

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

March 7, 2018

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 7th day of March, 2018, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Marilyn Roberts	President
Colette Garcia	Vice President
Saundra Dahlke	Secretary
Pamela Bretherton	Assistant Vice President
Robert M. Condon	Assistant Secretary

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

Also present at the meeting were Jeffry Ottman, Hank Miller, Dilveer Mand, Lee Markiwicz, and Tom Russell, members of the public; Amy Markiewicz and George Gentry, directors of Harris County Municipal Utility District No. 501 ("HC 501"); Rose Montalbano and Fran Matuska of F. Matuska, Inc.; Truman Edminster, Amy Downhour, and Chau Bao of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Michael Ammel of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests; Matt Dustin and Loren Morales of RBC Capital Markets ("RBC"); Kent Puckett and Jerry Hlozek of Caldwell Companies; Robert DeForest of KGA DeForest Design, LLC ("KGA"); and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board reviewed the minutes of the January 31, 2018, special meeting and the February 7, 2018, regular meeting. After review and discussion, Director Bretherton moved to approve the minutes as submitted. The motion was seconded by Director Garcia and passed by unanimous vote.

PUBLIC COMMENTS

Mr. Miller inquired about the lake dredging project, including the reason for the project and the source of funding to pay for the project. Ms. Vinson explained the purpose of the regional detention facilities and stated that the Texas Commission on Environmental Quality ("TCEQ") has approved a surplus funds application to pay for the current phase of the project, which the District's engineer represented is necessary

for the reservoir function of the facilities. Ms. Vinson also noted that the District's engineer is working on development of a long term asset maintenance plan. She stated that the matter would be discussed further under agenda item no. 12.

Mr. Miller inquired about the necessity of and funding for the Union Pacific Railroad grade separation and Highway 290 project. Ms. Vinson stated that matter would be discussed under agenda item no. 10.

Mr. Markiewicz requested clarification regarding the purpose of the lake dredging project, specifically whether the project is related to the lake's detention function or for amenity purposes. Ms. Vinson stated that the District's engineer has represented that the project is necessary for the reservoir function of the facilities.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Matuska 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 Garcia moved to approve the bookkeeper's report and the payments presented. Director Dahlke seconded the motion, which passed by unanimous vote.

ADOPT BUDGET FOR FISCAL YEAR END MARCH 31, 2019 AND RESOLUTION ESTABLISHING POLICY REGARDING GROUNDWATER REDUCTION PLAN AND MONTHLY CONNECTION FEES

Ms. Matuska presented and reviewed with the Board a proposed budget for the Master District's fiscal year end March 31, 2019, which reflects an increased connection fee of \$50. Discussion ensued regarding the budget workshop held on March 5, 2018, including regarding a proposal discussed to transition to a policy of separately charging the participant districts for the West Harris County Regional Water Authority ("WHCRWA") surface water fees based on actual usage, by the fiscal year ending March 31, 2020. Discussion ensued.

After review and discussion, Director Garcia moved to adopt the proposed budget for fiscal year end March 31, 2019, with the \$50 per connection charge. Director Dahlke seconded the motion, which passed unanimously.

The Board deferred discussion on a Resolution Establishing Policy Regarding Groundwater Reduction Plan and Monthly Connection Fees.

REPORT ON SECURITY MATTERS

Ms. Vinson stated that some participants at the budget workshop raised concerns regarding the cost sharing agreement for law enforcement services with the Towne Lake Community Association ("HOA") and requested the Board inquire whether other

municipal utility districts served by that contract are also participating in the cost sharing. Discussion ensued. The Board concurred to authorize ABHR to contact the HOA regarding whether the other municipal utility districts are sharing in the costs, and whether the HOA would have funds available to continue providing supplemental law enforcement services if the District did not renew the Cost Sharing Agreement next year.

OPERATION OF DISTRICT FACILITIES

Mr. Ammel presented the operator's report, a copy of which is attached. He reported on routine maintenance and repair items in the District.

