

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

December 5, 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 5th day of December, 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
Jeffrey D. Ottmann	Assistant Secretary
Joanne E. Quintero	Assistant Vice President

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

Also present at the meeting were Rachel Reagor and Bill Collier, members of the public; Travis Singleton of the Towne Lake Community Association ("HOA"); Rose Montalbano of F. Matuska, Inc.; 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"); Matt Dustin and Loren Morales of RBC Capital Markets; and Alia Vinson, Katie Carner, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Singleton inquired about the status of the HOA's request for installation of fish habitat structures in the regional detention facilities. He also inquired about the Master District's lake dredging project. Ms. Vinson stated that the request for installation of fish habitat structures would be covered under agenda item no. 8 and the lake dredging project would be discussed under agenda item no. 13.a.

APPROVE MINUTES

The Board reviewed the minutes of the November 7, 2018, regular meeting. After review and discussion, Director Ottmann moved to approve the minutes of the November 7, 2018, regular meeting, as presented. The motion was seconded by Director Roberts, and passed 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.

Ms. Montalbano stated that a draft budget for fiscal year ending March 31, 2020 will be ready for the Board's review at the next regular Board meeting.

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

## 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 include a tiered fee schedule. After review and discussion, Director Ottmann moved to approve the amendment to the Financial Advisory Agreement and direct that the amendment be filed appropriately and retained in the District's official records. Director Quintero seconded the motion, which passed by unanimous vote.

## REPORT ON SECURITY MATTERS AND DISCUSS SECURITY CONTRACT MATTERS

Ms. Carner stated the October security report was distributed via email to the Board. She stated the November report is not yet available.

## 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 Service Area.

## 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 still waiting on one more deposit from FEMA.

RECEIVE ESTIMATES FROM PARTICIPANT DISTRICTS REGARDING MONTHLY WATER AND SEWER DEMANDS, NUMBER OF NEW CONNECTIONS, AND AMOUNT OF RESERVED CONNECTIONS FOR THE UPCOMING FISCAL YEAR

Ms. Downhour reviewed the annual projection of water and sewer connections for each Participant district, for the fiscal year ending March 31, 2020, a copy of which is attached to the engineer's report. Discussion ensued.

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 alligator monitoring and beaver removal. She stated that the District's trapper removed a beaver the week of Thanksgiving.

Director Ottmann stated that he has seen evidence of damage caused by feral hogs in the surrounding areas and discussion ensued. After review and discussion, the Board concurred to direct KGA and EHRA to coordinate with Director Ottmann on investigating instances of possible damage to District facilities caused by feral hogs.

The Board discussed the HOA's request for a consent to encroachment to install fish habitat structures at locations within the regional detention facilities. Ms. Vinson stated the scope of the project is more expansive than previously approved by the Board. The Board reviewed additional information regarding the project provided by the HOA, including a map of twelve proposed zones for the fish habitat structures, including aquatic vegetation, and a fishery study, copies of which are attached. Discussion ensued. After review and discussion, the Board concurred to authorize the expanded scope of the project as discussed, subject to final review.

EROSION, DREDGING, AND WATER QUALITY

There was no discussion on this matter.

LAKE ACCESS AND RULES

Ms. Carner stated the HOA provided the District with the HOA's revised lake rules. The Board considered scheduling a special meeting to discuss lake matters and the potential adoption of District lake rules.

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 District's TIP application is pending with the H-GAC.

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 ("SWS"), a copy of which is attached. Discussion ensued. The Board requested a representative from SWS attend the next regular Board meeting.

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 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 DREDGING OF RESERVOIRS (PHASE ONE)

Ms. Downhour updated the Board on the status of dredging of reservoirs (phase one). She stated that she had no pay estimates from Texas Dewatering, LLC for the Board's approval.

Ms. Downhour reviewed and recommended approval of a proposal from Ninyo & Moore for construction materials testing and observation services related to the dredging project for an estimated cost of \$11,400. She also reviewed and recommended approval of a proposal from SWS for SWPPP management in the amount of \$23,550. Ms. Downhour then requested the Board authorize EHRA to proceed with obtaining before and after topographic surveys from Chris Ransome & Associates, Inc. ("CRA"), to be subcontracted under EHRA, for a cost of \$10,400 per survey.

After review and discussion, Director Ottmann moved to (1) approve the proposal from Ninyo & Moore; (2) approve the proposal from SWS; and (3) authorize EHRA to obtain two topographic surveys from CRA in the amount of \$10,400 per survey. Director Dahlke seconded the motion, which passed by unanimous vote.

