

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

June 6, 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 6th day of June, 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:

Colette Garcia	President
Marilyn Roberts	Vice President
Saundra Dahlke	Secretary
Jeffry D. Ottmann	Assistant Secretary
Robert M. Condon	Assistant Vice President

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

Also present at the meeting were Hank Miller, Yemi Odufuye, and Tom Russell, members of the public; Wayne Tyson and Jonathan Cowen, directors of Harris County Municipal Utility District No. 501; Daniel Pereyra and Joe Valle of Environmental Allies; Dan McDonald of McDonald & Wessendorff Insurance; David Beyer of Storm Water Solutions, LLC ("SWS"); Rose Montalbano of F. Matuska, Inc.; Truman Edminster and Amy Downhour of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Michael Ammel of Environmental Development Partners, LLC ("EDP"); Matt Dustin and Loren Morales of RBC Capital Markets; Robert DeForest of KGA DeForest Design, LLC ("KGA"); and Alia Vinson and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Miller addressed the Board regarding construction activity in the District and potential violations of builders' Storm Water Pollution Prevention Plans ("SWPPP"). He presented the Board with a video he states documents the current depth of the lake and stated he believes additional oversight is required.

Mr. Russell thanked the Board for the wastewater treatment plant screening project and inquired whether the Board also will stain the fence. Mr. Ammel stated that item will be discussed under the operator's report.

Mr. Odufuye expressed his concerns about the format of the bookkeeper's report for showing variances. Director Garcia stated the District uses a standard accounting format, which reflects a positive or negative variance.

Mr. Tyson stated that the District should address erosion control measures prior to undertaking any dredging projects in the lake.

Mr. Cowen inquired about the Towne Lake Community Association ("HOA") bridge dredging project. Ms. Vinson stated that matter would be discussed under agenda item no. 8. Mr. Cowen also inquired about who is responsible for Harris County Municipal Utility District Nos. 502 and 503. Director Garcia stated that those districts each have their own Board of Directors.

APPROVE MINUTES

The Board reviewed the minutes of the May 2, 2018, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes as submitted. The motion was seconded by Director Roberts and passed by a vote of 3-0, with Director Ottmann abstaining.

DISCUSS MEETING SCHEDULE

The Board discussed the meeting schedule for July. After discussion, the Board concurred to hold the next regular meeting on July 10, 2018, at 2:30 p.m. at the offices of ABHR.

FINANCIAL AND BOOKKEEPING MATTERS

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

DISCUSS INSURANCE RENEWAL

Mr. McDonald stated that the insurance renewal proposal will reflect a change in carrier from Travelers to Hanover Insurance for property coverage. Discussion ensued.

REPORT ON SECURITY MATTERS

There was no discussion on this matter.

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 stated he is still waiting for proposals for fence staining at the wastewater treatment plant.

Mr. Ammel reported on generator testing as part of the District's emergency preparedness plan.

Mr. Ammel presented two proposals from NTS Rentals, Inc. ("NTS") for rental of stand-by emergency portable generators during hurricane season for the wastewater treatment plant and the Hamilton Hills Lift Station, for a monthly cost of \$1,800 and \$700, respectively.

Following discussion, Director Roberts moved to (1) approve the operator's report; and (2) approve the proposals from NTS and authorize execution of an agreement with NTS for rental of stand-by emergency generators. Director Dahlke seconded the motion, which carried unanimously.

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

Mr. Ammel updated the Board on the status of the District's application for financial assistance with the Federal Emergency Management Agency ("FEMA"), as reflected in his report.

DISCUSS LAKE MANAGEMENT AND MAINTENANCE

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

Ms. Vinson updated the Board on the status of wildlife management in the District, and noted one beaver was recently located and removed.

PROPOSALS FOR STORMWATER POLLUTION PREVENTION PLAN ("SWPPP") MONITORING SERVICES AND RELATED SERVICE AGREEMENT

The Board reviewed correspondence from residents regarding potential SWPPP violations, copies of which are attached. The Board also reviewed proposals for SWPPP monitoring services, copies of which are attached. The Board deferred action on the proposals, pending further review by the Board and EHRA.

EROSION, DREDGING, AND WATER QUALITY

Ms. Vinson reminded the Board that the ongoing dredging project on the lake is an HOA project and the District has not begun any dredging projects. Ms.

Downhour stated EHRA provided oversight on the HOA dredging project and addressed any reported issues with the contractor and the HOA. Discussion ensued regarding verifying the results of the HOA dredging project. Ms. Downhour and Mr. Edminster stated that the District could collect topographical information of the areas dredged or obtain a more comprehensive survey of the lake. He noted that the overflow from Cypress Creek into the regional detention facilities after Hurricane Harvey resulted in a significant amount of material deposited into the lake. Mr. Ammel stated he will investigate whether it is possible to add survey costs to the District's FEMA claim.

