

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

March 3, 2021

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 3rd day of March, 2021, and the roll was called of the members of the Board being present by telephone:

Joanne E. Quintero	President
Jeffry D. Ottmann	Vice President
Saundra Dahlke	Secretary
James Spackman	Assistant Secretary
James Ross	Asst. Vice President/ Asst. Secretary

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

Also present at the meeting via teleconference were Doug Larson, member of the public; Sergeant Billy Johnson of Harris County’s Sheriff’s Office (“HCSO”); Mike Harrington of American Enerpower; George Gentry and John Casey, directors of Harris County Municipal Utility District No. 501; Fran Matuska of F. Matuska, Inc.; Eric Thiry and Amanda Benzman of Environmental Development Partners, LLC (“EDP”); J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc.; Jerry Hlozek and Jessie Carrasco of Caldwell Companies; Brenda McLaughlin of Bob Leared Interests; Loren Morales and Leslie Cook of RBC Capital Markets; and Katie Carner and Jennifer Ramirez of Allen Boone Humphries Robinson LLP.

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 commended EDP for their efforts during the winter storm event. He encouraged the Board to expedite the construction of water well no. 1 as much as possible.

CONSENT AGENDA

Director Quintero offered Board members the opportunity to remove items from the consent agenda for individual discussion. After discussion, Director Ottmann moved to approve all items on the consent agenda, and direct that, where appropriate, the documents be filed appropriately and retained in the District's official records, including: (1) the minutes of the February 3, 2021, regular meeting; (2) authorizing the District's auditor to prepare the District's audit for fiscal year end March 31, 2021; (3) the bookkeeper's report; (4) the tax assessor's report; (5) the website analytics report; (6) the operator's report; (7) approving the annual report on implementation of Water Conservation Report, subject to final review; (8) the annual review of the Drought Contingency Plan; and (9) the engineer's report. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed by unanimous vote. Copies of the audit continuance letter, the bookkeeper's report, the tax assessor's report, website analytics report, operator's report, and engineer's report are attached.

ITEMS REMOVED FROM THE CONSENT AGENDA

There was no discussion on this agenda item.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Matuska reviewed with the Board the proposed District budget for the fiscal year ending March 31, 2022, a copy of which is attached to the bookkeeper's report.

After review and discussion, Director Ottmann moved to adopt the budget for the fiscal year end March 31, 2022, as presented. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed by unanimous vote.

SECURITY MATTERS, INCLUDING APPROVE INTERLOCAL AGREEMENT WITH HARRIS COUNTY

The Board deferred discussion on this agenda item to Executive Session.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Carner reviewed the various optional tax exemptions the District may offer its residents and noted that the District currently grants a 5% residential homestead exemption. The Board discussed adopting a Resolution Concerning Exemptions from Taxation for the 2021 tax year. After discussion, Director Dahlke 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. Director Ross seconded the motion. A roll call vote of the Board was taken and the motion passed by unanimous vote.

REPORT FROM WATER CONSERVATION COALITION

There was no discussion on this agenda item.

ADDITIONAL OPERATIONAL MATTERS, INCLUDING WINTER STORM RECOVERY MATTERS AND RESOLUTION ADOPTING POLICY AND PROCEDURES FOR FEBRUARY 2021 FREEZE EVENT LEAK ADJUSTMENT CREDITS

Mr. Thiry updated the Board on the status of the District's water and sewer system after the winter storm. He stated that due to an interrupted water supply from the West Harris County Regional Water Authority ("WHCRWA"), EDP opened the emergency water interconnect with Remington Municipal Utility District No. 1 ("Remington 1"). He stated that Remington 1 issued a boil water notice, so the District also issued a boil water notice on February 17, 2021. He reported that the boil water notice was lifted on February 22, 2021. Discussion ensued. The Board requested EDP provide the Board with the total amount of excess water usage for that period.

The Board considered adopting a Resolution Adopting Policy and Procedures for February 2021 Freeze Event Leak Adjustment Credits. After review and discussion, Director Ottmann moved to adopt the Resolution Adopting Policy and Procedures for February 2021 Freeze Event Leak Adjustment Credits, subject to the WHCRWA also adopting a policy by which the WHCRWA will credit certain fees for water deemed lost and unused as a result of the freeze event, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed by unanimous vote.

DISCUSS TERMINATION OF WATER AND SEWER SERVICE

Ms. Carner reported that the Texas Public Utility Commission ("PUC") adopted an order restricting retail public utilities from terminating service for nonpayment and/or charging penalties and interest for late payments, as a result of the recent winter freeze event (the "Order"). She stated that the Order does not apply directly to municipal utility districts ("MUDs"), but the PUC has requested MUDs voluntarily comply with the Order.

After review and discussion, Director Ottmann moved to suspend termination of utility service for customers on the termination list and/or the assessment of any penalty and interest charges for late payment for the current month. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed by unanimous vote

ADDITIONAL ENGINEERING MATTERS

There was no discussion on this agenda item.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Hlozek reported on development in Towne Lake.

REVIEW AND REVISE ACTION LIST

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

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 convened in Executive Session at 12:33 p.m. pursuant to Section 551.076 of the Texas Government Code to deliberate the deployment, or specific occasions for implementation of security personnel or devices, or a security audit. Sergeant Johnson and Ms. Carner also were present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened the meeting at 12:48 p.m.

SECURITY MATTERS, INCLUDING APPROVE INTERLOCAL AGREEMENT WITH HARRIS COUNTY (CONT'D)

After review and discussion, Director Spackman moved to authorize execution of the Interlocal Agreement with Harris County for supplemental law enforcement services, subject to final review, and direct that the Agreement be filed appropriately and filed in the District's official records. Director Ottmann seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

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

/s/ Sandra Dahlke
Secretary, Board of Directors

(SEAL)



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