

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401

Minutes of Meeting of Board of Directors

July 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 July 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
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 Santos of Harris County Constable's Office ("HCCO"); Rigo Rodriguez of Waste Pro USA; 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. Director Fesler advised that Sergeant Martinez is on vacation and 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. Rodriguez introduced himself to the Board and presented the attached handout, which is attached hereto as Exhibit B. He next stated that if the Board is interested, he'd like to prepare and present a proposal from Waste Pro USA to provide trash collection services in the District. The Board stated they are not considering entering into a new contract for trash collection services, but they would be willing to review a proposal from Waste Pro USA. Mr. Rodriguez stated that he will provide a proposal prior to the Board's next meeting for the Board's review.

Sergeant Santos entered the meeting at this time.

SECURITY PATROL

Sergeant Santos reviewed Exhibit A with the Board.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meeting held on May 22, 2026, and June 15, 2026. After discussion, Director Atchison made a motion to approve the minutes of the meeting held on May 22, 2026, and June 15, 2026, as written. Director Massey seconded the motion, which unanimously carried.

Director Thomas entered the meeting at this time.

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 bookkeeper's report and to authorize payment for the invoices listed therein. Director Massey seconded said motion, which carried unanimously.

ADOPT OPERATING BUDGET

Ms. Rivera presented and reviewed a proposed operating budget for the District's fiscal year ending July 31, 2027. He advised that he has a couple of revisions to the District's budget to more accurately reflect the engineering fees associated with the District's Capital Improvements Plan. He stated that he will provide his comments to District Data Services. After discussion, Director Atchison moved to adopt the operating budget for the fiscal year ending July 31, 2027, as amended, pending revisions to be provided by V&S. Director Massey seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated June 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 Massey seconded the motion, which carried unanimously.

DELINQUENT TAX REPORT

Ms. Goin next presented the delinquent tax report dated July 20, 2026, 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 stated that the Legacy Driven Logistics LLC account was paid in full on July 13, 2026.

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 F.

Mr. Rocha stated that the District's fencing repair along the Sugarberry property line has been scheduled.

Mr. Rocha next presented the attached proposal to replace six (6) battery-operated locks for the gates located along the District's walking trails for \$3,802.73. After discussion, Director Atchison made a motion to approve the replacing of six (6) locks for the gates located along the District's walking trails for \$3,802.73. 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.

AMENDED AND RESTATED AGREEMENT WITH CHAMPIONS

The Board next considered approval of a Letter Agreement for Temporary Fuel Surcharge (the "Letter Agreement") with Champions. Mr. Rocha explained that the amendment includes a flat 3% fuel surcharge fee and presented a Form 1295 in connection with same. Ms. Goodwin stated that MRPC has prepared comments and will be sending such comments to Champions in the coming days. After discussion, Director Thomas made a motion to approve the Amended and Restated Agreement with Champions, pending MRPC review, and authorize the President to sign the Letter Agreement prior to the next meeting. Director Massey seconded the motion, which passed unanimously.

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 advised that the contractor is addressing punch list items. He next presented Partial Pay Application No. 1 in the amount of \$140,922.50. He recommended holding the check while the contractor is addressing recently discovered damages that need repairs. After discussion, Director Atchison made a motion to approve Partial Pay Application No. 1 and requested that V&S hold the check until all damages have been repaired. Director Massey seconded the motion, which passed unanimously.

The Board next considered the status of the Albury Trails Estates Hike and Bike Trails project with ARS Construction LLC. Mr. Aranzales reported that construction is underway. He next presented Partial Pay Application No. 1 in the amount of \$20,594.25 and recommended approval and payment of same. After discussion, Director Atchison made a motion to approve Partial Pay Application No. 1 in the aforementioned amount. 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. He next stated that MRPC has reviewed the bond and insurance requirements relative to same. He next presented the contract for Board execution.

Mr. Aranzales next reported on the status of the Inverness Lake Weir Repairs. He advised that the District received approval from the TCEQ to complete emergency repairs for the project and that construction is complete. He next advised that V&S solicited three (3) bids for the safety grating additions to the sluice gates. He advised that Structural Solutions submitted the lowest bid for approximately \$10,500. After discussion, Director Atchison made a motion to award the project to Structural Solutions. Director Massey seconded the motion, which passed unanimously.

