

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

September 1, 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 1st day of September, 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
Jeffrey D. Ottmann	Vice President
Sandra 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 were Fran Matuska of F. Matuska, Inc. ("FMI"); Jesse Carrasco of Caldwell Companies; Michael Ammel and Amanda Benzman of Environmental Development Partners, LLC ("EDP"); Loren Morales and Leslie Cook of RBC Capital Markets ("RBC"); J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc.; Brenda McLaughlin of Bob Leared Interests; Chris Gilbert of Thompson & Horton; and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP.

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 Quintero requested that agenda item no. 2a be removed from the consent agenda. After discussion, Director Ross moved to approve all items on the consent agenda, except agenda item no. 2a, and direct that, where appropriate, the documents be filed appropriately and retained in the District's official records, including: (1) the bookkeeper's report; (2) the tax assessor's report; (3) the website analytics report; (4) the operator's report; (5) the engineer's report; and (6) the reports regarding District correspondence and provision of records. Director Spackman seconded the motion, which passed unanimously. Copies of the bookkeeper's report, tax assessor's report, correspondence from the Harris County

Appraisal District, an open records request and response, the website analytics report, operator's report, and engineer's report are attached.

ITEMS REMOVED FROM THE CONSENT AGENDA

APPROVE MINUTES

The Board reviewed the minutes of the August 4, 2021, regular meeting. After review and discussion, Director Ross moved to approve the minutes of the August 4, 2021, regular meeting, as submitted. Director Dahlke seconded the motion, which passed by a vote of 4-0, with Director Quintero abstaining.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING ADOPT RESOLUTION RESCINDING DELEGATION OF AUTHORITY DUE TO AN EMERGENCY

The Board considered adopting a Resolution Rescinding Delegation of Authority Due to an Emergency. After review and discussion, Director Dahlke moved to adopt the Resolution Rescinding Delegation of Authority Due to an Emergency and direct that the Resolution be filed appropriately and retained in the District's official records. Director Spackman seconded the motion, which passed unanimously.

ADOPT RESOLUTION RESCINDING DESIGNATION OF TREASURER DURING COVID-19 DECLARED DISASTER AND AUTHORIZATION OF DISBURSEMENTS

The Board considered adopting a Resolution Rescinding Designation of Treasurer During COVID-19 Declared Disaster and Authorization of Disbursements. After review and discussion, Director Spackman moved to adopt the Resolution Rescinding Designation of Treasurer During COVID-19 Declared Disaster and Authorization of Disbursements and direct that the Resolution be filed appropriately and retained in the District's official records. Director Quintero seconded the motion, which passed unanimously.

DISCUSS 2021 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2020 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING

The Board discussed the District's development status. After fully considering relevant data, information, and statutory definitions, Director Spackman moved to adopt a Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developed District for the 2021 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in

the District's official records. Director Ross seconded the motion, which passed unanimously.

Ms. Cook reviewed a report on the Master District contract tax payment calculations, a copy of which is attached. She then reviewed RBC's 2021 tax rate recommendation, a copy of which is attached, and recommended that the Board levy a 2021 total tax rate of \$0.98, comprised of \$0.06 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 \$0.17 to provide for maintenance and operation requirements. Discussion ensued regarding the proposed tax rate. Ms. Vinson discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Ross moved to: (1) set the public hearing date for October 6, 2021; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 6, 2021, at 12:00 p.m., to set the proposed 2021 total tax rate of \$0.98 per \$100 of assessed valuation. Director Spackman seconded the motion, which passed unanimously.

#### TRANSPARENCY REQUIREMENTS PURSUANT TO SECTION 2051.202, GOVERNMENT CODE, AND RELATED CONTRACT AMENDMENT

Ms. Carner discussed recent legislation enacting Section 2051.202, Texas Government Code, which requires certain special purpose districts to post or cause to be posted additional information on a website maintained by or accessible to the District. She said the new requirements apply to districts that levy a property tax, are required to prepare an annual audit, and have a population of 500 or more as of the beginning of the most recent fiscal year. Ms. Carner reviewed a summary of the new requirements, a copy of which is attached. The Board discussed the applicability of the new posting requirements to the District and the possibility of expanding the website used by the District for compliance with previously-enacted transparency requirements.

Ms. McLaughlin then reviewed a Second Amendment to Agreement for Services of the Tax Assessor and Collector, which includes fees for Government Code Section 2051.202 compliance.

After review and discussion, Director Spackman moved to approve the Second Amendment to Agreement for Services of the Tax Assessor and Collector, subject to final review, and direct that the Amendment be filed appropriately and filed in the District's official records. Director Ross seconded the motion, which passed unanimously.

#### DISCUSS OPTIONAL INSURANCE COVERAGE

The Board deferred discussion on this agenda item.

## SECURITY MATTERS, INCLUDING REPORT FROM HARRIS COUNTY SHERIFF'S OFFICE

Ms. Carner stated that the security report provided by the Harris County Sheriff's Office will be distributed via email once it is received.

## REPORT FROM WATER CONSERVATION COALITION ("WCC")

Director Ottmann reported on the recent WCC meeting.

## ADDITIONAL OPERATIONAL MATTERS

Ms. Benzman stated that, due to recent legislative changes to Section 182.052, Utilities Code, relating to confidentiality of certain personal and billing information of utility customers, such information must be kept confidential, with certain exceptions, unless the customer requests disclosure.

## ADOPT RESOLUTION AND APPROVE THE EXECUTION OF AGREEMENTS RELATED TO ELECTRONIC LOCKBOX PAYMENT SERVICES WITH CENTRAL BANK, INCLUDING ADDENDUM TO SERVICE AGREEMENT WITH DISTRICT OPERATOR

Ms. Carner stated that, related to the BBVA USA merger with PNC Bank, EDP has requested to transfer the customer payment lockbox to Central Bank. Ms. Benzman then reviewed a Resolution Approving Central Bank's Electronic Lockbox Payment Services for District Customers, a Processing Agreement with Central Bank, and an Addendum to the Service Agreement with EDP.

Following discussion, Director Ross moved to: (1) adopt the Resolution Approving Central Bank's Electronic Lockbox Payment Services for District Customers, subject to final review; (2) approve the Processing Agreement with Central Bank related to the electronic lockbox payment services, subject to final review; (3) approve the Addendum to Service Agreement with EDP, subject to final review; and (4) direct that the documents be filed appropriately and retained in the District's official records. Director Spackman seconded the motion, which passed unanimously.

## 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.

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.

  
Secretary, Board of Directors

(SEAL)



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