Mr. Ammel reported that EDP completed the District's annual contact information update with the TCEQ and Department of Homeland Security.

Mr. Ammel updated the Board on the status of the District's application for financial assistance with the Federal Emergency Management Agency and the application for financial assistance with the Natural Resource Conservation Service, as reflected in his report.

Following review and discussion, Director Dahlke moved to approve the operator's report. Director Bretherton seconded the motion, which carried unanimously.

APPROVE SERVICE AGREEMENT WITH SOURCE POINT SOLUTIONS, LLC

The Board considered approving a Service Agreement with Source Point Solutions, LLC, for cleaning and televising services. After review and discussion, Director Garcia moved to approve the Service Agreement with Source Point Solutions, LLC, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Bretherton seconded the motion, which passed unanimously.

WILDLIFE MANAGEMENT, INCLUDING REPORT AND PROPOSALS FROM A ALL ANIMAL CONTROL

Ms. Carner updated the Board on the status of wildlife management in the District, including beaver removal and alligator monitoring.

Ms. Carner stated that the District has received reports of Egyptian geese and presented a proposal for Egyptian geese removal from A All Animal Control, consisting of an initial set up fee of \$1,050, good for a 3-month period, plus \$35 per goose removed. After review and discussion, Director Garcia moved to approve the proposal for Egyptian geese removal. Director Dahlke seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Ms. Downhour presented an engineer's report from EHRA, a copy of which is attached, and reviewed it with the Board.

PRELIMINARY PLANNING FOR GRADE SEPARATION AT UNION PACIFIC RAILROAD AND INTERSECTION IMPROVEMENTS AT HIGHWAY 290 ("UPRR/HIGHWAY 290 PROJECT")

In response to a previous public comment regarding the UPRR/Highway 290 project, Mr. Edminster discussed the Harris County regional transportation and thoroughfare plan and the District's obligation to construct regional road facilities that serve the participant districts in the Master District Service Area. He also discussed the District's efforts to obtain additional sources of funding for the UPRR/Highway 290 project. Mr. Dustin discussed the cost benefit analysis previously presented by RBC regarding the UPRR/Highway 290 project.

APPROVE SUBMERGED STORM SEWER AGREEMENTS, MAINTENANCE AGREEMENTS, AND STORM WATER SOLUTIONS, LP AGREEMENT

There was no discussion on this matter.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS

The Board deferred approval of plans and specifications and authorizing advertisement for bids for the following construction projects: (1) detention 1L, Phase 2; and (2) detention 1K, Phase 2.

Ms. Downhour requested the Board approve plans and specifications and authorize advertisement for bid for detention 1J, Phase 2 project. After review and discussion, Director Dahlke moved to approve plans and specifications and authorize advertisement for bids. Director Garcia seconded the motion, which passed by unanimous vote.

REVIEW BIDS AND AWARD CONTRACT FOR REPAIR OF TIE-BACK WALLS

Ms. Downhour reported that the District received two bids for repair of the tie-back walls. She recommended that the Board award the contract to Structural Concrete Ssystems, LLC ("SCS"), in the amount of \$182,037.35. Ms. Downhour also requested the Board authorize the preparation of a surplus funds application for use of surplus reservoir bond funds for the project.

After review and discussion, Director Dahlke moved to authorize the preparation of a surplus funds application for excess reservoir bond funds. Director Garcia seconded the motion. The Board concurred to defer award of the contract for the repair of the tie-back walls until the approval of the surplus funds application.

REVIEW BIDS AND AWARD CONTRACT FOR DREDGING OF RESERVOIRS (PHASE ONE)

Ms. Downhour stated that the District did not receive any bids for the dredging of reservoirs (Phase One) project and requested authorization to re-advertise for bids. After review and discussion, Director Dahlke moved to authorize re-advertisement for bids for the dredging of reservoirs (Phase One) project. Director Garcia seconded the motion, which passed unanimously.

