

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

August 1, 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 1st day of August, 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
Joanne E. Quintero	Assistant Vice President

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

Also present at the meeting were Yemi Odufuye, Hank Miller, and Tom Russell, members of the public; Jonathan Cowen, director of Harris County Municipal Utility District No. 501 ("HC 501"); Noel Barfoot of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Rose Montalbano of F. Matuska, Inc.; 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 ("RBC"); Robert DeForest of KGA DeForest Design, LLC ("KGA"); and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Miller inquired if there was any oversight regarding potential conflicts of interests for directors of the District. Ms. Vinson stated that the District is a governmental entity and follows all statutory requirements for disclosure of conflicts of interests. She stated she was unaware of any director conflicts of interest requiring disclosure at this time.

Mr. Russell inquired whether the District will proceed with staining the fence at the District's wastewater treatment plant. Ms. Vinson stated that item will be covered under agenda item no. 7. Mr. Russell also inquired about a potentially unauthorized connection for the irrigation system for the wastewater treatment plant screening project to the Towne Lake Heritage Community Association's ("Heritage HOA") irrigation system. Mr. DeForest stated he will cover that item under agenda item no. 19.

Mr. Odufuye stated that he is concerned about independence of the District's auditor, McCall, related to McCall's preparation of the District's developer reimbursement reports and audits. He states he believes there is a potential undisclosed conflict of interest with the District's developer. Director Garcia stated that item would be addressed under agenda item no. 18.

APPROVE MINUTES

The Board reviewed the minutes of the July 10, 2018, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes as submitted. The motion was seconded by Director Roberts, which passed by unanimous vote.

TAXABLE CONTRACT REVENUE BONDS (WATER, SEWER, AND DRAINAGE FACILITIES), SERIES 2018

Ms. Vinson stated that the Texas Commission on Environmental Quality ("TCEQ") issued an Order Approving the Issuance of \$10,500,000 in Contract Revenue Bonds and discussed the procedures for sale of the bonds. Mr. Dustin reviewed the proposed schedule of events for sale of the bonds, a copy of which is attached.

APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Mr. Dustin reviewed a draft Preliminary Official Statement and Official Notice of Sale for the District's issuance and sale of its \$10,500,000 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2018 ("Series 2018 Bonds"). Following review and discussion, Director Roberts moved that the Preliminary Official Statement and Official Notice of Sale be deemed final and be authorized for release, subject to final review. Director Dahlke seconded the motion, which carried unanimously.

APPOINT PAYING AGENT/REGISTRAR

The Board considered appointing The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar for the District's Series 2018 Bonds. After discussion, Director Roberts moved to appoint The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar for the Series 2018 Bonds. Director Dahlke seconded the motion, which passed by unanimous vote.

DISCLOSURES PURSUANT TO MUNICIPAL SECURITIES RULEMAKING BOARD REQUIREMENTS

Mr. Dustin stated RBC makes annual disclosures to the District.

AUTHORIZE ADVERTISEMENT FOR SALE OF THE BONDS

The Board considered authorizing the District's financial advisor to advertise the sale of the District's Series 2018 Bonds. After discussion, Director Roberts moved to authorize the District's financial advisor to advertise the sale of the District's Series 2018 Bonds. The motion was seconded by Director Dahlke and carried unanimously. The Board concurred to conduct the sale of the bonds at the regular meeting on September 5, 2018, at 11:00 a.m.

AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

Mr. Barfoot discussed the procedures for preparing a developer reimbursement report, including verification that all developer reimbursement amounts are in accordance with the TCEQ-approved amounts. He stated that McCall follows all standard accounting requirements when preparing reimbursement reports.

In response to a previous comment from the public, Mr. Barfoot stated that a Caldwell Companies business entity owns the building where McCall leases its offices. In response to a request from the Board, he stated that he believes the lease agreement does not impair McCall's independence with respect to preparing the District's annual audits and reimbursement reports, noting that McCall pays fair market value for the office space. He added that McCall is willing to include a statement in any future documents prepared for the District disclosing the lease agreement. Discussion ensued.

The Board then considered authorizing McCall to prepare a developer reimbursement report for the Series 2018 Bonds. After review and discussion, Director Roberts moved to (1) authorize McCall to prepare the developer reimbursement report for the Series 2018 Bonds; and (2) request that McCall include a disclosure in the reimbursement report and in all future reports prepared by McCall disclosing the lease agreement. Director Dahlke seconded the motion, which carried by unanimous vote.

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. She also reviewed the District's quarterly investment report.

In response to a question from the Board, Mr. Barfoot explained the authorized uses of funds from the District's capital projects, debt service, and general operating funds.

The Board discussed the District's current operating fund balances and expenses, including the cost sharing agreement with the Towne Lake Community Association ("HOA") for law enforcement services.

