

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
March 16, 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 March 16, 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
Santee 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 Shelnett of Municipal Operations & Consulting, Inc. (“MOC”); Les Griffith of Champions Hydro-Lawn, Inc. (“Champions”); Odett Newman of Bob Leared Interests, Inc.; Sergeant Martinez of Harris County Constable’s Office (“HCCO”); Godfrey Eta, resident of the District; Rod Rudine of Texas Groundworks Management, Inc.; 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.

PUBLIC COMMENT

The Board next considered comments from the public. Mr. Rudine introduced himself to the Board and stated that his company, Texas Groundworks Management, provides landscaping, irrigation, seeding, tree removal and care, and various other maintenance related projects to MUDs in the greater Houston area. He expressed his interest in being considered for future contracting opportunities should the need arise.

Mr. Eta reported that there was an automobile accident on Inverness Crossing Boulevard that knocked down a tree on an esplanade. He advised that the Inverness Estates POA (“IE POA”) will replant a new tree in the same location.

CONSIDER REQUEST FROM IE POA RELATIVE TO CONSTRUCTION AND/OR REPAIR OF WATER WELL

The Board next considered a request from the IE POA relative to construction and/or repair of the makeup water well owned by the IE POA which serves Inverness Estates Detention Pond A (the "Pond"). Mr. Aranzales next reviewed proposals for the replacement of the makeup well sent by the IE POA. Director Fesler next presented an overview of the upcoming capital projects scheduled for the upcoming year, including associated costs, noting that the volume and financial scope of these projects make it difficult to allocate additional funds for the IE POA at this time. Mr. Aranzales reported that the estimated cost for constructing a new well is approximately \$90,000 and noted that he met with a representative of IE POA on-site to assess the situation. He stated that rehabilitating the existing well would cost approximately \$59,000. Director Massey inquired about the potential consequences of not proceeding with the project, to which Mr. Eta responded that, over time, failure to address the issue could compromise the structural integrity of the Pond.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meeting held on February 16, 2026. After discussion, Director Atchison made a motion to approve the minutes of the meeting held on February 16, 2026, as written. Director Thomas seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

The Board next considered the bookkeeper's report prepared by District Data Services. After discussion, Director Thomas 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 Massey seconded the motion, which passed unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Newman presented and reviewed the tax assessor-collector's report dated February 28, 2026, a copy of which is attached hereto as Exhibit B. 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

The Board next considered review of the delinquent tax report dated March 16, 2026, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), a copy of which is attached hereto as Exhibit C.

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 D.

Mr. Griffith reported that Champions will perform desilting on Pond B in Albury Trails soon.

Mr. Griffith next reported on the damaged weir at one of the District's ponds in Inverness Estates and reviewed the attached images relative to same. He next presented the attached proposal in the amount of \$5,350 to repair the weir by filling and stabilizing the holes, and requested approval of same. Mr. Aranzales noted that there needs to be flowable fill under the concrete, which would cost more. Mr. Aranzales stated that he will coordinate with Mr. Griffith regarding the quantity of fill needed for the repair. After discussion, Director Atchison made a motion to authorize the weir repair for an amount not to exceed \$7,300. Director Massey seconded the motion, which passed unanimously.

Mr. Griffith stated he met with an arborist earlier today to inspect the trees along the District's walking trails and ponds. He reported that 42 dead trees were identified in the District and pose a risk of falling over. He next reviewed the attached images of dead trees in the District with the Board and presented the attached proposal to remove all of the identified dead trees for \$24,868.42. Mr. Griffith advised that Champions will place the downed trees in the woods, rather than hauling them offsite, to lower the cost of the project. After discussion, Director Atchison made a motion to approve the tree removal proposal from Champions for \$24,868.42. Director Massey seconded the motion, which passed unanimously.

ENGINEER'S REPORT

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

Mr. Aranzales reported on the status of the 6-foot-wide sidewalk extension in Albury Trails Estates. He presented the attached bid tabulation and stated that ARS Construction LLC ("ARS") is the lowest bidder at \$407,237. Mr. Aranzales advised that the sidewalk repair near the chlorine room adjacent to the HOA's pool room is included in the cost of the bid. After discussion, Director Atchison made a motion to award the project to ARS for \$407,237. Director Thomas seconded the motion, which passed unanimously.

The Board next considered review and approval of proposals for the sanitary sewer line rehabilitation for Inverness Estates, Sections 7-9 and Reserve at Inverness Section 2. He stated that V&S solicited three (3) bids, with the lowest bid being from AMAR Contractors ("AMAR") in the amount of \$20,515. After discussion, Director Thomas made a motion to award the contract to AMAR for \$20,515. Director Massey seconded the motion, which passed unanimously.

Mr. Aranzales next reported on the status of the contract with CFG Industries for the Lift Station Wet Well and Wiping project. He reported that V&S is reviewing submittals for the project.

Mr. Aranzales next deferred reporting on the status of the District's decommissioned Wastewater Package Treatment Plant as he did not have any updates to provide at this time.

Mr. Aranzales presented and reviewed the District's updated Capital Improvements Plan with the Board.

Mr. Aranzales reported on the findings of the water plant tank inspections performed last month. He stated that the report on the District's ground storage tank shows that the tank will need to be re-coated in the next year or so. He advised that the concrete at the District's two (2) lift stations will need to be addressed soon.

