

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

February 12, 2020

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 12th day of February, 2020, 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
James Ross	Assistant Vice President

and all of the above were present except Directors Mathers and Ottmann, thus constituting a quorum.

Also present at the meeting were Brian and Hollie Choate, members of the public; Rose Montalbano of F. Matuska, Inc.; Michael Ammel and Amanda Benzman of Environmental Development Partners, LLC ("EDP"); Truman Edminster and J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Brenda McLaughlin of Bob Leared Interests ("BLI"); 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 6, 2020, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes, as presented. The motion was seconded by Director Ross 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 Dahlke moved to approve the bookkeeper's report and the payments presented. Director Ross seconded the motion, which passed unanimously.

Ms. Montalbano reviewed with the Board the proposed District budget for the fiscal year ending March 31, 2021. After discussion, the Board concurred to defer action on adopting the budget for the fiscal year end March 31, 2021, pending further review and comment by the District's directors and consultants and the finalization of the Master District budget.

The Board discussed the Association of Water Board Directors ("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 Ross and carried 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 Dahlke moved to approve the tax report. Director Ross seconded the motion, which carried unanimously.

DELINQUENT TAX REPORT

The Board reviewed the delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott L.L.P. ("Perdue"), a copy of which is attached.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Carner reviewed the various optional tax exemptions the District may offer its residents. Mr. Morales discussed with the Board the potential of granting a 5% residential homestead exemption. Ms. McLaughlin discussed qualifying accounts, pursuant to information from the Harris County Appraisal District. The Board discussed adopting a Resolution Concerning Exemptions from Taxation for the 2020 tax year. After discussion, Director Ross moved to adopt the Resolution Concerning Exemptions From Taxation, which grants a 5% exemption for residential homesteads and declines to grant any exemptions for 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 Dahlke and carried unanimously.

SECURITY MATTERS, INCLUDING APPROVE FIRST AMENDMENT TO COST SHARING AGREEMENT FOR LAW ENFORCEMENT SERVICES WITH THE TOWNE LAKE COMMUNITY ASSOCIATION, INC. ("HOA")

Ms. Carner reviewed with the Board the proposed First Amendment to Cost Sharing Agreement for Law Enforcement Services with the HOA for costs associated with patrol of the Towne Lake community by two deputies from the Harris County Sheriff's office. Following review and discussion, Director Dahlke moved to approve the First Amendment to Cost Sharing Agreement for Law Enforcement Services and direct that the Amendment be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which carried unanimously.

WEBSITE AND COMMUNICATION MATTERS

The Board discussed the content on the District's website, including the notice regarding the rescheduled meeting. After discussion, the Board concurred to authorize sending an e-blast for future meeting schedule changes.

REPORT FROM WATER CONSERVATION COALITION ("WCC"), INCLUDING REPORT ON PREPARATION FOR COMMUNITY EVENT

Ms. Carner stated that Director Ottmann reported that at the January 13, 2020, meeting, the WCC discussed methods to incentivize water conservation through installation of irrigation smart controllers.

OPERATION OF DISTRICT FACILITIES

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

After review and discussion, Director Ross moved to approve the operator's report. Director Dahlke seconded the motion, which passed unanimously.

Ms. Carner discussed certain requirements of the America's Water Infrastructure Act of 2018 (the "Act") requiring community water systems that serve a population of 3,301 or more to certify to the Environmental Protection Agency that the system has completed a Risk and Resilience Assessment and created an Emergency Response Plan. She then presented and reviewed a memorandum regarding the Act, a copy of which is attached. Ms. Carner reported the District's engineer has confirmed the District meets the community water system service population threshold as defined in the Act and will need to make the discussed certifications by the required Act deadlines.

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 Ross 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 Dahlke 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 UPDATE ON ANNEXATION REQUEST

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 updated the Board on the status of development in Towne Lake based on information provided by the developer.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT
CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this agenda item.

2020 DIRECTORS ELECTION

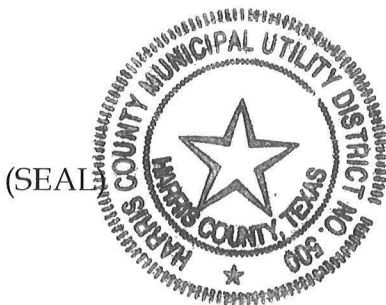
Ms. Carner discussed procedures related to the 2020 Directors Election. The Board considered a proposed Order Calling Directors Election for the May 2, 2020 election. Following review and discussion, and upon a motion made by Director Dahlke and seconded by Director Ross, the Board voted unanimously to adopt the Order Calling Directors Election, and direct that the Order be filed appropriately and retained in the District's official records.

Ms. Carner discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Harris County. After review and discussion, Director Dahlke moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director Ross seconded the motion, which passed by unanimous vote.

REVIEW AND REVISE ACTION LIST

The Board reviewed the action list and noted items to be included and removed from the list.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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