

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

October 2, 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 2nd day of October, 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
James Ross	Assistant Vice President

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

Also present at the meeting were Rick Dahlke, member of the public; Justin Jenkins of McCall Swedlund Gibson Barfoot PLLC ("McCall"); George Gentry, director of Harris County Municipal Utility District No. 501; John Suppatkal, director of Harris County Municipal Utility District No. 502; 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"); Bob DeForest of KGA DeForest Design, LLC ("KGA"); Matt Dustin of RBC Capital Markets; Kent Puckett of Caldwell Companies; 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 September 4, 2019, regular meeting. After review and discussion, Director Ottmann moved to approve the minutes of the September 4, 2019, regular meeting, as submitted. 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 Mathers seconded the motion, which passed by unanimous vote.

APPROVE SUPPLEMENTAL REIMBURSEMENT REPORTS FOR SERIES 2016 AND SERIES 2018 CONTRACT REVENUE BONDS (ROAD FACILITIES) AND AUTHORIZE DISBURSEMENT OF FUNDS

Mr. Jenkins reviewed supplemental reimbursement reports reflecting the amounts reimbursable by the District to CW SCOA West, L.P. for construction of the projects funded by the District's \$12,440,000 Contract Revenue Bonds (Road Facilities), Series 2016 and \$9,635,000 Contract Revenue Bonds (Road Facilities), Series 2018. After discussion, Director Ottmann moved to (1) approve the developer reimbursement reports and direct that the reports be filed appropriately and retained in the District's official records; and (2) approve the disbursement of funds as provided in the developer reimbursement reports. Director Mathers seconded the motion, which carried unanimously.

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 status of the bulkhead repairs near detention 1H. He stated EDP can complete the repairs for approximately \$5,000.

Mr. Ammel reviewed a proposal in the amount of \$4,000 to repair the air conditioner for the motor control room at water plant no. 1, which sustained electrical damage as a result of a thunderstorm.

Mr. Ammel stated that the Board previously approved replacement of the phase one aeration tank air header at the wastewater treatment plant ("WWTP") for an amount not to exceed \$24,000. He requested the Board increase the not to exceed amount to \$25,000.

Mr. Ammel updated the Board on the status of the gate replacements at water plant no. 1 and lift station no. 1.

After review and discussion, Director Ottmann moved to (1) approve the operator's report; (2) approve the repair of the bulkhead near detention 1H in the approximate amount of \$5,000; (3) approve the proposal in the amount of \$4,000 for the repair of the air conditioner for the motor control room at water plant no. 1; and (4) approve the revised not to exceed amount of \$25,000 for the replacement of the phase one aeration tank air header at the WWTP. Director Mathers seconded the motion, which passed by unanimous vote.

DISCUSS LAKE MANAGEMENT AND MAINTENANCE

WILDLIFE MANAGEMENT, INCLUDING REPORT AND PROPOSALS FROM
A ALL ANIMAL CONTROL ("AAAC")

Ms. Carner updated the Board on the status of wildlife management in the District, including alligator monitoring and beaver removal. The Board reviewed a report from AAAC for September, a copy of which is attached.

The Board considered approving a proposal for extension of the alligator monitoring services provided by AAAC, in the amount of \$500 per week.

The Board also considered authorizing AAAC to set up for beaver trapping in Section 2 in the amount of \$2,000, pursuant to a previously approved proposal.

The Board then considered authorizing AAAC to set up for Egyptian geese removal in the amount of \$1,050, pursuant to a previously approved proposal.

After review and discussion, Director Ottmann moved to (1) approve the extension of the alligator monitoring services provided by AAAC for an additional six months, at the rate of \$500 per monitoring visit per week; (2) authorize AAAC to proceed with set up for beaver trapping in Section 2 in the amount of \$2,000; and (3) authorize AAAC to set up for Egyptian geese removal in the amount of \$1,050. Director Mathers seconded the motion, which passed by unanimous vote.

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 there will be a meeting on October 7, 2019, between the HOA and the designated Board representatives to discuss 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 stated that Harris County Municipal Utility District No. 196 has expressed interest in entering into an emergency interconnect agreement with the District. Discussion ensued.

The Board discussed status of the District's request for a second emergency interconnect with Remington Municipal Utility District No. 1 ("Remington 1"). The Board requested ABHR contact Remington 1 regarding the request.

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 provided to the Board.

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

Mr. Gaden reported that the District solicited five bids for the WWTP headworks improvement project. He recommended that the Board award the contract to the low bidder, Electrical Mechanical Service, Inc. ("EMS"), in the amount of \$51,008. The Board concurred that, in its judgment, EMS 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.

Following review and discussion, Director Ottmann moved to award the contract for the WWTP headworks improvement project to EMS in the amount of \$51,008, 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.

AUTHORIZE DESIGN FOR WATER WELL NO. 1

Mr. Gaden updated the Board on the status of preliminary engineering for water well no. 1. He requested the Board authorize design of water well no. 1. After review and discussion, Director Ottmann moved to authorize design of water well no. 1. Director Mathers seconded the motion, which passed by unanimous vote.

