

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

March 6, 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 6th day of March, 2017, at the Lake House, 10000 Towne Lake Parkway, Cypress, TX, inside 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; Kent Puckett of The Caldwell Companies; Matt Dustin and Loren Morales of RBC Capital Markets; Marsha Jan of McCall Gibson Swedlund Barfoot PLLC; Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR"); and members of the public as shown on the attached list.

PUBLIC COMMENTS

The Board of Directors introduced themselves and Director Harkrider opened the floor for public comments. Public comments ensued regarding district matters including projects, tax rates, services, and director eligibility.

Director Harkrider then closed the floor to public comments.

APPROVE MINUTES

The Board reviewed the minutes of the February 1, 2017, regular meeting, and the February 14, 2017, special meeting. Director Gentry moved to approve the minutes of the February 1, 2017, regular meeting, and the February 14, 2017, special meeting as submitted. The motion was seconded by Director Steriti and passed by unanimous vote.

IN-DISTRICT MEETINGS

Ms. Vinson confirmed that the next District meeting will be held on April 5, 2017, at 11:00 a.m. at the offices of ABHR.

BOOKKEEPER'S REPORT

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

REPORT ON UNLIMITED TAX BONDS, SERIES 2017, INCLUDING REVIEW DEVELOPER REIMBURSEMENT REPORT AND AUTHORIZE DISBURSEMENT OF FUNDS

Ms. Vinson reported that the District's \$5,640,000 Unlimited Tax Bonds, Series 2017 are scheduled to close on March 9, 2017.

Ms. Jan reviewed a report of the amount reimbursable by the District to CW SCOA West, L.P. from the District's \$5,640,000 Unlimited Tax Bonds, Series 2017, 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 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.

REPORT ON DEVELOPMENT, INCLUDING REQUEST REGARDING OPERATION OF STREET LIGHTS

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

The Board discussed the request from the HOA for the District to pay for the operation of street lights within the District. Discussion ensued regarding the potential annual expense and whether the other Towne Lake districts have been approached and have agreed to pay for street light operations expenses. After review and discussion, the Board concurred to deny the request from the HOA and requested Ms. Matuska remove the related line item from the draft budget.

APPROVE BUDGET FOR FISCAL YEAR ENDING MARCH 31, 2018

Ms. Matuska reviewed with the Board the proposed District budget for the fiscal year ending March 31, 2018, noting the removal of the line item for street lights. After review and discussion, Director Markiewicz moved to approve the budget for the fiscal

year ending March 31, 2018. Director Gentry seconded the motion, which passed unanimously.

TAX REPORT

Ms. McLaughlin presented the monthly tax report and stated that 93.9% of the District's 2016 taxes had been paid as of January 31, 2017. She also discussed the status of delinquent accounts. 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 considered adopting a Resolution Concerning Exemption From Taxation ("Resolution"). Mr. Dustin reviewed the impact of a homestead exemption. Discussion ensued. After review and discussion, Director Markiewicz moved to adopt the Resolution exempting from ad valorem taxation by the District: (1) \$20,000 of the appraised value of residence homesteads of individuals who are disabled or 65 years of age or older; and (2) a general homestead exemption of 5% of the total appraised value of residential homesteads; and rejecting any exemptions for travel trailers. Director Gentry seconded the motion. The motion passed 4-1, with Director Steriti opposed.

ADOPT RESOLUTION REQUESTING APPRAISAL OF PROPERTY AND CERTIFICATE OF ESTIMATED APPRAISED VALUE

The Board discussed adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value. After discussion, Director Steriti moved that the Board adopt the Resolution. Director Gentry seconded the motion, which carried by unanimous vote.

GARBAGE COLLECTION AND RECYCLING

Ms. Carner reported that Residential Recycling & Refuse of Texas will hold an e-waste and shredding event on April 29, 2017 at the Lake House parking lot. The Board requested a notice be published on the District's website and added to the utility bills, and that ABHR request that the HOA include a notice in a community e-mail alert.

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. He report on the installation of a storm sewer inlet serving Sections 32 and 37.

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

Ms. Vinson reported that District residents have reported the presence of beavers in the Master District detention facilities. She stated that the Master District has authorized a trapper to capture beavers in the detention facilities.

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.

In response to a question from the Board, Ms. Swackhamer updated the Board on the status of the Master District projects for the left turn lane on Tuckerton Road and the intersection improvements at Highway 290.

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.

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.

RECEIVE REPORT ON THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

There was no discussion on this matter.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this matter.

PUBLIC COMMENTS (CONT'D)

Director Harkrider opened the floor for any additional public comments. Public comments ensued regarding district projects.

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

[Handwritten Signature]

 Secretary, Board of Directors



(SEAL)

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