

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

November 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 November, 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 Garcia, thus constituting a quorum.

Also present at the meeting were Dave Jenkins, Bill Collier, Jeff Broadway, Lee Markiewicz, and Tom Russell, members of the public; Travis Singleton of the Towne Lake Community Association ("HOA"); Rose Montalbano of F. Matuska, Inc.; Tim Applewhite of McCall Swedlund Gibson Barfoot PLLC ("McCall"); Michael Ammel of Environmental Development Partners, LLC ("EDP"); Amy Downhour and Truman Edminster of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Brenda McLaughlin of Bob Leared Interests; Robert DeForest of KGA DeForest Design, LLC ("KGA"); Kent Puckett of Caldwell Companies; Matt Dustin of RBC Capital Markets; and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Singleton requested the Board consider approving the installation by the HOA of fish habitat structures in the regional detention facilities. He also addressed the Board regarding wildlife management in the District. Ms. Carner stated that the request for fish habitat structures would be covered under agenda item no. 10.d. and wildlife management would be discussed under agenda item no. 10.a.

Mr. Jenkins addressed the Board regarding beaver damage to his property and reviewed a handout, a copy of which is attached, regarding the damage and possible preventative measures. Ms. Carner stated Mr. Jenkins would need to obtain a consent to encroachment from the District for any modifications constructed on District property or in a District drainage easement. Ms. Downhour stated that EHRA has no

objections to the proposed modifications. After discussion, the Board concurred to authorize Mr. Jenkins to contact the District's trapper to discuss the potential effectiveness of the proposed modifications prior to submitting a formal request to the District for a consent to encroachment.

APPROVE MINUTES

The Board reviewed the minutes of the October 3, 2018, regular meeting. Ms. Ramirez noted a revision to the minutes. After review and discussion, Director Quintero moved to approve the minutes of the October 3, 2018, regular meeting, as revised. The motion was seconded by Director Dahlke, which passed by a vote of 3-0, with Director Ottmann abstaining.

APPROVE SUPPLEMENTAL REIMBURSEMENT REPORT FOR SERIES 2015 BONDS AND AUTHORIZE DISBURSEMENT OF BOND PROCEEDS

Mr. Applewhite reviewed a supplemental reimbursement report reflecting the amount reimbursable by the District to CW SCOA West, L.P. for construction of the projects funded by the District's \$15,875,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2015. After discussion, Director Ottmann moved to (1) approve the developer reimbursement report and direct that the report be filed appropriately and retained in the District's official records; and (2) approve the disbursement of funds as provided in the above-described developer reimbursement report. Director Dahlke seconded the motion, which carried unanimously.

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

REPORT ON SECURITY MATTERS AND DISCUSS SECURITY CONTRACT MATTERS

There was no discussion on this matter.

DISCUSS MONTHLY CONNECTION FEES AND REGIONAL WATER AUTHORITY FEES

Ms. Carner reported that all the Participants districts have approved the letter agreement regarding the Master District's intent, effective April 1, 2019, to separate out the West Harris County Regional Water Authority ("WHCRWA") groundwater

pumpage and surface water fees from the monthly per connection charges and bill the fees to each Participant based on its actual water usage plus an additional 5% for flushing and other non-metered water usage.

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 that fire hydrant repairs in fifteen locations were completed for a total cost of \$4,114.12.

Mr. Ammel reported that the elevated manhole adjacent to a District sidewalk has been repaired. He stated that EDP surveyed the other manholes in the District and no additional areas of concern were found at this time.

Following discussion, Director Ottmann moved to approve the operator's report. Director Quintero 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. He reported that EDP is waiting on one more deposit from FEMA.

APPROVE FIRST AMENDMENT TO NON-POTABLE WATER AGREEMENT WITH THE TOWNE LAKE COMMUNITY ASSOCIATION, INC.

Ms. Carner reviewed with the Board the First Amendment to Non-Potable Water Agreement with the HOA. Following discussion, Director Ottmann moved to approve the First Amendment to the Non-Potable Water Agreement with the HOA, subject to final review, and direct that the Amendment be filed appropriately and retained in the District's official records. Director Quintero seconded the motion, which carried unanimously.

DISCUSS LAKE MANAGEMENT AND MAINTENANCE

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 alligator monitoring and beaver removal. The Board

reviewed memoranda from the District to the Participant districts regarding recent alligator sightings, copies of which are attached. Discussion ensued regarding the procedures for reporting wildlife sightings to EDP.

