

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

August 3, 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 3rd day of August 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, except Director Harkrider, thus constituting a quorum.

Also present at the meeting were Fran Matuska and 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; Marsha Jan of McCall Gibson Swedlund Barfoot PLLC; Karla Efigenio of The Caldwell Companies; Shannon Waugh and Allen DeJonge of Off Cinco; Matt Dustin and Misael Flores of RBC Capital Markets; David Perkins, 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 July 6, 2016, meeting. Director Gentry moved to approve the minutes of the July 6, 2016, meeting as submitted. The motion was seconded by Director Markiewicz and passed by unanimous vote.

PUBLIC COMMENTS

There were no comments from the public.

IN-DISTRICT MEETINGS

The Board discussed scheduling an in-district meeting at the Lake House in early 2017.

TOWN HALL MEETING

The Board discussed scheduling the town hall meeting for November, 2016 at the Lake House.

REVIEW DEVELOPER REIMBURSEMENT REPORT AND AUTHORIZE DISBURSEMENT OF FUNDS

Ms. Jan reviewed a report of the amount reimbursable by the District to CW SCOA West, L.P. from the District's \$13,100,000 Unlimited Tax Bonds, Series 2014, and \$7,025,000 Unlimited Tax Bonds, Series 2015, and the Board considered approving disbursement of the funds in accordance with the report. After review and discussion, Director Gentry moved to approve the developer reimbursement report, subject to final review, and approve the disbursement of funds, subject to execution of a receipt by CW SCOA West, LP. Director Abel seconded the motion, which carried unanimously.

BOOKKEEPER'S REPORT

Ms. Matuska then presented the bookkeeper's report and the quarterly investment report, and submitted the bills for the Board's review. Upon a motion made by Director Markiewicz 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.

Ms. Matuska presented information regarding investing some of the capital projects fund in a TexPool account. The Board deferred action on this matter until the September meeting.

Director Gentry reported that he asked the District's financial advisor to work on three tax rate scenarios for presentation at the September meeting, and Mr. Dustin confirmed that he will provide them.

TAX REPORT

Ms. McLaughlin presented the monthly tax report and stated that 99.492% of the District's 2015 taxes had been paid as of July 31, 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

Director Markiewicz reported that there are still garbage collection issues, but Residential Recycling and Refuse of Texas is responding to correct the problems.

WEBSITE MATTERS

Ms. Waugh presented the proposed District website. Discussion ensued regarding website content. Director Gentry moved to approve the website layout and content, subject to review by ABHR, and to authorize providing the District's agendas and minutes and documents required by law to be posted on the District's website to Off Cinco on a going-forward basis. Director Markiewicz seconded the motion, which carried unanimously.

OPERATIONS REPORT

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

Mr. Ammel reviewed a water and sewer rate comparison between the District and nearby municipal utility districts. Discussion ensued.

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 Abel 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.

ADOPT RESOLUTION ADOPTING POLICY AND PROCEDURE FOR LEAK ADJUSTMENT CREDITS

The Board considered a Resolution Adopting Policy and Procedure for Leak Adjustment Credits. The Board deferred action on this matter. Mr. Ammel reminded the Board that the District received a letter from Tiffany Teague requesting an adjustment to her October and November, 2015 water bills because of an irrigation leak. He reported that Ms. Teague had no usage prior to the leak. The Board deferred action on this matter.

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 the following construction projects: (1) water, sewer, and drainage facilities to serve Towne Lake, Section 44; and (2) water, sewer, and drainage facilities to serve Towne Lake, Section 41.

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. 7 in the amount of \$95,994.87, submitted by CNS Construction. Following discussion, Director Gentry moved to approve Pay Estimate No. 7 in the amount of \$95,994.87, 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 stated that she had no pay estimates from Lischka Utilities LLC 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.

BOND APPLICATION NO. 3

Ms. Swackhamer reported that the bond application has been submitted to the District's consultants for review.

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.

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 ON DEVELOPMENT

Ms. Swackhamer updated the Board on development in Towne Lake.

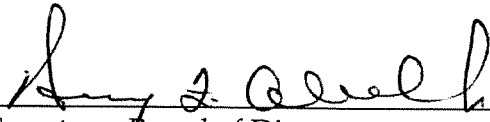
ACCEPT PROPOSALS FOR INSURANCE

The Board considered purchasing directors and officers liability insurance, general liability insurance, auto liability insurance, public employee blanket bond, directors bond, and business travel insurance. Director Markiewicz moved to accept the proposals from McDonald & Wessendorff Insurance for directors and officers liability insurance, general liability insurance, auto liability insurance, public employee blanket bond, directors bond, and business travel insurance. Director Abel seconded the motion, which was approved by unanimous vote.

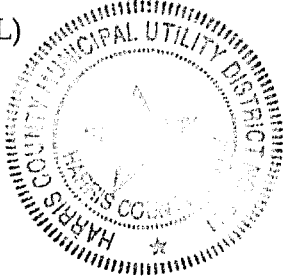
REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT
CORRESPONDENCE AND PROVISION OF RECORDS

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)



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