

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

June 6, 2018

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 6th day of June, 2018, 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:

George Gentry	President
Amy Markiewicz	Vice President
DeBra D. Edwards	Secretary
Jonathan Cowen	Assistant Secretary
Wayne C. Tyson	Assistant Vice President

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

Also present at the meeting were Yemi Odufuye, Melissa Yahner, Lee Markiewicz, Hank Miller, and Jeffry D. Ottmann, residents of the District; Tom Russell, member of the public; David Pereyra and Joe Valle of Environmental Allies; Dan McDonald of McDonald & Wessendorff Insurance; David Beyer of Storm Water Solutions, LLC; Sandra Dahlke, Marilyn Roberts, and Colette Garcia, directors of Harris County Municipal Utility District No. 500 ("HC 500"); Rose Montalbano of F. Matuska, Inc.; Truman Edminster and Amy Downhour of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Michael Ammel of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests; Matt Dustin and Loren Morales of RBC Capital Markets ("RBC"); Robert DeForest of KGA DeForest Design, LLC ("KGA"); and Alia Vinson and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Gentry explained new guidelines for public comments, including a three-minute time limit.

Ms. Yahner requested the Board provide written documentation on the new guidelines for public comments.

Ms. Yahner inquired whether there were any increases in the District's water and sewer rates. Ms. Vinson stated that there was no change to the District's water and sewer rates.



Mr. Miller inquired when the regular Board meetings will move to in-District location. Director Gentry stated the Board anticipates moving the regular Board meetings to an in-District location in August, 2018.

Mr. Markiewicz requested clarification of the time limit for public comments.

Mr. Markiewicz inquired about conflict of interest disclosure requirements for directors. Ms. Vinson stated all directors were provided with information regarding conflicts of interest. She also stated that, based on information provided by the directors, ABHR has concluded that there are no legal conflicts that require disclosure at this time.

Mr. Markiewicz inquired about the procedures for handling a conflict of interest disclosure. Ms. Vinson explained the procedures, including filing in the District's records and posting on the District's website.

#### APPROVE MINUTES

The Board reviewed the minutes of the May 2, 2018, regular meeting and the May 16, 2018, special meeting. After review and discussion, Director Markiewicz moved to approve the minutes of the May 2, 2018, regular meeting and the May 16, 2018, special meeting. The motion was seconded by Director Tyson and passed by unanimous vote.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Montalbano presented the bookkeeper's report, a copy of which is attached, and submitted the bills for the Board's review. Director Gentry inquired about the total amount of unallocated surplus funds in the capital projects fund. Ms. Montalbano stated she will coordinate with EHRA to calculate the total amount of unallocated surplus funds available in the capital projects fund.

After review and discussion, Director Cowen moved to approve the bookkeeper's report and the checks presented for payment. Director Markiewicz seconded the motion, which passed unanimously.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin presented the monthly tax report and stated that 98.0% of the District's 2017 taxes had been paid as of May 31, 2018. She also discussed the status of delinquent accounts.

Following review and discussion, Director Cowen moved to approve the tax report. Director Edwards seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.



## AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue Brandon"), to proceed with the collection of the 2017 delinquent tax accounts as of July 1, 2018. After discussion, Director Cowen moved to authorize Perdue Brandon to proceed with the collection of the 2017 delinquent taxes. Director Markiewicz seconded the motion, which passed by unanimous vote.

## GARBAGE COLLECTION AND RECYCLING MATTERS, INCLUDING UPDATE ON E-WASTE AND SHRED EVENT

The Board discussed garbage collection and recycling services in the District. The Board reviewed resident correspondence regarding service concerns and the responses from Residential Recycling & Refuse of Texas, Inc. ("RR&R") regarding their corrective actions, copies of which are attached. The Board also reviewed previous communication from the District to RR&R regarding service concerns, copies of which are attached.

## WEBSITE MATTERS

The Board reviewed information regarding hurricane preparedness provided by Off Cinco, a copy of which is attached. The Board concurred to authorize Off Cinco to post the information to the District's website.

## OPERATION OF DISTRICT FACILITIES

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

Mr. Ammel updated the Board on the status of repairs and painting of the District's fire hydrants. Director Cowen requested EDP coordinate improved traffic control measures while fire hydrant repairs or painting is underway.

Mr. Ammel stated that the system accountability was 89.3% for the month of May. He reported that, due to a control failure on the West Harris County Regional Water Authority ("WHCRWA") water line, there was an overflow at the ground storage tank which resulted in 2 million gallons of lost water. He stated that EDP will request, on behalf of HC 500, a refund of the surface water fees for the lost water.

Mr. Ammel presented a request from the resident at 9718 Sabinal River Court for removal of a late fee in the amount of \$23.15, a copy of which is attached. He stated the resident said she has not been receiving a utility bill. Mr. Ammel stated that EDP



confirmed bills were mailed and meter readings were correct, noting that the resident's meter was replaced a year ago. After review and discussion, Director Edwards moved to grant the request for removal of the late fee. Director Cowen seconded the motion. The motion failed by a vote of 2-3, with Directors Tyson, Markiewicz, and Gentry opposed.

