

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

August 7, 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 7th day of August, 2019, at the Lakehouse, 10000 Towne Lake Parkway, Cypress, 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 Mathers, thus constituting a quorum.

Also present at the meeting were Paula Estrada and Jim Rogers, members of the public; George Gentry, director of Harris County Municipal Utility District No. 501; Rose Montalbano of F. Matuska, Inc.; Michael Ammel and Amanda Benzman of Environmental Development Partners, LLC ("EDP"); J.T. Gaden and Truman Edminster of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Robert DeForest of KGA DeForest Design, LLC ("KGA"); Brenda McLaughlin of Bob Leared Interests ("BLI"); 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 July 3, 2019, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes, as presented. The motion was seconded by Director Roberts and 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.

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

RENEWAL OF THE DISTRICT'S INSURANCE POLICIES

The Board discussed the previously presented proposal from McDonald & Wessendorff Insurance ("McDonald") for renewal of the District's directors and officers liability, umbrella, pollution, public employee blanket crime, directors bond, business travel accident, and workers compensation insurance policies.

Following discussion, Director Ottmann moved to accept the proposal from McDonald and direct that the proposal be filed appropriately and retained in the District's official records. Director Roberts seconded the motion, which was approved 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.

Ms. McLaughlin requested the Board authorize moving the Jaxton's Bistro personal property accounts for 2017 and 2018 to the uncollectible roll. She stated that the account filed for bankruptcy and the District received some proceeds from the bank's sale of the property, as previously discussed.

Following review and discussion, Director Ottmann moved to (1) approve the tax report; and (2) authorize BLI to move the Jaxton's Bistro personal property accounts for 2017 and 2018 to the uncollectible roll. Director Dahlke seconded the motion, which carried unanimously.

QUARTERLY DELINQUENT TAX REPORT

Ms. McLaughlin stated the Board will receive the quarterly tax report from the District's delinquent tax attorney next month.

SECURITY MATTERS

Ms. Carner stated the July report was distributed via e-mail.

WEBSITE AND COMMUNICATION MATTERS

The Board discussed content on the District's website and reviewed the monthly analytics report provided by eSiteful, a copy of which is attached.

REPORT FROM WATER CONSERVATION COALITION ("WCC")

Director Ottmann reported on a WCC meeting held on July 8, 2019, at 6:30 pm with representatives of the other municipal utility districts in Towne Lake and distributed and reviewed notes from the meeting, a copy of which is attached. Director Ottmann requested the Board authorize the WCC to coordinate with the developer on organization of a Water Conservation Day at the Towne Lake Boardwalk in April, 2020. After discussion, Director Dahlke moved to authorize the WCC to proceed with organizing a Water Conservation Day. Director Quintero seconded the motion, which passed by unanimous vote. Director Ottmann stated the next WCC meeting will be in September, 2019.

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 Ottmann 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 Roberts and carried unanimously.

ENGINEERING MATTERS

Mr. Gaden 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 UPDATE ON PETITION FOR

ADDITION OF CERTAIN LAND AND PETITION FOR CITY CONSENT TO ANNEX LAND

Mr. Gaden updated the Board on the status of the pending annexation of the approximately 11.78-acre tract of land adjacent to the District.

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 CONSENT TO PARTIAL ASSIGNMENT OF FINANCING AND REIMBURSEMENT AGREEMENT

Ms. Carner stated that, in connection with the development of the 11.78-acre tract to be annexed into the District, the developer has requested a partial assignment of the existing financing and reimbursement agreements with the District, which will require the District's consent. She stated that preparation of the assignment is in process.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this agenda item.

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.

The Board suspended the meeting at 12:31 p.m.

The Board reconvened the meeting at 1:26 p.m.

ACCEPT RESIGNATION OF DIRECTOR ROBERTS AND APPOINT NEW DIRECTOR

Director Roberts announced her resignation from the Board. The Board thanked Director Roberts for her service and then considered accepting her resignation. After

discussion, Director Ottmann moved to accept the resignation of Director Roberts. Director Dahlke seconded the motion, which passed unanimously.

The Board discussed the appointment of a new director to fill the vacancy on the Board. After discussion, Director Dahlke moved to appoint James Ross to the Board for the remainder of the unexpired term ending May 7, 2022. Director Ottmann seconded the motion, which passed by unanimous vote.

APPROVE SWORN STATEMENT, OFFICIAL BOND, AND OATH OF OFFICE

Ms. Carner reviewed the Sworn Statement, Official Bond, and Oath of Office for Director Ross. After review and discussion, Director Dahlke moved to approve the Sworn Statement, Official Bond, and Oath of Office for Director Ross and direct that the documents be filed appropriately and retained in the District’s official records, and that the Oath of Office be filed with the Secretary of State as required by law. Director Ottmann seconded the motion, which passed unanimously.

REORGANIZE BOARD AND ELECT OFFICERS

The Board considered reorganizing the Board. Following discussion, Director Ottmann moved to reorganize the Board as follows:

Joanne E. Quintero	President
Jeffrey D. Ottmann	Vice President
Saundra Dahlke	Secretary
Gerald P. Mathers	Assistant Secretary
James Ross	Assistant Vice President

Director Quintero seconded the motion, which passed by unanimous vote.

DISTRICT REGISTRATION FORM

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality (“TCEQ”), reflecting the new Board of Directors. Following review and discussion, Director Ottmann moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District’s official records. Director Quintero seconded the motion, which passed by unanimous vote.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Carner stated that Director Ross indicated he has already completed the required training.

CONFLICT OF INTEREST DISCLOSURE AND LIST OF LOCAL GOVERNMENT OFFICERS

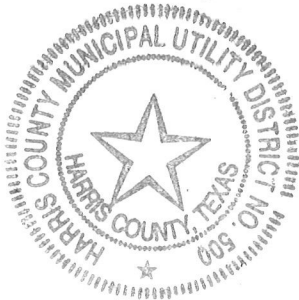
Ms. Carner next reviewed Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. She reviewed the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District and reviewed time periods for such filings.

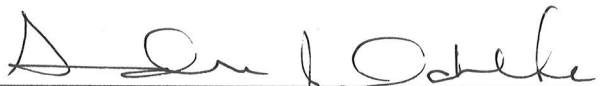
PUBLIC COMMENTS (CONT'D)

Mr. Gentry commended the Board for their efforts related to the water supply for the Service Area and encouraged the Board to pursue an alternate water supply that is controlled by the District.

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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