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 Ottmann 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 Quintero seconded the motion, which passed unanimously. Director Ottmann requested that A All Animal Control provide a written summary of monitoring visits at the end of each twelve-week monitoring period.

EROSION, DREDGING, AND WATER QUALITY

Ms. Carner stated that the District's surplus funds application for lake dredging was approved by the Texas Commission on Environmental Quality ("TCEQ").

LAKE ACCESS AND RULES

Ms. Carner stated the HOA provided the District with the HOA's revised lake rules. The Board deferred action on adopting a Resolution Establishing Rules and Regulations Governing Use of the Master District Lakes, pending review of the HOA's revised lake rules and finalization of the District's own lake rules.

DISCUSS FISH HABITAT STRUCTURES, INCLUDING, IF APPLICABLE, APPROVE CONSENTS TO ENCROACHMENT

Ms. Downhour reviewed a map of areas where EHRA does not recommend installing any fish habitat structures, a copy of which is attached. Discussion ensued regarding the terms of a potential consent to encroachment for installation of fish habitat structures by the HOA. After review and discussion, Director Dahlke moved to authorize execution of a consent to encroachment for the fish habitat structures, subject to approval by Directors Quintero and Ottmann. Director Roberts seconded the motion, which passed by unanimous vote.

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 Storm Water Pollution Prevention Plan ("SWPPP") violations to Harris County, the enforcement agency for SWPPPs in Harris County.

PRELIMINARY PLANNING FOR GRADE SEPARATION AT UNION PACIFIC RAILROAD AND INTERSECTION IMPROVEMENTS AT HIGHWAY 290 ("UPRR/HIGHWAY 290 PROJECT"), INCLUDING UPDATE ON HOUSTON-GALVESTON AREA COUNCIL ("H-GAC") TRANSPORTATION IMPROVEMENT PROGRAM ("TIP") APPLICATION

Mr. Edminster updated the Board on efforts to obtain additional sources of funding for the UPRR/Highway 290 Project. He stated that the TIP application was submitted to the H-GAC. The Board reviewed the letter of funding commitment in the amount of \$3.8 million, which is the District's initial portion of the \$7.5 million local match required for the project, a copy of which is attached, which was submitted with the TIP application. Mr. Edminster stated that Harris County and Harris County Emergency Services District No. 9 approved the letters of funding commitment to contribute to the local match required for the project, and METRO provided contingent approval for reimbursement through a rebate tied to sales tax revenue. He discussed the timeline and the process for award and distribution of funds, along with a proposed general construction timeline for the project.

REPORT ON STORMWATER FACILITIES MAINTENANCE AND REPAIRS, AND APPROVE SUBMERGED STORM SEWER AGREEMENTS, MAINTENANCE AGREEMENTS

The Board reviewed a report from Storm Water Solutions, LP, a copy of which is attached.

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; (2) detention 1K, Phase 2; and (3) two left turn lanes at the intersection of Barker Cypress Road and Tuckerton Road.

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)

Ms. Downhour stated that the District received two bids for dredging of reservoirs (phase one). She recommended that the Board award the contract to Texas Dewatering, LLC, in the amount of \$1,057,940.20. The Board concurred that, in its judgment, Texas Dewatering, LLC was a responsible bidder who would be the most advantageous to the District and would result in the best and most economical completion of the District's facilities. Following review and discussion, Director Ottmann moved to award the contract for dredging of reservoirs (phase one) to Texas Dewatering, LLC, in the amount of \$1,056,940.20, based on the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements provided by the contractor. Director Quintero seconded the motion, which passed by unanimous vote.

Ms. Downhour noted that EHRA will send notice to affected residents regarding the project, as previously approved by the Board.

REVIEW BIDS AND AWARD CONTRACT FOR WASTEWATER TREATMENT PLANT HEADWORKS IMPROVEMENT PROJECT

The Board deferred award of contract for wastewater treatment plant headworks improvement project, pending receipt of bids.

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. 6 in the amount of \$2,170, submitted by JW Construction Services. Ms. Downhour also reviewed and recommended approval of Change Order No. 2 to increase the contract with W.W. Payton Corporation in the amount \$19,400. The Board determined that Change Order No. 2 is beneficial to the District.

