

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

March 2, 2022

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 2nd day of March, 2022, 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:

Jeffry D. Ottmann	President
Joanne E. Quintero	Vice President
Vacant	Secretary
James Spackman	Assistant Secretary
Alan Steinberg	Asst. Vice President/ Asst. Secretary

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

Also present at the meeting were Jeff P. Collins, member of the public; Travis Singleton of the Towne Lake Community Association, Inc.; Michael Crahan of Caldwell Companies; Debbie Tomer of F. Matuska, Inc. ("FMI"); Amanda Benzman of Environmental Development Partners, LLC; J.T. Gaden and Robert Atkinson of EHRA Engineering; Brenda McLaughlin of Bob Leared Interests; and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

CONSENT AGENDA

Director Ottmann offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Ottmann requested that agenda item nos. 2h., 2i., and 2k. be removed from the consent agenda. Director Quintero requested that agenda item no. 2c., with the exception of the regular monthly tax assessor/collector's report, be removed from the consent agenda. After discussion, Director Spackman moved to approve all items on the consent agenda, except for agenda item nos. 2h., 2i., and 2k. and the portion of agenda item no. 2c. not relating to the regular monthly tax assessor/collector's report, 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 2, 2022, regular meeting; (2) the bookkeeper's report; (3) the tax assessor's report; (4) authorizing the District's auditor to prepare the District's audit for fiscal year end March 31, 2022; (5) the website analytics report; (6) the

operator's report; and (7) the engineer's report. Director Quintero seconded the motion, which passed unanimously. Copies of the bookkeeper's report, tax assessor's report, website analytics report, operator's report, and the engineer's report are attached.

#### ITEMS REMOVED FROM THE CONSENT AGENDA

##### APPROVE ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

The Board tabled this agenda item, pending further review by the Board.

##### CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board tabled this agenda item, pending further review by the Board.

##### SECURITY MATTERS

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

#### NEW DIRECTOR MATTERS

##### APPOINT NEW DIRECTOR

The Board discussed the appointment of a new director to fill the vacancy on the Board. Mr. Collins introduced himself and expressed his interest in serving on the Board. After discussion, Director Steinberg moved to appoint Jeff P. Collins to the Board for the remainder of the unexpired term ending May 7, 2022. Director Spackman seconded the motion, which passed unanimously.

##### APPROVE SWORN STATEMENT, OFFICIAL BOND, AND OATH OF OFFICE

Ms. Vinson reviewed the Sworn Statement, Official Bond, and Oath of Office for Director Collins. After review and discussion, Director Steinberg moved to approve the Sworn Statement, Official Bond, and Oath of Office for Director Collins and direct that the documents be filed appropriately and retained in the District's official records, and that the Oath of Office be filed with the Secretary of State as required by law. Director Spackman seconded the motion, which passed unanimously.

##### REORGANIZE BOARD AND AUTHORIZE EXECUTION OF DISTRICT REGISTRATION FORM

The Board considered reorganizing the Board. Following discussion, Director Steinberg moved to reorganize the Board as follows:

Jeffry D. Ottmann  
Joanne E. Quintero  
Jeff P. Collins  
James Spackman  
Alan Steinberg

President  
Vice President  
Secretary  
Assistant Secretary  
Asst. Vice President/ Asst. Secy.

Director Quintero seconded the motion, which passed unanimously.

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the new Board of Directors. Following review and discussion, Director Steinberg 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 Quintero seconded the motion, which passed unanimously.

#### OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Vinson reviewed a memorandum regarding the Texas Open Meetings Act and Texas Public Information Act prepared by ABHR, a copy of which is attached.

#### CONFLICT OF INTEREST DISCLOSURE AND LIST OF LOCAL OF GOVERNMENT OFFICERS

Ms. Vinson next reviewed Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. She reviewed the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District and reviewed time periods for such filings. Ms. Vinson then reviewed the List of Local Government Officers. After discussion, Director Steinberg moved to approve the List of Local Government Officers and direct that it be filed appropriately and retained in the District's official records. Director Quintero seconded the motion, which passed unanimously.

