

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
August 17, 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 August 17, 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 and Deputy Ramos of Harris County Constable's Office ("HCCO"); Godfrey Eta, President of Inverness Estates Homeowners Association ("IE HOA"); Anzer Husain and Charlie Vatterott of Octa Homes; 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 attached Patrol Statistics report, a copy of which is attached hereto as Exhibit A.

The Board next considered the approval of the Interlocal Agreement for Law Enforcement Services with Harris County. Ms. Richardson reviewed the Agreement with the Board and noted that the cost has increased by around 8 % from the previous year. She stated that the new Agreement will be for a one-year term effective October 1st. After discussion, Director Atchison made a motion to approve the Agreement and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Thomas seconded the motion, which carried unanimously.

PUBLIC COMMENT

The Board next considered comments from the public. Mr. Eta thanked the Board for the work done to repair the weir at Inverness Lake and for the removal of dead and leaning trees that were safety hazards. He advised that the IE HOA is preparing to open its sprinkler system soon and that the next IE HOA meeting is on Thursday.

Mr. Husain next introduced himself to the Board. He next stated that his company, Octa Homes, would like to develop approximately 25-acres along Spell Road as a manufactured housing development consisting of approximately 214 lots. He requested that the District consider annexing the property or providing service to the tract on an out-of-district basis. He noted that the company is not looking for reimbursement for any public infrastructure facilities. Director Atchison expressed concern regarding the District's existing sewer capacity noting that the plant would need an expansion to accommodate the proposed development. Mr. Husain indicated that Octa Homes would be open to upgrading the District's sewer capacity to accommodate the development. Mr. Aranzales explained that the proposed development would trigger a requirement to expand the District's sewer capacity from approximately 0.3 million gallons per day to 0.6 million gallons per day, which would be a significant expense, even though the proposed development would not require the full additional capacity. After discussion, the Board agreed that it was not interesting in serving the property or annexing the property into the District.

Mr. Husain and Mr. Vatterott exited the meeting at this time.

APPROVE MINUTES

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

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. Ms. Rivera advised that she will present an amendment to the District's agreement for bookkeeping services at the Board's next meeting and requested an item be added to the agenda for approval of same. 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.

TAX ASSESSOR-COLLECTOR'S REPORT

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

Ms. Richardson next presented the delinquent tax report dated August 17, 2026, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), a copy of which is attached hereto as Exhibit D.

APPROVAL OF SECOND AMENDMENT FOR SERVICES OF TAX ASSESSOR AND COLLECTOR

The Board next considered approval of Second Amendment for Services of Tax Assessor and Collector (“the Contract Amendment”). Ms. Goin presented and reviewed the Contract Amendment with the Board, noting that it includes a base rate increase of \$149 and a rate increase of \$0.05 per account. After discussion, Director Thomas made a motion to approve the Contract Amendment and to authorize the President to execute same. Director Atchison seconded the motion, which passed unanimously.

FACILITY SITE MAINTENANCE

Mr. Rocha presented and reviewed a detention and drainage facilities report from Champions, a copy of which is attached hereto as Exhibit E.

Mr. Rocha presented images of the new concrete walkway near Mystic Stone Drive.

Director Rodriguez expressed concern that residents are walking through the District’s construction zone for the Albury Trails Estates Hike and Bike Trails project, which could be dangerous. Mr. Aranzales advised that he will request the contractor place temporary construction fencing around the site.

Mr. Rocha reported that the battery-operated locks for the gates along the District’s walking trails have been replaced.

Mr. Rocha next advised that the bottom of the gate on Gallant Flag Drive is scraping the concrete below. He stated that Champions adjusted the tension of the gate, which did not resolve the issue, and recommended cutting the bottom part of the gate to prevent it from scraping the concrete. Director Atchison requested that Champions try to adjust the gate again before resorting to cutting it.

Mr. Rocha next presented the attached invoices for the weir rehabilitation at Inverness and recommended approval of same. After discussion, Director Atchison made a motion to approve the attached invoices for the weir rehabilitation. Director Thomas seconded the motion, which passed unanimously.

PARK MAINTENANCE AND ONGOING PARK PROJECTS

The Board next deferred considered of the status of park maintenance and ongoing park projects as no one had anything new to report. It was requested that the item be removed from future agendas.