Mr. Aranzales reported that the District received three (3) checks from Harris County, totaling \$5,046, for the easements granted relative to the Champions Forest Drive road project.

Mr. Aranzales reported that V&S is working to update the District's Emergency Preparedness Plan, which is due at the end of the year.

The Board next discussed the installation of "No Parking" signs within the District. Mr. Aranzales advised that a request would need to be submitted to Harris County Precinct No. 3 for the installation of such signs. He further explained that, if the Board wishes to prohibit overnight parking of commercial vehicles, signatures from affected residents would be required to be submitted in support of the request. Mr. Aranzales next noted that V&S can facilitate submission of the request. Directors Fesler and Atchison agreed to identify proposed locations for the placement of signs within Inverness Estates, and Director Rodriguez agreed to identify proposed sign locations within Albury Trails.

The Board next discussed the acquisition of the Hooks property. The Board requested that the item is removed from future agendas.

RESOLUTION DECLARING DEVELOPMENT STATUS OF DISTRICT

Ms. Goodwin next discussed certain statutory requirements which set limitations on the amount that certain municipal utility districts can increase their property taxes without triggering elections to approve such increases. In connection therewith, Ms. Goodwin presented the attached Resolution Declaring Development Status of District, which is attached hereto as Exhibit H, designating the District as a "Developed District" pursuant to Section 49.23603 of the Water Code and noted that the District's engineer had certified such designation. After discussion, Director Atchison made a motion to approve the Resolution and authorize the Vice 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. Shelnutt presented and reviewed the operations report for July 2026, a copy of which is attached hereto as Exhibit I. He reported that the District accounted for 100% of the water pumped during the month of May and that the District's facilities operated in compliance with its respective permits during the month.

Director Atchison stated that he saw Magna Flow performing services in the District and requested that MOC investigate whether the District has a contract with Magna Flow to perform such services.

Mr. Shelnutt next reviewed the action item list for the month. He requested that the Board authorize MOC to terminate services for various delinquent accounts. After discussion, Director Atchison made a motion to authorize MOC to terminate services for various delinquent accounts. Director Massey seconded the motion, which passed unanimously.

DISCUSSION REGARDING "NO PARKING" SIGNAGE

The Board next deferred discussing the installation of "No Parking" signs for vehicles in the District as it was discussed earlier in the meeting.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

The Board next considered an update from Touchstone District Services. Ms. Goodwin reviewed the Monthly Communications Report dated July 20, 2026, and reviewed same with the Board, a copy of which is attached hereto as Exhibit J. The Board requested updates to the District's website to display ongoing District projects. Mr. Aranzales stated he will coordinate with Touchstone to update the website with this information.

ENGAGE AUDITOR

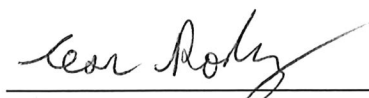
The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending July 31, 2026. Ms. Goodwin presented the audit continuance letter received from McCall Gibson Swedlund Barfoot Ellis PLLC ("McCall") a copy of which is attached hereto as Exhibit K. She stated that McCall previously provided the District with an evergreen audit engagement letter and that no changes were required for the current engagement. She stated that McCall estimates the fee for preparing the District's audit for the fiscal year ending July 31, 2026, to range between \$17,500 and \$19,500, not including out of pocket costs such as printing, postage and other charges incidental to the completion of the audit. Ms. Goodwin noted that McCall will begin preparation of the audit report to present to the Board in a few months. After discussion, the Board concurred to approve the continuation of the engagement of McCall to prepare the District's annual audit report.

ITEMS FOR FUTURE AGENDAS

The Board next considered items for future agendas. Ms. Goin requested an item be placed on the next meeting agenda to review and approve a contract amendment with Bob Leared Interests, Inc.

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
July 20, 2026

- A. Patrol Report
- B. Waste Pro USA Flyer
- C. Bookkeeper's Report
- D. Tax Assessor's Report
- E. Delinquent Tax Report
- F. Detention and Drainage Facilities Report
- G. Engineer's Report
- H. Resolution Regarding Development Status of District
- I. Operations Report
- J. Touchstone Communications Report
- K. Audit Continuance Letter