

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

February 6, 2019

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 6th day of February, 2019, 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:

Joanne E. Quintero	President
Jeffrey D. Ottmann	Vice President
Saundra Dahlke	Secretary
Gerald P. Mathers	Assistant Secretary
Marilyn Roberts	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, member of the public; Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC; Jason Klump of Storm Water Solutions, LLC; 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"); Kent Puckett of Caldwell Companies; Brenda McLaughlin of Bob Leared Interests ("BLI"); Robert DeForest of KGA DeForest Design, LLC ("KGA"); Matt Dustin and Loren Morales 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 January 7, 2019, regular meeting. After review and discussion, Director Roberts moved to approve the minutes as submitted. The motion was seconded by Director Dahlke and passed by unanimous vote.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT SUMMER CONFERENCE

The Board discussed the AWBD winter conference. The Board then considered approving reimbursement to the directors for eligible expenses incurred in attending the AWBD winter conference and authorizing attendance at the AWBD summer conference. After review and discussion, Director Dahlke moved to approve reimbursement of the eligible AWBD winter conference expenses as recommended by the bookkeeper and to authorize attendance of Board members at the AWBD summer conference. The motion was seconded by Director Mathers and carried 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 Mathers, the Board voted unanimously to approve the bookkeeper's report and the payments presented.

DISCUSS BUDGET FOR FISCAL YEAR END MARCH 31, 2020

Ms. Matuska reviewed with the Board the proposed District budget for the fiscal year ending March 31, 2020. After discussion, the Board concurred to defer action on adopting the budget for the fiscal year end March 31, 2020, pending further review and comment by the District's directors and consultants and the finalization of the Master District budget.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin presented the monthly tax assessor/collector's report, a copy of which is attached.

Ms. McLaughlin also reported on an update from Perdue, Brandon, Fielder, Collins & Mott L.L.P. ("Perdue") regarding the status of the District's 2017 delinquent tax accounts. After discussion, and as recommended by Perdue, the Board declined to file suit against Calvin Dwayne Watson.

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

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Carner reviewed the various optional tax exemptions the District may offer its residents. The Board discussed adopting a Resolution Concerning Exemptions from

Taxation for the 2019 tax year. After discussion, Director Dahlke moved to adopt the Resolution as presented, which declines granting any exemptions for residential homesteads and individuals who are over 65 or disabled in the District, and direct that the Resolution be filed appropriately and retained in the District's official records. The motion was seconded by Director Mathers and carried unanimously.

SECURITY MATTERS

Ms. Carner reported that the District has received the fully executed Cost Sharing Agreement for Law Enforcement Services from the Towne Lake Community Association, Inc. and noted the Agreement will commence on March 1, 2019.

WEBSITE MATTERS

There was no discussion on this matter.

REPORT FROM WATER CONSERVATION COALITION

There was no discussion on this matter.

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 Mathers 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.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT, INCLUDING REQUEST FOR POSSIBLE ANNEXATION OF TRACT(S) INTO DISTRICT AND EXPANSION OF THE SERVICE AREA

Mr. Puckett discussed development in Towne Lake.

The Board reviewed a letter from Caldwell Companies, a copy of which is attached, requesting the Board consider annexation of an approximately 12.5-acre tract of land outside the boundaries of the District. Ms. Downhour stated that the Master District has sufficient capacity in the regional facilities to serve the tract and that service from the District, as Internal District, is feasible. Mr. Puckett requested the Board consider authorizing preparation of an out-of-district service agreement to provide a maximum of five equivalent single family connections of water and sewer service to phase one of the project prior to annexation of the tract. After review and discussion, the Board concurred to authorize ABHR to prepare an out of-district service agreement for the Board's consideration at the next regular meeting.

Ms. Carner discussed the procedures for annexing land into the District and expansion of the Master District Service Area.

After review and discussion, Director Dahlke moved to (1) authorize ABHR to prepare the annexation petitions for the approximately 12.5-acre tract; (2) consent to the expansion of the Master District Service Area to include the approximately 12.5-acre tract; and (3) submit a request to the Master District to send correspondence to the Participant districts requesting that the Participant districts consent to the expansion of the Master District Service Area. Director Roberts seconded the motion, which passed by unanimous vote.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this agenda item.

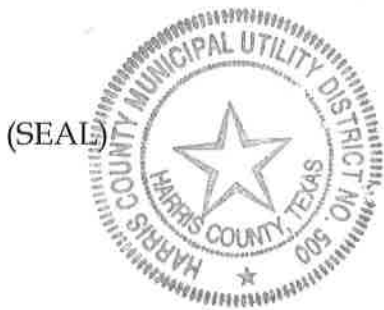
DISCUSS MEETING SCHEDULE AND ELECTRONIC REPORT DISTRIBUTION
OPTIONS

Ms. Carner reminded the Board that the March regular meeting is scheduled for March 6, 2019, at 11 a.m., at the offices of ABHR.

The Board deferred discussion on electronic report distribution options.

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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