

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

August 5, 2020

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 500 (the "District") met in regular session, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, on the 5th day of August, 2020, and the roll was called of the members of the Board being present by telephone:

Joanne E. Quintero	President
Jeffrey D. Ottmann	Vice President
Saundra Dahlke	Secretary
Vacant	Assistant Secretary
James Ross	Asst. Vice President/ Asst. Secy.

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

Also present at the meeting via teleconference were George Gentry, Wayne Tyson, and John Casey, directors of Harris County Municipal Utility District No. 501; Rose Montalbano of F. Matuska, Inc.; Michael Ammel 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; Robert Deforest of KGA DeForest Design, LLC ("KGA"); Loren Morales and Leslie Cook of RBC Capital Markets ("RBC"); Kent Puckett, Jerry Hlozek, and Jessie Carrasco of Caldwell Companies; and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Carner reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at www.districtdirectory.org/agendapackets/hcmud500.

PUBLIC COMMENTS

Mr. Gentry inquired about the surface water revenues and expenses. Ms. Montalbano stated that the apparent mismatch in surface water revenues and surface water expenses is due to timing issues.

APPROVE MINUTES

The Board reviewed the minutes of the July 1, 2020, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes, as presented. The motion was seconded by Director Ottmann. A roll call of the Board was taken and the motion passed 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 Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

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

Following review and discussion, Director Ottmann moved to accept the proposal from Gallagher and direct that the proposal be filed appropriately and retained in the District's official records. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, INCLUDING SIMPLY VOTING

The Board discussed the AWBD summer conference. Ms. Carner stated that AWBD is using Simply Voting, a web-based online voting system, for its annual Board of Trustees election to occur during the AWBD summer conference. She said each AWBD member district will be able to cast a ballot by designating a board member as the District's voting member representative to cast the ballot on behalf of the district. After discussion, the Board declined to designate a voting member representative.

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.

The Board reviewed a delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott L.L.P. regarding the status of the District's delinquent tax accounts, a copy of which is attached.

Following review and discussion, Director Ross moved to approve the tax report. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

ADOPT RESOLUTION REQUESTING APPRAISAL OF PROPERTY AND CERTIFICATE OF ESTIMATED APPRAISED VALUE

The Board discussed adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value as of June 1, 2020. After discussion, Director Ottmann moved that the Board adopt the Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value and direct that the Resolution be filed appropriately and retained in the District's official records. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

SECURITY MATTERS

The Board reviewed the security report for July, 2020, a copy of which is attached. Director Ottmann stated that he reported several instances of graffiti within the Towne Lake Service Area. Ms. Carner stated that the reports of graffiti were sent to the Towne Lake Management District and the Towne Lake Community Association for possible consideration of a graffiti abatement program.

WEBSITE AND COMMUNICATION MATTERS

There was no discussion on this agenda item.

REPORT FROM WATER CONSERVATION COALITION ("WCC")

Director Ottmann stated that the WCC will hold its next meeting in August, 2020.

AUTHORIZE EXECUTION OF GENERAL CERTIFICATE IN CONNECTION WITH HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 500 (MASTER) BOND SALE

The Board considered authorizing execution of the General Certificates in connection with the Master District's Series 2020 Contract Revenue Refunding Bonds (Water, Sewer, and Drainage Facilities), and Series 2020 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities). Following review and discussion, Director Ottmann moved to authorize execution of the General Certificates in connection with the Master District's Series 2020 Contract Revenue Refunding Bonds

(Water, Sewer, and Drainage Facilities), and Series 2020 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities). Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

AUTHORIZE EXECUTION OF RESOLUTION TO COMPLY WITH THE SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 IN CONNECTION WITH MASTER DISTRICT'S BOND SALE

The Board considered authorizing execution of the Resolutions to Comply with the Securities and Exchange Commission Rule 15c2-12, whereby the District agrees to provide current financial information on an annual basis. Following review and discussion, Director Ottmann moved to authorize execution of the Resolutions to Comply with the Securities and Exchange Commission Rule 15c2-12 in connection with the Master District's Series 2020 Contract Revenue Refunding Bonds (Water, Sewer, and Drainage Facilities), and Series 2020 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities). Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Ammel presented the operator's report from EDP, a copy of which is attached. He noted that the annual Consumer Confidence Report was sent to customers in the June, 2020, utility bills.

After review and discussion, Director Ottmann moved to approve the operator's report. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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.

After review and discussion, Director Ross moved to approve the engineer's report. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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) AND REQUESTS FOR UTILITY
COMMITMENTS

There was no discussion on this agenda item.

UPDATE ON SURPLUS FUNDS APPLICATION

Mr. Gaden updated the Board on the status of preparation of the surplus funds application.

CONVEYANCE OF EASEMENT/DEEDS; APPROVE ENCROACHMENT
AGREEMENTS; APPROVE ABANDONMENT OF EASEMENTS

There was no discussion on this agenda item.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")
MATTERS

There was no discussion on this agenda item.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Hlozek updated the Board regarding the status of development in Towne Lake.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT
CORRESPONDENCE AND PROVISION OF RECORDS

The Board reviewed correspondence from a director of Trail of the Lake Municipal Utility District regarding the WHCRWA, a copy of which is attached. Discussion ensued.

DISCUSS APPOINTMENT OF NEW DIRECTOR

The Board deferred discussion on this agenda item to executive session.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS
GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT,
EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A
PUBLIC OFFICER OR EMPLOYEE

The Board convened in Executive Session at 12:51 p.m. pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee. Ms. Vinson and Ms. Carner were also present.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:03 p.m.

DISCUSS APPOINTMENT OF NEW DIRECTOR

The Board requested ABHR to invite Ms. Teresa Sturtevant to attend the September regular Board meeting.

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)




Secretary, Board of Directors