hereto as Exhibit B, discussing Mr. Hill's recommendation for maintenance of several trees in the District in need of care.

APPROVE MINUTES

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

BOOKKEEPING REPORT

The Board reviewed the bookkeeper's report prepared by District Data Services dated May 19, 2025, a copy of which is attached hereto as Exhibit C. After discussion, Director Thomas 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.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated April 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.

DELINQUENT TAX REPORT

Ms. Goodwin next presented the delinquent tax report dated May 19, 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 advised that Perdue is coordinating with MOC to distribute disconnection notices to the delinquent accounts that the Board authorized for disconnection at last month's meeting.

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 on April 16, 2025 and the next service is scheduled for this week.

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 needed repairs found during the sanitary sewer cleaning and televising for Inverness Estates, Sections 1, 2 and 4. He stated that V&S received one (1) bid for the project from AMAR Contractors, LLC ("AMAR"), totaling \$149,092.25 and recommended that the Board award the contract to same. After discussion,

Director Atchison made a motion to authorize AMAR to complete the sanitary sewer repairs for \$149,092.25. Director Massey seconded the motion, which passed unanimously.

Mr. Aranzales next reported on the status of the contract with Infrastructure Construction Services for the park pad and bench addition. He stated that the benches have been delivered and will be installed this week.

Mr. Aranzales next reported that V&S has updated and submitted the District's Emergency Preparedness Plan to the TCEQ.

Mr. Aranzales next reported on the status of repairs to the sinkholes located on Wixford Lane. He advised that the sinkhole resulted from inadequate drainage in the resident's yard, which has caused erosion beneath the adjacent sidewalk. He advised that it is the resident's responsibility to repair it. Director Thomas advised he will communicate this information to the residents.

Mr. Aranzales next reported on the status of the repairs to the sidewalk and sinkholes reported on Lacombe Lane. He noted that Harris County Precinct No. 3 completed the repairs. Mr. Aranzales stated that V&S will be out in the field to verify completion of the repairs, this week.

Mr. Aranzales next discussed the property adjacent to Albury Trails located at the north end of Brave Legion Way, just outside the boundaries of the District. Director Atchison stated that the property owner installed a gate to allow access from his property into Albury Trails, and affixed aluminum sheets to his fence for added privacy. Mr. Aranzales presented pictures attached to his report and noted that during the construction of the development, the developer dedicated a one foot (1') reserve at the end of Brave Legion Way to Harris County to prevent adjacent land owners from illegally connecting to the Right of Way. He stated that the property owner would not be able to connect a drive way from their property to the end of Brave Legion Way without a permit from Harris County. Mr. Aranzales advised that the District owns the reserves that run parallel to the adjacent property owner's property line. The Board requested that V&S solicit bids for fencing to be installed along the reserves, and that V&S contact the property owner regarding the gate and privacy barrier.

REVIEW AND APPROVAL OF RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS

The Board next considered the review and approval of a Resolution Authorizing Use of Surplus Funds relative to repairs to District sanitary sewer lines. After discussion, Director Atchison made a motion to approve a Resolution Authorizing Use of Surplus Construction Funds, and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Massey seconded the motion, which unanimously carried.

OPERATIONS REPORT

Mr. Shelnett presented and reviewed the operations report for April 2025, a copy of which is attached hereto as Exhibit H. He reported that the District accounted for 96% of the water pumped during the month of April. He advised that Albury Manor Utility Company collected a positive coliform sample and failed to promptly inform the District. He stated additional sampling was performed by MOC.

Mr. Shelnutt next requested that the Board authorize MOC to turn over one (1) delinquent account totaling \$89.52 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 Thomas seconded the motion, which passed unanimously.

Mr. Shelnutt reported on the status of the meter replacements. He stated that there are approximately five hundred fifty-seven (557) meters remaining to be replaced. Mr. Shelnutt reported that the estimated the cost to replace the meters is approximately \$67,000.

Mr. Shelnutt next discussed the installation of a bubbler in the southern pond in Inverness Estates. He stated that the installation of a bubbler in the southern pond would improve aeration within the pond and help reduce the number of fish dying in the pond. He reported that the total cost of the project would be \$15,500. After discussion, Director Atchison made a motion to approve the purchase and installation of the bubbler for the total cost of \$15,500. Director Thomas seconded the motion, which passed unanimously.

Mr. Shelnutt advised the Board to disregard the attached estimate relative to cutting overgrown vegetation along the water plant, as the matter was resolved the day after he obtained the quote.

Mr. Shelnutt next presented the attached correspondence from MOC. He advised that MOC previously contracted with North Water District Laboratory Services, Inc. (“NWDLS”) to conduct sampling and testing of its clients’ wastewater treatment facilities and, in early 2024, MOC terminated that contractual relationship following the commencement of a federal investigation into NWDLS. Mr. Shelnutt stated that federal and state authorities discovered that NWDLS had tampered with samples collected at various wastewater treatment facilities resulting in erroneous test results. He advised that, after being informed of the circumstances surrounding the investigation, both MOC and NWDLS terminated employees that were linked to the matter. Director Atchison asked whether any of the District’s samples were doctored or falsified. Mr. Shelnutt stated the matter is still under investigation.

Director Atchison next advised that the lift station gate located at Inverness Estates has rust and requested that MOC to inspect the gate and make necessary repairs.

REVIEW AND APPROVAL OF RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS

The Board next deferred consideration of the review and approval of a Resolution Authorizing Surplus Funds relative to the meter replacement project.

APPROVE CONSUMER CONFIDENCE REPORT

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

DISCUSSION REGARDING A PROPERTY ON BRAVE LEGION WAY

The Board deferred a discussion regarding a property located on Brave Legion Way as same was discussed earlier in the meeting.

DESIGNATION OF DISTRICT VOTING REPRESENTATIVE FOR AWBD ANNUAL CONFERENCE

The Board next considered designating a Board member to represent the District as a voting representative during the AWBD Annual Conference. After discussion, Director Thomas made a motion to appoint Director Atchison as the designated voting Board member to represent the District at the AWBD Annual Conference. Director Massey seconded the motion, which passed unanimously.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

The Board next considered an update from Touchstone District Services. Ms. Goodwin presented the Monthly Communications Report dated May 19, 2025, and reviewed same with the Board, a copy of which is attached hereto as Exhibit J. The Board next requested that MRPC coordinate with Touchstone District Services to begin posting informational articles to the District's website in lieu of the informational paper inserts that MOC includes with monthly customer bills.

EXECUTIVE SESSION

The Board next recessed into Executive Session at 8:11 p.m. to discuss matters in which the duty of the attorney to the District under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflict with Chapter 551, Texas Government Code and matters related to the deployment or specific occasions for implementation of critical infrastructure, pursuant to §551.089, Texas Government Code. The Board returned from Executive Session at 8:31 p.m.

RECONVENE IN OPEN SESSION

The Board next considered approval of the District's Emergency Preparedness Plan ("EPP"). After discussion, Director Atchison made a motion to approve the EPP. Director Massey seconded the motion, which passed unanimously.

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.

A handwritten signature in blue ink, appearing to be 'Sylt', is positioned above a horizontal line.

Secretary, Board of Directors