

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

May 1, 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 1st day of May, 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.; 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; Jerry Hlozek of Caldwell Companies; 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 April 3, 2019, regular meeting. After review and discussion, Director Gentry moved to approve the minutes of the April 3, 2019, regular meeting, as submitted. The motion was seconded by Director Cowen 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 Edwards seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

Ms. Carner discussed the District's Travel Reimbursement Guidelines in connection with the upcoming AWBD summer conference in Fort Worth. After review and discussion, Director Cowen moved to authorize payment of up to four per diems, reimbursement of hotel expenses for a maximum of three nights, and reimbursement for reasonable and necessary meals for Board members attending the summer conference, all to be submitted in accordance with the Travel Reimbursement Guidelines. Director Markiewicz seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin presented the monthly tax report and stated that 97.6% of the District's 2018 taxes had been paid as of April 30, 2019. She also reviewed the District's delinquent tax roll.

Following review and discussion, Director Markiewicz moved to approve the tax report. Director Cowen 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, AGREEMENT FOR RECYCLE AND SOLID WASTE COLLECTION AND DISPOSAL SERVICES, AND DISCUSS POTENTIAL FALL SHRED EVENT

Mr. Wolff discussed garbage collection and recycling matters in the District, including customer calls for the month of April. The Board discussed the spring shred event. The Board discussed holding an additional shred event in the fall. After discussion, the Board requested ABHR to work with the Trash Committee to schedule the event for a Saturday in October.

The Board reviewed an Agreement for Recycle and Solid Waste Collection and Disposal Services for a new five-year garbage and recycling contract with RR&R. After review and discussion, Director Tyson moved to approve the Agreement for Recycle and Solid Waste Collection and Disposal Services with RR&R and direct that the Agreement be filed appropriately and retained in the District's official records. Director Edwards seconded the motion, which passed by unanimous vote.

WEBSITE MATTERS, INCLUDING POTENTIAL POSTING OF CONSULTANT REPORTS AND PROPOSAL FROM OFF CINCO FOR WEBSITE MANAGEMENT AND MAINTENANCE SERVICES

The Board discussed the proposal from Off Cinco for a new flat rate monthly fee of \$470 for maintenance of the District's website, previously presented to the Board. After review and discussion, Director Markiewicz moved to approve the proposal from Off Cinco and direct that the proposal be filed appropriately and retained in the District's official records. Director Cowen seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

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

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 Tyson 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 Edwards and carried unanimously.

CONSUMER CONFIDENCE REPORT

Mr. Ammel reviewed a draft of the District's Consumer Confidence Report ("CCR") for 2018. After review and discussion, Director Cowen moved that the Board approve the CCR, subject to final review, and authorize EDP to deliver the CCR to the District's customers and certify the delivery with the Texas Commission on Environmental Quality ("TCEQ"). The motion was seconded by Director Tyson and carried 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 the status of the UPRR/Highway 290 Project, including a preliminary estimated timeline for design, construction, and completion of the project. He stated that EHRA was authorized by Harris County Municipal Utility District No. 500 ("HC 500"), as Master District, to initiate preliminary engineering for the project.

Mr. Gaden reviewed the status of Harris County's proposed road facilities for the Towne Lake area. The Board requested Mr. Gaden prepare an exhibit to include in the engineer's report for the next regular Board meeting.

Mr. Gaden reviewed the 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.

REVIEW BIDS AND AWARD CONTRACT FOR GREENHOUSE ROAD COMMERCIAL RESERVE, PHASE 1

The Board deferred award of contract for construction of the water, sewer, and drainage facilities to serve Greenhouse Road Commercial Reserve, Phase 1, pending receipt of bids.

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 stated that he had no pay estimates from Northtex Construction, LLC for the Board's approval.

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

Mr. Gaden reported that the contractor is still working on punchlist items.

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

There was no discussion on this matter.

ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TCEQ FOR RELEASE OF FUNDS FROM ESCROW AND APPROVAL FOR USE OF SURPLUS FUNDS

The Board considered adopting a Resolution Authorizing Application to the TCEQ for Release of Funds From Escrow and Approval for Use of Surplus Funds related to the completion of construction of water, sewer, and drainage facilities to serve Towne Lake, Section 41 and remaining costs for Towne Lake, Section 44. After review and discussion, Director Cowen moved to adopt the Resolution Authorizing Application to the TCEQ for Release of Funds From Escrow and Approval for Use of Surplus Funds and direct that the Resolution be filed appropriately and retained in the District's official records. Director Edwards seconded the motion, which passed by unanimous vote.

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 ("WHCRWA") MATTERS

The Board discussed the vacancy on the Board of Directors of the WHCRWA.

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

Mr. Hlozek reported on development in Towne Lake, including the status of the developer's pending acquisition of a new tract within the District and the timing for closing of same.

Director Gentry stated that representatives of the H. Towne Lake Community Association ("Heritage HOA") and Caldwell Companies will hold committee meetings to discuss matters related to the inclusion of the new tract within the District into the Heritage HOA. He requested the Board authorize two directors to attend the committee meetings as representatives of the District, if invited by the Heritage HOA. After review and discussion, Director Gentry moved to authorize Directors Gentry and Tyson to attend Heritage HOA and Caldwell Companies committee meetings on behalf of the Board, if invited to attend by the Heritage HOA. Director Cowen seconded the motion, which passed by unanimous vote.

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.

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

Ms. Carner stated that the lake 1G dredging project is complete.

COMMUNITY EDUCATION MATTERS, INCLUDING REPORT FROM COMMUNITY EDUCATION COMMITTEE

The Board discussed community education matters. Director Edwards reviewed literature received from Save Water Texas Coalition and suggested the Board distribute the literature at the annual Towne Lake Community Association ("HOA") and Heritage HOA meetings. After discussion, the Board concurred to distribute the literature at the annual HOA and Heritage HOA meetings.

SECURITY MATTERS, INCLUDING REPORT FROM SECURITY COMMITTEE

Ms. Carner stated that ABHR will distribute the HC 500 monthly security reports to the Board, as requested by the Security Committee. The Board discussed security matters in Towne Lake, including concerns related to deputy responses to resident calls

for service. Ms. Carner stated she would report the concerns to the HOA, as the holder of the contract with the Harris County Sheriff's Office.

AWBD MATTERS, INCLUDING BOARD OF TRUSTEES ELECTION

The Board discussed the AWBD Board of Trustees election and considered delegating one director to vote on behalf of the District at the upcoming summer conference. After review and discussion, Director Markiewicz moved to authorize Director Edwards to cast a ballot for the AWBD Board of Trustees election on behalf of the District. Director Cowen seconded the motion, which passed by unanimous vote.

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 AND ADOPT RESOLUTION ESTABLISHING ADDITIONAL OUT-OF-DISTRICT MEETING PLACE

Ms. Carner reported that due to scheduling conflicts with the Towne Lake Clubhouse, the HOA has consented to continue to allow the District to hold meetings at the Lakehouse. She noted that HC 500 has decided generally to hold its regular Board meetings at the Lakehouse, at noon, on the first Wednesday of each month.

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

There were no comments from the public.

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

(SEAL)



[Handwritten Signature]
Secretary, Board of Directors

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