Mr. Ammel stated that EDP will soon roll out a new customer portal and online billing options for the District. Director Markiewicz requested a notice be placed on the District website regarding the change, when appropriate.

After review and discussion, Director Tyson 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 Tyson moved that the District's operator be authorized to proceed with termination of utility service to the delinquent accounts pursuant to the provisions of the District's Rate Order. The motion was seconded by Director Markiewicz and carried unanimously.

#### ENGINEERING MATTERS

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

#### SUBMERGED STORM SEWER AGREEMENTS

There was no discussion on this matter.

#### APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS

Ms. Downhour requested that 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 41.

Ms. Downhour requested that 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 39, Replat 1.



After review and discussion, Director Tyson moved to approve plans and specifications and authorize advertisement for bids for construction of water, sewer, and drainage facilities to serve Towne Lake, Section 41 and Section 39, Replat 1. Director Edwards seconded the motion, which passed by unanimous vote.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE TOWNE LAKE, SECTION 44

Ms. Downhour updated the Board on the status of the construction of water, sewer, and drainage facilities to serve Towne Lake, Section 44. She had no pay estimates from D. Grimm, Inc. for the Board's review and approval.

WATER, SEWER, AND DRAINAGE FACILITIES AND PAVING REPAIRS IN TOWNE LAKE, SECTION 27

There was no discussion on this matter.

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.

WHCRWA MATTERS

The Board reviewed correspondence from the WHCRWA regarding the results of the 2018 Directors Election for Precinct No. 5 and a letter from Michael Owens, Director of WHCRWA, copies of which are attached.

Director Gentry requested the Board authorize him to send a letter from the District to HC 500, as Master District, regarding water supply. After review and discussion, Director Tyson moved to authorize Director Gentry to send a letter to HC 500 on behalf of the District. Director Markiewicz seconded the motion, which passed by unanimous vote.



REPORT REGARDING DEVELOPMENT IN THE DISTRICT, INCLUDING ACQUISITION OF NEW TRACT WITHIN THE DISTRICT

There was no discussion on this matter.

DISCUSS MASTER DISTRICT RECREATIONAL AND DETENTION FACILITIES

Ms. Vinson updated the Board on the status of wildlife management in detention facilities owned by HC 500, as Master District, and noted that one beaver was located and removed.

DISCUSS LAKE MAINTENANCE

The Board discussed the HOA bridge dredging project and a potential HC 500 Master District dredging project in the regional detention facilities. Director Tyson stated he believes erosion control measures should be taken prior to completing any dredging projects.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this matter.

DISCUSS UTILITY RATES AND TAX RATES AND AMEND RATE ORDER

There was no discussion on this matter.

DISCUSS COMMITTEE STRUCTURE

The Board reviewed the proposed committee structures provided by Director Gentry, a copy of which is attached. Discussion ensued.

DISCUSS COMMUNICATION AND SOCIAL MEDIA

The Board discussed possible meeting locations in or near the District, including the Lakehouse, the Heritage Homeowner's Association building, and the Weekley Center, and the communication equipment that might be necessary at each location. Director Cowen stated he will prepare additional information for review at the next regular Board meeting.

The Board discussed director communication on social media platforms. Ms. Vinson reviewed the provisions of the Texas Open Meetings Act.



## DISCUSS BOARD REPRESENTATION ON COMMUNITY MATTERS

Director Edwards stated that she would like to attend the Towne Lake new resident social functions on behalf of the District. After discussion, the Board concurred a director may attend such functions in an informal capacity, but not as a representative of the Board.

## 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.

## DISCUSS MEETING SCHEDULE AND ADDITION OF FUTURE AGENDA ITEMS

The Board discussed the meeting schedule for July. After discussion, the Board concurred to hold the next regular meeting on July 11, 2018, at 2:00 p.m. at the offices of ABHR.

## PUBLIC COMMENTS

Ms. Yahner thanked Director Cowen for volunteering to investigate in-District meeting sites and commended the new Board members for serving on the Board.

Mr. Markiewicz requested a picture of the beaver that was recently trapped.

Mr. Markiewicz stated that he is concerned that a committee structure would limit public access to Board discussions regarding important information.

Mr. Markiewicz inquired whether it is possible to add historical water usage information to the monthly utility bill or online customer portal. Mr. Ammel stated EDP can provide residents with up to three years of historical water usage, but the online customer portal will not have that functionality.

Mr. Markiewicz inquired whether the surplus capital projects funds can be used to pay for debt service or contract tax requirements. Ms. Montalbano discussed the District's funds and uses for same.

Mr. Miller stated that he is also concerned that the committee structure will limit public access to Board discussions.



Mr. Miller inquired whether builders with delinquent accounts are subject to any oversight. Ms. Vinson discussed the District's provisions in its Amended Rate Order for delinquent accounts.

Mr. Odufuye inquired why the minute attachments are not included on the District's website. Ms. Vinson discussed file size limits for the District's website and noted that Mr. Odufuye can submit a Public Information Act request for the attachments at any time.

Mr. Odufuye thanked ABHR for the prompt responses to his Public Information Act requests.

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

(SEAL)



*Amy L. Markheins*  
Secretary, Board of Directors



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