

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

November 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 November, 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 Garcia, thus constituting a quorum.

Also present at the meeting were Dave Jenkins, Bill Collier, Jeff Broadway, Lee Markiewicz, and Tom Russell, members of the public; Travis Singleton of the Towne Lake Community Association ("HOA"); Tim Applewhite 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 ("BLI"); Robert DeForest of KGA DeForest Design, LLC ("KGA"); Kent Puckett of Caldwell Companies; Matt Dustin of RBC Capital Markets; and 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 October 3, 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 a vote of 3-0, with Director Ottmann abstaining.

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.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board reviewed the District's Investment Policy to determine if any amendments were necessary. After discussion, the Board determined to make no amendments at this time. Upon a motion made by Director Ottmann and seconded by Director Quintero, the Board voted unanimously to adopt a Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records.

REVIEW, REVISE, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Carner reviewed the District's Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. After review and discussion, Director Ottmann moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Dahlke seconded the motion, which passed by unanimous vote.

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. The Board requested a report from the District's delinquent tax attorney for the next regular meeting. Following review and discussion, Director Ottmann moved to approve the tax report. Director Quintero seconded the motion, which carried unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. McLaughlin stated that BLI published a Notice of Public Hearing regarding the adoption of the District's 2018 tax rate stating that the Board anticipates levying a maximum total 2018 tax rate of \$1.20 per \$100 assessed valuation. The Board held a public hearing regarding the proposed 2018 tax rate and no comments were received from the public.

After discussion, Director Dahlke moved to adopt the Order Levying Taxes for 2018, which reflects a total tax rate of \$1.20 per \$100 assessed valuation, composed of a \$0.91 contract tax component, a \$0.16 debt service tax component, and a \$0.13 maintenance and operations tax component, and direct that the Order be filed appropriately and retained in the District's official records. Director Ottmann seconded the motion, which carried unanimously.

The Board next considered authorizing execution of the Amendment to Information Form reflecting the District's 2018 tax rate. After discussion, Director Dahlke moved to authorize execution of the Amendment to Information Form and direct that the Amendment be filed with the Texas Commission on Environmental Quality and with Harris County as required by law. Director Ottmann seconded the motion, which carried unanimously.

SECURITY MATTERS

The Board reviewed the letter from the District, as Master District, to the HOA regarding nonrenewal of the Cost Sharing Agreement for Law Enforcement Services, as amended, a copy of which is attached. Ms. Carner stated that the HOA has requested the District, as Internal District, consider sharing in the cost of the HOA's contract for law enforcement services, upon the expiration of the Master District's agreement with the HOA due to the amount of time the Harris County Sheriff's Office ("HCSO") deputies spend within the boundaries of the District. The Board discussed appropriate allocation of the costs of the contract and concerns regarding response times for the HCSO deputies. After review and discussion, Director Ottmann moved to authorize ABHR to send correspondence to the HOA and the Participant districts offering for the District to pay for 50% of the cost of the HOA's contract for law enforcement services for two deputies, upon expiration of the Master District's agreement with the HOA and subject to the District and the HOA entering into a Cost Sharing Agreement with mutually agreeable terms. Director Quintero seconded the motion, which passed by unanimous vote.

Ms. Carner then reported that a body was recovered from the lake and stated that it is a HCSO matter currently under investigation. She stated the HCSO requested that residents report any information directly to the HCSO.

WEBSITE MATTERS

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

OPERATION OF DISTRICT FACILITIES

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

Ms. Carner stated that, pursuant to the District's leak adjustment policy, the Board approved a leak adjustment credit in the amount of \$423.50 for the Foundations Academy located at 17721 Lakecrest View Dr. at the previous regular Board meeting. Ms. Carner noted that, based on the final calculations performed by EDP, the actual amount of the leak adjustment credit was \$507.50, which was higher than previously reported.

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

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 Ottmann 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.

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.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Puckett reported on development in Towne Lake. Discussion ensued.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT
CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this matter.

DISCUSS MEETING SCHEDULE

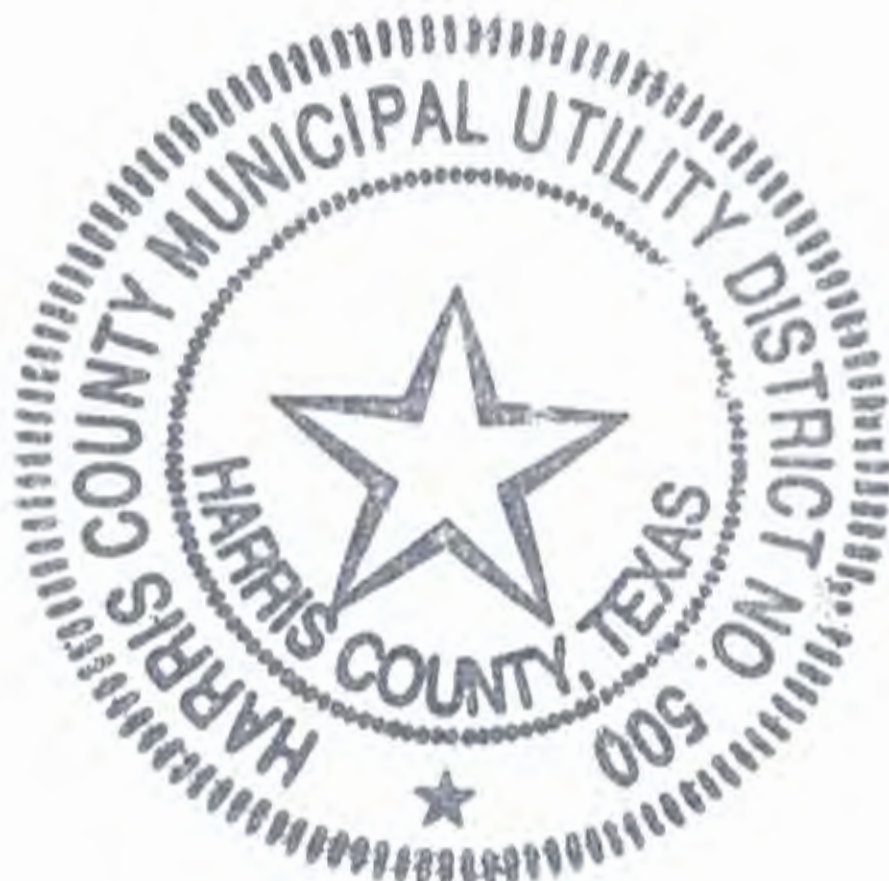
After discussion, the Board concurred to hold the next regular meeting on December 5, 2018, at 11 a.m. and to reschedule the January meeting for January 7, 2019, at 11 a.m.

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.

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	2
Tax assessor/collector's report.....	2
Letter from Master District to HOA.....	3
Operator's report.	4
Engineer's report.....	4