

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

April 5, 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 5th day of April, 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 Lee Markiewicz, Alan Quintero, DeBra Edwards, and Melissa Yahner, residents of the District; Colette Garcia, director of Harris County Municipal Utility District No. 500; Tom Russell, member of the public; 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; Loren Morales of RBC Capital Markets; and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Ms. Yahner addressed the Board regarding landscaping issues in the District. She then inquired whether the District would be transitioning to smart meters. She also requested that the District hold a joint town hall meeting with Harris County Municipal Utility District No. 500, in its capacity as the Master District.

Ms. Edwards requested the Board send out future meeting agendas in an e-mail alert to the residents through the District's website. She additionally requested that the District hold a joint town hall meeting with the Master District.

APPROVE MINUTES

The Board reviewed the minutes of the March 6, 2017, regular meeting. Director Gentry moved to approve the minutes of the March 6, 2017, regular meeting as

submitted. The motion was seconded by Director Markiewicz and passed by unanimous vote.

### IN-DISTRICT MEETINGS, AND DISCUSS PUBLIC COMMENT STRUCTURE

The Board discussed possible procedures and guidelines for public comment.

### BOOKKEEPER'S REPORT

Ms. Montalbano then presented the bookkeeper's report and submitted the bills for the Board's review. She reported that the funds in the capital projects fund will be moved to TexPool.

Director Gentry requested information comparing budgeted versus actual water usage alongside water revenue and expenses. After discussion, Mr. Ammel stated he will add that information to the operator's report.

The Board discussed the Association of Water Board Directors ("AWBD") spring breakfast on April 21, 2017.

Upon a motion made by Director Steriti and seconded by Director Markiewicz, the Board voted unanimously to (1) approve the bookkeeper's report and the checks presented for payment; and (2) authorize any interested director to attend the AWBD spring membership breakfast. A copy of the bookkeeper's report is attached.

### TAX REPORT

Ms. McLaughlin presented the monthly tax report and stated that 96.2% of the District's 2016 taxes had been paid as of March 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.

### GARBAGE COLLECTION AND RECYCLING

Ms. Carner reported that Residential Recycling & Refuse of Texas will hold the e-waste and shredding event for District residents on April 29, 2017, at the Lake House parking lot. She added that a notice will be published on the District's website and added to the utility bills, and that the Towne Lake Community Association has agreed to include a notice in a community e-mail alert.

### WEBSITE MATTERS

The Board requested ABHR to obtain the cost to send out monthly e-mails to

individuals who have signed up through the District's website with the meeting date and location information and a link to the agenda.

## OPERATIONS REPORT

Mr. Ammel presented an operator's report from EDP, a copy of which is attached. He reported on the installation of eleven residential taps and meters.

Mr. Ammel presented a draft water and sewer rate comparison chart for the District, the City of Houston, and other municipal utility districts. The Board requested the rate comparison chart be posted to the District's website once it is finalized.

Mr. Ammel reviewed and requested approval of a tap fee letter for a commercial user located at 9899 Towne Lake Parkway. He stated that the location is within the District but it will be served through taps to lines owned by the Master District. Ms. Vinson stated the Board will need to request consent from the Master District to provide service to the commercial user by tapping the Master District water and sewer lines.

Mr. Ammel reported on a request received from Harris County Emergency Services District No. 9 ("ESD No. 9") for the District to provide information on the District's water supply to Insurance Services Office, Inc. in connection with the periodic review of ESD No. 9's fire insurance rating.

Mr. Ammel reported that EDP completed the District's annual contact information update with the Texas Commission on Environmental Quality Homeland Security.

Mr. Ammel reported EDP plans to enter into a Treasury Management Services Agreement with BBVA Compass Bank to allow for electronic lockbox services and reviewed and recommended the Board adopt the Resolution Approving Treasury Management Services.

In response to previous public comments, Mr. Ammel stated that there are currently no smart meters in the District. The Board discussed possibly switching to smart meters at a future time.

After review and discussion, Director Steriti moved to (1) approve the operator's report; (2) approve the tap fee letter for the commercial user at 9899 Towne Lake Parkway; (3) direct EDP to request the Master District's consent to tap the Master District water and sewer lines to provide service to the user at 9899 Towne Lake Parkway; (4) authorize EDP to respond on behalf of the District to the request for information from ESD No. 9; and; (5) adopt the Resolution Approving Treasury Management Services and direct that the Resolution be filed appropriately and retained

in the District's official records. Director Markiewicz seconded the motion, which passed unanimously.

#### 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 Markiewicz and carried unanimously.

#### CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM

Mr. Ammel reported that the District is required to review the District's Identity Theft Prevention Program annually and stated that no amendments are recommended at this time.

#### CONSUMER CONFIDENCE REPORT

The Board requested that EDP prepare the Consumer Confidence Report.

#### APPROVE WATER CONSERVATION PLAN ANNUAL REPORT

Mr. Ammel reviewed the Water Conservation Plan annual report with the Board. After review and discussion, Director Steriti moved to approve the annual report and direct that the report be filed appropriately and retained in the District's official records. Director Markiewicz seconded the motion, which passed by unanimous vote.

#### REVIEW DROUGHT CONTINGENCY PLAN

The Board reviewed the District's Drought Contingency Plan and determined to make no amendments at this time. In response to a question from the Board regarding hurricane preparedness, Mr. Ammel stated that both the Master District and EDP have a plan for hurricane preparedness.

#### ENGINEER'S REPORT

Ms. Swackhamer presented an engineer's report from EHRA, a copy of which is attached, and reviewed it with the Board.

Mr. Edminster updated the Board on the status of the Master District projects for grade separation at Union Pacific Railroad 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

The Board considered accepting a water line easement from CW SCOA West, LP. After discussion, Director Gentry moved to accept conveyance of the water line easement to the District from CW SCOA West, LP. Director Abel seconded the motion, which carried unanimously.

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. Ms. Vinson distributed a street light cost analysis for Towne Lake residents provided by the developer, a copy of which is attached. Discussion ensued.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT  
CORRESPONDENCE AND PROVISION OF RECORDS

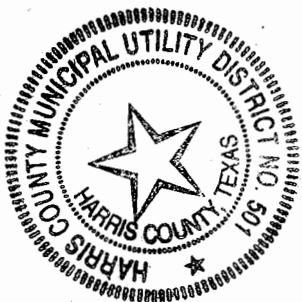
There was no discussion on this matter.

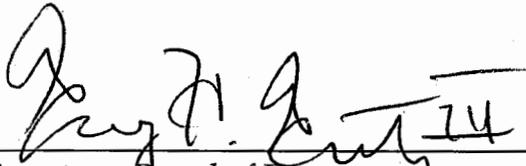
PUBLIC COMMENTS (CONT'D)

Director Harkrider opened the floor for any additional public comments. In connection with grade separation at Union Pacific Railroad and intersection improvements at Highway 290, Mr. Quintero inquired about the effect on the District's overall tax rate if Harris County Municipal Utility District No. 503 was developed as commercial versus residential. Discussion ensued.

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

(SEAL)



  
Secretary, Board of Directors

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