

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

October 3, 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 3rd day of October, 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
Jeffry 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 Lee Markiewicz and Tom Russell, members of the public; Travis Singleton of the Towne Lake Community Association ("HOA"); Brian Toldan of McCall Gibson Swedlund Barfoot PLLC; 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 and Drew Stewart of Caldwell Companies; Matt Dustin and Austin Swenson of RBC Capital Markets; and Alia Vinson, Katie Carner, Ashley Arvie, 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 September 5, 2018, regular meeting. After review and discussion, Director Roberts moved to approve the minutes as submitted. The motion was seconded by Director Quintero and passed by unanimous vote.

SECURITY MATTERS

Ms. Carner updated the Board on the security workshop held on September 24, 2018, with representatives of Harris County Municipal Utility District No. 501, Harris County Municipal Utility District No. 502, and the District. She reported that the representatives of the attending districts recommended that each district consider authorizing execution and submission of a letter from the District, as Master District, to the HOA further explaining the Master District's decision not to renew the Cost Sharing Agreement for Law Enforcement Services, as amended, when it expires on February 28, 2019, and recommending that the HOA continue to contract for security with the Harris County Sheriff's Office and assume all costs for such contract.

Ms. Carner noted that the District does not fall under the HOA and instead the District has a Property Owner's Association ("POA"). After discussion, the Board concurred to authorize to ABHR to request information from the POA on any security services currently provided by the POA within the District.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Montalbanó 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.

WEBSITE MATTERS

Ms. Carner stated that eSiteful provided a monthly analytics reports that will be distributed via email to the Board.

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 the delinquent tax accounts. Following review and discussion, Director Dahlke moved to approve the tax report. Director Roberts seconded the motion, which carried unanimously.

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

Ms. Vinson discussed the two-step process for setting the District's tax rate. Mr. Dustin then presented a 2018 tax rate recommendation, a copy of which is attached, and recommended that the Board levy a total 2018 tax rate of \$1.20, comprised of \$0.16 per \$100 of assessed valuation to provide for the District's debt service requirements, \$0.91 to provide for the District's contract tax requirements, and \$0.13 to provide for maintenance and operation requirements. Discussion ensued regarding the proposed

tax rate. The Board then considered setting a public hearing date and authorizing notice of a public hearing regarding the District's adoption of a 2018 tax rate. After review and discussion, Director Dahlke moved to authorize publication of the proposed 2018 total tax rate of \$1.20 and set the public hearing for November 7, 2018, at 11:00 a.m. at the offices of ABHR. The motion was seconded by Director Quintero and carried unanimously.

OPERATION OF DISTRICT FACILITIES

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

After review and discussion, Director Roberts moved to approve the operator's report. Director Quintero 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 Roberts 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 Quintero and carried unanimously.

ADOPT RESOLUTION ADOPTING POLICY AND PROCEDURES FOR LEAK ADJUSTMENT CREDITS

The Board reviewed a draft Resolution Adopting Policy and Procedures for Leak Adjustment Credits. The Board discussed the proposed leak adjustment credit policy. Following review and discussion, Director Quintero moved to adopt the Resolution Adopting Policy and Procedures for Leak Adjustment Credits and direct that the Resolution be filed appropriately and retained in the District's official records. Director Dahlke seconded the motion, which carried unanimously.

OPERATION OF DISTRICT FACILITIES (CONT'D)

Mr. Ammel reviewed a request from the property manager of the Foundations Academy located at 17721 Lakecrest View Dr. for an adjustment to higher than anticipated water bills in August and September as a result of a leak, which has since been repaired. He stated that based on the adopted leak adjustment credit policy, the request would result in an adjustment of \$49 for the August utility bill and \$374.50 for

the September utility bill. After review and discussion, Director Roberts moved to grant the request for the leak adjustment credit in the amount of \$49 for the August bill and \$374.50 for the September bill, pursuant to the District's leak adjustment policy, subject to receipt of a completed request form. Director Quintero seconded the motion, which passed by unanimous vote.

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 a Notice of Anticipated Fees for 2019 from the WHCRWA, a copy of which is attached, indicating a proposed \$0.25 per 1,000 gallon increase to the Groundwater Reduction Plan Fee, resulting in a total of \$2.95 per 1,000 gallons, and a proposed \$0.25 per 1,000 gallon increase in the Surface Water Fee, resulting in a total of \$3.35 per 1,000 gallons.

The Board considered authorizing attendance at the WHCRWA Fall Forum on October 25, 2018. A copy of the notice from the WHCRWA is attached. After review and discussion, Director Dahlke moved to authorize any interested directors to attend the meeting. Director Roberts 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

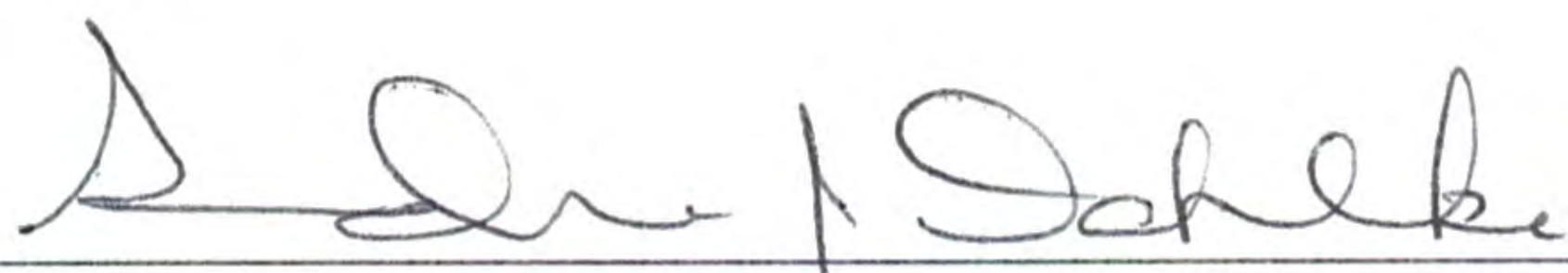
After discussion, the Board concurred to hold the next regular meeting on November 7, 2018, at 11 a.m.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS
GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC
OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES,
OR A SECURITY AUDIT

The Board did not convene in executive session.

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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