

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

May 3, 2017

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 501 (the "District") met in regular session, open to the public, on the 3rd day of May, 2017, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

James Harkrider	President
Sandy Steriti	Vice President
Henry F. Abel, Jr.	Secretary
George Gentry	Assistant Secretary
Amy Markiewicz	Assistant Vice President

and all of the above were present except Director Abel, thus constituting a quorum.

Also present at the meeting were Alan Quintero and Melissa Yahner, residents of the District; Colette Garcia and Marilyn Roberts, directors of Harris County Municipal Utility District No. 500 ("MUD 500"); Tom Russell, member of the public; Rose Montalbano of F. Matuska, Inc.; Truman Edminster and Amy Swackhamer of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Mike Ammel of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests; Karla Efigenio, Jerry Hlozek, and Fred Caldwell of The Caldwell Companies; Loren Morales and Matt Dustin of RBC Capital Markets; and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board reviewed the minutes of the April 5, 2017, regular meeting. Director Markiewicz moved to approve the minutes of the April 5, 2017, regular meeting as submitted. The motion was seconded by Director Gentry and passed by unanimous vote.

PUBLIC COMMENTS

Ms. Yahner addressed the Board regarding the e-waste and shredding event held in the District on April 29th and requested the Board schedule one every six months. She then requested the Board consider installing smart meters and requested a timetable for same. The Board requested that Mr. Ammel bring a proposal for smart meters for the Board to consider at the July meeting. Ms. Yahner addressed the Board regarding landscaping issues in Towne Lake. Ms. Vinson stated that the projects

referenced are either MUD 500 projects or Towne Lake Community Association (the "HOA") projects. She stated that MUD 500's landscape architect would be presenting his report at the MUD 500 meeting following this meeting. Ms. Yahner additionally inquired whether the District has made progress in potentially scheduling a joint town hall meeting with MUD 500, in its capacity as the Master District. Ms. Vinson stated she notified the MUD 500 Board of the request.

Mr. Russell addressed the Board regarding Egyptian geese located around the Towne Lake detention facilities. Ms. Vinson stated that the detention facilities are not owned by the District.

Mr. Quintero stated that an alligator has been seen in MUD 500's detention facilities. Ms. Vinson stated the issue would be discussed at the MUD 500 meeting following this meeting.

BOOKKEEPER'S REPORT

Ms. Montalbano then presented the bookkeeper's report, submitted the bills for the Board's review, and reviewed the quarterly investment report.

Upon a motion made by Director Steriti and seconded by Director Gentry, the Board voted unanimously to approve the bookkeeper's report and the checks presented for payment. A copy of the bookkeeper's report is attached.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

Ms. Carner discussed the District's Travel Reimbursement Guidelines in connection with the upcoming Association of Water Board Directors summer conference in Corpus Christi. After review and discussion, Director Gentry moved to authorize payment of up to four per diems, reimbursement of hotel expenses for a maximum of three nights, and reimbursement for reasonable and necessary meals for Board members attending the summer conference, all to be submitted in accordance with the Travel Reimbursement Guidelines. Director Markiewicz seconded the motion, which passed unanimously.

TAX REPORT

Ms. McLaughlin presented the monthly tax report and stated that 97.1% of the District's 2016 taxes had been paid as of April 30, 2017. She also discussed the status of delinquent accounts. Ms. McLaughlin reported that the District's estimate of value from the Harris County Appraisal District as of March 1, 2017, was \$545,719,784. Following review and discussion, Director Markiewicz moved to approve the tax

report. Director Gentry seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

GARBAGE COLLECTION AND RECYCLING

Ms. Carner reported on the e-waste and shredding event for District residents that was held on April 29, 2017, at the Lake House parking lot. The Board requested that another event be scheduled in October.

WEBSITE MATTERS

Ms. Carner reported that Off Cinco stated the cost to send out monthly e-mails to individuals who have signed up through the District's website with the meeting date and location information and a link to the agenda would be approximately \$25 per month, after a one time setup fee of \$100. After review and discussion, Director Gentry moved to authorize Off Cinco to send the e-mails for each Board meeting, beginning in June. Director Markiewicz seconded the motion, which passed unanimously.

Discussion ensued over revising the District's mission statement on the website. After discussion, Director Gentry agreed to draft a revised mission statement for discussion at the next meeting.

OPERATIONS REPORT

Mr. Ammel presented an operator's report from EDP, a copy of which is attached. He reported on the installation of eleven residential taps and meters.

Mr. Ammel reported on a request from the HOA to paint the fire hydrants located along the main roads in the District. He stated that painting the fire hydrants is covered under EDP's annual fire hydrant maintenance program, which is currently in progress.