Ms. Downhour stated that the regional detention facilities were created with a two-foot clay liner at the designed depth, which was verified with geotechnical and topographical testing.

After review and discussion, the Board requested EHRA to bring a proposal for a comprehensive survey of the lake, but took no action.

LAKE ACCESS AND RULES

Ms. Vinson reviewed the access rules for the lake pursuant to the maintenance agreement between the District and the HOA. The Board considered adopting rules governing the use of the regional detention facilities. After discussion, the Board concurred to discuss draft lake rules at the next regular Board meeting.

Ms. Vinson discussed the District's ownership rights of its facilities and reviewed consent to encroachment procedures.

ENGINEERING MATTERS

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

Ms. Downhour noted the phone number residents can call to report potential SWPPP violations to Harris County, the enforcement agency for SWPPPs.

Ms. Downhour updated the Board on EHRA's investigation into alternate water supply sources, including potential interconnects and water supply agreements.

Mr. Beyer reported that the District has two storm water quality ("SWQ") permits serving Towne Lake detention Phase 1/Phase 3 and Towne Lake detention Phase 1 that need to be transferred into the District's name. He requested the Board authorize execution of a letter to Harris County accepting responsibility for the operation and maintenance of the two SWQ features and associated permits. He also requested the Board authorize execution of a letter to Harris County designating SWS

as its representative for the submission of SWQ permit renewal applications. After review and discussion, Director Ottmann moved to authorize execution of the letters to Harris County, subject to final review. Director Dahlke seconded the motion, which passed by unanimous vote.

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

Mr. Edminster updated the Board on the status of the UPRR/Highway 290 project, including efforts to obtain additional sources of funding.

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.

REVIEW BIDS AND AWARD CONTRACT FOR DETENTION 1J, PHASE 2

Ms. Downhour report that the District received bids for the detention 1J, Phase 2 project. She recommended the Board reject all bids and re-authorize advertisement for bids with revised specifications. After review and discussion, Director Roberts moved to reject all bids and re-authorize advertisement for bids for detention 1J, Phase 2. Director Dahlke seconded the motion, which passed by unanimous vote.

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

The Board deferred award of contract for repair of tie-back walls.

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

The Board deferred award of contract for dredging of reservoirs (phase one), pending approval by the Texas Commission on Environmental Quality of a change in scope/surplus funds application.

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

Ms. Downhour updated the Board on the status of construction of water plant no. 2. She reviewed and recommended approval of an invoice in the amount of \$3,430, submitted by Paradigm Consultants, Inc., for inspection work and Pay Estimate No. 1 in the amount of \$669,546, submitted by W.W. Payton Corporation. After review and discussion, Director Dahlke moved to approve the invoice in the amount of \$3,430, submitted by Paradigm Consultants, Inc., and Pay Estimate No. 1 in the amount of \$669,546, submitted by W.W. Payton Corporation, as recommended. Director Roberts seconded the motion, which passed by unanimous vote.

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 an invoice in the amount of \$431, submitted by Paradigm Consultants, Inc. After review and discussion, Director Dahlke moved to approve the invoice in the amount of \$431 submitted by Paradigm Consultants, Inc., as recommended. Director Roberts seconded the motion, which passed unanimously.

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 DETENTION 1I, PHASE 3

Ms. Downhour updated the Board on the status of detention 1I, Phase 3. She reviewed and recommended approval of Pay Estimate No. 13 & Final in the amount of \$104,393.70, submitted by Lindsey Construction, Inc. Ms. Downhour also recommended the Board accept the project. After review and discussion, Director Dahlke moved to approve Pay Estimate No. 13 & Final in the amount of \$104,393.70, submitted by Lindsey Construction, Inc., and final acceptance of the project, as recommended by the engineer. Director Roberts seconded the motion, which passed by unanimous vote.

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

The Board deferred discussion on this matter to 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.

APPROVE CAPACITY RESERVATION REQUESTS

There was no discussion on this matter.

UPDATE ON BOND APPLICATION NO. 8 AND SURPLUS FUNDS/CHANGE IN SCOPE APPLICATION

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

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("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 for water plant no. 1 and the request for a surface water commitment for water plant no. 2.

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

Ms. Vinson reviewed an electric easement from the District to CenterPoint Energy for the water plant no. 2 site. After review and discussion, Director Dahlke moved to approve the electric easement and direct that the easement be filed appropriately and retained in the District's official records. Director Roberts seconded the motion, which passed by unanimous vote.

LANDSCAPE ARCHITECT'S REPORT

The Board reviewed the landscape architect's report from KGA, a copy of which is attached.

Mr. DeForest reviewed a proposed design for park signage. The Board reviewed a draft Resolution Establishing Rules and Regulations Governing Use of District Recreational Facilities. After review and discussion, the Board took no action on the resolution, pending further review.