After review and discussion, and based on the engineer's recommendation, Director Ottmann moved to (1) approve Pay Estimate No. 6 in the amount of \$2,170, submitted by JW Construction Services; and (2) approve Change Order No. 2 to increase the contract with W.W. Payton Corporation in the amount of \$19,400, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation. 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 reviewed and recommended approval of Pay Estimate Nos. 1 and 2 in the amounts of \$119,812.50 and \$281,587.50, respectively, submitted by R&T Ellis Excavating, Inc. After review and discussion, Director Ottmann moved to approve Pay Estimate Nos. 1 and 2 in the amounts of \$119,812.50 and \$281,587.50, respectively, as recommended. Director Quintero 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 Pay Estimate No. 12 and Final in the amount of \$40,933.35, submitted by Quadvest Construction, L.P., and final acceptance of the project. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 12 and Final in the amount of \$40,933.35, as recommended, and accept the project. 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 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.

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

There was no discussion on this matter.

UPDATE ON BOND APPLICATION AND SURPLUS FUNDS/CHANGE IN SCOPE
APPLICATION

Ms. Downhour stated that bond application no. 9 was submitted to the TCEQ on November 5, 2018.

WHCRWA MATTERS

There was no discussion on this matter.

LANDSCAPE ARCHITECT'S REPORT, INCLUDING PROPOSAL FOR PARK
SIGNAGE

Mr. DeForest 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 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 reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$113,590.80 and Change Order No. 2 to increase the contract in the amount of \$12,278.13, submitted by Allgreen Associates. The Board determined that Change Order No. 2 is beneficial to the District.

After review and discussion, Director Ottmann moved to (1) approve Pay Estimate No. 3 in the amount of \$113,590.80, as recommended; and (2) approve Change Order No. 2 to increase the contract in the amount of \$12,278.13, based upon the Board's finding that the Change Order is beneficial to the District and the landscape architect's recommendation. Director Quintero seconded the motion, which passed by unanimous vote.

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 reviewed and recommended approval of Pay Estimate Nos. 2 and 3 in the amounts of \$225,540.00 and \$16,886.93, respectively, and Change Order No. 1 to increase the contract in the amount of \$7,200, submitted by Classic Irrigation & Landscape, LLC. The Board determined that Change Order No. 1 is beneficial to the District.

After review and discussion, Director Ottmann moved to (1) approve Pay Estimate Nos. 2 and 3 in the amounts of \$225,540.00 and \$16,886.93, respectively, as recommended; and (2) approve Change Order No. 1 to increase the contract in the amount of \$7,200, based upon the Board's finding that the Change Order is beneficial to the District and the landscape architect's recommendation. Director Quintero seconded the motion, which passed by unanimous vote.

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 reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$34,976.01, submitted by Strickscapes, Inc. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 5 in the amount of \$34,976.01, as recommended. Director Quintero seconded the motion, which passed by unanimous vote.

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. He reviewed and recommended approval of Pay Estimate No. 5 and Final in the amount of \$27,751.00, submitted by Classic Irrigation & Landscape, LLC, and final acceptance of the project. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 5 and Final in the amount of \$27,751.00 and accept the project, as recommended. Director Quintero seconded the motion, which passed by unanimous vote.

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 stated that KGA had no pay estimates from Texas Wall & Landscapes, LLC for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WASTEWATER TREATMENT PLANT SCREENING

Mr. DeForest stated that the project is complete and updated the Board on the status of installation of the permanent irrigation system for the project.

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

Mr. DeForest updated the Board on the status of Greenhouse Road, Segment Five hardscape improvements. He stated that KGA had no pay estimates from Texas Wall & Landscapes, LLC for the Board's approval.

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

Mr. DeForest updated the Board on the status of Greenhouse Road, Segment Five 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 GREENHOUSE ROAD, SEGMENT FOUR LANDSCAPE IMPROVEMENTS

The Board deferred discussion on this matter to executive session.

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 correspondence regarding an open records request, a copy of which is attached.

CONVENE IN EXECUTIVE SESSION PURSUANT TO (1) DELIBERATE THE DEPLOYMENT OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES, PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, AND (2) CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER, PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board convened in Executive Session at 1:23 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.

Ms. Downhour left the meeting at 1:25 p.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 1:28 p.m. No action was taken by the Board.

APPROVE AMENDMENT TO FINANCIAL ADVISORY AGREEMENT WITH RBC CAPITAL MARKETS

Mr. Dustin presented a proposed amendment to the Financial Advisory Agreement between the District and RBC to revise RBC's fee schedule. After discussion, the Board requested RBC provide a proposal for a tiered fee structure for review prior to the next regular Board meeting.

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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