Ms. Carner stated that the letter to the affected residents is being finalized and will be sent out prior to the commencement of the lake dredging project. Mr. Singleton requested the Board authorize homeowners to move their boat lifts to the District's property at the northern portion of detention 1G for the duration of the lake dredging project. Discussion ensued regarding necessary release documents for the affected homeowners. After review and discussion, the Board concurred to authorize ABHR to prepare a release form for the Board's review at the next meeting.

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. 5 in the amount of \$318,510, submitted by W.W. Payton Corporation.

After review and discussion, and based on the engineer's recommendation, Director Ottmann moved to approve Pay Estimate No. 5 in the amount of \$318,510, submitted by W.W. Payton Corporation. Director Dahlke 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 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

Ms. Downhour reported that Harris County Municipal Utility District No. 501 ("HC 501") has requested 82 equivalent single-family connections ("ESFCs") for water and sewer capacity for Towne Lake, Section 41, and Harris County Municipal Utility District No. 502 has requested 90 ESFCs for water and sewer capacity for Towne Lake, Section 50, and 63 ESFCs for water and sewer capacity for Towne Lake, Section 51. Following review and discussion, Director Ottmann moved to approve the capacity requests. Director Dahlke seconded the motion, which carried unanimously.

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 updated the Board on the status of bond application no. 9.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA") MATTERS

Ms. Vinson stated that the District received the proposed amendment to the trunkline financing agreement for the construction of the surface water line to serve water plant no. 2 from the WHCRWA, and AHBR is reviewing the amendment. She stated that the draft agreement will be presented to the Board for review at the next Board meeting.

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.

Mr. DeForest reviewed a proposal in the amount of \$3,799.80 for four single-sided park signs for the Section 43/46 park, which he proposed to rename as River Bend Park, a copy of which is attached to the landscape architect's report. The Board reviewed proposed design and language for the park signs, a copy of which is attached. After review and discussion, Director Ottmann moved to approve the proposal in the amount of \$3,799.80, to be subcontracted through KGA, subject to final review by Directors Quintero and Ottmann. Director Quintero seconded the motion, which passed by unanimous vote.

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 Nos. 4 and 5 in the amounts of \$5,240.01 and \$15,010.17, respectively, submitted by Allgreen Associates.

After review and discussion, Director Dahlke moved to approve Pay Estimate Nos. 4 and 5 in the amounts of \$5,240.01 and \$15,010.17, respectively, as recommended. Director Roberts 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 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 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 Change Order No. 3 to increase the contract in the amount of \$5,700, submitted by Texas Wall & Landscapes, LLC. The Board determined that Change Order No. 3 is beneficial to the District.

After review and discussion, Director Dahlke moved to approve Change Order No. 3 to increase the contract in the amount of \$5,700, based upon the Board's finding that the Change Order is beneficial to the District and the landscape architect's recommendation. Director Roberts seconded the motion, which passed by unanimous vote.

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. Ms. Carner stated that ABHR is working to finalize the terms of the Water Supply Agreement with the H. Towne Lake Community Association ("Heritage HOA") for the permanent irrigation system.

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, INCLUDING, IF APPROPRIATE, APPROVE SETTLEMENT AGREEMENT

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

Director Ottmann reported on correspondence received from a director of HC 501 requesting the Board consider participation in a community committee to increase water conservation efforts. After discussion, the Board concurred to discuss participation in such a committee at the next Internal District meeting.

Director Ottmann discussed his presentation to the Heritage HOA the previous Saturday regarding Master District matters. He requested the Board authorize posting his presentation on the District's website. After discussion, the Board concurred to authorize posting of the presentation to the District's website, subject to final review.

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 1:25 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. Vinson, Ms. Carner, and Ms. Ramirez also were present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 1:38 p.m.

LANDSCAPE ARCHITECT'S REPORT (CONT'D)

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD, SEGMENT FOUR LANDSCAPE IMPROVEMENTS, INCLUDING, IF APPROPRIATE, APPROVE SETTLEMENT AGREEMENT

After review and discussion, Director Ottmann moved to authorize execution of a settlement agreement with Landcrafters, Ltd. Director Roberts seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS (CONT'D)

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

After review and discussion, Director Ottmann moved to authorize Porter & Hedges LLP to proceed with scheduling of a deposition, as discussed. Director Quintero 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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