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. The Board discussed the construction schedule and concurred to proceed with the project in the first quarter of 2020.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WATER PLANT NO. 2, INCLUDING APPROVE AMENDMENT TO RETAIL POWER SALES AGREEMENT

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.

Ms. Carner reviewed an updated Amendment to the Retail Power Sales Agreement to add the new electricity meter required to provide power to water plant no. 2. After review and discussion, Director Ottmann moved to approve the Amendment to the Retail Power Sales Agreement to add the new electricity meter for water plant no. 2, and direct that the Amendment be filed appropriately and retained in the District's official records. Director Mathers seconded the motion, which passed by unanimous vote.

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 stated that he 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)

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

Ms. Carner reviewed a recreational easement from the CW SCOA, LP to the District for the dry portion of detention 1K Phase 3 basin. After review and discussion, Director Ottmann moved to accept the recreational easement and direct that the easement be filed appropriately and retained in the District's official records. Director Mathers seconded the motion, which passed by unanimous vote.

Ms. Carner stated that Harris County requires a maintenance agreement with the District in connection with the dry portion of detention 1K Phase 3 basin 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 the dry portion of detention 1K Phase 3 basin, 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 the dry portion of

detention 1K Phase 3 basin, subject to Director Quintero's final approval. Director Mathers seconded the motion, which passed by unanimous vote.

UPDATE ON PARK BOND APPLICATION NO. 1, AND AUTHORIZE PREPARATION OF SURPLUS FUNDS APPLICATION, INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") FOR USE OF SURPLUS FUNDS

Mr. Gaden updated the Board on the status of the preparation of park bond application no. 1.

The Board considering authorizing preparation of a surplus funds application to use excess bond funds for construction of water well no. 1. After review and discussion, Director Ottmann moved to authorize preparation of a surplus funds application. Director Mathers seconded the motion, which passed by unanimous vote.

CONTRACT REVENUE BONDS (ROAD FACILITIES), SERIES 2019

Mr. Dustin discussed the procedures and proposed schedule for the issuance of the District's \$7,410,000 Contract Revenue Bonds (Road Facilities), Series 2019 (the "Series 2019 Road Bonds").

APPROVE FINAL COST SUMMARY

Ms. Carner and Mr. Gaden reviewed the final cost summary prepared by EIIRA for the Series 2019 Road Bonds. Following review and discussion, Director Ottmann moved to approve the cost summary. Director Mathers seconded the motion, which carried unanimously.

APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Ms. Dustin reviewed a draft Preliminary Official Statement for the District's issuance and sale of its Series 2019 Road Bonds. Following review and discussion, Director Ottmann moved that the Preliminary Official Statement be deemed final and be authorized for release, subject to final review. Director Mathers seconded the motion, which carried unanimously.

APPOINT PAYING AGENT/REGISTRAR

The Board discussed appointing The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar for the District's Series 2019 Road Bonds. Director Ottmann moved to appoint The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar for the Series 2019 Road Bonds. Director Mathers seconded the motion, which passed by unanimous vote.

ADVERTISEMENT AND SCHEDULE FOR SALE OF THE SERIES 2019 ROAD BONDS

The Board considered authorizing the District's financial advisor to advertise for the sale of the District's Series 2019 Road Bonds. Director Ottmann moved to authorize the District's financial advisor to advertise for the sale of the District's Series 2019 Road Bonds. The motion was seconded by Director Mathers and carried unanimously. The Board concurred to schedule the bond sale for next month's regular meeting on November 6, 2019.

AUTHORIZE TAX ASSESSOR/COLLECTOR TO REQUEST CERTIFICATE OF ASSESSED VALUE AS OF JANUARY 1 FROM THE APPRAISAL DISTRICT

The Board considered authorizing the tax assessor/collector to request Certificates of Appraised Values as of January 1, 2019, from the Harris County Appraisal District for the Participant districts. After discussion, Director Ottmann moved to authorize the tax assessor/collector to request the Certificates of Value. Director Mathers seconded the motion, which passed unanimously.

AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

The Board considered authorizing the District's auditor to prepare the developer reimbursement report for the Series 2019 Road Bonds. After review and discussion, Director Ottmann moved to authorize the District's auditor to prepare the developer reimbursement report. Director Mathers seconded the motion, which passed by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this matter.

LANDSCAPE ARCHITECT'S REPORT, INCLUDING UPDATED MASTER PARK PLAN

Mr. DeForest stated that KGA is still working on finalizing 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

The Board reviewed correspondence from the attorney for Harris County Municipal Utility District No. 172 requesting the District's Consent to Encroachment with the HOA for the installation of fish habitats in the regional detention facilities, a copy of which is attached.

The Board reviewed correspondence from a resident and the HOA regarding the HOA lake dredging project, copies of which are attached.

The Board reviewed correspondence from the District to the HOA regarding the removal of the erosion control netting, 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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