

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
June 16, 2025

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 June 16, 2025, 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
Sandee 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"); Stephanie Viator and Roxy Rivera of District Data Services; Robin Goin of Bob Leared Interests, Inc.; Sergeant Martinez of Harris County Constable's Office ("HCCO"); Godfrey Eta, resident; 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. She next advised that the HCCO caught the trespasser on Newcourt Boulevard who has now been criminally charged.

Sergeant Martinez exited the meeting at this time.

PUBLIC COMMENT

The Board next considered comments from the public. Mr. Eta advised that the previous trespassing complaints have been addressed and thanked Sergeant Martinez for her efforts. He next reported that residents on Kerrisdale Road have requested the District remove a large leaning pine tree due to concerns it may fall and damage nearby homes. Director Atchison noted the property is owned by Inverness Estates POA ("POA") but maintained by the District. Ms. Richardson stated that the District should get written permission from the POA prior to removing the tree from the POA's property. Mr. Griffith advised that he will obtain pricing for the tree removal and present quotes at the Board's next meeting.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meeting held on May 19, 2025. After discussion, Director Atchison made a motion to approve the minutes of the meeting of May 19, 2025, as presented. Director Massey seconded the motion, which unanimously carried.

CONSIDER APPROVAL OF RENTAL AGREEMENT WITH STAYBRIDGE SUITES

Mr. Richardson presented and reviewed a Rental Agreement prepared by Staybridge Suites ("Staybridge"), a copy of which is attached hereto as Exhibit B. She advised that Staybridge has changed management and a new policy has been implemented requiring the District to enter into a rental agreement with Staybridge to reserve the meeting room on a monthly basis. After discussion, Director Wright made a motion to approve the attached Rental Agreement with Staybridge and to authorize execution of same. Director Massey seconded the motion, which carried unanimously.

BOOKKEEPING REPORT

The Board reviewed the bookkeeper's report prepared by District Data Services dated June 16, 2025, 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.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated May 31, 2025, 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. Richardson next presented the delinquent tax report dated June 16, 2025, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), a copy of which is attached hereto as Exhibit E. A discussion followed regarding the first account listed on the report under "Other Accounts". After discussion, Directors Atchison made a motion to authorize Perdue to send a water termination notice stating that service will be terminated if the account holder has not either paid the balance or arranged a payment plan prior to the Board's next meeting. Director Massey seconded the motion, which passed unanimously.

AUTHORIZE DELINQUENT TAX COLLECTIONS ATTORNEYS

The Board next considered authorizing Perdue Brandon Fielder Collins & Mott LLP ("Perdue") to proceed with the collection of 2024 delinquent taxes, including the filing of lawsuits. After discussion, Director Atchison made a motion to authorize Perdue to proceed with the

collection of the District's 2024 delinquent tax accounts on July 1, 2025, including filing of lawsuits, as necessary. 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 F.

Mr. Griffith stated that the District was last serviced on May 31, 2025.

Mr. Griffith advised that the bat houses have been installed but he has not seen any bats yet. Mr. Aranzales stated the Eagle Scouts from Troop 41 advised it could take up to two (2) seasons for the bat population to fully establish.

He next reported that Harris County has cleared the creek channel along Cypress Creek from the reserve at Inverness Pond down to Basin A at Albury Trails Estates.

Mr. Griffith next stated that a tree has fallen along the walking trail at Albury Trails Estates. He advised that Champions will cut the tree and relocate it to the side of the trail.

ENGINEER'S REPORT

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

Mr. Aranzales reported on the contract for the needed repairs found during the sanitary sewer cleaning and televising for Inverness Estates, Sections 1, 2 and 4. He advised that the contracts are ready for execution, pending MRPC's approval of the Bonds and Insurance requirements.

Mr. Aranzales next reported on the status of the contract with Infrastructure Construction Services for the park pad and bench addition. He stated that the project is completed and next presented the attached payment application no. 1 and final to ICS Infrastructure Construction Services for \$13,600 and recommended that the Board approve payment of same. After discussion, Director Thomas made a motion to approve the payment of payment application no. 1 and final as set out above. Director Massey seconded the motion, which carried unanimously.

Mr. Aranzales next reported on the status of repairs to the sinkhole and sidewalk located on Wixford Lane. He advised that he is still trying to get in touch with the homeowner regarding an action plan to prevent further erosion but has been unsuccessful in reaching her. Director Thomas stated that he will try and contact the resident regarding same..

Mr. Aranzales next discussed the property adjacent to Albury Trails located at the north end of Brave Legion Way. He reported that V&S sent correspondence to the property owner regarding a fence plan and is awaiting a response. Mr. Aranzales stated that the District could erect a cedar fence along the property line at a cost of \$10,000 to \$15,000. After discussion, the Board agreed to take no action on the fence installation. In the meantime, the Directors agreed to research additional fencing estimates and forward the information to Mr. Aranzales.

