

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

August 7, 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 7th day of August, 2019, at the Lakehouse, 10000 Towne Lake Parkway, Cypress, Texas, outside the boundaries of the District but inside the boundaries of the Service Area, 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 Mathers, thus constituting a quorum.

Also present at the meeting were Jim Rogers, member of the public; George Gentry, director of Harris County Municipal Utility District No. 501 ("HC 501"); Rose Montalbano of F. Matuska, Inc.; Michael Ammel and Amanda Benzman of Environmental Development Partners, L.L.C. ("EDP"); J.T. Gaden and Truman Edminster of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Matt Dustin of RBC Capital Markets; Brenda McLaughlin of Bob Leared Interests; and Katie Carner and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the July 3, 2019, regular meeting. Director Ottmann noted a revision to the minutes. After review and discussion, Director Ottmann moved to approve the minutes of the July 3, 2019, regular meeting, as revised. Director Dahlke seconded the motion, which passed 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.

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 2020. Upon a motion made by Director Ottmann 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 2020.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board discussed the previously presented proposal from McDonald & Wessendorff Insurance ("McDonald") for renewal of the District's property, boiler and machinery, general liability, and auto liability insurance policies.

Following discussion, Director Ottmann moved to accept the proposal from McDonald for property, boiler and machinery, general liability, and auto liability insurance, and direct that the proposal be filed appropriately and retained in the District's official records. Director Roberts seconded the motion, which was approved 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 stated that water plant no. 1 sustained electrical damage to booster pump motor no. 4 and the air conditioner for the motor control room as a result of a thunderstorm. He stated that EDP filed an insurance claim on behalf of the District and stated he will bring cost estimates for repair of the damage to the next regular meeting for the Board's review.

Mr. Ammel requested the Board authorize replacement of the bearings and repairs to the bearing journals at blower no. 3 at the wastewater treatment plant ("WWTP") for an estimated cost of \$4,000.

Mr. Ammel requested the Board authorize the replacement of the gate at water plant no. 1 in the estimated amount of \$6,000 and replacement of the gate at lift station no. 1 in the estimated amount of \$4,800. After discussion, the Board tabled action on the proposals.

Mr. Ammel stated that the WWTP fence rehabilitation project is complete.

Mr. Ammel stated that the replacement of the gate at the WWTP is complete.

Mr. Ammel stated that the District received the final closeout letter from the Federal Emergency Management Agency for claims arising from Hurricane Harvey.

After review and discussion, Director Roberts moved to (1) approve the operator's report; and (2) authorize the bearing replacement and bearing journal repairs at blower no. 3 at the WWTP for an estimated cost of \$4,000. Director Ottmann 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. She stated that on July 29, 2019, the contractor caught and removed a 5' alligator in the northern portion of the lakes. The Board then reviewed memoranda from the District to the Participant districts regarding previous alligator sightings and the capture of the alligator, copies of which are attached.

The Board reviewed correspondence from a resident regarding snakes in the regional detention facilities, a copy of which is attached. After discussion, the Board took no action.

Ms. Carner stated that the three-month set up period for Egyptian geese removal has expired. After discussion, the Board concurred to take no action on approving an additional set up fee at this time.

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 discussions are ongoing between the HOA and the designated Board representatives regarding the amendment.

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 second interconnect with Remington Municipal Utility District No. 1 ("Remington"). He stated that Remington's engineer stated he does not recommend Remington sell any capacity in one of Remington's water wells to the District, but that he will present the District's request for a second emergency interconnect to Remington's Board. Ms. Carner and Mr. Gaden discussed the procedures for entering into an agreement for and constructing the second interconnect.

The Board then discussed the possibility of constructing one or more water wells within the Master District Service Area. After discussion, Director Dahlke moved to authorize EHRA to investigate the feasibility of constructing one or more water wells within the Master District Service Area. Director Roberts 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"), INCLUDING UPDATE ON HOUSTON-GALVESTON AREA COUNCIL TRANSPORTATION IMPROVEMENT PROGRAM PARTICIPATION AND INTERLOCAL AGREEMENTS WITH FUNDING PARTNERS

Mr. Edminster updated the Board on the status of the UPRR/Highway 290 Project, including the preliminary engineering work.

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

Mr. Gaden stated that the Storm Water Solutions, LLC report was posted to the District's SharePoint site.

