

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

October 7, 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 7th day of October, 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
James Spackman	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, director 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; Loren Morales and Leslie Cook of RBC Capital Markets ("RBC"); Jesse Carrasco of Caldwell Companies; and 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

There were no comments from the public.

CONSENT AGENDA

Ms. Carner offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Dahlke requested item no. 3 be removed from the consent agenda. Director Ottmann requested item no. 5 be removed

from the consent agenda. After discussion, Director Ottmann moved to approve all items on the consent agenda, except for item nos. 3 and 5, and direct that, where appropriate, the documents be filed appropriately and retained in the District's official records, including: (1) the minutes of the September 2, 2020, regular meeting; (2) the bookkeeper's report; (3) the September security report; (4) the website analytics report; (5) the operator's report; and (6) the engineer's report. Director Spackman seconded the motion. A roll call of the Board was taken and the motion passed unanimously. Copies of the bookkeeper's report, security report, website analytics report, operator's report, and engineer's report are attached.

TAX ASSESSOR'S REPORT

The Board reviewed monthly tax assessor/collector's report, a copy of which is attached. Following review and discussion, Director Dahlke moved to approve the tax report. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

REPORTS FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

The Board reviewed an open records request received by the District, a copy of which is attached, regarding the District's water quality. Discussion ensued.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

ADOPT RESOLUTION CHANGING AND APPOINTING INVESTMENT OFFICER

Ms. Carner presented and reviewed the Resolution Changing and Appointing Investment Officer, which reflected the appointment of Rose Montalbano with F. Matuska, Inc. as the District's new Investment Officer. After review and discussion, Director Ross moved to adopt the Resolution Changing and Appointing Investment Officer, 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.

ACCEPT DISCLOSURE STATEMENT FOR INVESTMENT OFFICER

The Board considered accepting the disclosure statement from the District's Investment Officer. Ms. Carner explained that the disclosure statement required by the Public Funds Investment Act discloses relationships between the District's investment officer and entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District.

She also explained that the statement would be filed in the District's official records and with the Texas Ethics Commission. Following review and discussion, Director Ross moved to accept the disclosure statement and authorize filing of the disclosure statement with the Texas Ethics Commission. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

APPROVED AMENDED EXHIBIT A TO DEPOSITORY PLEDGE AGREEMENTS WITH BBVA USA AND WELLS FARGO

The Board considered approving an Amended Exhibit A to each of the Depository Pledge Agreements with BBVA USA and Wells Fargo providing for the appointment of Rose Montalbano as Investment Officer. Following review and discussion, Director Ross moved to approve Amended Exhibits A to the Depository Pledge Agreements with BBVA USA and Wells Fargo. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

AUTHORIZE EXECUTION AND FILING OF DISTRICT REGISTRATION FORM

The Board considered authorizing execution of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the new Investment Officer and the new address for F. Matuska Inc.'s offices. Following review and discussion, Director Ross 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 Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

DISCUSS WATER CODE TAX PROVISIONS AND 2020 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2020 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING

The Board reviewed a memorandum regarding the Senate Bill 2 Truth-in-Taxation requirements for the 2020 tax year, a copy of which is attached. Ms. Carner discussed recent legislative changes to the "truth-in-taxation" property tax calculations and tax levy process for water districts in Chapter 49, Texas Water Code. She stated that such legislation established three main categories for water districts, based on a district's development status and/or tax rate. Ms. Carner reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, Director Ottmann moved to adopt a Resolution Regarding Development Status for 2020 Tax Year establishing the District as a Developing district for the 2020 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution 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.

Director Ross left the meeting.

Mr. Morales then reviewed a 2020 tax rate recommendation, a copy of which is attached, and recommended that the Board levy a 2020 total tax rate of \$1.00, comprised of \$0.095 per \$100 of assessed valuation to provide for the District's debt service requirements, \$0.75 to provide for the District's contract tax requirements, and \$0.155 to provide for maintenance and operation requirements. Discussion ensued regarding the proposed tax rate. Ms. Carner discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Ottmann moved to (1) set the public hearing date for November 4, 2020; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on November 4, 2020, at 12:00 p.m., to set the proposed 2020 total tax rate of \$1.00 per \$100 of assessed valuation, with \$0.75 allocated for the District's contract tax requirements, \$0.095 allocated for the District's debt service requirements, and \$0.155 allocated for operations and maintenance. Director Spackman seconded the motion. A roll call of the Board was taken and the motion passed by a vote of 4-0, with Director Ross absent from the meeting.

REPORT FROM WATER CONSERVATION COALITION ("WCC")

The Board reviewed the notes from the WCC meeting held on August 17, 2020 with representatives of the other municipal utility districts in Towne Lake, a copy of which is attached. Director Ottmann noted that the next WCC meeting will be in November, 2020.

ADDITIONAL OPERATIONAL MATTERS

There was no discussion on this agenda item.

CONDUCT HEARING ON TERMINATION OF WATER AND SEWER SERVICE

There were no accounts submitted for termination.

ADDITIONAL ENGINEERING MATTERS

There was no discussion on this agenda item.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

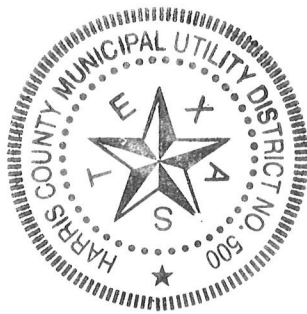
Mr. Carrasco reported on development in Towne Lake. Discussion ensued.

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

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