

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 501

August 7, 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 7th day of August, 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 Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Ken Farrar 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 of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests; Katie Carner and Jennifer Ramirez of Allen Boone Humphries Robinson I.P.P ("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 requested copies of the operator's and tax assessor/collector's reports, which were provided.

Mr. Odufuye stated that recycling pick up on August 6, 2019, was late and inquired about the cause. Director Gentry stated that matter will be covered under agenda item no. 5.

APPROVE MINUTES

The Board reviewed the minutes of the July 3, 2019, regular meeting. After review and discussion, Director Gentry moved to approve the minutes of the July 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 Markiewicz seconded the motion, which passed unanimously.

Mr. Jenkins reviewed three supplemental reimbursement reports reflecting amounts reimbursable by the District to CW SCOA West, L.P. for construction of the projects funded by the District's \$13,100,000 Unlimited Tax Bonds, Series 2014, \$7,025,000 Unlimited Tax Bonds, Series 2015, and \$5,640,000 Unlimited Tax Bonds, Series 2017.

Director Tyson expressed his displeasure at the developer submitting aged invoices to the District for reimbursement. He requested that the developer submit future invoices in a more timely manner.

After discussion, Director Edwards moved to (1) approve the developer reimbursement reports and direct that the reports be filed appropriately and retained in the District's official records; and (2) approve the disbursement of funds as provided in the developer reimbursement reports, with the release of the funds to the developer subject to receipt of an executed receipt from the developer. Director Cowen seconded the motion, which carried unanimously.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin presented the monthly tax report and stated that 99.1% of the District's 2018 taxes had been paid as of July 31, 2019. She also reviewed the District's delinquent tax roll.

Following review and discussion, Director Markiewicz moved to approve the tax report. Director Tyson 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 AND UPDATE ON FALL SHRED EVENT

Mr. Farrar discussed garbage collection and recycling matters in the District. He stated that recycling service was late on August 6, 2019, due to equipment issues that morning.

Director Cowen stated that he has observed some of the garbage collection crew collecting recycling with the garbage. Mr. Farrar stated that is against RR&R policy and he will address the issue with the crew.

Ms. Carner stated that the flier for the fall shred event that is scheduled for October 12, 2019, was posted to the District's website and will be distributed in the utility bills for August and September, as previously authorized by the Board.

#### WEBSITE MATTERS

There was no discussion on this matter.

#### OPERATION OF DISTRICT FACILITIES

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

Mr. Ammel reviewed closed accounts with outstanding balances and requested authorization to write off the accounts as uncollectible and turn over the accounts to the collection agency to pursue collection.

After review and discussion, Director Tyson moved to (1) approve the operator's report; and (2) authorize EDP to write off the closed accounts as uncollectible and turn over the accounts to a collection agency. 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 PROJECT ("UPRR/HIGHWAY 290 PROJECT")

Mr. Edminster updated the Board on the status of the UPRR/Highway 290 Project by Harris County Municipal Utility District No. 500 ("HC 500"), as Master District.

Mr. Gaden updated the Board on the status of discussion between HC 500, as Master District, and Remington Municipal Utility District No. 1 ("Remington")

regarding a potential second emergency interconnect and possibly purchasing excess capacity in one of Remington's water wells. He stated that Remington's engineer stated he does not recommend Remington sell any capacity in one of Remington's water wells to HC 500, but that he will present HC 500's request for a second emergency interconnect to Remington's Board.

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

Mr. Gaden reviewed the status of Harris County's proposed road projects for the Towne Lake area. Discussion ensued.

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 PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE TOWNE LAKE, SECTION 60

Mr. Gaden updated the Board on the status of design of the water, sewer, and drainage facilities to serve Towne Lake, Section 60, also known as the Lone Star tract. The Board deferred approval of plans and specifications and authorizing advertisement for bids for the project.

#### APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD COMMERCIAL RESERVE, PHASE 1

Mr. Gaden updated the Board on the status of construction of the water, sewer, and drainage facilities to serve Greenhouse Road Commercial Reserve, Phase 1. He stated that he had no pay estimates from Blazey Construction Services, LLC for the Board's approval.

#### 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. 6 and Final in the amount of \$120,117.11 and Quantity Adjustment No. 2 to decrease the contract in the amount of \$24,650.00,

submitted by Northtex Construction, LLC ("Northtex"). Mr. Gaden also recommended the Board accept the project.

After review and discussion, Director Tyson moved to approve the engineer's report, and based upon the engineer's recommendation, to (1) approve Pay Estimate No. 6 and Final in the amount of \$120,117.11 and Quantity Adjustment No. 2 to decrease the contract in the amount of \$24,650.00, submitted by Northtex; and (2) accept the project. Director Markiewicz seconded the motion, which passed unanimously.

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

Mr. Gaden updated the Board on the status of the paving repairs in Towne Lake, Sections 27 and 28.

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 TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") FOR RELEASE OF FUNDS FROM ESCROW, APPROVAL FOR USE OF SURPLUS FUNDS, AND CHANGE IN PROJECT SCOPE

The Board considered adopting a Resolution Authorizing Application to the TCEQ for Release of Funds From Escrow, Approval for Use of Surplus Funds, and Change in Project Scope related to the completion of construction of water, sewer, and drainage facilities to serve Towne Lake, Section 39, Replat 1. After review and discussion, Director Cowen moved to adopt the Resolution Authorizing Application to the TCEQ for Release of Funds From Escrow, Approval for Use of Surplus Funds, Change in Project Scope and direct that the Resolution be filed appropriately and retained in the District's official records. Director Markiewicz seconded the motion, which passed by unanimous vote.

REQUESTS FOR CAPACITY RESERVATION HC 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 CONSENT  
TO PARTIAL ASSIGNMENT OF FINANCING AND REIMBURSEMENT  
AGREEMENT AND WAIVER OF SPECIAL APPRAISAL

Ms. Carner stated that, in connection with the development of the Lone Star tract, the developer has requested a partial assignment of the existing financing and reimbursement agreements with the District, which will require the District's consent. She stated that preparation of the assignment is in process.

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 on July 29, 2019, HC 500's contractor caught and removed a 5' alligator in the northern portion of HC 500's lakes. The Board also reviewed memoranda from the Master District to the District regarding alligator sightings and the capture of the alligator, copies of which are attached.

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

There was no discussion on this matter.

COMMUNITY EDUCATION MATTERS, INCLUDING REPORT FROM COMMUNITY  
EDUCATION COMMITTEE AND PROPOSALS FOR COMMUNICATION SERVICES

The Board review a handout prepared by Director Gentry regarding the cost of water, sewer, and trash service, a copy of which is attached. The Board concurred to post the handout on the District's website.

The Board discussed community education matters and reviewed a handout on the progress of the Community Education Committee, a copy of which is attached.

Director Edwards updated the Board on her meeting with a communication consultant regarding options for community outreach services. She suggested the Board consider hosting a Safety Day. Discussion ensued.

SECURITY MATTERS, INCLUDING REPORT FROM SECURITY COMMITTEE

Ms. Carner reported that the July security report was distributed to the Board via e-mail.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this matter.

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 regular agenda.

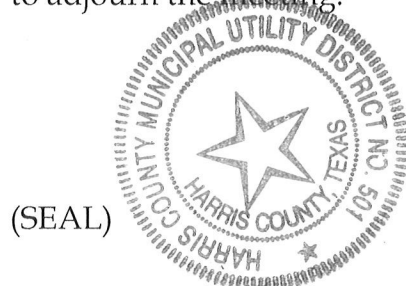
CONVENE IN EXECUTIVE SESSION TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER, PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board 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.



  
Secretary Board of Directors

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