Mr. Ammel reported that EDP provided the information on the District's water supply to Insurance Services Office, Inc. as requested by Harris County Emergency Services District No. 9 ("ESD No. 9") in connection with the periodic review of ESD No. 9's fire insurance rating.

In response to a question from the Board, Mr. Ammel updated the Board on the status of the screening of the wastewater treatment plant.

After review and discussion, Director Steriti moved to approve the operator's report. Director Markiewicz seconded the motion, which passed unanimously.

CONDUCT HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Ammel submitted a list of delinquent accounts to the Board for termination of utility service. He stated that the accounts in question have been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain, or correct the charges, services, or disconnection. Mr. Ammel noted that the accounts listed have neither attended the Board meeting nor contacted his office or the District to contest or explain the charges. After discussion, Director Steriti moved that the District's operator be authorized to proceed with termination of utility service to the accounts pursuant to the provisions of the District's Rate Order. The motion was seconded by Director Markiewicz and carried unanimously.

CONSUMER CONFIDENCE REPORT

The Board considered approving the District's Consumer Confidence Report ("CCR") for 2016. After discussion, Director Steriti moved that the Board approve the CCR, subject to final review, and authorize EDP to mail the CCR to the District's customers and certify the filing with the Texas Commission on Environmental Quality. The motion was seconded by Director Markiewicz and carried by unanimous vote.

ENGINEER'S REPORT

Ms. Swackhamer presented an engineer's report from EHRA, a copy of which is attached, and reviewed it with the Board.

Mr. Dustin stated that he will present a financial analysis for the Union Pacific Railroad/Highway 290 underpass project to MUD 500 at the MUD 500 meeting following this meeting and then present the report to the District at the next regular Board meeting.

Mr. Caldwell addressed the Board regarding the Union Pacific Railroad/Highway 290 underpass project. He discussed the benefits of the project to Towne Lake residents and stated that various sources of additional funding for the project are being pursued. Discussion ensued regarding the Union Pacific Railroad/Highway 290 underpass project and its potential tax rate impact on the District. Mr. Caldwell then addressed the landscaping concerns raised under public comments.

SUBMERGED STORM SEWER AGREEMENTS

There was no discussion on this matter.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS

The Board deferred approval of plans and specifications and authorizing advertisement for bids for construction of the water, sewer, and drainage facilities to serve Towne Lake, Section 41.

Ms. Swackhamer requested the Board approve the plans and specifications and authorize advertisement for bids for construction of the water, sewer, and drainage facilities to serve Towne Lake, Section 44. After review and discussion, Director Gentry moved to approve plans and specification and authorize advertisement for bids for the construction of the water, sewer, and drainage facilities to serve Towne Lake, Section 44. Director Steriti seconded the motion, which passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE TOWNE LAKE, SECTION 37

Ms. Swackhamer updated the Board on the status of the construction of water, sewer, drainage and paving facilities to serve Towne Lake, Section 37. She stated that she had no pay estimates from CNS Construction for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR CLEARING AND GRUBBING TO SERVE TOWNE LAKE, SECTION 41

Ms. Swackhamer updated the Board on the status of the clearing and grubbing to serve Towne Lake, Section 41. She stated that she had no pay estimates from K&K Tree and Tractor Service, for the Board's approval.

REQUESTS FOR CAPACITY RESERVATION TO HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 500 (MASTER) AND REQUESTS FOR UTILITY COMMITMENTS

There was no discussion on this matter.

APPROVE CONTRACT WITH STORM WATER SOLUTIONS, L.P.

There was no discussion on this matter.

ACCEPT CONVEYANCE OR ASSIGNMENT OF DEEDS AND EASEMENTS; APPROVE ABANDONMENT OF EASEMENTS; ACCEPT UTILITY DEED

There was no discussion on this matter.

RECEIVE REPORT ON THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

There was no discussion on this matter.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this matter.

DISCUSS MEETING SCHEDULE

The Board considered rescheduling the July meeting. After review and discussion, the Board concurred to move the July regular meeting to July 12, 2017.

BOOKKEEPER'S REPORT CONT'D

The Board requested Mr. Dustin bring an updated financial analysis of the District's reserves for the contract tax fund, debt service fund, and general fund to the next Board meeting.

REPORT ON DEVELOPMENT

Mr. Hlozek reported on development in Towne Lake.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

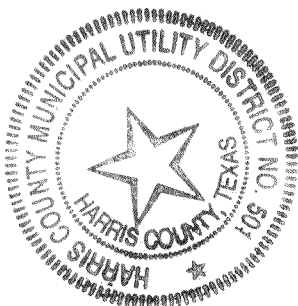
The Board did not convene in executive session.

PUBLIC COMMENTS (CONT'D)

Ms. Yahner requested additional information regarding the delinquent tax accounts. Ms. McLaughlin stated she would present the information at the next meeting.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)




Secretary, Board of Directors

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