APPROVE 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.

REVIEW BIDS AND AWARD CONTRACT FOR TOWNE LAKE DETENTION 1H ADDITIONAL TREES

The Board deferred review of bids and award of contract for the Towne Lake Detention 1H additional trees, pending receipt of bids.

TRAILS, TREES, AND SIDEWALKS

There was no discussion on this matter.

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

Mr. DeForest updated the Board on the status of the Greenhouse Road, Segment Three, Phase 1 (South) hardscape improvements. He stated that KGA 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) HARDSCAPE IMPROVEMENTS

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

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

Mr. DeForest updated the Board on the status of the Towne Lake Parkway, Segment One hardscape improvements. He stated that KGA 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

The Board deferred discussion on this matter to executive session.

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

Mr. DeForest updated the Board on the status of the Greenhouse Road, Segment Four hardscape improvements. He stated that the project is complete and can be removed from the agenda.

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

Mr. DeForest updated the Board on the status of the Cypress North Houston Road, Segment Three landscape improvements. He stated that KGA had no pay estimates from Classic Irrigation & Landscape, LLC for the Board's approval.

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

Mr. DeForest updated the Board on the status of the Cypress North Houston Road, Segment Three hardscape improvements. He stated that KGA 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

Mr. DeForest updated the Board on the status of the Cypress North Houston Road, Segments One and Two landscape improvements. He reviewed and recommended approval of Pay Estimate No. 11 in the amount of \$48,797.97, submitted by Strickscapes, Inc. for the Board's approval. After review and discussion, Director Roberts moved to approve Pay Estimate No. 11 in the amount of \$48,797.97, as recommended. Director Ottmann seconded the motion, which passed by unanimous vote.

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

Mr. DeForest updated the Board on the status of the Cypress North Houston Road, Segments One and Two hardscape improvements. He reviewed and recommended approval of Pay Estimates Nos. 7 and 8 in the amounts of \$90,412.51 and \$10,422.61, respectively, submitted by Strickscapes, Inc., for the Board's approval. After

review and discussion, Director Dahlke moved to Pay Estimates Nos. 7 and 8 in the amounts of \$90,412.51 and \$10,422.61, respectively, as recommended. Director Roberts seconded the motion, which passed by unanimous vote.

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

Mr. DeForest updated the Board on the status of the Towne Lake Parkway from Greenhouse Road to Cypress North Houston landscape improvements. He stated that KGA 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

Mr. DeForest updated the Board on the status of the Section 43/46 park landscape improvements. Mr. DeForest stated that KGA 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

Mr. DeForest updated the Board of the status of the Section 43/46 Park hardscape improvements. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$189,489.78, submitted by Texas Wall & Landscape, for the Board's approval. After review and discussion, Director Dahlke moved to approve Pay Estimate No. 3 in the amount of \$189,489.78, as recommended. Director Roberts seconded the motion, which passed by unanimous vote.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WASTEWATER TREATMENT PLANT SCREENING

Mr. DeForest updated the Board on the status of the wastewater treatment plant screening project. He stated that KGA had no pay estimates from Strickscapes, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR PIPELINE EASEMENT LANDSCAPE IMPROVEMENTS

Mr. DeForest updated the Board on the status of the pipeline easement landscape improvements. He stated that KGA had no pay estimates from Strickscapes, Inc. for the Board's approval.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT, INCLUDING REQUEST FOR ANNEXATION OF TRACT(S)

There was no discussion on this matter.

REPORTS FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

The Board reviewed an open records request received by the District, a copy of which is attached.

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 3:08 p.m. pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with their attorney to discuss pending or contemplated litigation or a settlement offer. Ms. Downhour, Mr. Edminster, Ms. Vinson, and Ms. Ramirez also were present.

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

The Board reconvened in Open Session at 3:33 p.m.

ENGINEERING MATTERS (CONT'D)

CYPRESS NORTH HOUSTON SECTION 1 PAVING REPAIRS, SIDEWALK EXTENSION, AND ACCESS RAMPS (CONT'D)

Following discussion, Director Dahlke moved to authorize execution of an agreement with Jaho, Inc. in the amount of \$4,800.80 for construction of sidewalk extensions and access ramps. Director Roberts seconded the motion, which passed by unanimous vote.

CYPRESS NORTH HOUSTON SECTION 2 PAVING REPAIRS (CONT'D)

After discussion, Director Dahlke moved to (1) authorize Director Ottmann to act as the District's representative in matters related to the Cypress North Houston, Section 2 paving repairs; and (2) authorize preparation and submittal of a demand letter to Triple B Services, LLP. Director Roberts seconded the motion, which passed 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

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	2
Operator's report	2
Correspondence from residents regarding potential SWPPP violations.....	3
Proposals for SWPPP monitoring services.....	3
Engineer's report.....	4
Landscape architect's report	7
Open records request	11