

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401**  
**Minutes of Meeting of Board of Directors**  
**April 20, 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 April 20, 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, except Director Massey, 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 and John Rocha of Champions Hydro-Lawn, Inc. (“Champions”); Robin Goin of Bob Leared Interests, Inc.; Roksi Rivera of District Data Services; Sergeant Martinez and Deputy Ramos of Harris County Constable’s Office (“HCCO”); Scott McKeever and Chase Hooks, property owners in the District; Cesar Rodriguez; 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 deferred consideration of comments from the public after noting no members of the public were present.

APPROVE MINUTES

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

### ACCEPTANCE OF RESIGNATION OF DIRECTOR WRIGHT

The Board next considered the acceptance of resignation of Director Wright from the Board of Directors. Director Wright stated that she has sold her home and moved out of the District. After discussion, the Board accepted and acknowledged the resignation of Director Wright which resignation was effective immediately.

### APPOINTMENT OF A NEW DIRECTOR

The Board next considered appointment of a new Director to fill the vacancy left by Director Wright. Mr. Rodriguez introduced himself and stated that he would like to serve on the Board of Directors. After discussion, Director Thomas made a motion to appoint Cesar Rodriguez to Position 5 on the Board of Directors to serve the remainder of the unexpired term of office of former Director Wright. Director Atchison seconded the motion, which carried unanimously.

### ACCEPTANCE OF QULIFICATION STATEMENT, OATH OF OFFICE, AND AFFIDAVIT OF CURRENT RESIDENT

The Board next considered acceptance of a Qualification Statement, Oath of Office and Affidavit of Current Resident by Mr. Rodriguez. Mr. Rodriguez executed the Qualification Statement and took his oath of office. After discussion, Director Thomas made a motion to accept the aforementioned documents and to accept the appointment of Cesar Rodriguez to Position 5 on the Board of Directors of the District for the unexpired term of former Director Wright. Director Atchison seconded the motion, which carried unanimously. Director Rodriguez participated in the remainder of the meeting.

### APPOINTMENT 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 appoint Director Rodriguez to the position of Secretary of the Board of Directors and to leave all other Board positions as is. Director Thomas seconded the motion, which passed 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 B. 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 Atchison seconded the motion, which passed unanimously.

### TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated March 31, 2026, a copy of which is attached hereto as Exhibit C. 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 April 20, 2026, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached hereto as Exhibit D.

## RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT TAXES

Ms. Richardson next advised the Board that pursuant to Section 33.07 of the Tax Code, as amended, the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due to the District on July 1 on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, Director Atchison made a motion to adopt the Resolution Authorizing Additional Penalty on Delinquent Taxes, attached hereto as Exhibit D. Director Thomas seconded the motion, which carried 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 E.

Mr. Griffith introduced Mr. Rocha to the Board and stated that he works for Champions and assists with their inspections. Mr. Griffith explained that in order to make the erosion repairs on the damaged weir at one of the District's ponds in Inverness Estates, it will be necessary to open the manhole and perform some excavation work to patch and reinforce the concrete walls. Director Atchison requested that security fencing be installed as an interim measure while repairs are underway. Mr. Griffith next reported that Champions picked up locks for gates 5 and 6, which were found to be non-operational. He advised that while the locks will be replaced under warranty, he recommends purchasing new ones in the meantime and using the locks replaced under warranty as backups. After discussion, Director Atchison made a motion to authorize the erosion repairs to the damaged weir in Inverness Estates and to purchase backup locks relative to same. Director Thomas seconded the motion, which passed unanimously.

## ENGINEER'S REPORT

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

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 V&S is reviewing submittals for the project.

Mr. Aranzales reported on the status of the 6-foot-wide sidewalk extension in Albury Trails Estates. He stated that contract preparation is underway.

The Board next considered the status of the sanitary sewer line rehabilitation for Inverness Estates, Sections 7-9 and Reserve at Inverness Section 2. He reported construction is underway.

Mr. Aranzales next stated that he did not have any updates on the status of the District's decommissioned Wastewater Package Treatment Plant.

Mr. Aranzales reported on the findings of the water plant tank inspections performed in February. He reported that the ground storage tank's interior will need to be recoated in the fall and that the remainder of the tank inspection reports should be complete prior to the Board's next meeting.