The Board discussed whether to transition to a policy of separately charging the Participant districts the West Harris County Regional Water Authority ("WHCRWA") groundwater pumpage and surface water fees (the "Authority Fees") based on each Participant district's actual water usage, for the fiscal year ending March 31, 2020, rather than including such fees in the monthly per connection charges for operation and maintenance costs.

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

AUTHORIZE PREPARATION OF NOTICE TO PARTICIPANT DISTRICTS REGARDING PROPOSED CONTRACT TAX RATE

The Board considered authorizing the preparation of the annual notice to the Participant districts regarding the proposed contract tax rate and the contract payments owed to the Master District for calendar year 2019. Upon a motion made by Director Quintero and seconded by Director Dahlke, the Board voted unanimously to authorize the preparation of the notice to the Participant districts regarding the contract tax and contract payments owed to the Master District for calendar year 2019.

DISCUSS MONTHLY CONNECTION FEES AND REGIONAL WATER AUTHORITY FEES

The Board discussed authorizing ABHR to prepare correspondence to the Participant districts regarding the intention of the Master District to transition to a policy of separately charging the Participant districts the Authority Fees based on each Participant district's actual water usage beginning with the fiscal year ending March 31, 2020, rather than including such fees in the monthly per connection charges for operation and maintenance costs. Discussion ensued regarding the content of the correspondence. After review and discussion, Director Dahlke moved to (1) authorize ABHR to prepare the correspondence to the Participant districts, as discussed; and (2) authorize the Board President to execute the correspondence on behalf of the Board. Director Quintero seconded the motion, which passed by unanimous vote.

REPORT ON SECURITY MATTERS, INCLUDING COST SHARING AGREEMENT FOR LAW ENFORCEMENT SERVICES

The Board reviewed a Cost Sharing Agreement for Law Enforcement Services between the District, as Internal District, and the District, as Master District, for the District, as Internal District, to contribute 35% of the Master District's share of the cost

of the law enforcement services cost sharing agreement with the HOA for security patrol provided by the Harris County Sheriff's Office for the period from March 1, 2018 through February 28, 2019.

After review and discussion, Director Roberts moved to approve the Cost Sharing Agreement for Law Enforcement Services and direct that the Agreement be filed appropriately and retained in the District's official records. Director Quintero seconded the motion, which passed by unanimous vote.

Ms. Carner noted that the May and June security reports were e-mailed to the Board prior to the meeting.

The Board then discussed Cost Sharing Agreement for Law Enforcement Services with the HOA, which expires on February 28, 2019. The Board discussed concerns raised by some Participant districts and residents regarding the cost of the Cost Sharing Agreement and the appropriate allocation of same. After discussion, the Board concurred to send a memorandum to the Participant districts and the HOA notifying the parties that the District, as Master District, does not intend to renew the Cost Sharing Agreement upon expiration of the current term.

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 EDP has only received one proposal thus far for fence staining at the wastewater treatment plant. He stated EDP can solicit additional proposals and stated the Board could authorize an amount not to exceed \$6,000 for the project. The Board discussed potentially adding the project to a future surplus funds application. After discussion, the Board took no action on the proposal.

Following discussion, Director Roberts moved to approve the operator's report. 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, including beaver removal.

Ms. Vinson reported on an unconfirmed sighting by a resident of an alligator in the regional detention facilities. She stated that the District has obtained a nuisance permit from the Texas Parks and Wildlife Department and A All Animal Control is attempting to locate and remove the alligator. The Board requested that ABHR send out a memorandum to the Participants districts regarding the additional sighting and post the memorandum to the District's website. Ms. Vinson also stated that there have been reports of tampering or other interference with the trapper's equipment. The Board requested ABHR include information regarding the equipment tampering in the memorandum to the Participant districts.

The Board then considered approving a proposal for extension of the alligator monitoring services provided by A All Animal Control. After review and discussion, Director Dahlke moved to approve the extension of the alligator monitoring services provided by A All Animal Control for an additional twelve consecutive weeks, at the rate of \$500 per monitoring visit per week, for a total amount of \$6,000. Director Roberts seconded the motion, which passed unanimously.

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

The Board concurred to defer discussion on this matter and other items pertaining to the regional detention facilities until the special meeting on August 22, 2018.

EROSION, DREDGING, AND WATER QUALITY

The Board concurred to defer discussion on this matter until the special meeting on August 22, 2018.

LAKE ACCESS AND RULES

The Board concurred to defer discussion on this matter until the special meeting on August 22, 2018.

ENGINEERING MATTERS, INCLUDING ALTERNATE WATER SUPPLY SOURCES

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 in Harris County.

