

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

January 2, 2019

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 2nd day of January, 2019, at the Lakehouse, 10000 Towne Lake Parkway, Cypress, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

George Gentry	President
Amy Markiewicz	Vice President
DeBra D. Edwards	Secretary
Jonathan Cowen	Assistant Secretary
Wayne C. Tyson	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Russell Wolff of Residential Recycling & Refuse of Texas, Inc. ("RR&R"); Rose Montalbano of F. Matuska, Inc.; Amy Downhour of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Michael Ammel of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests; 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

Director Gentry addressed the public and reviewed guidelines for public comments. He then requested any public comments.

Mr. Odufuye stated that he appreciates the Board's decision to decrease the 2018 overall tax rate. He also stated that he was pleased the District's garbage was collected on New Year's Day by RR&R and requested the Board consider designating an alternate garbage collection day if the regularly scheduled day falls on a holiday. Mr. Odufuye also requested an update regarding the question of a potential conflict of interest related to the lease arrangement between the developer and the District's auditor. Ms. Carner stated that the Board previously authorized correspondence to the auditor regarding the matter, which has been sent.

APPROVE MINUTES

The Board reviewed the minutes of the December 5, 2018, regular meeting. After review and discussion, Director Cowen moved to approve the minutes of the December 5, 2018, regular meeting, as submitted. The motion was seconded by Director Edwards and passed by unanimous vote.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Montalbano presented the bookkeeper's report, a copy of which is attached, and submitted the bills for the Board's review. After review and discussion, Director Cowen moved to approve the bookkeeper's report and the checks presented for payment. Director Markiewicz seconded the motion, which passed unanimously.

## ACCEPT ANNUAL DISCLOSURE STATEMENTS OF THE BOOKKEEPER AND INVESTMENT OFFICER

Ms. Carner stated that the District's bookkeeper and investment officer are required to execute annual disclosure statements that disclose certain relationships with banks and brokers who seek to sell investments to the District. She noted that the disclosure statements will be filed with the Texas Ethics Commission. Following review, Director Markiewicz moved to accept the annual disclosure statements of the bookkeeper and investment officer and direct that the disclosure statements be filed appropriately and retained in the District's official records. Director Tyson seconded the motion, which was approved 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 changes to the policy are required at this time.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin presented the monthly tax report and stated that 61.6% of the District's 2018 taxes had been paid as of December 31, 2018. She also discussed the status of delinquent accounts. Following review and discussion, Director Edwards moved to approve the tax report. Director Markiewicz seconded the motion, which passed unanimously. A copy of the tax assessor/collector's report is attached.

## 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 as of January 1, 2019. After discussion, Director Cowen moved that the Board adopt the Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value and direct that the Resolution be filed appropriately and retained in the District's official records. Director Tyson seconded the motion, which carried by unanimous vote.

## DISCUSS GARBAGE COLLECTION AND RECYCLING MATTERS, INCLUDING SPRING COMMUNITY SHRED EVENT AND REPORT FROM TRASH COMMITTEE

Mr. Wolff discussed garbage collection and recycling matters in the District. Ms. Carner reported that the flyer for the next e-waste and shred event on April 20, 2019 will be posted on the District's website this week. The Board requested that an e-blast be sent out to residents as well. Director Edwards reported on positive feedback from the community regarding the level of service from RR&R.

## WEBSITE MATTERS

The Board discussed content on the District's website.

## OPERATION OF DISTRICT FACILITIES

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

Mr. Ammel reported that the Texas Commission on Environmental Quality conducted an inspection of District's facilities and no issues were found.

Mr. Ammel stated that EDP received a request for a leak adjustment credit pursuant to the District's leak adjustment credit policy, but noted the usage for the period in which the leak occurred has not been billed yet. The Board deferred action on the request until the next regular meeting.

The Board discussed the District's Rate Order. After discussion, the Board requested EDP conduct an updated water rate analysis for the Board's review.

After review and discussion, Director Tyson moved to approve the operator's report. 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 Markiewicz moved that the District's operator be authorized to proceed with termination of utility service to the delinquent accounts pursuant to the provisions of the District's Rate Order. The motion was seconded by Director Tyson and carried unanimously.

ENGINEERING MATTERS, INCLUDING REPORT ON GRADE SEPARATION AT UNION PACIFIC RAILROAD AND INTERSECTION IMPROVEMENTS AT HIGHWAY 290

The Board discussed the Future Development Cost Estimate report prepared by EHRA, previously presented to the Board. The Board requested Ms. Downhour update the report to include updated construction cost estimates.

Ms. Downhour then 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, AUTHORIZE ADVERTISEMENT FOR BIDS, AND REVIEW BIDS AND AWARD CONSTRUCTION CONTRACTS

There was no discussion on this matter.

APPROVE PAY ESTIMATE AND CHANGE ORDERS FOR WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE TOWNE LAKE, SECTION 39, REPLAT 1

Ms. Downhour updated the Board on the construction of the water, sewer, and drainage facilities to serve Towne Lake, Section 39, Replat 1. She reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$273,868.31, submitted by Northtexas Construction, LLC.

After review and discussion, Director Edwards moved to approve Pay Estimate No. 3 in the amount of \$273,868.31, as recommended. Director Tyson seconded the motion, which passed by unanimous vote.

APPROVE PAY ESTIMATE AND CHANGE ORDERS FOR WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE TOWNE LAKE, SECTION 41

Ms. Downhour updated the Board on the construction of the water, sewer, and drainage facilities to serve Towne Lake, Section 41. She reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$35,966.05, submitted by Clearwater Utilities, Inc.

