

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

March 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 March, 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
Jeffry D. Ottmann	Vice President
Saundra Dahlke	Secretary
Gerald P. Mathers	Assistant Secretary
Marilyn Roberts	Assistant Vice President

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

Also present at the meeting were Lee Markiewicz, member of the public; Travis Singleton of the Towne Lake Community Association, Inc.; Brian Toldan of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Rose Montalbano of F. Matuska, Inc.; Michael Ammel of Environmental Development Partners, LLC ("EDP"); Amy Downhour, J.T. Gaden, 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"); 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

There were no comments from the public. Ms. Downhour noted that this will be her last meeting.

APPROVE MINUTES

The Board reviewed the minutes of the February 6, 2019, regular meeting. After review and discussion, Director Roberts moved to approve the minutes as submitted. The motion was seconded by Director Mathers and passed by a vote of 4-0, with Director Ottmann abstaining.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END MARCH 31, 2019

The Board considered authorizing McCall to prepare the District's audit for fiscal year end March 31, 2019. Mr. Toldan stated that preparation of the District's annual audit will cost an estimated \$10,750. Following discussion, Director Ottmann moved to authorize McCall to prepare the District's audit for fiscal year end March 31, 2019. Director Roberts seconded the motion, which carried unanimously.

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. Ms. Montalbano noted the addition of check no. 2231 in the amount of \$532.06, replacing voided check no. 2223.

After review and discussion, Director Ottmann moved to approve the bookkeeper's report and the payments presented. Director Mathers seconded the motion, which passed unanimously.

ADOPT BUDGET FOR FISCAL YEAR END MARCH 31, 2020

Ms. Montalbano reviewed with the Board the proposed District budget for the fiscal year ending March 31, 2020, a copy of which is attached to the bookkeeper's report. After review and discussion, Director Ottmann moved to adopt the budget for the fiscal year end March 31, 2020, as presented. Director Dahlke seconded the motion, which passed by unanimous vote.

ADOPT ORDER ADOPTING AMENDED AND RESTATED PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Carner stated that, when the District issues bonds, the District enters into a continuing disclosure undertaking for the benefit of the bondholders. She added that the provisions of that undertaking require that the District comply with certain continuing disclosure requirements for its bonds. Ms. Carner explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. She added that, in order to ensure that the District's procedures for continuing disclosure compliance are well documented, the Board previously adopted such procedures in writing. Ms. Carner stated that, because the United States Securities and Exchange Commission has amended its Rule 15c2-12, ABHR recommends that the District's written procedures be amended by the Board. She reviewed an Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director Dahlke moved to adopt the Order Adopting Amended and Restated Procedures for

Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Roberts 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 reviewed the District's delinquent tax roll, a copy of which is attached. Following review and discussion, Director Ottmann moved to approve the tax report. Director Mathers seconded the motion, which carried unanimously.

SECURITY MATTERS

Ms. Carner stated the February security report was distributed via email to the Board. The Board deferred additional discussion on this matter until executive session.

WEBSITE MATTERS

The Board discussed content on the District's website.

REPORT FROM WATER CONSERVATION COALITION

Director Ottmann reported on activities related to the Water Conservation Coalition, including his attendance at the Gulf Coast Water Conservation Symposium ("GCWCS") held on February 28, 2019. The Board considered authorizing reimbursement of Director Ottmann's registration and eligible travel expenses for the GCWCS. After review and discussion, Director Mathers moved to approve reimbursement of registration and eligible travel expenses for Director Ottmann. Director Dahlke seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

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

After review and discussion, Director Dahlke 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.

REVIEW WATER CONSERVATION PLAN; APPROVE ANNUAL REPORT AND WATER CONSERVATION IMPLEMENTATION REPORT; ADOPT ORDER ADOPTING AMENDED AND RESTATED WATER CONSERVATION PLAN

Ms. Carner stated that the Texas Commission on Environmental Quality (“TCEQ”) rules require that the District review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2019. She stated that the District’s Water Conservation Plan was distributed to the Board and consultants for comments. The Board tabled further action on this agenda item.

REVIEW DROUGHT CONTINGENCY PLAN AND ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Ms. Carner stated that the TCEQ rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2019, prior to May 1st. She stated that the District’s Drought Contingency Plan was distributed to the Board and consultants for comments. The Board tabled further action on this agenda item.

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), REQUEST FOR UTILITY COMMITMENTS, AND ANNEXATION REQUEST, INCLUDING PETITION FOR ADDITION OF CERTAIN LAND AND PETITION FOR CITY CONSENT TO ANNEX LAND

Ms. Vinson updated the Board on the status of the pending annexation of the approximately 12-acre tract of land adjacent to the District. She presented and reviewed a Petition for Addition of Certain Land and requested authorization to execute and file the Petition for City Consent to Annex Land to the City of Houston in connection with the annexation. After review and discussion, Director Roberts moved to (1) accept the Petition for Addition of Certain Land; and (2) authorize execution and filing of the Petition for City Consent to Annex Land for the approximately 12-acre tract, subject to final review. Director Mathers seconded the motion, which carried by unanimous vote.

APPROVE OUT-OF-DISTRICT SERVICE AGREEMENT

The Board reviewed an Out-of-District Water and Wastewater Services Agreement (the “Out-of-District Agreement”) between the District and TRH

Investments, Inc. to provide up to five equivalent single family connections of water and wastewater service on an interim basis to the approximately 12-acre tract, pending the annexation of the tract into the District. After review and discussion, Director Ottmann moved to approve the Out-of-District Agreement with TRH Investments, Inc. 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.

APPROVE FOURTH AMENDMENT TO CONTRACT FOR FINANCING, OPERATION, AND MAINTENANCE OF REGIONAL FACILITIES

The Board considered approving a Fourth Amendment to Contract for Financing, Operation, and Maintenance of Regional Facilities between Harris County Municipal Utility District No. 500, as Master District, and the District (the "Fourth Amendment"). Ms. Vinson reviewed the provisions of the Fourth Amendment. Following review and discussion, Director Ottmann moved to approve the Fourth Amendment and direct that the Amendment be filed appropriately and retained in the District's official records. Director Mathers seconded the motion, which carried unanimously.

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

There was no discussion on this matter.

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 April regular meeting is scheduled for April 3, 2019, at 11 a.m., at the offices of ABHR. The Board discussed possibly moving future District meetings to Towne Lake.

The Board deferred discussion on electronic report distribution options.

The Board suspended the meeting at 11:57 a.m.

The Board reconvened the meeting at 1:09 p.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

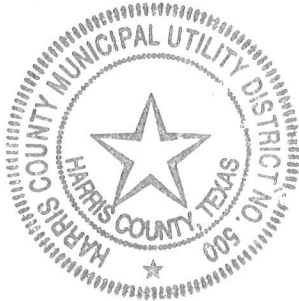
The Board convened in Executive Session at 1:16 p.m. pursuant to Section 551.076 of the Texas Government Code to deliberate the deployment, or specific occasions for implementation of security personnel or devices, or a security audit. Ms. Vinson, Ms. Carner, and Ms. Ramirez also were present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES

The Board reconvened in Open Session at 1:32 p.m. No action was taken by the Board.

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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