In response to a previous public comment regarding the lake dredging project, Ms. Downhour stated the project is necessary to remove silt that has accumulated as a result of excessive rainfall and construction activity around the lake. Ms. Downhour stated that EHRA is working to prepare a long term asset maintenance plan, including projected costs and frequency of dredging and other required maintenance and repairs.

Ms. Downhour noted that the previously approved letter to affected residents regarding the project will be sent after bids have been received for the project.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WATER PLANT NO. 2

Ms. Downhour updated the Board on the status of Water Plant No. 2. She stated that she had no pay estimates from W.W. Payton Corporation for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR THE WATER RE-PUMP AND STORAGE FACILITY NO. 1 EXPANSION

Ms. Downhour updated the Board on the status of the water re-pump and storage facility no. 1 expansion. She reviewed and recommended approval of three invoices in the amounts of \$1,392, \$2,146.30, and \$1,746.90, submitted by Paradigm Consultants, Inc., for coating inspection work. After review and discussion, Director Dahlke moved to approve the invoices in the amounts of \$1,392, \$2,146.30, and \$1,746.90. Director Garcia seconded the motion, which passed by unanimous vote.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR TOWNE LAKE PARKWAY, SEGMENT ONE (FROM GREENHOUSE ROAD TO CYPRESS NORTH HOUSTON)

Ms. Downhour updated the Board on the status of Towne Lake Parkway,

Segment One (from Greenhouse Road to Cypress North Houston). She stated that she had no pay estimates from Hassell Construction Company, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD, SEGMENT TWO PAVING REPAIRS

Ms. Downhour updated the Board on the status of Greenhouse Road, Segment Two paving repairs. She reviewed and recommended approval of Pay Estimate No. 2 and Final in the amount of \$9,132.25, submitted by South Central Texas Excavation and Construction, LLC. Ms. Downhour then recommended that the Board accept the project. After review and discussion, Director Dahlke moved to approve Pay Estimate No. 2 and Final in the amount of \$9,132.25 and final acceptance of the project, as recommended. Director Garcia seconded the motion, which passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WATER, SEWER, AND DRAINAGE FACILITIES AND PAVING TO SERVE GREENHOUSE ROAD, SEGMENT 6 AND DETENTION 1L (PHASE 1) (NORTH OF CYPRESS CREEK BRIDGE)

Ms. Downhour updated the Board on the status of the construction of water, sewer, and drainage facilities and paving to serve Greenhouse Road, Segment 6 and detention 1L (Phase 1) (north of Cypress Creek Bridge). She reviewed and recommended approval of Pay Estimate No. 9 and Final in the amount of \$171,816.36, submitted by R Construction Civil, LLC. Ms. Downhour then recommended that the Board accept the project. After review and discussion, Director Dahlke moved to approve Pay Estimate No. 9 and Final in the amount of \$171,816.36 and final acceptance of the project, as recommended. Director Garcia seconded the motion, which passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR DETENTION 1I, PHASE 3

Ms. Downhour updated the Board on the status of detention 1I, Phase 3. She stated that she had no pay estimates from Lindsey Construction, Inc. for the Board's approval.

CYPRESS NORTH HOUSTON SECTION 1 PAVING REPAIRS, SIDEWALK EXTENSION, AND ACCESS RAMPS

Ms. Downhour updated the Board on the status of the paving repairs, sidewalk extension, and access ramps installation at Cypress North Houston and Autumn Cypress Lane. The Board deferred additional discussion on this matter until executive session.

REPAIRS TO 24-INCH SANITARY SEWER LINE NEAR TOWNE LAKE PARKWAY AND TUCKERTON ROAD

The Board deferred discussion on this matter to executive session.

UPDATE ON TPDES PERMIT RENEWAL APPLICATION FOR WASTEWATER PLANT NO. 2

Ms. Downhour stated that the District has received the final renewal permit for the Wastewater Treatment Plant No. 2.