After review and discussion, Director Edwards moved to approve Pay Estimate No. 3 in the amount of \$35,966.05, as recommended. Director Tyson seconded the motion, which passed by unanimous vote.

WATER, SEWER, AND DRAINAGE FACILITIES AND PAVING REPAIRS IN TOWNE LAKE, SECTIONS 27 AND 28, INCLUDING ACCEPT ASSIGNMENT OF AGREEMENT FOR TESTING SERVICES WITH A&R ENGINEERING AND TESTING, INC.

The Board deferred discussion on this matter until executive session.

WATER, SEWER, AND DRAINAGE FACILITIES AND PAVING REPAIRS IN TOWNE LAKE, SECTION 37

The Board deferred discussion on this matter until executive session.

REQUESTS FOR CAPACITY RESERVATION TO HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 500 (MASTER) ("HC 500") 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.

HC 500 (MASTER) MATTERS

DISCUSS LAKE EROSION/MAINTENANCE, INCLUDING REPORT FROM LAKE EROSION/MAINTENANCE COMMITTEE

Ms. Downhour updated the Board on the status of HC 500's, as Master District, lake dredging project.

ACCEPT CONVEYANCE OR ASSIGNMENT OF DEEDS AND EASEMENTS; APPROVE ABANDONMENT OF EASEMENTS; ACCEPT UTILITY DEED

There was no discussion on this matter.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA") MATTERS

Ms. Carner stated that the WHCRWA's Notice of Fee Increase was posted to the District's website.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT, INCLUDING ACQUISITION OF NEW TRACT WITHIN THE DISTRICT

The Board discussed development in Towne Lake.

HC 500 (MASTER) MATTERS (CONT'D)

Ms. Carner stated that HC 500, as Master District, is expected to schedule a budget workshop and to invite two representatives of each Participant district to attend to discuss the Master District's draft budget for fiscal year ending March 31, 2020. The Board concurred to authorize the President and Vice President to attend a budget workshop with representatives of the Participant districts and the Master District.

DISCUSS MASTER DISTRICT RECREATIONAL AND DETENTION FACILITIES

Ms. Carner updated the Board on the status of wildlife management in detention facilities owned by HC 500, as Master District.

COMMUNITY EDUCATION MATTERS, INCLUDING REPORT FROM COMMUNITY EDUCATION COMMITTEE

Director Edwards reviewed a handout of informational inserts regarding water conservation to post monthly on the District's website and include in the monthly Towne Lake Harborside magazine, a copy of which is attached. After review and discussion, Director Cowen moved to approve the inserts, subject to final review. Director Edwards seconded the motion, which passed by unanimous vote.

SECURITY MATTERS, INCLUDING REPORT FROM SECURITY COMMITTEE

Ms. Carner stated that at its meeting next week, HC 500, as Internal District, is expected to consider a Cost Sharing Agreement for Law Enforcement Services with the Towne Lake Community Association, Inc. ("HOA") to pay for 50% of the cost of the HOA's contract with the Harris County Sheriff's Office, effective upon the expiration of the Master District's agreement with the HOA.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

The Board reviewed correspondence from the Harris-Galveston Subsidence District, a copy of which is attached.

DISCUSS UTILITY RATES AND AMEND RATE ORDER

There was no discussion on this matter.

## DISCUSS MEETING SCHEDULE, ADDITION OF FUTURE AGENDA ITEMS

The Board discussed the regular meeting schedule and items for inclusion on the next agenda.

## CONVENE IN EXECUTIVE SESSION TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER, PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board convened in Executive Session at 6:50 p.m. pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with their attorney to discuss pending or contemplated litigation or a settlement offer. Ms. Downhour, Ms. Carner, and Ms. Ramirez also were present.

## RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board reconvened in Open Session at 6:56 p.m.

## ENGINEERING MATTERS (CONT'D)

### WATER, SEWER, AND DRAINAGE FACILITIES AND PAVING REPAIRS IN TOWNE LAKE, SECTIONS 27 AND 28, INCLUDING ACCEPT ASSIGNMENT OF AGREEMENT FOR TESTING SERVICES WITH A&R ENGINEERING AND TESTING, INC. ("A&R")

After discussion, Director Tyson moved to (1) approve the Assignment of Rights agreement with CW SCOA West, L.P. relating to testing services with A&R; and (2) authorize ABHR to send correspondence to A&R. Director Cowen seconded the motion, which passed by unanimous vote.

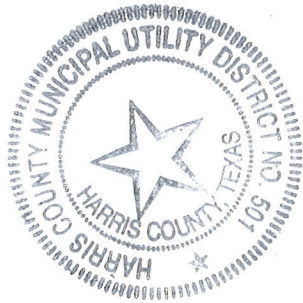
## PUBLIC COMMENTS

Ms. Jannick addressed the Board regarding correspondence submitted by Mr. Adam Jannick, to the Board of Directors of HC 500, as Master District, regarding the Master District's lake dredging project. She stated that the Master District is requiring residents to remove their boat lifts due to the lake dredging project. Ms. Jannick stated she is concerned about the cost of removing the boat lift and with the requirement to obtain a Consent to Encroachment from HC 500 for same. Discussion ensued. Ms. Jannick stated that the correspondence from Mr. Jannick also documents what they believe to be Storm Water Pollution Prevention Plan ("SWPPP") violations. Ms. Carner stated that any suspected SWPPP violations should be reported to Harris County, the enforcement agency for SWPPPs in Harris County.

Mr. Odufuye inquired how he can obtain a copy of the tax assessor's report. Ms. Carner stated that he can submit a Texas Public Information Act request. Discussion ensued regarding potentially posting Board reports to the District website. The Board concurred to request that an agenda item be added for the next regular Board meeting to discuss the matter.

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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