Mr. Aranzales next reported that V&S received a call regarding sinkholes located near inlets at the District's Wastewater Treatment Plant ("WWTP") and requested Board authorization to inspect the area with Mr. Griffith to accurately estimate the repair costs. After discussion, Director Thomas made a motion to authorize Mr. Aranzales and Mr. Griffith to inspect the WWTP inlets to estimate sinkhole repair costs. Director Massey seconded the motion, which passed unanimously.

Mr. Aranzales next reported that the engineer for Harris County Precinct No. 4 contacted him about a potential sidewalk partnership between the HCCO and surrounding municipal utility districts in the area. He advised that the partnership's cost responsibility would be split evenly amongst the various parties.

After discussion, Director Thomas made a motion to approve the engineer's report. Director Massey seconded the motion, which passed unanimously.

OPERATIONS REPORT

Mr. Shelnutt presented and reviewed the operations report for May 2025, a copy of which is attached hereto as Exhibit H. He reported that the District accounted for 97% 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.

Mr. Shelnutt next requested that the Board authorize MOC to turn over one (1) delinquent account totaling \$27.86 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 reported on the status of the meter replacements. He stated that the five hundred fifty-seven (557) meters that previously displayed blank screens have been replaced.

Mr. Shelnutt next discussed the status of water well no. 1 at the District's water plant. Mr. Shelnutt advised that the well's air valve assembly, used to release trapped air and prevent issues like reduced pump efficiency, needs to be replaced. He stated that the parts for the valve replacement will cost approximately \$6,300 and the labor will cost approximately \$1,500, totaling a cost estimate of \$7,800. Director Thomas asked whether the District's pumpage accountability will decrease and if water well no. 2 would be used during the repair. Mr. Shelnutt next advised that he anticipates accountability to remain unchanged and that well no. 2 will not be used due to its current check-valve issue. He also noted that the repair is not covered by insurance, as the damage is attributed to normal wear and tear. After discussion, Director Atchison made a motion to authorize MOC to replace the air valve assembly for water well no. 1 as quoted above. Director Thomas seconded the motion, which passed unanimously.

Mr. Shelnutt next reported on the installation of a bubbler in the southern pond in Inverness Estates. He advised that the project is pending. He next noted that the cost estimate provided at last month's meeting did not include electrical work, and that the additional work will bring the total project cost to \$17,700. After discussion, Director Atchison made a motion to approve the

updated cost for the bubbler installation project in the southern pond in Inverness Estates. Director Thomas seconded the motion, which passed unanimously.

Mr. Shelnutt advised the Board that preventative maintenance was performed on the District's generators in preparation for the hurricane season and that the diesel fuel was cleaned as well.

Mr. Shelnutt next reported that he has a call scheduled with a sign-making company to discuss creating signage prohibiting golf carts from driving in unauthorized areas. He next requested Board authorization to purchase signage in connection with same. After discussion, Director Atchison made a motion to authorize MOC to purchase the golf cart signage. Director Thomas seconded the motion, which passed unanimously.

Mr. Shelnutt next advised that the gates located at List Station No. 3 have been painted.

Mr. Shelnutt next stated that MOC filed an insurance claim following an electrical issue at the District's water plant on June 9 which caused several breakers to flip. He stated that the District had to go on interconnect with Dowdell Public Utility District as a result of the issue. He reported that the fuse box and its wires burned, along with the automatic transfer switch transformer. He stated that the surge protector is also out and still awaiting repair. Mr. Shelnutt noted that the repairs cost approximately \$25,000, which was submitted to the insurance company earlier today.

Mr. Shelnutt advised that he would like to pause the meter replacement project for meters that are not displaying black screens, as the District would not get any warranty credits for those meters.

DISCUSSION REGARDING A PROPERTY ON BRAVE LEGION WAY

The Board noted that this matter had been previously discussed in the meeting.

CONSIDER APPROVAL OF RENTAL AGREEMENT WITH STAYBRIDGE SUITES

The Board noted that this matter had been previously discussed in the meeting.

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 meter replacement project. 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 Thomas seconded the motion, which unanimously carried.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

The Board next considered an update from Touchstone District Services. Ms. Richardson presented the Monthly Communications Report dated June 16, 2025, and reviewed same with the Board, a copy of which is attached hereto as Exhibit I.

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
June 16, 2025

- A. Patrol Report
- B. Rental Agreement – Staybridge Suites
- C. Bookkeeper's Report
- D. Tax Assessor Collector's Report
- E. Delinquent Tax Report
- F. Detention and Drainage Facilities Report
- G. Engineer's Report
- H. Operations Report
- I. Touchstone Communications Report