#### 2022 DIRECTORS ELECTION

Ms. Carner discussed procedures related to the District's 2022 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 three candidate applications for the three director positions for the May 7, 2022, Directors Election. Following review and discussion, Director Steinberg

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 Spackman seconded the motion, which passed unanimously.

Ms. Carner presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 7, 2022, Directors Election is cancelled and that the unopposed candidates, Jeffrey D. Ottmann, Alan Steinberg, and Jeff P. Collins, are declared elected to office to serve from the May 7, 2022, election until the May 2, 2026, Directors Election. Following review and discussion, Director Steinberg 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. Director Spackman seconded the motion, which passed unanimously.

Ms. Carner discussed that the Board had approved entering into a contract with Harris County to administer the District's 2022 Directors Election. The Board considered cancelling the contract. Following review and discussion, Director Steinberg moved to cancel the contract with Harris County for election services for the 2022 Directors Election. Director Spackman seconded the motion, which passed unanimously.

#### ITEMS REMOVED FROM THE CONSENT AGENDA (CONT'D)

##### TAX ASSESSMENT AND COLLECTIONS MATTERS

After inquiry from Director Quintero regarding delinquent tax matters, Ms. McLaughlin updated the Board on the status of the FATL LLC delinquent tax account. The Board requested that Ms. McLaughlin confirm whether the business is still operating.

##### ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Ms. Tomer reviewed with the Board the proposed District budget for the fiscal year ending March 31, 2023, a copy of which is attached to the bookkeeper's report.

After review and discussion, Director Quintero moved to adopt the budget for the fiscal year end March 31, 2023, as presented. Director Steinberg seconded the motion, which passed by unanimous vote.

Ms. Tomer presented a proposed Amendment to Contract for Bookkeeping Services. After discussion, the Board deferred consideration of the proposed Amendment, pending review by ABHR and the Board.

## 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 2022 tax year.

After discussion, Director Quintero 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 Steinberg seconded the motion, which passed unanimously.

## REPORT FROM WATER CONSERVATION COALITION ("WCC"), AND DISCUSS COALITION FUNCTIONS

Director Ottmann reported on WCC matters and discussed potentially changing the name and scope of the WCC.

## 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.

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

Ms. Vinson updated the Board on the status of construction of the surface water line to water plant no. 2.

## ADDITIONAL ENGINEERING MATTERS

There was no discussion on this agenda item.

## REVIEW EMERGENCY PREPAREDNESS PLAN ("EPP") AND AUTHORIZE FILING OF UPDATES, IF NECESSARY

The Board discussed the District's EPP. Ms. Carner stated that the District's consultants are reviewing the District's EPP for any recommended changes. The Board deferred any action on this agenda item until the next regular meeting.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Crahan updated the Board on the status of development in Towne Lake.

The Board suspended the meeting at 12:37 p.m.

The Board reconvened the meeting at 1:45 p.m.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS (CONT'D)

Ms. Tomer stated that FMI recommends adding Positive Pay, which is a fraud prevention service, to the District's general operating account for an approximate cost of \$75-85 per month.

After discussion, Director Quintero moved to authorize FMI to add Positive Pay to the District's general operating account, as recommended. Director Spackman seconded the motion, which passed unanimously.

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 1:48 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. Ms. Carner, Ms. Vinson, and Ms. Ramirez also were present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 1:55 p.m. No action was taken by the Board.

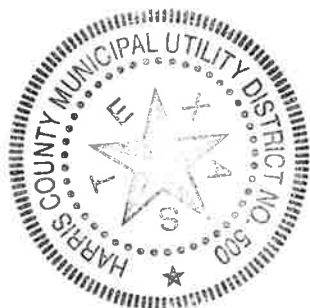
REVIEW AND REVISE ACTION LIST

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)

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Secretary, Board of Directors

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