

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

September 5, 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 5th day of September, 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
Saundra Dahlke	Secretary
Jeffrey D. Ottmann	Assistant Secretary
Joanne E. Quintero	Assistant Vice President

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

Also present at the meeting were Lee Markiewicz and Tom Russell, members of the public; Brian Moss and Alex Nuñez of A All Animal Control ("A All Animal"); Carl Sandin of Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue Brandon"); Rose Montalbano of F. Matuska, Inc.; Michael Ammel of Environmental Development Partners, LLC ("EDP"); Amy Downhour and Truman Edminster of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Brenda McLaughlin of Bob Leared Interests; Robert DeForest of KGA DeForest Design, LLC ("KGA"); Kent Puckett, Jason Flagg, Mary Caldwell, and Woodie Perkins of Caldwell Companies; Matt Dustin and Austin Swenson of RBC Capital Markets; and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the August 1, 2018, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes as submitted. The motion was seconded by Director Quintero and passed by unanimous vote.

SECURITY MATTERS, INCLUDING MEMORANDUM REGARDING SUPPLEMENTAL LAW ENFORCEMENT SERVICES IN TOWNE LAKE AND REQUEST FROM HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 502 ("HC 502") REGARDING SAME

The Board review a memorandum from the District, as Master District, notifying the Participant districts that the Master District does not intend to renew the Cost Sharing Agreement for Law Enforcement Services with the Towne Lake Community Association ("HOA") upon expiration of the current term on February 28, 2019, a copy of which is attached.

The Board then reviewed correspondence from HC 502, a copy of which is attached, requesting a workshop with the Participant districts and the HOA to discuss the current contract for law enforcement services and plans for future provision of security services in Towne Lake. After review and discussion, Director Ottmann moved to authorize Directors Ottmann and Quintero to attend a workshop with the Participant districts and the HOA on behalf of Board. Director Quintero seconded the motion, which 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 Ottmann and seconded by Director Quintero, the Board voted unanimously to approve the bookkeeper's report and the payments presented.

WEBSITE MATTERS

Ms. Carner updated the Board on current content on the District's website. Director Ottmann requested the District's webmaster provide to monthly analytics reports to the Board.

TAX ASSESSMENT AND COLLECTION MATTERS

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

Mr. Sandin presented the delinquent tax report from Perdue Brandon, a copy of which is attached. After review and discussion, Director Quintero moved to direct Perdue Brandon to send certified letters to the top four 2017 delinquent personal property accounts. Director Ottmann seconded the motion, which passed by unanimous vote.

DISCUSS 2018 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Dustin stated RBC will present a tax rate recommendation at the next regular Board meeting.

OPERATION OF DISTRICT FACILITIES

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

Mr. Ammel reviewed a request from the property manager for the Towne Lake Boardwalk for (1) a waiver of late penalties; and (2) a reduction in the charge for the District's portion of the overall water cost for water consumption for June and July. He stated that there were some irrigation leaks identified and repaired, but noted that the meter readings were confirmed. Mr. Ammel stated that consumption has since returned to normal levels. Discussion ensued. The Board then discussed establishing a Leak Adjustment Policy. After discussion, the Board deferred action on this request to later in the meeting, pending receipt of additional information from EDP.

After review and discussion, Director Ottmann moved to approve the operator's report. Director Quintero 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 (“WHCRWA”)
MATTERS

The Board reviewed correspondence from the District, as Master District, a copy of which is attached, regarding the Master District’s intent to separate out the WHCRWA groundwater pumpage and surface water fees (“Authority Fees”) from the monthly per connection charges and bill the Authority Fees to each Participant based on its actual water usage. After review and discussion, Director Quintero moved to authorize execution of the letter, acknowledging and agreeing as of the Master District’s fiscal year ending March 31, 2020, that the Master District will separate out the Authority Fees from the monthly per connection charge and bill them to each Participant based on its actual water usage. Director Ottmann seconded the motion, which passed by unanimous vote.

AUTHORIZE EXECUTION OF GENERAL CERTIFICATE IN CONNECTION WITH
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 500 (“MASTER DISTRICT”)
BOND SALE

The Board considered authorizing execution of the General Certificate in connection with the Master District’s Series 2018 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities). Following review and discussion, Director Ottmann moved to authorize execution of the General Certificate in connection with the Master District’s Series 2018 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities). Director Quintero seconded the motion, which passed unanimously.

AUTHORIZE EXECUTION OF RESOLUTION TO COMPLY WITH THE SECURITIES
AND EXCHANGE COMMISSION RULE 15C2-12 IN CONNECTION WITH MASTER
DISTRICT’S BOND SALE

The Board considered authorizing execution of the Resolution to Comply with the Securities and Exchange Commission Rule 15c2-12, whereby the District agrees to provide current financial information on an annual basis. Following review and discussion, Director Ottmann moved to authorize execution of the Resolution to Comply with the Securities and Exchange Commission Rule 15c2-12 in connection with the Master District’s Series 2018 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities). Director Dahlke seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Puckett reported on development in Towne Lake.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT
CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this matter.

DISCUSS MEETING SCHEDULE

After discussion, the Board concurred to hold the next regular meeting on October 3, 2018, at 11 a.m.

OPERATION OF DISTRICT FACILITIES (CONT'D)

The Board discussed the request for a utility bill adjustment from the property manager of the Towne Lake Boardwalk. After review and discussion, Director Ottmann moved to grant an adjustment to the District's charges for the water portion of the utility bills for consumption in June and July in the total amount of \$8,547, subject to the customer paying the full balance of WHCRWA fees, the sewer portion of the bills, and late fees and penalties. Director Dahlke seconded the motion, which passed by unanimous vote.

Ms. Caldwell then addressed the Board regarding the request. She requested that the Board reconsider waiving late fees and penalties. After discussion, the Board concurred to take no additional action.

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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