

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

August 12, 2025

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 12th day of August, 2025, 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 Danielle Gonzalez and Ryan Schilhab Directors of Harris County Municipal Utility District No. 503; Lydia Morgan, member of the public; Deputies Javier Concepcion and Kimberly Nobles of Harris County Sheriff's Office ("HCSO"); Lynn Kurtz of Myrtle Cruz, Inc.; Kim Courte of Arthur J. Gallagher & Co. ("Gallagher"); Brenda McLaughlin of Bob Leared Interests; Amanda Benzman of Inframark Water & Infrastructure Services; Kenrick Piercy of EHRA Engineering; Angel Ruvalcaba of KGA/DeForest Design, LLC; Erik Scott of Storm Water Solutions, LLC; and Katie Carner, Allison Leatherwood, and Franky Wallace 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. After discussion, Director Quintero moved to approve all items on the Consent Agenda, and direct that, where appropriate, the documents be filed appropriately and retained in the District's official records, including: (1) the minutes of the July 8, 2025, regular meeting; (2) the bookkeeper's report; (3) the tax assessor's report; (4) the operator's report; and (5) the engineer's report. Director Steinberg seconded the motion, which passed unanimously. Copies of the bookkeeper's report, tax assessor's report, operator's report, and engineer's report are attached.

ITEMS REMOVED FROM THE CONSENT AGENDA

There were no items from the Consent Agenda.

SECURITY MATTERS

INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT SERVICES

The Board considered authorizing execution of the Interlocal Agreement for Law Enforcement Services with Harris County for a term ending September 30, 2026. After review and discussion, Director Spackman moved to authorize execution of the Interlocal Agreement for Law Enforcement Services and direct that the Agreement be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

FIRST AMENDMENT TO COST SHARING AGREEMENT FOR LAW ENFORCEMENT SERVICES AND LEGAL CONFLICTS WAIVER, IF APPROPRIATE

Ms. Carner reminded the Board that ABHR also represents Harris County Municipal Utility District No. 501 ("HC 501") and Harris County Municipal Utility District No. 503 ("HC 503") and reviewed a legal conflicts waiver with respect to the preparation of a First Amendment to Cost Sharing Agreement for Law Enforcement Services (the "First Amendment") and an Amended and Restated Memorandum of Understanding ("MOU") among the District, HC 501, Harris County Municipal Utility District No. 502 ("HC 502"), HC 503, and the Towne Lake Community Association ("HOA"). She reminded the Board of the District right to seek independent counsel to review the First Amendment and the Amended and Restated MOU. Discussion ensued. Following review and discussion, Director Spackman moved to approve the legal conflicts waiver and direct that it be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

The Board then reviewed the proposed First Amendment. After review and discussion, Director Spackman moved to approve the First Amendment and direct that it be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING

Ms. Carner next reviewed the Amended and Restated MOU. Following review and discussion, Director Spackman moved to approve the MOU and direct that it be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

REPORT FROM HCSO AND SECURITY COMMITTEE

Director Quintero and Ms. Morgan updated the Board on security matters in Towne Lake.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2025 TAX YEAR

Ms. Carner discussed the “truth-in-taxation” property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes categories for water districts, based on a district’s development status and/or tax rate. She reviewed the definitions for each of the categories and said the Board must annually determine the District’s category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District’s development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2025 tax year.

Following review and discussion, Director Spackman moved to adopt a Resolution Regarding Development Status for 2025 Tax Year establishing the District as a Developed district for the 2025 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 Quintero seconded the motion, which passed unanimously.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

There was no discussion on this agenda item.

ADDITIONAL TAX MATTERS

Ms. McLaughlin discussed the delinquent tax accounts.

RENEWAL OF DISTRICT’S INSURANCE POLICIES

The Board reviewed two insurance renewal proposals from Gallagher for the District’s insurance policies.

Director Quintero discussed the two proposal options.

Ms. Courte answered questions from the Board regarding the District's insurance coverage.

Following review and discussion, Director Quintero moved to accept the option 1 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.

ADDITIONAL OPERATIONAL MATTERS, INCLUDING HEARING ON
TERMINATION OF WATER AND SEWER SERVICE

There was no discussion on this agenda item.

APPROVE MERCHANT SERVICES PROCESSING DOCUMENTS AND AUTHORIZE
TERMINATION OF EXISTING PAYMENT PROCESSING AGREEMENT

Ms. Benzman presented and reviewed documents with Paymentech, LLC, for billing and processing of customer payments. Following review and discussion, Director Collins moved to approve the merchant services processing documents with Paymentech, LLC and, if necessary, terminate any existing operator payment processing agreement. Director Spackman seconded the motion, which passed unanimously.

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

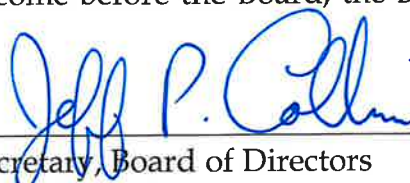
The Board discussed the status of development in Towne Lake.

REVIEW AND REVISE ACTION LIST

The Board reviewed the action list and noted items to be included and removed from the list.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.





Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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