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

The Board deferred award of contract for detention 1L, Phase 2, pending receipt of bids.

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. 3 and Final in the amount of \$59,263.22 and Change Order No. 2 to decrease the contract in the amount of \$475,182.70, submitted by Texas Dewatering LLC. Mr. Gaden also recommended the Board accept the project. The Board determined that Change Order No. 2 is beneficial to the District.

After review and discussion, and based upon the engineer's recommendation, Director Ottmann moved to (1) approve Pay Estimate No. 3 and Final in the amount of \$59,263.22 and Change Order No. 2 to decrease the contract in the amount of \$475,182.70, submitted by Texas Dewatering LLC, based upon the Board's determination that the Change Order is beneficial to the District and the engineer's recommendation; and (2) accept the project. Director Dahlke seconded the motion, which passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR CLEARING AND GRUBBING FOR DETENTION 1L, PHASE 2

Mr. Gaden updated the Board on the status of clearing and grubbing to serve detention 1L, Phase 2. He stated that he had no pay estimates from Project Storm, LLC for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR REHABILITATION OF TIE-BACK WALLS

Mr. Gaden updated the Board on the status of rehabilitation of the tie-back walls. He stated that he had no pay estimates from Structural Concrete Systems, LLC for the Board's approval.

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 Nos. 10 and 11 in the amounts of \$90,598.50 and \$9,112.50, respectively, submitted by R&T Ellis Excavating, Inc. After review and discussion, and based on the engineer's recommendation, Director Ottmann moved to approve Pay Estimate Nos. 10 and 11 in the amounts of \$90,598.50 and \$9,112.50, respectively. Director Dahlke 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 reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$90,180.00, submitted by WadeCon, LLC.

After review and discussion, Director Ottmann moved to approve Pay Estimate No. 1 in the amount of \$90,180.00, submitted by WadeCon, LLC, as recommended. Director Dahlke seconded the motion, which passed by unanimous vote.

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 RESERVATIONS AND UTILITY COMMITMENT LETTERS

There was no discussion on this matter.

UPDATE ON ROAD BOND ISSUE NO. 4 AND PARK BOND APPLICATION NO. 1

Mr. Gaden updated the Board on the status of the preparation of road bond issue no. 4 and park bond application no. 1.

CONVEYANCE OF EASEMENTS/DEEDS; ABANDONMENT OF EASEMENT

The Board considered approving a Special Warranty Deed for Restricted Reserve A in Towne Lake, Section 9 to be conveyed from HC 501 to the District. After discussion, Director Ottmann moved to approve the Special Warranty Deed and direct that the Deed be filed appropriately and retained in the District's official records. Director Roberts seconded the motion, which carried unanimously.

Ms. Carner stated that Harris County requires a maintenance agreement with the District in connection with Detention 1L and ABHR is working with the County on the agreement. The Board considered authorizing the Board President to execute a maintenance agreement with Harris County for Detention 1L, subject to Director Quintero's final approval. After review and discussion, Director Ottmann moved to authorize the Board President to execute a maintenance agreement with Harris County for Detention 1L, subject to Director Quintero's final approval. Director Roberts seconded the motion, which passed by unanimous vote.

The Board considered approving a proposal in the amount of \$2,600 from Berg Oliver Associates, Inc. ("Berg Oliver") for a Phase I Environmental Site Assessment for conveyance of certain reserves to be conveyed to the District. After discussion, Director Ottmann moved to approve the proposal from Berg Oliver in the amount of \$2,600. Director Roberts seconded the motion, which carried unanimously.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this matter.

LANDSCAPE ARCHITECT'S REPORT, INCLUDING UPDATE ON PREPARATION OF UPDATED MASTER PARK PLAN

Mr. DeForest updated the Board on the status of preparation of the updated Master Park Plan.

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 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.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

There was no discussion on this agenda item.

REPORTS FROM DISTRICT CONSULTANTS REGARDING DISTRICT
CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this agenda item.

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 convened in Executive Session at 1:20 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. The Board concurred that the presence of Mr. Edminster and Mr. Gaden was necessary for the rendition of legal services related to the matter. Mr. Edminster, Mr. Gaden, Ms. Carner, and Ms. Ramirez were also present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 1:26 p.m. No action was taken by the Board.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)



Debra Sanchez
Secretary, Board of Directors

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