

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

January 4, 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 4th day of January, 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, thus constituting a quorum.

Also present at the meeting were 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 of The Caldwell Companies; Matt Dustin and Loren Morales of RBC Capital Markets; DeBra Edwards, Renee Russell-Head, and Melissa Yahner, residents of the District; Tom Russell, director of Harris County Municipal Utility District No. 172; Alia Vinson, Katie Carner, Linda Sotirake, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board reviewed the minutes of the December 7, 2016, meeting. Director Markiewicz moved to approve the minutes of the December 7, 2016, meeting as submitted. The motion was seconded by Director Gentry and passed by unanimous vote.

IN-DISTRICT MEETINGS

The Board concurred to meet in the District on March 6, 2017, at 6:00 p.m. at the Lake House, instead of meeting on March 1, 2017, at 12:30 p.m. outside the District.

BOOKKEEPER'S REPORT

Ms. Montalbano then presented the bookkeeper's report and submitted the bills for the Board's review. Upon a motion made by Director Abel 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.

The Board reviewed the Travel Reimbursement Guidelines in connection with the Association of Water Board Directors Winter Conference. Upon a motion made by Director Gentry and seconded by Director Markiewicz, the Board voted unanimously to authorize up to two hotel nights, three per diems and reasonable and necessary meals for the Association of Water Board Directors Winter Conference.

ACCEPT ANNUAL DISCLOSURE STATEMENTS OF THE BOOKKEEPER AND INVESTMENT OFFICER

The Board next considered accepting the annual disclosure statements of the bookkeeper and investment officer. Following review, Director Markiewicz moved to accept the annual disclosure statements of the bookkeeper and investment officer. Director Gentry seconded the motion, which was approved by unanimous vote.

REVIEW LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Carner reviewed the List of Local Government Officers. After review and discussion, Director Abel moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Steriti seconded the motion, which passed by unanimous vote.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Carner reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

TAX REPORT

Ms. McLaughlin presented the monthly tax report and stated that 56.502% of the District's 2016 taxes had been paid as of December 31, 2016. Following review and discussion, Director Markiewicz moved to approve the tax report. Director Abel seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

GARBAGE COLLECTION AND RECYCLING

Ms. Vinson reported that she is waiting to hear back from Residential Recycling & Refuse of Texas on the schedule of availability for a potential e-waste and shredding event.

WEBSITE MATTERS

There was no discussion on this matter.

OPERATIONS REPORT

Mr. Ammel presented an operator's report from EDP, a copy of which is attached.

Following review and discussion, Director Steriti moved to approve the District operator's report. The motion, which was seconded by Director Gentry, and passed unanimously.

AMEND RATE ORDER

Discussion ensued regarding the convenience fees for the use of credit cards, debit cards, or ACH debit to pay utility bills. The Board concurred to not amend the Rate Order at this time.

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 Gentry 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 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 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 recommended approval of Pay Estimate No. 1 in the amount of \$72,540.00, submitted by K&K Tree and Tractor Service, for the Board's approval. After discussion, Director Steriti moved to approve Pay Estimate No. 1 in the amount of \$72,540.00, as recommended. Director Abel seconded the motion, which passed unanimously.

BOND APPLICATION NO. 3

Ms. Swackhamer reported that the draft staff memorandum has been received from the Texas Commission on Environmental Quality for bond application no. 3.

UNLIMITED TAX BONDS, SERIES 2017

Mr. Dustin reported that the bond sale is planned for mid-February.

In response to a question from Ms. Yahner, Ms. Vinson explained the process for bond applications and the issuance of bonds.

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.

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

The Board did not receive a report on development in Towne Lake.

Director Gentry reported that the developer had asked if the District could take over responsibility from the Towne Lake Community Association for the cost of operating the street lights for the common areas in the District. He requested that ABHR contact the developer to ask him to submit a formal request.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this matter.

PUBLIC COMMENTS

Ms. Yahner asked why she is unable to get a copy of the list of delinquent utility accounts. Ms. Carner explained that customers' information on the delinquent list is kept confidential pursuant to the Texas Public Information Act.

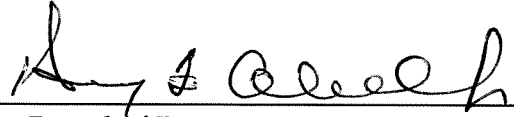
Ms. Yahner asked that a notice be sent to the residents regarding the WHCRWA fee increase. Discussion ensued. The Board concurred to add the fee increase information to the next utility bill.

Ms. Edwards asked how many people have registered with the website. Ms. Carner stated that she will contact the District's website vendor to obtain that information. Ms. Edwards requested that public comments be moved to the top of the District's agendas.

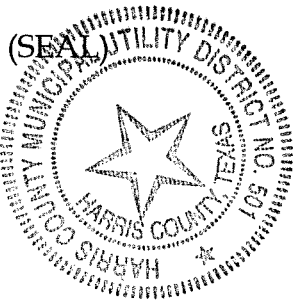
Ms. Yahner asked if there are additional costs incurred for the District to meet at the Lake House. Ms. Vinson stated that the Towne Lake Community Association, Inc. does not charge for use of the Lake House.

Ms. Yahner asked when the District will consider optional tax exemptions for the 2017 tax year. Ms. Vinson stated that the District is expected to discuss such exemptions in February, 2017.

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



Secretary, Board of Directors



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