APPROVE CAPACITY RESERVATION REQUESTS

There was no discussion on this matter.

UPDATE ON BOND APPLICATION NO. 8

Ms. Downhour updated the Board on the status of the preparation of bond application no. 8.

CONVEYANCE OF EASEMENTS/DEEDS; ABANDONMENT OF EASEMENT; ENVIRONMENTAL PROPOSALS

The Board reviewed a consent to encroachment with Kinder Morgan in relation to the pipeline easement landscape improvement project. After review and discussion, Director Bretherton moved to approve the consent to encroachment with Kinder Morgan and direct that the consent be filed appropriately and retained in the District's official records. Director Garcia seconded the motion, which passed by unanimous vote.

Ms. Carner reviewed an abandonment of a sanitary sewer easement and associated facilities within the easement owned by the District. Ms. Downhour stated EHRA recommends abandoning the easement and associated facilities as they are no longer required. After review and discussion, Director Bretherton moved to approve the abandonment and direct that the abandonment be filed appropriately and retained in the District's official records. Director Garcia seconded the motion, which passed by unanimous vote.

APPROVE LEGAL CONFLICTS WAIVER

Ms. Vinson reminded the Board that ABHR also represents the WHCRWA. She reviewed with the Board a legal conflicts waiver with respect to the preparation of the following documents between the District and the WHRCWA: (1) water supply commitments; (2) the water trunk line financing agreement; and (3) the preparation and review of an alternate water use credit agreement. Following review and discussion,

Director Garcia moved to approve the legal conflicts waiver. Director Dahlke seconded the motion, which carried unanimously.

WHCRWA MATTERS

Ms. Downhour updated the Board on the status of the District's request to the WHCRWA for an increase in surface water commitment.

LANDSCAPE ARCHITECT'S REPORT

The Board reviewed the landscape architect's report from Rialto Studios ("Rialto"), a copy of which is attached.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD, SEGMENT THREE, PHASE 1 (SOUTH) LANDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Greenhouse Road, Segment Three, Phase 1 (South) landscape improvements. She stated that Rialto had no pay estimates from Strickscapes, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD, SEGMENT THREE, PHASE 1 (SOUTH) HARDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Greenhouse Road, Segment Three, Phase 1 (South) hardscape improvements. She stated that Rialto had no pay estimates from Bluegrass Maintenance, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD, SEGMENT THREE, PHASE 2 (NORTH) LANDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Greenhouse Road, Segment Three, Phase 2 (North) landscape improvements. She reviewed Pay Estimate Nos. 1 and 2 in the amounts of \$33,156 and \$3,684, respectively, submitted by H&H Landscape Services, LLC and stated Rialto recommends approval. After discussion, Director Bretherton moved to approve Pay Estimate Nos. 1 and 2 in the amounts of \$33,156 and \$3,684, respectively, as recommended by Rialto. Director Garcia seconded the motion, which passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD, SEGMENT THREE, PHASE 2 (NORTH) HARDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Greenhouse Road, Segment Three, Phase 2 (North) hardscape improvements. She stated that Rialto had no pay estimates from Strickscapes, Inc. for the Board's approval.

APPROVAL OF PLANS AND SPECIFICATIONS AND AUTHORIZE
ADVERTISEMENT FOR BIDS FOR GREENHOUSE ROAD, SEGMENT FIVE

The Board deferred approval of plans and specifications and authorizing advertisement for bids for Greenhouse Road, Segment Five.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT
FOR BIDS FOR GREENHOUSE ROAD, SEGMENT SIX

