

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

July 6, 2016

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 July 2016, 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, thus constituting a quorum.

Also present at the meeting were Fran Matuska of F. Matuska, Inc.; Truman Edminster and Amy Swackhamer of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Andy Phelps of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests; Brian Toldan of McCall Gibson Swedlund Barfoot PLLC; Melissa Palacios Yahner, William Yahner, Renee Russell-Head, Lee Markiewicz, and DeBra Edwards, residents of the District; Kent Puckett, Jarrod Payne, and Karla Efigenio of The Caldwell Companies; Shannon Waugh and Allen DeJonge of Off Cinco; Colette Garcia, a director of Harris County Municipal Utility District No. 500; Jerrell Wolff and Stephanie Wolff of Residential Recycling and Refuse of Texas ("Residential Recycling"); Marilyn Harkrider, a member of the public; and Alia Vinson, Katie Carner, and Linda Sotirake of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board reviewed the minutes of the June 1, 2016, meeting. Director Steriti moved to approve the minutes of the June 1, 2016, meeting as submitted. The motion was seconded by Director Gentry and passed by unanimous vote.

PUBLIC COMMENTS

Mr. Markiewicz commented on park bonds that may be issued by Harris County Municipal Utility District No. 500.

Ms. Yahner commented on the flocking of the lake on Greenhouse Road and the District's water supply for outdoor residential use. Ms. Yahner requested that the

District's engineer contact the West Harris County Regional Water Authority (the "Authority") to find out when the Authority's construction of a water line will be completed.

Ms. Yahner stated that Residential Recycling did not return the recycling and trash cans to residents' garage doors.

In response to a question from Ms. Russell-Head regarding the Homeowners' Association island, Mr. Puckett reported that the island will have a beach and boat dock.

Ms. Edwards commented the Board on using small businesses for District contracts.

In response to a question regarding options to pay utility bills, Mr. Phelps stated the EDP is working with First Billing to provide on-line bill pay options.

#### IN-DISTRICT MEETINGS

The Board discussed scheduling two in-district meetings at the Lake House in 2017. Following discussion, Director Gentry requested that the consultants determine the additional costs for in-district meetings.

#### TOWN HALL MEETING

Ms. Vinson reported that a letter was sent to residents on June 15, 2016, regarding general information on municipal utility districts and the town hall meeting to be held in the Fall, a copy of which is attached. Discussion ensued regarding a date for the town hall meeting. Following discussion, Director Markiewicz moved to schedule the town hall meeting for October 11, 2016, at 7:00 p.m. to be held at the Lake House. Director Gentry seconded the motion, which carried unanimously.

#### APPROVE AUDIT FOR FISCAL YEAR ENDED MARCH 31, 2016

Mr. Toldan presented the draft District audit for the fiscal year ending March 31, 2016. Following review and discussion, Director Steriti moved to approve the audit for fiscal year ended March 31, 2016, subject to final review. Director Abel seconded the motion, which carried by unanimous vote.

## BOOKKEEPER'S REPORT

Ms. Matuska then presented the bookkeeper's report and submitted the bills for the Board's review. She discussed investing some funds in the capital projects fund in a TexPool account. Ms. Matuska stated that she will bring information on TexPool next month for discussion. Upon a motion made by Director Steriti and seconded by Director Markiewicz, 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.

## TAX REPORT

Ms. McLaughlin presented the monthly tax report and stated that 99.021% of the District's 2015 taxes had been paid as of June 30, 2016. Following review and discussion, Director Gentry moved to approve the tax report. Director Markiewicz seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

## GARBAGE COLLECTION AND RECYCLING

Discussion ensued regarding garbage and recycling collection service issues and the location of the garbage and recycling carts after the garbage is collected. Mr. Wolff reported that a supervisor has been hired to monitor the garbage collection in the District to ensure that the garbage and recycling carts are being returned to the proper location and that every residents' garbage and recycling is being collected. The Board requested that all cans be returned to residents' garage doors.

## APPROVE CONTRACT WITH OFF CINCO FOR WEBSITE SERVICES

Ms. Carner reviewed the website services contract with Off Cinco. Following discussion, Director Gentry moved to approve the contract with Off Cinco. Director Markiewicz seconded the motion, which carried unanimously.

## OPERATIONS REPORT

Mr. Phelps presented an operator's report from EDP, a copy of which is attached. No action was taken.

Mr. Phelps reviewed a letter from Tiffany Teague requesting an adjustment to her October and November, 2015 water bills because of an irrigation leak. The Board deferred action on this matter, pending future discussion on a leak adjustment policy.

## CONDUCT HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Phelps 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. Phelps 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.

