

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
January 19, 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 January 19, 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”); Roksi Rivera of District Data Services; Robin Goin of Bob Leared Interests, Inc.; Sergeant Martinez Harris County Constable’s Office (“HCCO”); Godfrey Eta, resident of the District; 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.

Sergeant Martinez exited the meeting at this time.

TAX ASSESSOR-COLLECTOR’S REPORT

Ms. Goin presented and reviewed the tax assessor-collector’s report dated December 31, 2025, 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 January 19, 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.

PUBLIC COMMENT

Mr. Eta stated that he has been appointed to the position of President for the Inverness Estates POA (“IE POA”) and discussed various ongoing matters with the Board. He thanked Director Fesler for his assistance with relocating large stones in the District.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meeting held on December 15, 2025. After discussion, Director Atchison made a motion to approve the minutes of the meeting held on December 15, 2025, as revised. Director Thomas seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

The Board reviewed the bookkeeper’s report prepared by District Data Services dated January 19, 2026, a copy of which is attached hereto as Exhibit D. Ms. Rivera advised that the mileage reimbursement rate set by the IRS has increased to \$0.725 per mile as of January 1, 2026. 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 RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Ms. Richardson next advised the Board that pursuant to Section 33.11 of the Property Tax Code, as amended, the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the delinquent personal property taxes, penalty and interest due the District on taxes that become delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent. Ms. Richardson discussed the penalties and presented a Resolution regarding same, which is attached hereto as Exhibit E. After discussion, Director Atchison made a motion to adopt the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Director Massey seconded the motion, which carried unanimously.

CONSIDER EXEMPTIONS FROM TAXATION

Ms. Richardson next outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Sections 11.13 and 11.184 of the Property Tax Code. After discussion, Director Atchison made a motion to adopt the Resolution Concerning Exemptions from Taxation, attached hereto as Exhibit F. Director Massey 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 G.

The Board next discussed a couple of leaning trees located on the property near the water plant that was recently conveyed to the District by the IE POA. After discussion, the Board concurred with its previous decision at last month's meeting to push the leaning trees over and to cut down the trees that cannot be pushed.

Mr. Griffith stated there is also a leaning tree near Basin A that will need to be pushed over.

Mr. Griffith reported that there is still no evidence of trespassers entering from the Sugarberry neighborhood.

Mr. Griffith also reported that Champions will complete the repairs to the fence along the sewer plant with the upcoming desilting.

ENGINEER'S REPORT

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

Mr. Aranzales reported on the status of the 6-foot-wide sidewalk extension in Albury Trails Estates. He advised that V&S resubmitted the project for approval Harris County engineering. He next requested authorization for V&S to prepare bid documents and bid the project in February. After discussion, Director Atchison made a motion to authorize V&S to prepare bid documents and advertise the project for bid. Director Thomas seconded the motion, which passed unanimously.

Mr. Aranzales reported on the contract with AMAR Contractors to repair deficiencies found during the sanitary sewer cleaning and televising for Inverness Estates, Sections 7-9. He advised that the cleaning & televising is complete and that V&S is reviewing videos and preparing a cost estimate for the indicated repairs.

Mr. Aranzales next presented the contracts for execution relative to the Lift Station Wet Well and Wiping project and pending MRPC's review of the bond and insurance requirements relative to same.

Mr. Aranzales next discussed the status of the District's decommissioned Wastewater Package Treatment Plant. Director Thomas reported that a representative from K-3BMI is coming out to look at the Package Plant this week.

Mr. Aranzales advised that V&S is waiting to receive tank inspection reports for the District's water plant before updating the District's Capital Improvement Plan. He stated that V&S received inspection reports from Lift Station Nos. 1 and 2, which indicated they will likely need to be recoated.

Ms. Richardson next reported on the status of the acquisition of the Hook's property. She advised that MRPC sent certified correspondence to two new addresses that she found that are related to the property owners.

Mr. Aranzales stated that V&S is working to update the District's Emergency Response Plan and Risk and Resilience Assessments to submit to the EPA.

Mr. Aranzales next advised that Harris County is looking to acquire property to expand Champion Forest Drive and that he will have more information on the project next month. Director Atchison requested that Mr. Aranzales ask if Harris County would construct a sidewalk as part of the project.

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 the rehabilitation of Lift Station No. 3. 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 December 2025, a copy of which is attached hereto as Exhibit I. He reported that the District accounted for 94% of the water pumped during the month of November and that the District's facilities operated in compliance with its respective permits during the month.

Mr. Shelnett next advised that the fire hydrant survey and related repairs are complete. He advised that hydrants still need to be painted.

Mr. Shelnett stated that the District received checks relative to the insurance claims at the Water Plant and Sewer Plant.

Mr. Shelnett next reported on the status of various District facilities. He advised that the District's ground storage tank and hydropneumatic tank will be inspected this week. He next reported that the chlorine regulator at the District's Wastewater Treatment Plant was replaced. He also reported that a sanitary sewer line was repaired on Maidenfair Drive.

Mr. Shelnett advised that MOC inspected the pond by the sewer plant and did not find any dead fish as reported by a resident on Facebook.

Mr. Shelnett next provided an update on the status of the District's water well meter. He advised that the issue has been resolved and arose from the well's injector located in front of the flow meter. He stated that he is still requesting a credit from the NHCRWA and is providing them with historical information regarding the well meter.

The Board next discussed potential cost increases from MOC, including a potential rate increase or annual CPI-based increases. Mr. Shelnett stated that will provide information on both options to MRPC for review.

The Board next requested that MOC remove of the charge for sweeping the control room from the District's invoice.

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

APPROVAL OF AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT WITH MOC

The Board deferred approval of an Amended and Restated Professional Services Agreement with MOC.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

The Board next considered an update from Touchstone District Services. Ms. Richardson presented the Monthly Communications Report dated January 19, 2026, and reviewed same with the Board, a copy of which is attached hereto as Exhibit J.

SUPPLEMENTAL AGENDA

The Board next considered calling a Director Election to be held on May 2, 2026. Ms. Richardson stated that such election is scheduled for May 2, 2026, and noted that the terms of office of Directors Atchison and Thomas will expire in May 2026. Following discussion, Director Atchison made a motion to adopt an Order calling the election and to give notice of the election by posting notice at a public place in the District and at the location where notices of the meetings are posted. Director Massey seconded the motion, which carried unanimously. Ms. Richardson advised the Board that, after February 13, 2026, the District may cancel the election if each candidate whose name is to appear on the ballot is unopposed.

Ms. Richardson next advised the Board that the District should appoint an agent to perform election duties in connection with the Director Election. After discussion on the matter, Director Fesler made a motion to adopt the Notice of Appointed Agent appointing MRPC as election agent for the District and to authorize the President and Secretary to execute the Notice on behalf of the Board and the District. Director Atchison seconded said motion, which unanimously carried

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
January 19, 2026

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