The Board deferred approval of plans and specifications and authorizing advertisement for bids for Greenhouse Road, Segment Six.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR TOWNE LAKE
PARKWAY, SEGMENT ONE LANDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Towne Lake Parkway, Segment One landscape improvements. She stated that Rialto had no pay estimates from Classic Irrigation & Landscape, LLC for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR TOWNE LAKE
PARKWAY, SEGMENT ONE HARDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Towne Lake Parkway, Segment One hardscape improvements. She stated that Rialto had no pay estimates from Hou-Scape, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD,
SEGMENT FOUR LANDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Greenhouse Road, Segment Four landscape improvements. She stated that Rialto had no pay estimates from Land Crafters, Ltd. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD,
SEGMENT FOUR HARDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Greenhouse Road, Segment Four hardscape improvements. She stated that Rialto had no pay estimates from Texas Wall & Landscape for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR CYPRESS NORTH HOUSTON ROAD, SEGMENT THREE LANDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Cypress North Houston Road, Segment Three landscape improvements. She reviewed Pay Estimate No. 1 in the amount of \$68,310, submitted by Classic Irrigation & Landscape, LLC and stated Rialto recommends approval. After discussion, Director Bretherton moved to approve Pay Estimate No. 1 in the amount of \$68,310, as recommended by Rialto. Director Garcia seconded the motion, which passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR CYPRESS NORTH HOUSTON ROAD, SEGMENT THREE HARDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Cypress North Houston Road, Segment Three hardscape improvements. She stated that Rialto had no pay estimates from Strickscapes, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR CYPRESS NORTH HOUSTON ROAD, SEGMENTS ONE AND TWO LANDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Cypress North Houston Road, Segments One and Two landscape improvements. She stated that Rialto had no pay estimates from Strickscapes, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR CYPRESS NORTH HOUSTON ROAD, SEGMENTS ONE AND TWO HARDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Cypress North Houston Road, Segments One and Two hardscape improvements. She stated that Rialto had no pay estimates from Strickscapes, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR TOWNE LAKE PARKWAY FROM GREENHOUSE ROAD TO CYPRESS NORTH HOUSTON LANDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Towne Lake Parkway from Greenhouse Road to Cypress North Houston landscape improvements. She stated that Rialto had no pay estimates from Classic Irrigation & Landscape, LLC for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR SECTION 43/46 PARK LANDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the Section 43/46 Park landscape improvements. She stated that Rialto had no pay estimates from Classic Irrigation & Landscape, LLC for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR SECTION 43/46 PARK HARDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board of the status of the Section 43/46 Park hardscape improvements. She stated that Rialto had no pay estimates from Texas Wall & Landscape for the Board's approval.

REVIEW BIDS AND AWARD CONTRACT FOR WASTEWATER TREATMENT PLANT SCREENING

Ms. Vinson stated that Rialto received three bids on behalf of the District for the wastewater treatment plant screening project. She stated that Rialto recommends that the Board award the contract to the lowest bidder, Strickscapes, Inc. ("Strickscapes"), in the amount of \$44,314.40. The Board concurred that, in its judgment, Strickscapes was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. After review and discussion, Director Bretherton moved to award the contract for the wastewater treatment plant screening project to Strickscapes in the amount of \$44,314.40, based on the recommendation of the landscape architect and subject to approval of bonds and insurance. Director Garcia seconded the motion, which passed unanimously.

REVIEW BIDS AND AWARD CONTRACT FOR TRAILS, TREES, AND SIDEWALKS

The Board deferred award of contract for the additional row of trees around Pond 1H, pending receipt of bids.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR PIPELINE EASEMENT LANDSCAPE IMPROVEMENTS

Ms. Vinson updated the Board on the status of the pipeline easement landscape improvements.

ADDITIONAL LANDSCAPE MATTERS

Ms. Vinson stated that Rialto received bids for the Greenhouse Road (South) grass project, which is an unfinished portion between two previous landscaping

contracts. The Board deferred any action on this matter until the next regular Board meeting and requested that an agenda item be added for consideration of the project.

HURRICANE HARVEY RELATED MATTERS, INCLUDING STATUS OF DISTRICT FACILITIES AND OPERATIONS AND APPROVAL OF ANY RELATED AGREEMENTS AND APPLICATIONS FOR FINANCIAL ASSISTANCE

There was no further discussion on this matter.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT, INCLUDING REQUEST FOR ANNEXATION

There was no discussion on this matter.

