

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

April 3, 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 3rd day of April, 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 Shannon Waugh of Off Cinco; Russell Wolff of Residential Recycling & Refuse of Texas, Inc. ("RR&R"); Rose Montalbano of F. Matuska, Inc.; Truman Edminster and J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Michael Ammel and Amanda Benzman 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.

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the March 6, 2019, regular meeting. After review and discussion, Director Gentry moved to approve the minutes of the March 6, 2019, 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 Tyson seconded the motion, which passed unanimously.

Director Gentry addressed the Board regarding the Board's obligation to oversee the District's consultants. Ms. McLaughlin and Mr. Ammel discussed the procedures used by the District's auditor to audit the internal controls and processes of the District's consultants.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin presented the monthly tax report and stated that 96.3% of the District's 2018 taxes had been paid as of March 31, 2019.

Following review and discussion, Director Cowen moved to approve the tax report. Director Edwards seconded the motion, which passed unanimously. A copy of the tax assessor/collector's report is attached.

#### DISCUSS GARBAGE COLLECTION AND RECYCLING MATTERS, INCLUDING REPORT FROM TRASH COMMITTEE, UPDATE ON SPRING COMMUNITY SHRED EVENT, AND AGREEMENT FOR RECYCLE AND SOLID WASTE COLLECTION AND DISPOSAL SERVICES

Mr. Wolff discussed garbage collection and recycling matters in the District, including customer calls for the month of March. He reminded the Board that the spring community shred event is scheduled for April 20, 2019. The Board discussed garbage collection concerns in the District.

Director Tyson updated the Board on the status of negotiations on the terms of a new five-year garbage and recycling contract with RR&R. Ms. Carner stated that ABHR will send a draft contract for the Board's review prior to the next regular Board meeting.

#### WEBSITE MATTERS

The Board discussed content on the District's website. Ms. Waugh reviewed options for updating the District's website. The Board requested Off Cinco coordinate with Director Markiewicz on updates to the District's website.

Ms. Waugh then reviewed a proposal from Off Cinco for a new flat rate monthly fee of \$470 for maintenance of the District's website, a copy of which is attached. After review and discussion, the Board deferred action on the proposal, pending further review.

## OPERATION OF DISTRICT FACILITIES

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

Mr. Ammel reported on the results of the annual commercial meter testing conducted on February 15, 2019, noting one meter requires repair.

Mr. Ammel reviewed a utility bill insert regarding upcoming fire hydrant flow testing beginning on May 28, 2019. The Board requested a website post regarding the flow testing.

Mr. Ammel inquired whether the Board would like to continue to provide a hard copy of the District's Consumer Confidence Report ("CCR") as a utility bill insert or if the Board would like to electronically disseminate the CCR. After discussion, the Board concurred to electronically disseminate the CCR.

After review and discussion, Director Markiewicz moved to approve the operator's report. Director Cowen 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.

## 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 reviewed the annual report prepared by EDP, a copy of which is attached to the operator's report. He stated that no amendments are recommended at this time.

REVIEW WATER CONSERVATION PLAN; APPROVE ANNUAL REPORT AND WATER CONSERVATION IMPLEMENTATION REPORT; ADOPT ORDER ADOPTING AMENDED AND RESTATED WATER CONSERVATION PLAN

The Board reviewed an Amended and Restated Water Conservation Plan. After review and discussion, Director Cowen moved to adopt an Order Adopting Amended and Restated Water Conservation Plan and direct that the Order be filed appropriately and retained in the District's official records. Director Tyson seconded the motion, which passed by unanimous vote.

Mr. Ammel reviewed the Water Conservation Plan annual report and 5-year implementation report with the Board. After review and discussion, Director Cowen moved to approve the annual report and 5-year implementation report on the Water Conservation Plan and direct that the reports be filed appropriately and retained in the District's official records. Director Tyson seconded the motion, which passed by unanimous vote.

REVIEW DROUGHT CONTINGENCY PLAN AND ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

The Board reviewed an Amended and Restated Drought Contingency Plan. After review and discussion, Director Cowen moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records. Director Markiewicz seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS, INCLUDING REPORT ON GRADE SEPARATION AT UNION PACIFIC RAILROAD AND INTERSECTION IMPROVEMENTS AT HIGHWAY 290 PROJECT ("UPRR/HIGHWAY 290 PROJECT")

Mr. Edminster updated the Board on efforts to obtain additional sources of funding for the UPRR/Highway 290 Project. He also updated the Board on the status of Harris County Municipal Utility District No. 500's ("HC 500"), as Master District, Transportation Improvement Program application with the Houston-Galveston Area Council. Discussion ensued.

