

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

November 6, 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 6th day of November, 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
Jeffry D. Ottmann	Vice President
Saundra Dahlke	Secretary
Gerald P. Mathers	Assistant Secretary
James Ross	Assistant Vice President

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

Also present at the meeting were Todd LaBaume, member of the public; Claire Donnelly of H. Towne Lake Community Association, Inc.; Travis Singleton of the Towne Lake Community Association, Inc. ("HOA"); 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"); Brenda McLaughlin of Bob Leared Interests; 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

Mr. Singleton requested an update on the status of beaver removal in the regional detention facilities. Ms. Carner stated that matter will be discussed under agenda item no. 5.a.

APPROVE MINUTES

The Board reviewed the minutes of the October 2, 2019, regular meeting. After review and discussion, Director Ottmann moved to approve the minutes of the October 2, 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 Dahlke moved to approve the bookkeeper's report and the payments presented. Director Ottmann 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 stated the bulkhead repair near detention 1H is complete.

Mr. Ammel stated the repairs of the air conditioner for the motor control room and the booster pump no. 4 motor and breaker at water plant no. 1 are complete and EDP has filed an insurance claim on behalf of the District.

Mr. Ammel stated that the gate replacements at water plant no. 1 and lift station no. 1 are complete.

After review and discussion, Director Ottmann moved to approve the operator's report. 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")

Director Ottmann 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 AAAC for October, a copy of which is attached. The Board also reviewed a memorandum from the District to the Participant districts regarding beaver removal, 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. AND LAKE ACCESS AND RULES

Ms. Carner reported on a meeting held on October 7, 2019, between the HOA and the designated Board representatives to discuss the amendment to the maintenance agreement. She stated that preparation of the amendment to the maintenance agreement is in progress.

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.

Ms. Carner stated that the District received a request from the residents at 19103 San Solomon Springs Court for a consent to encroachment for existing water features along the edge of the lake, which utilize water pumped from the lake and compliance with the District's Non-Potable Water Policy and reclaimed water permit. Discussion ensued regarding the request, including the potential for erosion. After review and discussion, Director Mathers moved to authorize ABHR to send correspondence to the residents, subject to Director Quintero's final review, stating that the request for a consent to encroachment has been denied and the water features must be removed within 30 days. Director Ottmann seconded the motion, which passed by unanimous vote. The Board requested that ABHR provide the HOA with a copy of the letter.

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 discussions with Harris County Municipal Utility District No. 196 regarding a potential emergency interconnect agreement with the District.

Ms. Carner stated that ABHR contacted the attorney for Remington Municipal Utility District No. 1 ("Remington 1") regarding the District's request for a second emergency interconnect. She stated that Remington 1's attorney reported that their engineer discussed the request with the Board of Directors for Remington 1. Ms. Carner stated that Remington 1's attorney indicated that Remington 1 is open to a possible second emergency interconnect with the District and their engineer has requested additional information from EHRA.

Mr. Gaden updated the Board on the status of discussions regarding the request from the HOA to remove erosion control netting in certain portions of the lake. He stated that EHRA investigated alternatives to the erosion control netting, such as aquatic vegetation. Mr. Gaden stated that EHRA believes that the guidelines for aquatic vegetation established in the previously approved consent to encroachment for the

installation of fish habitats are insufficient for the installation of aquatic vegetation for erosion control purposes. He stated that EHRA can prepare detailed specifications for installing aquatic vegetation or alternatively, the District can engage a company to install the aquatic vegetation. Discussion ensued. After discussion, Director Ross moved to (1) authorize EHRA to prepare specifications for the installation of aquatic vegetation as an erosion control measure; (2) authorize Directors Quintero and Ottmann to meet with the HOA, if needed, to discuss the specifications prepared by EHRA; and (3) authorize the Board President to execute a consent to encroachment with the HOA which includes the aquatic vegetation specifications prepared by EHRA. Director Dahlke seconded the motion, which passed by unanimous vote.

Mr. Edminster then discussed concerns regarding erosion in several parts of the regional detention facilities due to wake action from boats, including adjacent to the Tuckerton Road Bridge. The Board concurred to discuss the matter further with the HOA to establish uniform specifications for erosion repair.

