

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

January 6, 2020

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 6th day of January, 2020, 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
Gerald P. Mathers	Assistant Secretary
James Ross	Assistant Vice President

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

Also present at the meeting were Steve Stedman, member of the public; Michael Crahan of the Towne Lake Community Association, Inc. ("HOA"); George Gentry, director of Harris County Municipal Utility District No. 501; Tina Tran 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"); Eric Steinman of KGA DeForest Design, LLC ("KGA"); Brenda McLaughlin of Bob Leared Interests ("BLI"); Matt Dustin of RBC Capital Markets; and Katie Carner and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the December 4, 2019, regular meeting. After review and discussion, Director Ottmann moved to approve the minutes, as presented. The motion was seconded by Director Mathers and passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Tran 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 Mathers seconded the motion, which passed unanimously.

Ms. Carner stated that the District's bookkeeper and investment officer are required to execute annual disclosure statements that disclose certain relationships with banks and brokers who seek to sell investments to the District. She noted that the disclosure statements will be filed with the Texas Ethics Commission. Following review, Director Ottmann moved to accept the annual disclosure statements of the bookkeeper and investment officer and direct that the disclosure statements be filed appropriately and retained in the District's official records. Director Mathers seconded the motion, which was approved by unanimous vote.

The Board discussed authorizing attendance by any interested directors at the 2020 Central Texas Water Conservation Symposium on February 13, 2020. After review and discussion, Director Mathers moved to authorize any interested director to attend the 2020 Central Texas Water Conservation Symposium on February 13, 2020. Director Ottmann seconded the motion, which passed unanimously.

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 Mathers seconded the motion, which carried unanimously.

The Board reviewed correspondence from the Harris County Appraisal District ("HCAD") regarding the results of the 2019 HCAD Board of Directors election, a copy of which is attached.

DELINQUENT TAX REPORT

Ms. McLaughlin updated the Board on the status of the District's delinquent tax accounts.

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 January 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 Mathers seconded the motion, which carried by unanimous vote.

SECURITY MATTERS, INCLUDING DISCUSS REQUEST FOR REGIONAL SECURITY COMMITTEE AND DISCUSS RENEWAL OF COST SHARING AGREEMENT FOR LAW ENFORCEMENT SERVICES WITH THE HOA

The Board discussed renewing the Cost Sharing Agreement for Law Enforcement Services with the HOA to pay 50% of the cost of the HOA's contract for law enforcement services. After discussion, the Board concurred to renew the Cost Sharing Agreement for Law Enforcement Services with the HOA. The Board requested ABHR to prepare the draft amendment to the Cost Sharing Agreement for discussion at the next meeting.

The Board discussed a request from a director of Harris County Municipal Utility District No. 502 for participation in a regional security committee with representatives of the other Participant districts. The Board also discussed security matters in the District, including concerns with response times and officer visibility in the regional Towne Lake area. After discussion, the Board declined to designate any representatives of the District to participate in a regional security committee. The Board requested that concerns related to security matters be coordinated with the HOA, as the holder of the agreements with the Harris County Sheriff's Office and a private security provider.

Ms. Carner stated the December security report will be distributed via e-mail and posted to the District's Share Point site once it is available.

WEBSITE AND COMMUNICATION MATTERS

There was no discussion on this agenda item.

REPORT FROM WATER CONSERVATION COALITION, INCLUDING REPORT ON PREPARATION FOR COMMUNITY EVENT

There was no discussion on this agenda item.

OPERATION OF DISTRICT FACILITIES

Mr. Ammel presented the operator's report from EDP, a copy of which is attached.

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

CONDUCT HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Ammel submitted a list of delinquent accounts to the Board for termination of utility service. He stated that the accounts in question have been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain, or correct the charges, services, or disconnection. Mr. Ammel noted that the accounts listed have neither attended the Board meeting nor contacted his office or the District to contest or explain the charges. After discussion, Director Ottmann moved that the District's operator be authorized to proceed with termination of utility service to the delinquent accounts pursuant to the provisions of the District's Rate Order. The motion was seconded by Director Mathers and carried unanimously.

