

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

July 11, 2023

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 11th day of July, 2023, 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:

Jeffrey D. Ottmann	President
Joanne E. Quintero	Vice President
Jeff P. Collins	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 Bear Oakley of Acclaim Energy Advisors; Josh Rambo of McCall Gibson Swedlund Barfoot PLLC; Jerry Hlozek of Caldwell Companies; JC Reno of Storm Water Solutions, LLC; Eric Steinman of KGA/DeForest Design, LLC; Leslie Cook of RBC Capital Markets; Lynn Kurtz of Myrtle Cruz, Inc. (“MCI”); Amanda Benzman of Environmental Development Partners; J.T. Gaden of EHRA Engineering; Brenda McLaughlin of Bob Leared Interests; and Katie Carner, Allison Leatherwood, 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 Quintero requested that agenda item no. 2d. be removed from the consent agenda. After discussion, Director Spackman moved to approve all items on the consent agenda, except for agenda item no. 2d., 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 13, 2023, regular meeting; (2) the bookkeeper’s report; (3) authorizing any interested directors to attend the Association of Water Board Directors (“AWBD”) winter conference and any other AWBD official events; (4) adopting the Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value; (5) the operator’s report; and (6) the

engineer's report. Director Quintero seconded the motion, which passed unanimously. Copies of the bookkeeper's report, the operator's report, and the engineer's report are attached.

ITEMS REMOVED FROM THE CONSENT AGENDA

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin presented the tax assessor/collector's report, a copy of which is attached. She also reviewed the District's delinquent tax roll. She reported that Sam's Boat/Aloha Cypress LLC has entered into a payment agreement for delinquent taxes and is thus far making timely payments.

Following review and discussion, Director Quintero moved to approve the tax report. Director Spackman seconded the motion, which carried unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MARCH 31, 2023

Mr. Rambo presented the combined draft audit for the Master District and Internal District for the fiscal year ending March 31, 2023. Following review and discussion, Director Quintero moved to approve the audit for fiscal year ended March 31, 2023, subject to final review. Director Spackman seconded the motion, which passed unanimously.

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 through EMMA in compliance with SEC Rule 15c2-12. Following review and discussion, Director Spackman 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 Quintero seconded the motion, which passed unanimously.

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.

SECURITY MATTERS, INCLUDING REPORT FROM HARRIS COUNTY SHERIFF'S OFFICE ("HCSO") AND SECURITY COMMITTEE

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

Director Quintero reported that the Towne Lake Community Association, Inc. ("HOA") is considering changing law enforcement contractors from the HCSO to the Harris County Constable's Office. Discussion ensued regarding security matters, including a potential security committee with the HOA and the other Towne Lake municipal utility districts. After discussion, the Board concurred to add Director Collins to the District's Security Committee with Director Quintero and to authorize the Security Committee to coordinate a meeting with the HOA and the other Towne Lake municipal utility districts.

ADOPT RESOLUTION ESTABLISHING DIRECTOR FEES OF OFFICE AND DISTRICT REIMBURSEMENT POLICY

Ms. Carner stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation.

The Board then considered adopting a Resolution Establishing Director Fees of Office and District Reimbursement Policy to reflect that directors' fees of office shall be paid at the maximum rate allowed by law, noting that this would replace the previously adopted Resolution. After review and discussion, Director Quintero moved to adopt a Resolution Establishing Director Fees of Office and District Reimbursement Policy, effective June 18, 2023, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

There was no discussion on this agenda item.

DISCUSS FUNDING REQUEST FOR LANDSCAPE AND RECREATIONAL FACILITY IMPROVEMENTS AT RENNELL ELEMENTARY SCHOOL

Ms. Carner stated that the District has not yet received a revised funding request

from the Rennell Parent Teacher Organization.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed the insurance renewal proposal from Arthur J. Gallagher & Co. ("Gallagher") for the District's insurance policies.

Following review and discussion, Director Spackman moved to accept the proposal from Gallagher and direct that the proposal be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Carner reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Carner explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Harris County and with the Texas Commission on Environmental Quality ("TCEQ").

After review and discussion, Director Quintero moved to authorize execution of the Amendment to Information Form and to authorize filing with Harris County and the TCEQ. Director Spackman seconded the motion, which passed unanimously.

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 MATTERS

There was no discussion on this agenda item.

ADDITIONAL ENGINEERING MATTERS

There was no discussion on this agenda item.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Hlozek updated the Board on the status of 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 551.071, TEXAS GOVERNMENT CODE

The Board did not convene in Executive Session.

The Board suspended the Internal District meeting at 12:56 p.m.

The Board resumed the Internal District meeting at 2:13 p.m.


REPORT REGARDING LEGISLATIVE MATTERS

The Board deferred discussion on this agenda item.

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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