## ENGINEER'S REPORT

Ms. Swackhamer 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

The Board deferred approval of plans and specifications and authorizing advertisement for bids for water, sewer, and drainage facilities to serve Towne Lake, Section 44.

## REVIEW BIDS AND AWARD CONTRACT FOR CLEARNG AND GRUBBING TO SERVE TOWNE LAKE, SECTION 41

Ms. Swackhamer reported that the District received three bids for clearing and grubbing to serve Towne Lake, Section 41. She stated that the low bid in the amount of \$86,540.00 was submitted by K&K Tree and Tractor Service. Ms. Swackhamer recommended that the Board accept the low bid in the amount of \$86,540.00 submitted by K&K Tree and Tractor Service. Based on the engineer's recommendation, the Board determined in their judgment that such bidder would be the most advantageous to the District and would result in the best and most economical completion of the District's facilities. Director Gentry moved that the contract in the amount of \$86,540.00 be awarded to K&K Tree and Tractor Service, contingent upon approval of the bonds and insurance by the District's attorney. Director Markiewicz 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 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 recommended approval of Pay Estimate No. 6 in the amount of \$108,277.20, submitted by CNS Construction. Following discussion, Director Gentry moved to approve Pay Estimate No. 6 in the amount of \$108,277.20, as recommended. Director Markiewicz 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 32, PARTIAL REPLAT NO. 1

Ms. Swackhamer updated the Board on the status of the construction of water, sewer, drainage and paving facilities to serve Towne Lake, Section 32, partial replat no. 1. She stated that she had no pay estimates from Jaho, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE TOWNE LAKE, SECTION 15, PARTIAL REPLAT NO. 2, PARTIAL REPLAT NO. 1

Ms. Swackhamer updated the Board on the status of the construction of water, sewer, and drainage facilities to serve Towne Lake, Section 15, Partial Replat No. 2, Partial Replat No. 1. She recommended approval of Pay Estimate No. 1 in the amount of \$61,420.83, submitted by Lischka Utilities LLC. Following discussion, Director Gentry moved to approve Pay Estimate No. 1 in the amount of \$61,420.83, as recommended. Director Markiewicz seconded the motion, which passed by unanimously.

BOND APPLICATION NO. 3

Ms. Swackhamer reviewed a draft summary of costs for bond application no. 3. After discussion, the Board considered adopting a Resolution Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for Approval of Project and Bonds. Director Gentry moved to adopt the Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds. Director Markiewicz seconded the motion, which carried unanimously.

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

Ms. Swackhamer reported that Harris County Municipal Utility District No. 500 (Master) has approved the updated capacity reservations previously requested.

STREET AND UTILITY CONSTRUCTION AGREEMENT

Ms. Vinson reviewed a Street and Utility Construction Agreement for Towne Lake, Sections 39, 39 Partial Replat No. 1, 41 and 44 that is needed in connection with bond application no. 3. Following discussion, Director Gentry moved to approve the Street and Utility Construction Agreement. Director Markiewicz seconded the motion, which carried unanimously.

ACCEPT CONVEYANCE OR ASSIGNMENT OF DEEDS AND EASEMENTS

The Board considered authorizing acceptance of sanitary sewer and storm sewer easements from CW SCOA West, L.P. After discussion, Director Abel moved to authorize accepting sanitary sewer and storm sewer easements from CW SCOA West, L.P. Director Steriti seconded the motion, which carried unanimously.

APPROVE ABANDONMENT OF EASEMENTS

There was no discussion on this matter.

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 ON DEVELOPMENT

Mr. Puckett updated the Board on development in Towne Lake.

AUTHORIZE ATTENDANCE AT THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE

The Board considered authorizing attendance of its members at the AWBD winter conference. After discussion, Director Gentry moved to authorize attendance of

the Board members at the winter conference. The motion was seconded by Director Markiewicz and carried by unanimous vote.

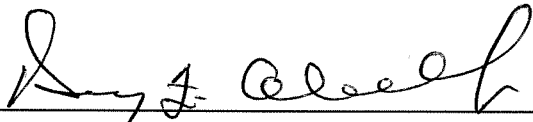
RENEWAL OF DISTRICT INSURANCE

There was no action on this matter.

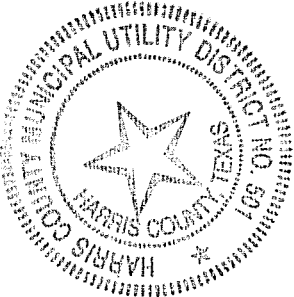
REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this matter.

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

  
Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
copy of letter to residents.....	2
bookkeeper's report.....	3
tax assessor/collector's report .....	3
operator's report from EDP.....	3
engineer's report from EHRA .....	4