

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 500
(Internal)

March 7, 2018

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 500 (the "District") met in regular session, open to the public, on the 7th day of March, 2018, 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:

Marilyn Roberts	President
Colette Garcia	Vice President
Saundra Dahlke	Secretary
Pamela Bretherton	Assistant Vice President
Robert M. Condon	Assistant Secretary

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

Also present at the meeting were Jeffry Ottman, Hank Miller, Dilveer Mand, Tom Russell, and Lee Markiewicz, members of the public; George Gentry and Amy Markiewicz, directors of Harris County Municipal Utility District No. 501; Les Lee of eSiteful; Fran Matuska and Rose Montalbano of F. Matuska, Inc.; Michael Ammel of Environmental Development Partners, LLC ("EDP"); Truman Edminster, Chau Bao, and Amy Downhour of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Brenda McLaughlin of Bob Leared Interests; Robert DeForest of KGA DeForest Design, LLC ("KGA"); Kent Puckett and Jerry Hlozek of Caldwell Companies; Matt Dustin and Loren Morales of RBC Capital Markets; and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board reviewed the minutes of the February 7, 2018, regular meeting. After review and discussion, Director Garcia moved to approve the minutes as submitted. The motion was seconded by Director Dahlke and passed by unanimous vote.

PUBLIC COMMENTS

There were no comments from the public.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END MARCH 31, 2018

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to prepare the District's audit for fiscal year end March 31, 2018, for an approximate cost of \$10,250. Following discussion, Director Dahlke moved to authorize McCall to prepare the District's audit for fiscal year end March 31, 2018. Director Garcia seconded the motion, which carried unanimously.

WEBSITE MATTERS

Mr. Lee presented and reviewed with the Board a draft website design. Discussion ensued regarding the website design and content.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Matuska presented the bookkeeper's report and submitted the bills for the Board's review. A copy of the bookkeeper's report is attached. The Board discussed moving some District funds from Compass Bank to a TexPool account.

Upon a motion made by Director Garcia and seconded by Director Bretherton, the Board voted unanimously to (1) approve the bookkeeper's report and the payments presented; and (2) authorize the bookkeeper to move District funds from Compass Bank to a TexPool account.

ADOPT BUDGET FOR FISCAL YEAR END MARCH 31, 2019

Ms. Matuska reviewed with the Board a proposed District budget for the fiscal year ending March 31, 2019, reflecting a Master District connection fee of \$50. Discussion ensued regarding the budget workshop held on March 5, 2018, including the discussion regarding the Master District potentially transitioning to a policy of separately charging the participant districts for the West Harris County Regional Water Authority ("WHCRWA") surface water fees based on actual usage, beginning with the fiscal year ending March 31, 2020. After review and discussion, Director Garcia moved to approve the budget for the fiscal year ending March 31, 2019. Director Bretherton seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin presented the monthly tax assessor/collector's report, a copy of which is attached. She also discussed the status of delinquent tax accounts. Following review and discussion, Director Dahlke moved to approve the tax report. Director Garcia seconded the motion, which carried unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Ammel presented the operator's report from EDP, a copy of which is attached. He stated that EDP completed the District's annual commercial meter testing. Mr. Ammel also reported that EDP submitted the annual water usage report to the WHCRWA. He noted lower than usual water accountability and stated that EDP is investigating possible causes.

After review and discussion, Director Dalhlke moved to approve the operator's report. Director Garcia seconded the motion, which passed unanimously.

CONDUCT HEARING ON TERMINATION OF WATER AND SEWER SERVICE

There were no accounts submitted for termination.

APPROVE ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

The Board tabled discussion on this matter.

CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board tabled discussion on this matter.

ENGINEERING MATTERS

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

APPROVE SUBMERGED STORM SEWER AGREEMENTS

There was no discussion on this matter.

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

There was no discussion on this matter.

CONVEYANCE OF EASEMENT/DEEDS; APPROVE ENCROACHMENT AGREEMENTS; APPROVE ABANDONMENT OF EASEMENTS

There was no discussion on this matter.

WHCRWA MATTERS, INCLUDING SURFACE WATER CONVERSION

Ms. Vinson discussed procedures related to the WHCRWA 2018 Directors Election for Precinct No. 5.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Hlozek reported on development in Towne Lake.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this matter.

2018 DIRECTORS ELECTION

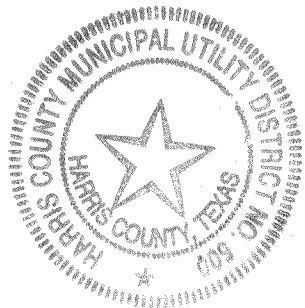
Ms. Carner discussed procedures related to the District's 2018 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received three candidates for the three director positions for the May 5, 2018 Directors Election. Following review and discussion, Director Garcia moved to accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors and direct that the Certificate be filed appropriately and retained in the District's official records. Director Bretherton seconded the motion, which passed unanimously.

Ms. Carner presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 5, 2018, Directors Election is cancelled and that the unopposed candidates, Marilyn Roberts, Sandra Dahlke, and Jeffrey Ottman, are declared elected to office to serve from the May 5, 2018, election until the May 7, 2022, Directors Election. Following review and discussion, Director Garcia moved to adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office and direct that the Order be filed appropriately and retained in the District's official records. The motion was seconded by Director Bretheron and passed unanimously.

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


Secretary, Board of Directors

(SEAL)



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