The Board next discussed the acquisition of the Hooks property. Mr. McKeever and Mr. Hooks next introduced themselves to the Board. Mr. McKeever advised that he grew up on the property that is now known as Inverness Estates and stated that the Hooks property is the last property in the area still owned by his family. Director Atchison stated that the Board would like to construct a walking trail through the property to connect to the District's walking trail system and that the District would like to acquire an easement for such purposes or acquire the property in fee. He also noted that the District might be willing to offer the Hooks family some name recognition with respect to the project if the District can acquire the property for a fair price. Mr. McKeever explained that the family is not interested in encumbering the property with an easement but would entertain selling the property to the District for fair market value. Ms. Richardson stated that the District could have the property appraised by an independent third-party to determine the market price for the property. After discussion, Director Atchison made a motion to authorize MRPC to engage an appraiser on behalf of the District to appraise the Hooks property. Director Thomas seconded the motion, which passed unanimously.

Mr. Aranzales next reported on the status of the request from Harris County to acquire property from the District to expand Champion Forest Drive. He advised that he has reviewed the package and recommends accepting the offer from the County totaling \$5,046 and granting the two proposed easements. Ms. Richardson noted that she had also reviewed the offer package and agreed with Mr. Aranzales. After discussion, Director Thomas made a motion to accept the offer from the County and approve the two easements. Director Atchison seconded the motion which carried unanimously.

Mr. Aranzales next presented and reviewed well production test results with the Board.

#### CONSIDER APPROVAL OF RESOLUTION AUTHORIZING USE OF SURPLUS FUNDS

The Board next considered the review and approval of a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Use of Surplus Construction Funds relative to the Albury Trails Estates Sidewalk Extension. Ms. Richardson explained to the Board that it has approximately \$164,182 in unspent bond proceeds remaining in its Park Project Fund which could be allocated to the Sidewalk Extension project which totals \$407,237. She noted that the District will need to get approval from the TCEQ prior to using such funds and presented a Resolution approving same for the Board's consideration. After discussion, Director Thomas made a motion to approve the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Use of Surplus Construction Funds relative to the Albury Trails Estates Sidewalk Extension project to utilize the remaining bond proceeds on deposit in the Park Project Fund, and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Atchison seconded the motion, which unanimously carried.

## AMENDMENT TO DISTRICT RATE ORDER

The Board next considered an amendment to the District's Rate Order. Director Fesler discussed the need to increase rates to cover the costs of District maintenance, repairs, garbage and security, noting that prices for all of such items have recently. He also noted that the District's Capital Improvements Plan calls for approximately \$3,390,000 in capital expenditures over the next five (5) years resulting in the District's need to build up its reserves to cover such costs and avoid the need to sell bonds. He noted that the contract patrol costs are slated to increase by 8.8% next year, with similar increases forecast for ensuing years. After discussion, Director Atchison made a motion to amend the District's Rate Order to increase the base water and sewer rates for residential connections by \$6.30 each per month. Director Thomas seconded the motion, which passed unanimously.

## OPERATIONS REPORT

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

Mr. Shelnutt next provided an update on the status of the District's ground storage tank. He reported that the tank's floor plates started to leak while being refilled. As a result, the tank was pulled from service and a coating system was applied that cost \$22,000. He reported that a valve was also replaced as it wasn't sealing properly.

Mr. Shelnutt stated that there is an ongoing issue with the sludge return clogging at the District's sewage plant. He advised that MOC may need to pull the clarifier to further investigate the issue.

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

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

The Board next deferred consideration and approval of an Amended and Restated Agreement for Yield Restriction and Rebate Calculation Analysis from Municipal Risk Management Group, LLC.

## UPDATE FROM TOUCHSTONE DISTRICT SERVICES

The Board next considered an update from Touchstone District Services. Ms. Richardson presented the Monthly Communications Report dated April 20, 2026, and reviewed same with the Board, a copy of which is attached hereto as Exhibit H.

## 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.

Assistant *Roland Murray*  
Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS  
April 20, 2026

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor's Report
- D. Delinquent Tax Report
- E. Detention and Drainage Facilities Report
- F. Engineer's Report
- G. Operations Report
- H. Touchstone Communications Report