Ms. Richardson next reported on the status of the acquisition of the Hooks property. She stated that MRPC spoke with a representative of the Hooks family who stated that the family is not in a position to donate the property to the District but would entertain selling the property to the District for fair market value.

Mr. Aranzales next reported on the status of the request made by Harris County to acquire property from the District to expand Champion Forest Drive. He advised that V&S received the offer package from Harris County today and will present it to the Board at the next meeting.

After discussion, Director Thomas made a motion to approve the attached engineering report. Director Massey seconded the motion, which passed unanimously.

APPROVAL OF WATER RATES FOR ALBURY MANOR PURSUANT TO WHOLESALE WATER SUPPLY AGREEMENT

The Board next considered approval of water rates for Albury Manor pursuant to the Wholesale Water Supply Agreement. He reviewed the attached analysis and stated that, based on the formula in the Agreement, the water rate for the renewal term should be \$5.75 per 1,000 gallons of water, with such rate to be effective April 1, 2026. After discussion, Director Atchison made a motion to approve a revised water rate of \$5.75 per 1,000 gallons of water for Albury Manor, with such rate to be effective April 1, 2026. Director Thomas seconded the motion, which unanimously carried.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for February 2026, a copy of which is attached hereto as Exhibit F. He reported that the District accounted for 100% of the water pumped during the month of January 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 \$604.29 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 next advised that the repaired fire hydrants are in the process of being repainted.

Mr. Shelnutt reported that MOC unclogged the clarifier return at the District's sewage plant.

Mr. Shelnut next provided an update on the status of the District's well meter. He advised he is working to set up an appointment with the NHCRWA regarding the previous credit request made by MOC.

Mr. Shelnut next presented a proposal in the amount of \$12,000 for MOC to prepare the District's Emergency Response Plan and Risk Resilience Assessment. Mr. Aranzales stated that the District does not meet the population threshold that requires the preparation of these reports and will discuss further with MOC.

Mr. Shelnut next reported that the vent fan for Ground Storage Tank No. 1 needs to be replaced and estimates the cost to be approximately \$5,000 for the replacement. After discussion, Director Atchison made a motion to authorize MOC to replace the vent fan for Ground Storage Tank No. 1. Director Thomas seconded the motion, which passed unanimously.

Mr. Shelnut stated that a sign at one of the District's ponds is being repaired.

After discussion, Director Thomas made a motion to approve the attached operations report. Director Atchison seconded the motion, which carried unanimously.

CONSIDER PROPOSALS FOR RENEWAL OF INSURANCE COVERAGE

The Board next considered proposals relative to the renewal of the District's insurance coverage for the term expiring March 31, 2026. Ms. Richardson reviewed the proposals received from McDonald & Wessendorff, copies of which are attached hereto as Exhibit G, relative to property, comprehensive boiler and machinery, commercial general liability and hired car and non-ownership automobile liability, pollution liability, directors and officers liability, umbrella, public employee blanket crime, directors position schedule bond, tax assessor/collector bond, worker's compensation, and business travel coverage scheduled to expire on March 31, 2027. She noted that the premium increased by \$1,710 due to a paid claim and an increase in property values and that McDonald & Wessendorff has provided MRPC with an executed Form 1295 for the proposal. After discussion, Director Atchison made a motion to approve the proposal from McDonald & Wessendorff for the coverage's set out above, and to authorize the President to execute same on behalf of the Board and District. Director Thomas seconded the motion, which carried unanimously.

PREVAILING WAGE RATE SCALES

The Board next considered the annual review of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, which is attached hereto as Exhibit H. Ms. Richardson presented a survey of wage rates adopted by the Department of Labor, City of Houston and Harris County and stated that the District is required to annually adopt wage rates based on its review of scales adopted by such entities. After discussion, Director Thomas made a motion to adopt the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects adopting the rates adopted by the Department of Labor. Director Atchison seconded the motion, which passed unanimously.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

The Board next considered an update from Touchstone District Services. Ms. Richardson presented the Monthly Communications Report dated March 16, 2026, and reviewed same with the Board, a copy of which is attached hereto as Exhibit I.

SUPPLEMENTAL AGENDA

The Board next considered the adoption of an Order Declaring Candidates Elected and the cancellation of the May 2, 2026, Director Election. Ms. Richardson advised that in accordance with Subchapter C, Chapter 2 of the Election Code and Section 2.052 of the Election Code, the District may cancel the election if each candidate whose name appears on the ballot and/or has registered as a write-in candidate is unopposed in such election, and the Board of Directors of the District can declare such unopposed candidates to be re-elected for an additional term. Ms. Richardson presented a certificate declaring all candidates unopposed and the Order Declaring Candidates Elected. After discussion, Director Thomas made a motion to adopt the Order declaring Directors Atchison and Thomas re-elected for an additional term expiring in May 2030 and to authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Massey seconded the motion, which carried 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.



Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
March 16, 2026

- A. Patrol Report
- B. Tax Assessor's Report
- C. Delinquent Tax Report
- D. Detention and Drainage Facilities Report and Related Proposals
- E. Engineer's Report
- F. Operations Report
- G. Insurance Renewal Proposal
- H. Prevailing Wage Rate Scale Resolution
- I. Touchstone Communications Report