APPROVE COMPLETION AND SUBMITTAL OF WATER USAGE REPORTING FROM THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

The Board reviewed correspondence from the WHCRWA regarding the 2020 appointment process for the WHCRWA directors and the 2019 Water Usage Reporting Form, a copy of which is attached.

Ms. Carner stated that the District's operator needs to complete and submit the Water Usage Reporting Form to the WHCRWA by March 1, 2020. After review and discussion, Director Ottmann moved to authorize the District's operator to complete and submit the Water Usage Reporting Form to the WHCRWA. Director Mathers 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.

APPROVE ENGINEER'S REVISED HOURLY RATE AND REIMBURSEMENT SCHEDULE

Mr. Gaden presented and reviewed a proposed revised Hourly Rate and Reimbursement Schedule for EHRA. After review and discussion, Director Ottmann moved to approve the revised Hourly Rate and Reimbursement Schedule and authorize execution of the Certificate of Acknowledgement and direct that the Schedule and Certificate be filed appropriately and retained in the District's official records. Director Mathers seconded the motion, which carried 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), REQUEST FOR UTILITY COMMITMENTS, AND UPDATE ON ANNEXATION REQUEST

Ms. Carner updated the Board on the status of the pending annexation of the approximately 11.78-acre tract of land adjacent to the District.

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

There was no discussion on this matter.

WHCRWA MATTERS

There was no discussion on this matter.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT, INCLUDING CONSENT TO PARTIAL ASSIGNMENT OF FINANCING AND REIMBURSEMENT AGREEMENT

There was no discussion on this matter.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Carner reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no changes to the policy are required at this time.

REPORT FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this agenda item.

ADOPT RESOLUTION CHANGING DISTRICT OFFICE AND ESTABLISHING ADDITIONAL OUT-OF-DISTRICT MEETING PLACE

Mr. Gaden stated that the offices of EHRA will move to a new location, effective as of January 13, 2020. The Board then considered adopting a Resolution Changing District Office and Establishing Additional Out-of-District Meeting Place, reflecting EHRA's new office location. After review and discussion, Director Ottmann moved to adopt the Resolution Changing District Office and Establishing Additional Out-of-District Meeting Place which establishes EHRA Engineering, 10011 Meadowglen Lane, Houston, TX 77042, as a District office for purposes of receiving bids and administering construction contracts and an additional out-of-district meeting place, effective January 13, 2020, and direct that the Resolution be filed appropriately and retained in the

District's official records. Director Mathers seconded the motion, which was approved by unanimous vote.

AUTHORIZE EXECUTION OF DISTRICT REGISTRATION FORM

The Board considered authorizing execution of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting EHRA's updated office location. Following review and discussion, Director Ottmann 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 Mathers seconded the motion, which passed by unanimous vote.

2020 DIRECTORS ELECTION

Ms. Carner discussed procedures related to the 2020 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2020 Directors Election Period. Following review and discussion, Director Ottmann moved to adopt a Resolution Designating an Agent of the Secretary of the Board During the 2020 Directors Election Period appointing Jennifer Ramirez as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Mathers seconded the motion, which was approved by unanimous vote.

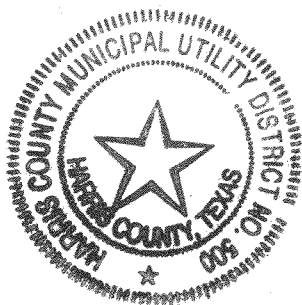
Ms. Carner reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2020 Directors Election. Following discussion, Director Ottmann moved to authorize the Secretary's agent to post the notice as required. Director Mathers seconded the motion, which was approved by unanimous vote.

Ms. Carner discussed exemptions from using electronic voting systems during the 2020 Directors Election. She stated that the basis of the District's exemption is cancellation of the 2018 Directors Election. Following discussion, Director Ottmann moved to authorize the Secretary's agent to publish Notice of Exemption in a newspaper of general circulation. Director Mathers seconded the motion, which was approved by unanimous vote.

The Board discussed pay for election officials during the 2020 Directors Election. Following discussion, Director Ottmann moved to set the pay for election officials at \$17.00 per hour. Director Mathers seconded the motion, which was approved by unanimous vote.

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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