

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

February 1, 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 1st day of February, 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 Fran Matuska 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 and Jared Payne of The Caldwell Companies; Matt Dustin and Loren Morales of RBC Capital Markets; Brian Toldan of McCall Gibson Swedlund Barfoot PLLC; Lee Markiewicz, a resident of the District; Tom Russell, a member of the public; Marilyn Roberts, director of Harris County Municipal Utility District No. 500; 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 January 4, 2017, meeting. Director Gentry moved to approve the minutes of the January 4, 2017, meeting as submitted. The motion was seconded by Director Abel and passed by unanimous vote.

IN-DISTRICT MEETINGS

Ms. Vinson confirmed that the next District meeting will be held on March 6, 2017, at 6:00 p.m. at the Lake House. The Board requested that the District website be updated to notify the public of the March 6, 2017 meeting date and requested that Towne Lake Community Association include information about the meeting in its communications to residents.

ENGAGE AUDITOR TO PREPARE THE DISTRICT'S AUDIT REPORTS

The Board next considered engaging an auditor to prepare the District's audit reports and developer reimbursement reports. Mr. Toldan presented a proposed engagement letter for preparing the District's audit reports including for fiscal year ending March 31, 2017, and developer reimbursement reports. Following discussion, Director Steriti moved to engage McCall Gibson Swedlund Barfoot PLLC to prepare the District's audit reports and developer reimbursement reports. Director Markiewicz seconded the motion, which carried unanimously.

BUDGET FOR FISCAL YEAR ENDING MARCH 31, 2018

There was no discussion on this matter.

BOOKKEEPER'S REPORT

Ms. Matuska then presented the bookkeeper's report and submitted the bills for the Board's review. She then suggested that funds in the Capital Projects, Contract Tax and Debt Service accounts be moved to TexPool, as previously discussed. 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 and authorize funds in the Capital Projects, Contract Tax and Debt Service accounts to be moved to TexPool. A copy of the bookkeeper's report is attached.

The Board discussed the Harris County Municipal Utility District No. 500 Master District draft budget for the fiscal year ending March 31, 2018. Discussion ensued regarding security costs and the addition of a second deputy.

BUDGET

Ms. Matuska reviewed with the Board the proposed District budget for the fiscal year ending March 31, 2018. The Board deferred action on this matter.

UNLIMITED TAX BONDS, SERIES 2017

The Board considered appointing The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar and Compass Bank as the escrow agent for the District's \$5,640,000 Unlimited Tax Bonds, Series 2017. Director Steriti moved to appoint The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar and Compass Bank as the escrow agent for the \$5,640,000 Unlimited Tax Bonds, Series 2017. Director Markiewicz seconded the motion, which passed by unanimous vote.

Mr. Dustin reviewed a draft of a Preliminary Official Statement ("POS") and Notice of Sale ("NOS") for the District's issuance and sale of its \$5,640,000 Unlimited Tax Bonds, Series 2017. Following review and discussion, Director Steriti moved to approve the POS and NOS, subject to final review. Director Markiewicz seconded the motion, which carried unanimously.

The Board considered authorizing the District's financial advisor to advertise the sale of the District's \$5,640,000 Unlimited Tax Bonds, Series 2017. Director Steriti moved to authorize the District's financial advisor to advertise the sale of the District's \$5,640,000 Unlimited Tax Bonds, Series 2017. The motion was seconded by Director Markiewicz and carried unanimously.

The Board confirmed the schedule of the bond sale for February 14, 2017 at 1:30 p.m.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT SUMMER CONFERENCE

Director Harkrider discussed seminars that he attended at the AWBD winter conference. The Board considered approving reimbursement to the directors for expenses incurred in attending the AWBD winter conference and authorizing attendance of its members at the AWBD summer conference. After discussion, Director Gentry moved to approve reimbursement of the eligible AWBD winter conference expenses and to authorize attendance of the Board members at the AWBD summer conference. The motion was seconded by Director Markiewicz and carried by unanimous vote.

TAX REPORT

Ms. McLaughlin presented the monthly tax report and stated that 89.867% of the District's 2016 taxes had been paid as of January 31, 2017. Following review and discussion, Director Steriti 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.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board discussed optional exemptions for the 2017 tax year. Mr. Dustin presented an analysis regarding homestead exemption scenarios, attached. The Board deferred action on this matter.

GARBAGE COLLECTION AND RECYCLING

Ms. Carner reported that Residential Recycling & Refuse of Texas requested two possible days for the e-waste and shredding event. The Board concurred to hold the event on March 25, 2017, if available.

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

Ms. Carner reported that District residents have reported an issue with beavers in the detention facilities. She stated that Harris County Municipal Utility District No. 500 has authorized EDP to subcontract with a trapper.

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 Markiewicz 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 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.

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.

Ms. Vinson reported that she contacted the Towne Lake Community Association to notify them that the Board requires a written request to take over responsibility for the cost of operating the street lights for the common areas in the District, prior to considering the request.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

The Board reviewed the attached January 6, 2017, request regarding placement of public comments on the District's agenda.

The Board concurred to add public comments to the beginning of the agenda as well as to the bottom of the agenda.

PUBLIC COMMENTS

Mr. Markiewicz asked why the legal fees were over budget. Ms. Vinson discussed the legal fees for the fiscal year ending March 31, 2017.

Mr. Markiewicz suggested that a webcam be used to broadcast District meetings.

MEETING SCHEDULE

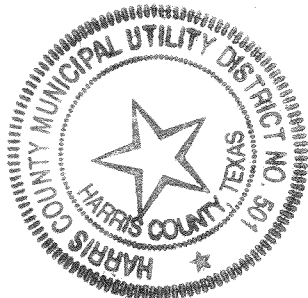
Discussion ensued regarding switching meeting times with Harris County Municipal Utility District No. 500. The Board concurred to schedule future meetings for 11:00 a.m. starting in April, 2017.

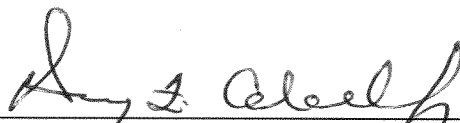
TAX REPORT CONT'D

Director Harkrider expressed his concern regarding the District's tax assessor accepting cash payments for tax bills. Discussion ensued.

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
bookkeeper's report.....	2
tax assessor/collector's report	3
analysis regarding homestead exemption scenarios	3
operator's report from EDP.....	4
engineer's report from EHRA	4
January 6, 2017, request.....	6