

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

August 1, 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 1st day of August, 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:

Colette Garcia	President
Marilyn Roberts	Vice President
Sandra Dahlke	Secretary
Jeffrey D. Ottmann	Assistant Secretary
Joanne E. Quintero	Assistant Vice President

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

Also present at the meeting were Yemi Odufuye, Hank Miller, and Tom Russell, members of the public; Jonathan Cowen, director of Harris County Municipal Utility District No. 501 ("HC 501"); Noel Barfoot of McCall Gibson Swedlund Barfoot, PLLC; Rose Montalbano of F. Matuska, Inc.; Michael Ammel of Environmental Development Partners, LLC ("EDP"); Amy Downhour of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Robert DeForest of KGA DeForest Design, LLC ("KGA"); Matt Dustin and Loren Morales of RBC Capital Markets; and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Odufuye inquired about the accounting format utilized in the District's annual audit and noted that the format differs from the bookkeeper's report. Director Garcia stated that it is acceptable to utilize different formats.

Mr. Odufuye inquired about the landlord for the office building utilized by the District's auditor. Ms. Vinson stated that item will be discussed under Master District agenda item no. 18.e.

Mr. Miller inquired why the vacancy on the Board was filled by appointment instead of through an election. Ms. Vinson stated that, per the Texas Water Code, the Board may appoint a director to complete the remainder of an unexpired term. She stated Director Quintero's term will expire in May 2020. Mr. Miller inquired about eligibility requirements for the new director. Ms. Vinson stated Director Quintero is an owner of taxable property in the District and thus is eligible to serve on the Board.

Mr. Miller stated that the District, as Master District, has a large deficit and high expenses and inquired about what the District is doing to control costs. Ms. Vinson stated that item will be discussed under Master District agenda item no. 3.

APPROVE MINUTES

The Board reviewed the minutes of the July 10, 2018, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes as submitted. The motion was seconded by Director Roberts and passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Montalbano presented the bookkeeper's report and submitted the bills for the Board's review. A copy of the bookkeeper's report is attached. Upon a motion made by Director Roberts and seconded by Director Quintero, the Board voted unanimously to approve the bookkeeper's report and the payments presented.

COST SHARING AGREEMENT FOR LAW ENFORCEMENT SERVICES

The Board discussed the concerns raised by some Participant districts and residents regarding the cost of providing law enforcement services through the Master District's contract with the Towne Lake Community Association ("HOA"), which expires February 28, 2019. Ms. Carner noted that, per the Harris County Sheriff's Office, a large number of calls are generated in the District, as Internal District, on evenings and weekends. Discussion ensued. The Board then reviewed a Cost Sharing Agreement for Law Enforcement Services between the District, as Internal District, and the District, as Master District, for the District, as Internal District, to contribute 35% of the Master District's share of the cost of the law enforcement services pursuant to the Master District's contract with the HOA, for the period from March 1, 2018 through February 28, 2019.

After review and discussion, Director Dahlke moved to approve the Cost Sharing Agreement for Law Enforcement Services and direct that the Agreement be filed appropriately and retained in the District's official records. Director Roberts seconded the motion, which passed by unanimous vote.

WEBSITE MATTERS

There was no discussion on this item.

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 Roberts moved to approve the tax report. Director Dahlke 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.

Mr. Ammel reviewed two accounts with outstanding balances in excess of \$25.00, and requested authorization to write off the accounts as uncollectible and turn over the accounts to the collection agency to pursue collection.

Mr. Ammel stated that EDP has completed testing of the new online customer portal and is ready to transition the District. He requested the Board authorize a website notice and a utility bill insert regarding the new online customer portal.

After review and discussion, Director Dahlke moved to (1) approve the operator's report; (2) authorize EDP to write off the two accounts as uncollectible and turn over the accounts to a collection agency; (3) authorize EDP to place a notice on the District's website and include a utility bill insert regarding the new online customer portal. Director Roberts seconded the motion, which passed unanimously.

CONDUCT HEARING ON TERMINATION OF WATER AND SEWER SERVICE

There were no accounts submitted for termination.

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.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this matter.

REPORTS REGARDING DEVELOPMENT IN THE DISTRICT

There was no report on development.

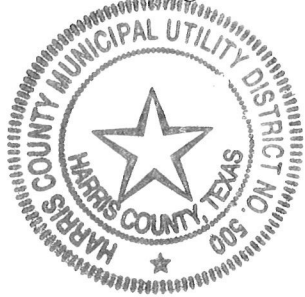
REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT
CORRESPONDENCE AND PROVISION OF RECORDS

The Board reviewed open records requests received by the District, copies of which are attached.

DISCUSS MEETING SCHEDULE

After discussion, the Board concurred to hold the next regular meeting on September 5, 2018, at 11 a.m.

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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