

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

June 5, 2019

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 June, 2019, at the Lakehouse, 10000 Towne Lake Parkway, Cypress, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Joanne E. Quintero	President
Jeffrey D. Ottmann	Vice President
Saundra Dahlke	Secretary
Gerald P. Mathers	Assistant Secretary
Marilyn Roberts	Assistant Vice President

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

Also present at the meeting were Jim Rogers and Yemi Odufuye, members of the public; Rose Montalbano of F. Matuska, Inc.; Michael Ammel of Environmental Development Partners, LLC ("EDP"); J.T. Gaden and Truman Edminster of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Brenda McLaughlin of Bob Leared Interests ("BLI"); Jerry Hlozek of Caldwell Companies; Robert DeForest of KGA DeForest Design, LLC ("KGA"); Matt Dustin of RBC Capital Markets; and Katie Carner and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Odufuye requested that the Board post the consultant reports on the District's website. The Board concurred to discuss the request at the next Internal District regular meeting.

APPROVE MINUTES

The Board reviewed the minutes of the May 1, 2019, regular meeting. After review and discussion, Director Mathers moved to approve the minutes of the May 1, 2019, regular meeting, as presented. Director Roberts seconded the motion, which 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.

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

#### 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.

Mr. Ammel updated the Board on the replacement of the gate at the wastewater treatment plant ("WWTP").

Mr. Ammel reviewed two proposals for the WWTP fence rehabilitation in the amount of \$17,550, submitted by K2 Services and in the amount of \$7,536.20, submitted by Turnbuckle Fencing, LLC ("Turnbuckle"), copies of which are attached. Discussion ensued regarding funding for the project.

Mr. Ammel updated the Board on the status of the Greenhouse Road bulkhead repairs.

After review and discussion, Director Mathers moved to (1) approve the operator's report; and (2) approve the proposal from Turnbuckle in the amount of \$7,536.20, to be subcontracted under EDP. Director Roberts seconded the motion, which passed by unanimous vote.

#### 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 Egyptian geese and beaver removal. The Board reviewed a report from A All Animal Control, a copy of which is attached. The Board also reviewed a memorandum from the District to the Participant districts regarding a recent reported alligator sighting, a copy of which is attached.

##### EROSION, DREDGING, AND WATER QUALITY

There was no discussion on this agenda item.

DISCUSS AMENDMENT TO MAINTENANCE AGREEMENT WITH TOWNE LAKE COMMUNITY ASSOCIATION, INC. ("HOA"), AND LAKE ACCESS AND RULES

Ms. Carner reported that the District received a draft amendment to the Maintenance Agreement from the HOA. She requested the Board authorize two directors to attend a meeting with the HOA and ABHR to discuss the proposed amendment. After review and discussion, the Board concurred to authorize Directors Quintero and Ottmann to attend a meeting with the HOA and ABHR to discuss the proposed amendment to the Maintenance Agreement.

In response to an inquiry from the public during the Internal District meeting, Ms. Carner stated that the Maintenance Agreement with the HOA states that the HOA may not prohibit residents of the Master District Service Area from accessing the regional detention facilities. Discussion ensued regarding the process for entities other than the HOA to request to use the regional detention facilities, such as for the previous triathlon events.

ENGINEERING MATTERS, INCLUDING ALTERNATE WATER SUPPLY SOURCES

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

Mr. Gaden 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.

Mr. Gaden updated the Board on the status of discussion regarding a potential Interconnect Agreement for a second interconnect with Remington Municipal Utility District No. 1 ("Remington"). He stated that EHRA has scheduled a meeting with the engineer for Remington to discuss the matter further.

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 the status of the UPRR/Highway 290 Project. He stated that the required payment was submitted to Texas Department of Transportation ("TxDOT"), pursuant to the Advance Funding Agreement ("AFA"). Ms. Carner requested the Board authorize preparation of Interlocal Agreements with the District's funding partners for the project. After review and discussion, Director Dahlke moved to authorize ABHR to begin preparation of Interlocal Agreements with the

District's funding partners. Director Mathers seconded the motion, which passed by unanimous vote.

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

The Board reviewed a report from Storm Water Solutions, LLC ("SWS"), a copy of which is attached.

AUTHORIZE DESIGN, APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS OF CLEARING AND GRUBBING FOR DETENTION 1K AND 1L

Mr. Gaden requested the Board authorize design, approve the plans and specifications, and authorize advertisement for bids for clearing and grubbing to serve detention 1K and 1L. After review and discussion, Director Dahlke moved to authorize design, approve the plans and specifications, and authorize advertisement for bids for clearing and grubbing to serve detention 1K and 1L. Director Mathers seconded the motion, which passed by unanimous vote.

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 REHABILITATION OF TIE-BACK WALLS

Mr. Gaden reported that the District received two bids for rehabilitation of the tie-back walls. He recommended that the Board award the contract to the apparent low bidder, Structural Concrete Systems, LLC ("SCS"), in the amount of \$182,037.35. The Board concurred that, in its judgment, SCS 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 project. Discussion ensued regarding funding for the project

Following review and discussion, Director Roberts moved to award the contract for rehabilitation of the tie-back walls to SCS in the amount of \$182,037.35, 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 Mathers seconded the motion, which passed by unanimous vote.