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

Mr. Gaden reported that the District received five bids for construction of detention 1L, Phase 2. He recommended that the Board award the contract to the low bidder, Texas Dewatering, LLC ("Texas Dewatering"), in the amount of \$3,828,704.75. The Board concurred that, in its judgment, Texas Dewatering 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 construction of detention 1L, Phase 2 to Texas Dewatering in the amount of \$3,828,704.75, 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.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR WATER WELL NO. 1

Mr. Gaden updated the Board on the status of the design of water well no. 1. The Board deferred approval of plans and specifications and authorizing advertisement for bids for construction of water well no. 1.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WASTEWATER TREATMENT PLANT ("WWTP") HEADWORKS IMPROVEMENT PROJECT

Mr. Gaden updated the Board on the status of the WWTP headworks improvement project. He stated that he had no pay estimates from Electrical Mechanical Service, Inc. for the Board's approval.

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 reviewed and recommended approval of Pay Estimate Nos. 1 and 2 in the amounts of \$77,085.00 and \$132,300.00, respectively, submitted by Project Storm, LLC. After review and discussion, Director Ottmann moved to approve Pay Estimate Nos. 1 and 2 in the amounts of \$77,085.00 and \$132,300.00, respectively, as recommended. Director Mathers seconded the motion, which passed by unanimous vote.

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 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

The Board deferred discussion on this agenda item until executive session.

ENGINEERING MATTERS (CONT'D)

Director Dahlke discussed various flood control and drainage improvement matters addressed at the Association of Water Board Directors Fall Seminar held on October 30, 2019.

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 matter.

UPDATE ON PARK BOND APPLICATION NO. 1, AND 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.

Mr. Gaden updated the Board on the status of preparation of the surplus funds application for construction of water well no. 1. The Board deferred adoption of a Resolution Authorizing Application to the TCEQ for Use of Surplus Funds.

CONTRACT REVENUE BONDS (ROAD FACILITIES), SERIES 2019

Mr. Dustin reviewed a revised schedule for the issuance of the District's \$7,410,000 Contract Revenue Bonds (Road Facilities), Series 2019 (the "Series 2019 Road Bonds"). He stated the schedule had to be revised due to the delay in the receipt of a rating letter from Moody's Investors Services.

APPROVE FINAL COST SUMMARY

The Board reviewed the final cost summary prepared by EHRA 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 revised 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 revised 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 December 4, 2019.

AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

Ms. Carner stated the Board already authorized the auditor to prepare the developer reimbursement report for the Series 2019 Road Bonds.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA") MATTERS, INCLUDING AGREEMENT REGARDING CREDITS FOR ALTERNATE WATER SUPPLY USE AND AUTHORIZE CORRESPONDENCE TO HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 172 ("HC 172")

Ms. Carner updated the Board regarding the status of the Agreement Regarding Credits for Alternate Water Supply Use with the WHCRWA ("Credit Agreement"). She stated that the attorney for HC 172 requested correspondence from the District regarding the Credit Agreement. Discussion ensued.

The Board then considered authorizing correspondence to HC 172 regarding the Credit Agreement. After review and discussion, Director Ross moved to authorize submittal of correspondence to HC 172 regarding the Credit Agreement, subject to Director Quintero's final review. Director Mathers seconded the motion, which passed by unanimous vote.

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 reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$26,650.00, submitted by Texas Wall & Landscapes, LLC. After review and discussion, Director Ross moved to approve Pay Estimate No. 4 in the amount of \$26,650.00, 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 updated the Board on the status of Greenhouse Road, Segment Five landscape improvements. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$49,898.70, submitted by Classic Irrigation & Landscape, LLC. After review and discussion, Director Ross moved to approve Pay Estimate No. 3 in the amount of \$49,898.70, as recommended. Director Dahlke seconded the motion, which passed by unanimous vote.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

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

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 1:45 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. Mr. Gaden, Mr. Edminster, Ms. Carner, and Ms. Ramirez also were present.

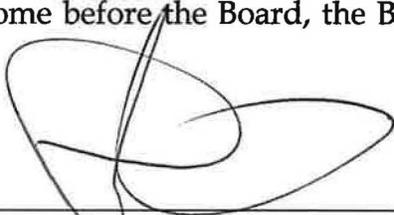
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 1:53 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)





Asst. Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	2
Operator's report.....	2
Reports from A All Animal Control.....	2
Memo from Master District regarding wildlife management.....	2
Engineer's report.....	3
Landscape architect's report.....	8