

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

July 7, 2021

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 7th day of July, 2021, 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
James Spackman	Assistant Secretary
James Ross	Asst. Vice President/ Asst. Secretary

and all of the above were present except for Directors Dahlke and Spackman, thus constituting a quorum.

Also present at the meeting were Doug Larson, member of the public; Deputy Kimberly Noble of the Harris County Sheriff’s Office (“HCSO”); Josh Rambo of McCall Gibson Swedlund Barfoot PLLC; Athena Hendrickson of the Towne Lake Community Association, Inc.; George Gentry, director of Harris County Municipal Utility District No. 501; Fran Matuska of F. Matuska, Inc. (“FMI”); Amanda Benzman and JC Reno of Environmental Development Partners, LLC (“EDP”); Loren Morales and Leslie Cook of RBC Capital Markets; Truman Edminster and J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc. (“EHRA”); Brenda McLaughlin of Bob Leared Interests; and Katie Carner, Brooke Milbauer, Erin Mitchell, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENTS

There were no comments from the public.

CONSENT AGENDA

Director Quintero offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Quintero requested that agenda item nos. 2b., 2c., 2f., and 2g. be removed from the consent agenda. After discussion, Director Ottmann moved to approve all items on the consent agenda, except for agenda item nos. 2b., 2c., 2f., and 2g., and direct that, where appropriate, the documents be filed appropriately and retained in the District’s official records, including: (1) the minutes of the June 2, 2021, regular meeting; (2) authorizing the delinquent tax attorney to proceed

with collection of delinquent taxes; and (3) the website analytics report. Director Ross seconded the motion, which passed unanimously. A copy of the website analytics report is attached.

SECURITY MATTERS, INCLUDING REPORT FROM HCSO

Deputy Noble introduced herself as the District's contract deputy. The Board discussed oversight of the recently finalized security contract.

ITEMS REMOVED FROM THE CONSENT AGENDA

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 Ottmann moved to approve the tax report. Director Ross seconded the motion, which carried unanimously.

OPERATION OF DISTRICT FACILITIES

Ms. Benzman reviewed the operator's report from EDP, a copy of which is attached.

Ms. Benzman reported that the District's 2020 Consumer Confidence Report was delivered to customers on June 18, 2021.

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

ENGINEERING MATTERS

Mr. Gaden presented an engineer's report from EHRA, a copy of which is attached, and reviewed it with the Board.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Matuska presented the bookkeeper's report and submitted the bills for the Board's review. A copy of the bookkeeper's report is attached.

Ms. Matuska stated that BBVA USA, the current depository for certain District funds, is merging with PNC Bank and will no longer offer collateralized deposits. She requested the Board consider authorizing FMI to move the

District's accounts to Central Bank and approving the related agreements at the next regular meeting.

After review and discussion, Director Ottmann moved to approve the bookkeeper's report and the payments presented. Director Ross seconded the motion, which passed unanimously.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

There was no discussion on this agenda item.

APPROVE AUDIT FOR FISCAL YEAR END MARCH 31, 2021

Mr. Rambo presented the combined draft audit for the Master District and Internal District for the fiscal year ending March 31, 2021. Following review and discussion, Director Ottmann moved to approve the audit for fiscal year ended March 31, 2021, subject to final review. Director Ross seconded the motion, which passed unanimously. The Board requested that all comments be submitted by July 16, 2021.

APPROVE SUPPLEMENTAL DEVELOPER REIMBURSEMENT REPORT FOR THE SERIES 2017 BONDS AND AUTHORIZE DISBURSEMENT OF FUNDS

The Board deferred discussion on this agenda item, pending Texas Commission on Environmental Quality approval of the pending surplus funds application.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH CONTINUING DISCLOSURE OF INFORMATION AGREEMENT

Ms. Carner reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board (the "MSRB") through EMMA in compliance with SEC Rule 15c2-12. Following review and discussion, Director Ottmann moved to approve the Annual Report, subject to final review, authorize the attorney to submit the Annual Report in compliance with the continuing disclosure provisions contained in the bond resolutions and direct that the Annual Report be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously. The Board requested that all comments be submitted by July 16, 2021.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. The Board concurred that no changes are required at this time.

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 Certificate in connection with the Master District's Series 2021 Contract Revenue Refunding Bonds (Water, Sewer, and Drainage Facilities). Following review and discussion, Director Ross moved to authorize execution of the General Certificate in connection with the Master District's Series 2021 Contract Revenue Refunding Bonds (Water, Sewer, and Drainage Facilities). Director Ottmann seconded the motion, which 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 Resolution 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 Ross moved to authorize execution of the Resolution to Comply with the Securities and Exchange Commission Rule 15c2-12 in connection with the Master District's Series 2021 Contract Revenue Refunding Bonds (Water, Sewer, and Drainage Facilities). Director Ottmann seconded the motion, which passed unanimously.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the summer AWBD conference and authorizing attendance at the winter AWBD conference and other AWBD official events. After discussion, Director Ross moved to authorize any interested directors to attend the winter AWBD conference and any other AWBD official events. Director Ottmann seconded the motion, which carried by unanimous vote.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed the insurance renewal proposal from 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.

The Board discussed the additional optional coverages offered. The Board requested that a representative of Gallagher attend the next meeting to discuss optional coverages, including cyberliability insurance. The Board also requested that EDP provide the Board with information regarding EDP's cybersecurity insurance.

Following review and discussion, Director Ross moved to accept the proposal from Gallagher and direct that the proposal be filed appropriately and retained in the District's official records. Director Ottmann seconded the motion, which 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 July 1, 2021. After discussion, Director Ross 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 Ottmann seconded the motion, which passed unanimously.

ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR VACANCY FOR HARRIS COUNTY APPRAISAL DISTRICT ("HCAD")

The Board reviewed correspondence from HCAD regarding a vacancy on the Board of Directors of HCAD for a term ending December 31, 2021, a copy of which is attached. After discussion, the Board took no action.

SECURITY MATTERS, INCLUDING REPORT FROM HCSO (CONT'D)

The Board reviewed the security report from the HCSO, a copy of which is attached.

REPORT FROM WATER CONSERVATION COALITION

The Board reviewed the notes from the WCC meeting held on May 16, 2021, with representatives of the other municipal utility districts in Towne Lake, a copy of which is attached. Discussion ensued. Director Ottmann noted that the next WCC meeting will be held on August 16, 2021.

ADDITIONAL OPERATIONAL MATTERS

There was no discussion on this agenda item.

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

Ms. Carner reviewed a written report on development provided by Caldwell Companies.

REPORT REGARDING LEGISLATIVE MATTERS

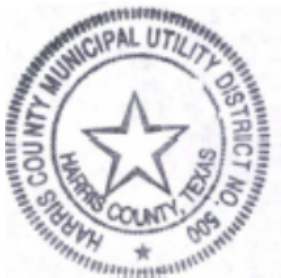
Ms. Carner reviewed a report prepared by ABHR regarding legislative matters pertaining to the 87th Regular Session of the Texas Legislature. Discussion ensued.

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)



/s/ Sandra Dahlke
Secretary, Board of Directors

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