REVIEW BIDS AND AWARD CONTRACT FOR WWTP HEADWORKS IMPROVEMENT PROJECT

The Board deferred award of contract for WWTP headworks improvement project, pending receipt of bids.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR DREDGING OF RESERVOIRS (PHASE ONE)

Mr. Gaden updated the Board on the status of dredging of reservoirs (phase one). He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$430,220.25, submitted by Texas Dewatering LLC. After review and discussion, Director Dahlke moved to approve Pay Estimate No. 2 in the amount of \$430,220.25, as recommended. Director Mathers seconded the motion, which passed by unanimous vote.

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

Mr. Gaden updated the Board on the status of construction of water plant no. 2. He stated that he had no pay estimates from W.W. Payton Corporation for the Board's approval.

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

Mr. Gaden updated the Board on the status of construction of the detention 1J, Phase 2 project. He reviewed and recommended approval of Pay Estimate No. 9 in the amount of \$138,910.50, submitted by R&T Ellis Excavating, Inc. After review and discussion, and based on the engineer's recommendation, Director Dahlke moved to approve Pay Estimate No. 9 in the amount of \$138,910.50. Director Mathers 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)

Mr. Gaden updated the Board on the status of Towne Lake Parkway, Segment One (from Greenhouse Road to Cypress North Houston). He stated that he had no pay estimates from Hassell Construction Company, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR TWO LEFT TURN LANES AT INTERSECTION OF BARKER CYPRESS AND TUCKERTON

Mr. Gaden updated the Board on the status of construction of the two left turn lanes at the intersection of Barker Cypress Road and Tuckerton Road. He stated that he had no pay estimates from WadeCon, LLC for the Board's approval.

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

There was no discussion on this matter.

APPROVE CAPACITY RESERVATIONS AND UTILITY COMMITMENT LETTERS

There was no discussion on this matter.

CONVEYANCE OF EASEMENTS/DEEDS; ABANDONMENT OF EASEMENT

There was no discussion on this agenda item.

UPDATE ON SURPLUS FUNDS APPLICATION AND ROAD BOND ISSUE

Mr. Gaden reported that the surplus funds application was approved by the Texas Commission on Environmental Quality ("TCEQ") on May 16, 2019.

Mr. Gaden updated the Board on the status of the proposed road bond issue.

CONTRACT REVENUE BONDS (WATER, SEWER, AND DRAINAGE FACILITIES), SERIES 2019

Ms. Carner stated that the TCEQ issued an Order Approving the Issuance of \$12,615,000 in Contract Revenue Bonds (Water, Sewer, and Drainage Facilities) 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 \$12,615,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2019 ("Series 2019 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 2019 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 2019 Bonds. Director Dahlke seconded the motion, which passed by unanimous vote.

AUTHORIZE ADVERTISEMENT FOR SALE OF THE SERIES 2019 BONDS

The Board considered authorizing the District's financial advisor to advertise the sale of the District's Series 2019 Bonds. After discussion, Director Roberts moved to authorize the District's financial advisor to advertise the sale of the District's Series 2019 Bonds. The motion was seconded by Director Dahlke and carried unanimously. The Board concurred to conduct the sale of the bonds at a special meeting on June 25, 2019, at 11:00 a.m., at the offices of ABHR.

AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

The Board considered authorizing McCall Gibson Swedlund Barfoot PPLC to prepare a developer reimbursement report for the Series 2019 Bonds. After review and discussion, Director Roberts moved to authorize McCall to prepare the developer reimbursement report for the Series 2019 Bonds. Director Dahlke seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this matter.

LANDSCAPE ARCHITECT'S REPORT

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 GREENHOUSE ROAD,  
SEGMENT FIVE HARDSCAPE IMPROVEMENTS

Mr. DeForest reviewed the status of Greenhouse Road, Segment Five hardscape improvements. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$97,196.65, submitted by Texas Wall & Landscapes, LLC. After review and discussion, Director Mathers moved to approve Pay Estimate No. 1 in the amount of \$97,196.65, as recommended. Director Dahlke seconded the motion, which passed by unanimous vote.

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

Mr. DeForest reviewed the status of Greenhouse Road, Segment Five landscape improvements. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$38,682.90, submitted by Classic Irrigation & Landscape, LLC. After review and discussion, Director Mathers moved to approve Pay Estimate No. 1 in the amount of \$38,682.90, as recommended. Director Dahlke seconded the motion, which passed by unanimous vote.

The Board discussed the irrigation system in the Towne Lake area, including the use of rain sensors. Director Ottmann stated that one of the goals of the Towne Lake Water Conservation Coalition is to encourage the use of rain sensors for irrigation systems in Towne Lake. Discussion ensued regarding the possible use of the WaterLogic water management service. Mr. Hlozek recommended that residents report any suspected irrigation system issues to the HOA.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Hlozek updated the Board on the status of development in Towne Lake.

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 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 did not convene in executive session.



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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