The Board discussed the notice received from HC 500 regarding a proposed road bond issuance. The Board also discussed road facilities in the Towne Lake area and the construction schedule for additional roads. The Board requested EHRA prepare an exhibit detailing the current and proposed road facilities for the Towne Lake area.

Mr. Gaden reviewed an updated summary of remaining capital projects and associated estimated expenses for the District, a copy of which is attached to the engineer's report.

Mr. Gaden 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 PLAN AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS GREENHOUSE ROAD COMMERCIAL RESERVE, PHASE 1

Mr. Gaden requested the Board approve the plans and specifications and authorize advertisement for bids for construction of the water, sewer, and drainage facilities to serve Greenhouse Road Commercial Reserve, Phase 1. After review and discussion, Director Markiewicz moved to approve the plans and specifications and authorize advertisement for bids for construction of the water, sewer, and drainage facilities to serve Greenhouse Road Commercial Reserve, Phase 1. Director Cowen seconded the motion, which passed by unanimous vote.

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

Mr. Gaden updated the Board on the construction of the water, sewer, and drainage facilities to serve Towne Lake, Section 39, Replat 1. He reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$29,906.00, submitted by Northtex Construction, LLC. After review and discussion, Director Markiewicz moved to approve Pay Estimate No. 5 in the amount of \$29,906.00, as recommended. Director Cowen seconded the motion, which passed by unanimous vote.

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

Mr. Gaden updated the Board on the construction of the water, sewer, and drainage facilities to serve Towne Lake, Section 41. He reviewed and recommended approval of Final Quantity Adjustment No. 1 to decrease the contract in the amount of \$187,135.00 and Pay Estimate No. 5 and Final in the amount of \$41,374.55, submitted by Clearwater Utilities, Inc. Mr. Gaden also recommended the Board accept the project.

After review and discussion, Director Markiewicz moved to (1) approve Final Quantity Adjustment No. 1 to decrease the contract in the amount of \$187,135.00; (2) approve Pay Estimate No. 5 and Final in the amount of \$41,374.55; and (3) accept the

project, as recommended. Director Cowen seconded the motion, which passed by unanimous vote.

WATER, SEWER, AND DRAINAGE FACILITIES AND PAVING REPAIRS IN TOWNE LAKE, SECTIONS 27 AND 28

Mr. Gaden reported that the contractor has completed the paving repairs and is working on punchlist items.

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

There was no discussion on this matter.

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.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this matter.

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

The Board discussed the status of the developer's pending acquisition of a new tract within the District.

HC 500 (MASTER DISTRICT) MATTERS

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. She stated that the trapper removed a beaver from the regional detention facilities on March 16, 2019.

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

Mr. Gaden updated the Board on the status of HC 500's, as Master District, lake 1G dredging project. He stated that EHRA is reviewing the post-dredging survey to determine the status of the project and will meet with the contractor tomorrow to discuss the survey results.

COMMUNITY EDUCATION MATTERS, INCLUDING REPORT FROM COMMUNITY EDUCATION COMMITTEE

The Board discussed community education matters. Director Gentry updated the Board on Towne Lake Water Conservation Coalition matters.

SECURITY MATTERS, INCLUDING REPORT FROM SECURITY COMMITTEE

There was no discussion on this agenda item.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") MATTERS

The Board considered authorizing attendance at the AWBD spring seminar. After review and discussion, Director Cowen moved to authorize attendance of Board members at the AWBD spring seminar. The motion was seconded by Director Edwards and carried by unanimous vote.

Director Edwards requested the Board add an item to the next agenda to discuss the AWBD Board of Trustees election.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

The Board reviewed correspondence regarding an open records request received by the 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. Ms. Carner reported that HC 500 is considering moving their regularly scheduled meetings into Towne Lake. She stated that the HOA has requested HC 500 and the District consider holding future meetings at the Towne Lake Clubhouse instead of the Lakehouse. Discussion ensued. The Board requested ABHR to request additional information from the HOA regarding the Clubhouse facilities.

The Board reviewed a letter from Governor Greg Abbott, a copy of which is attached, regarding the Open Meetings Act and the responsibilities of public officials. Discussion ensued.

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 did not convene in Executive Session.

PUBLIC COMMENTS

Mr. Markiewicz inquired whether additional depth gauges will be installed in certain locations in the regional detention facilities. Ms. Carner stated a request for additional depth gauges was presented to the Board of HC 500 at its regular meeting earlier today and stated the Board of HC 500 requested EHRA investigate the request and bring options for the HC 500 Board's review.

Ms. Jannik inquired about the timing for completion of the lake dredging project. Mr. Edminster reiterated that EHRA will meet with the contractor tomorrow to discuss the survey results.

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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