REPORTS FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

The Board reviewed correspondence regarding the budget workshop received by the District, copies of which are attached.

APPROVE AMENDMENT TO MASTER AGREEMENT FOR PROFESSIONAL LANDSCAPE ARCHITECTURE SERVICES WITH RIALTO STUDIOS, INC.

The Board considered approving an amended Professional Landscape Architectural Services Agreement with Rialto to change the scope of work to landscape design services only. After review and discussion, Director Garcia moved to authorize execution of the Professional Landscape Architectural Services Agreement with Rialto and direct that the Agreement be filed appropriately and retained in the District's official records. Director Bretherton seconded the motion, which passed unanimously.

APPROVE PROFESSIONAL LANDSCAPE ARCHITECTURAL SERVICES AGREEMENT WITH KGA DEFOREST DESIGN, LLC

The Board considered approving a Professional Landscape Architectural Services Agreement with KGA (the "Agreement") for landscape architectural services, including construction oversight and contract administration. Ms. Vinson reviewed the terms of the Agreement, stating that authorized work will be added as task orders under the terms of the Agreement. Mr. DeForest introduced himself to the Board and requested approval of four task orders: (1) Task Order No. 1 for general administration work at an hourly rate; (2) Task Order No. 2 for completion of projects that are currently under construction; (3) Task Order No. 3 for completion of projects that are designed and ready for public bid; and (4) Task Order No. 4 in the amount of \$4,850 for completion of the wastewater treatment plant screening project. After review and discussion, Director Garcia moved to authorize execution of the Agreement and approve the task orders,

subject to finalization. Director Dahlke seconded the motion, which passed unanimously.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT PRIVATE CONSULTATION WITH ATTORNEY

The Board convened in Executive Session at 2:19 p.m. pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with their attorney. Ms. Vinson, Ms. Carner, Ms. Ramirez, Mr. Edminster, Mr. Bao, and Ms. Downhour also were present. At 2:32 p.m., Mr. Bao, Mr. Edminster, and Ms. Downhour left the meeting.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board reconvened in Open Session at 2:40 p.m.

ENGINEERING MATTERS (CONT'D)

REPAIRS TO 24-INCH SANITARY SEWER LINE NEAR TOWNE LAKE PARKWAY AND TUCKERTON ROAD (CONT'D)

After discussion, Director Dahlke moved to (1) approve Change Order No. 3 to increase the contract in the amount of \$625, and Change Order No. 4 to decrease the contract in the amount of \$9,800, both submitted by IPR South Central, LLC ("IPR"), for work related to the repair of the 24-inch sanitary sewer line and installation of a stack manhole at the northwest corner of Tuckerton Road and Towne Lake Parkway (the "24-inch sanitary sewer line repairs"), based upon the Board's finding that the Change Orders are beneficial to the District and the engineer's recommendation; (2) approve Pay Estimate No. 1 and Final in the amount of \$66,125, submitted by IPR, and accept the project as recommended by the engineer; and (3) approve the invoice in the amount of \$5,000, submitted by Ninyo and Moore. Director Bretherton seconded the motion, which passed unanimously.

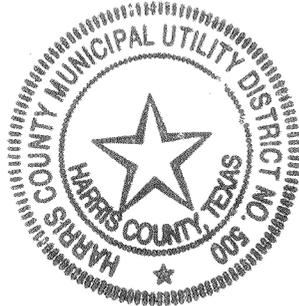
LANDSCAPE ARCHITECT'S REPORT (CONT'D)

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD, SEGMENT FOUR LANDSCAPE IMPROVEMENTS (CONT'D)

After discussion, Director Dahlke moved to authorize Director Garcia to act as the District's representative in matters related to the Greenhouse Road, Segment 4 landscape improvements. Director Garcia seconded the motion, which passed unanimously.

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

(SEAL)



[Handwritten Signature]
Secretary, Board of Directors

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