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

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

Ms. Downhour 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 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 TCEQ 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 Pay Estimate No. 2 in the amount of \$315,729.00, submitted by W.W. Payton Corporation, and Pay Estimate Nos. 3 and 4 in the amounts of \$2,485 and \$2,400, respectively, submitted by JW Construction Services. After review and discussion, and based on the engineer's recommendation, Director Roberts moved to (1) approve Pay Estimate No. 2 in the amount of \$315,729.00, submitted by W.W. Payton Corporation; and (2) approve Pay Estimate Nos. 3 and 4 in the amounts of \$2,485 and \$2,400, respectively, submitted by JW Construction Services. Director Quintero seconded the motion, which passed by unanimous vote.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR DETENTION 1J, PHASE 2

Ms. Downhour updated the Board on the status of construction of the detention 1J, Phase 2 project. She stated that she had no pay estimates from R&T Ellis Excavating, Inc. 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 Pay Estimate No. 9 in the amount of \$8,740, submitted by Quadvest Construction, L.P. After review and discussion, Director Roberts moved to approve Pay Estimate No. 9 in amount of \$8,740, as recommended. Director Quintero 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.

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

The Board deferred discussion on this matter to executive session.

CYPRESS NORTH HOUSTON BRIDGE

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 AND SURPLUS FUNDS/CHANGE IN SCOPE APPLICATION

Ms. Downhour discussed and requested the Board authorize preparation of bond application no. 9. After review and discussion, Director Roberts moved to authorize preparation of bond application no. 9. Director Quintero seconded the motion, which passed by unanimous vote.

Ms. Downhour updated the Board on the status of the surplus funds/change in scope application for lake dredging. The Board discussed adding the wastewater treatment plant fence staining project to the second surplus funds application for erosion control measures, which is currently being prepared. After review and discussion, Director Dahlke moved to authorize the addition of the fence staining project to the surplus funds application in the total amount of \$14,000. Director Roberts seconded the motion, which passed by unanimous vote.

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. Carner reviewed a partial abandonment of a storm sewer easement owned by the District. Ms. Downhour stated EHRA recommends partially abandoning the easement as a section of it is no longer required. After review and discussion, Director Dahlke moved to approve the partial abandonment and direct that the abandonment 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 a draft Resolution Establishing Rules and Regulations Governing Use of District Recreational Facilities, revised as discussed at the last meeting. After review and discussion, Director Roberts moved to adopt the Resolution Establishing Rules and Regulations Governing Use of District Recreational Facilities and direct that the Resolution be filed appropriately and retained in the District's official records. Director Quintero seconded the motion, which passed by unanimous vote.

Mr. DeForest then reviewed the landscape architect's report from KGA, a copy of which is attached.

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

The Board deferred award of contract, pending receipt of 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.

TRAILS, TREES, AND SIDEWALKS

There was no discussion on this matter.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR TOWNE LAKE DETENTION 1H ADDITIONAL TREES

Mr. DeForest updated the Board on the status of the Towne Lake Detention 1H additional trees. He stated that KGA had no pay estimates from Allgreen Associates for the Board's approval.

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 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 reviewed and recommended approval of Change Order No. 1 to decrease the contract in the amount of \$34,053 and Change Order No. 2 to increase the contract in the amount of \$34,402.86, submitted by Hou-Scape, Inc. He also recommended the Board accept the project. The Board determined that Change Order Nos. 1 and 2 are beneficial to the District. After review and discussion and based upon the landscape architect's recommendation and the Board's determination that the Change Orders are beneficial to the District, Director Quintero moved to (1) approve Change Order No. 1 to decrease the contract in the amount of \$34,053; (2) approve Change Order No. 2 to increase the contract in the amount of \$34,402.86; and (3) accept the project. Director Roberts seconded the motion, which passed by unanimous vote.

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 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 KGA 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

Mr. DeForest updated the Board on the status of the Towne Lake Parkway from Greenhouse Road to Cypress North Houston landscape improvements. He reviewed and recommended approval of Pay Estimate No. 7 and Final in the amount of \$74,158.19, submitted by Classic Irrigation & Landscape, LLC. He also recommended the Board accept the project. After review and discussion, Director Quintero moved to

approve Pay Estimate No. 7 and Final in the amount of \$74,158.19 and accept the project, as recommended. Director Roberts seconded the motion, which passed unanimously.

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, INCLUDING PROPOSAL FOR PARK SIGNAGE

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

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 currently the contractor is hand-watering the plants while KGA identifies a permanent source of irrigation water. Mr. DeForest stated that the most viable option is connecting through the Heritage HOA's irrigation system, but noted he was not aware of any temporary connections to the Heritage HOA's system. He stated KGA will investigate the matter and report to the Board at the next regular meeting.

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 he 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

There was no discussion on this matter.

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 1:26 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, Ms. Vinson, Ms. Carner, 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 1:40 p.m.

ENGINEERING MATTERS (CONT'D)

CYPRESS NORTH HOUSTON BRIDGE

After review and discussion, Director Dahlke moved to (1) authorize Porter & Hedges to send correspondence to the surety if no response is received from Aranda Brothers Construction Co. regarding required repairs to the conduit; and (2) appoint Director Garcia as the Board's liaison related to this matter. 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

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