ENGINEER’S REPORT

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

The Board next considered the status of the Albury Trails Estates Hike and Bike Trails project with ARS Construction LLC. He next presented Pay Application No. 2 in the amount of \$74,642.85 and recommended approval and payment of same. After discussion, Director Thomas made a motion to approve Pay Application No. 2 as described above. Director Massey seconded the motion, which passed unanimously.

Mr. Aranzales reported on the status of the Sanitary Sewer Cleaning and Televising for Albury Trails Sections 1-4 with Chief Solutions, Inc. He advised that V&S is waiting on the construction schedule.

Mr. Aranzales next reported on the status of the Inverness Weir Repairs. He advised that construction is complete. Mr. Aranzales next presented an invoice for the installation of the new sluice gate box safety grating additions for \$10,500 and advised the installation is complete. After discussion, Director Thomas made a motion to approve the invoice. 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 Piping project. He advised that he is still holding the check that was approved last month while awaiting the pump damage assessment report.

The Board next discussed the acquisition of the Hooks property. Ms. Richardson reported that, although the appraisal came back much higher than anticipated, Mr. McKeever contacted her to advise that the Hooks family is still interested in trying to negotiate a deal to sell the property to the District. She stated that the family might be willing to reduce the purchase price and donate a portion of the value to the District. The Board requested that Ms. Richardson send correspondence to the family gauging interest in the family's willingness to convey an easement on the property for a trail connector.

Mr. Aranzales informed the Board of an incident at another district's water plant involving a gas leak that damaged the motor control center, conduits, booster pumps, well motor, generator, and other equipment at the plant. He next explained that the District also utilizes gas at its water plant and that he wanted to present this information for the Board's consideration should the Board want to explore converting from gas to bleach. Mr. Shelnutt discussed the differences between gas and chlorine treatment systems. Mr. Aranzales further noted that the incident was caused by a hole in the gas tank. He next suggested that the gas bottles could potentially be relocated to the District's fiberglass building. After discussion, Mr. Aranzales and Mr. Shelnutt agreed to further investigate relocating the gas tanks and provide other recommendations for improving the safety of the District's facilities.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for August 2026, a copy of which is attached hereto as Exhibit G. He reported that the District accounted for 102% of the water pumped during the month of June and that the District's facilities operated in compliance with its respective permits during the month.

Mr. Shelnutt next requested that the Board approve the attached cut-off list to terminate services for delinquent accounts. After discussion, Director Atchison made a motion to approve

the termination of services for delinquent accounts. Director Massey seconded the motion, which passed unanimously.

Mr. Shelnutt next advised that the leak detectors at the District's Water Plant and Sewage Plant need to be replaced. He stated the cost of the replacement at the Sewage Plant is \$5,900. He stated that he does not have an estimate to repair the detector at the District's Water Plant, but he does not anticipate that it will be a large expense. After discussion, Director Atchison made a motion to replace the leak detector at the Sewage Plant for \$5,900 and to replace the leak detector located at the District's Water Plant for an amount not to exceed \$5,000. Director Massey seconded the motion, which passed unanimously.

Mr. Shelnutt next reviewed the action item list for the month.

Mr. Shelnutt next reported that the starter for Lift Station No.3 is on back order.

Mr. Shelnutt next stated that preventative maintenance was performed on the lift pumps and fine screen at the District's Sewage Plant.

Mr. Shelnutt reported that the fuel surcharge from Magna Flow's service last month was 8%.

Mr. Shelnutt next provided an update on the status of the NHCRWA well meter that was registering incorrectly. He reported that the NHCRWA approved the credit request for \$72,888.40 which will be applied over the next two (2) billing cycles.

DISCUSSION REGARDING "NO PARKING" SIGNAGE

The Board next discussed the installation of "No Parking" signs within the District. Mr. Aranzales advised that he is working with Director Atchison for the acquisition of signage in Inverness Estates. Director Atchison asked Director Rodriguez if he has input for signage in Albury Trails. Mr. Aranzales stated that once the Directors identify locations for the signage, he will submit a petition to Precinct No. 3, who will then perform a traffic study to determine the need for signage.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

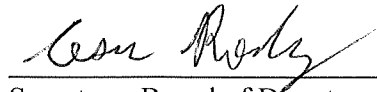
The Board next considered an update from Touchstone District Services. Ms. Richardson reviewed the Monthly Communications Report dated August 17, 2026, and reviewed same with the Board, a copy of which is attached hereto as Exhibit J. Mr. Aranzales and Director Atchison stated that they will work together to provide Touchstone with information relative to ongoing District projects.

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
August 17, 2026

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