

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

March 4, 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 4th day of March, 2020, 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
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, thus constituting a quorum.

Also present at the meeting were Michael Crahan of the Towne Lake Community Association, Inc. ("HOA"); 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; Peter Barnhart and Jessie Carrasco of Caldwell Companies; 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 February 12, 2020, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes, as presented. 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, 2020

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to prepare the District's audit for fiscal year end March 31, 2020. The Board reviewed an audit continuance letter from McCall, a copy of which is attached, noting that preparation of the District's annual audit will cost an estimated \$11,000-12,000.

Following discussion, Director Ottmann moved to authorize McCall to prepare the District's audit for fiscal year end March 31, 2020. Director Ross 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.

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.

Ms. Montalbano reviewed with the Board the proposed District budget for the fiscal year ending March 31, 2021, a copy of which is attached to the bookkeeper's report. Discussion ensued regarding the capital expenses associated with the construction of the public utilities for the 11.78-acre commercial tract that is proposed to be annexed into the District. After discussion, the Board concurred to amend the budget at a later date to include the future capital expenditures as a below-the-line budget item.

After review and discussion, Director Ottmann moved to adopt the budget for the fiscal year end March 31, 2021, as presented. Director Mathers 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 to the tax assessor/collector's report.

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

SECURITY MATTERS

Ms. Carner stated the February security report will be distributed via e-mail and posted to the District's Share Point site once it is received.

WEBSITE AND COMMUNICATION MATTERS

The Board discussed the content on the District's website.

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

Director Ottmann distributed and discussed notes from the WCC meeting held on January 27, 2020, a copy of which is attached. He stated that the WCC will now meet quarterly.

Director Ottmann discussed his attendance at the 2020 Central Texas Water Conservation Symposium.

The Board discussed authorizing attendance by any interested directors at the 2020 Gulf Coast Water Conservation Symposium on April 21, 2020. After review and discussion, Director Ottmann moved to authorize any interested directors to attend the 2020 Gulf Coast Water Conservation Symposium on April 21, 2020. Director Ross seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

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

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

The Board deferred action on the District's Water Conservation Plan annual report, pending receipt from the District's operator.

The Board reviewed the District's Drought Contingency Plan and determined to make no amendments at this time.

CONDUCT HEARING ON TERMINATION OF WATER AND SEWER SERVICE

There were no accounts submitted for termination.

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

There was no discussion on this agenda item.

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 District's 2020 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received two candidate applications for the two director positions for the May 2, 2020, Directors Election. Following review and discussion, Director Ottmann moved to accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors and direct that the Certificate be filed appropriately and retained in the District's official records. Director Dahlke seconded the motion, which passed unanimously.

Ms. Carner presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 2, 2020, Directors Election is cancelled and that the unopposed candidates, Joanne Quintero and Gerald Mathers, are declared elected to office to serve from the May 2, 2020, election until the May 4, 2024, Directors Election. Following review and discussion, Director Ottmann moved to adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office and

direct that the Order be filed appropriately and retained in the District's official records. The motion was seconded by Director Dahlke and passed unanimously.

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.

(SEAL)



/s/Saundra Dahlke
Secretary, Board of Directors

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