

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

December 4, 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 4th day of December, 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 Dahlke, thus constituting a quorum.

Also present at the meeting were George Gentry and Wayne Tyson, directors of Harris County Municipal Utility District No. 501; Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Rose Montalbano of F. Matuska, Inc.; Michael Ammel and Amanda Benzman of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests; J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Bob DeForest of KGA DeForest Design, LLC ("KGA"); Matt Dustin of RBC Capital Markets; and Alia Vinson and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Tyson addressed the Board regarding beaver damage to the marina at Harbor Gates in the Heritage. Mr. Gaden stated that the Towne Lake Community Association, Inc. ("HOA") owns that marina. The Board requested that Mr. Tyson send his pictures to ABHR for follow up with the HOA regarding repairs to the marina.

Mr. Tyson inquired about the status of discussions with the HOA regarding the possible removal of erosion netting in the regional detention facilities. Director Quintero stated that the District is finalizing a plan with the HOA, which will involve the use of aquatic vegetation to control erosion. Ms. Vinson stated that the matter would be discussed further under agenda item no. 7.

### APPROVE MINUTES

The Board reviewed the minutes of the November 6, 2019, regular meeting. After review and discussion, Director Ottmann moved to approve the minutes of the November 6, 2019, regular meeting, as submitted. Director Ross 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.

### 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 pending insurance claim for the water plant electrical damage.

Mr. Ammel reported that lift pump no. 3 at lift station no. 3 requires repair in the estimated amount of \$5,500 or replacement in the amount of \$9,000 due to a water leak in the motor housing. He stated that EDP recommends repair.

After review and discussion, Director Ottmann moved to (1) approve the operator's report; and (2) authorize the repair of lift pump no. 3 at lift station no. 3 for an estimated amount of \$5,500. Director Mathers seconded the motion, which passed by unanimous vote.

### 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

Mr. Gaden stated that EHRA is still finalizing the annual projection of water and sewer connections for each Participant district, for the fiscal year ending March 31, 2021.

## DISCUSS LAKE MANAGEMENT AND MAINTENANCE

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

Ms. Vinson 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 November, a copy of which is attached.

### EROSION, DREDGING, AND WATER QUALITY

The Board discussed monitoring water quality in the lake. The Board requested that ABHR contact the HOA to request copies of any water quality testing reports on a going forward basis.

### DISCUSS AMENDMENT TO MAINTENANCE AGREEMENT WITH TOWNE LAKE COMMUNITY ASSOCIATION, INC. AND LAKE ACCESS AND RULES

Ms. Vinson stated that ABHR sent the HOA a revised amendment to the maintenance agreement on November 20, 2019, and has not yet received comments.

## 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 discussions with Harris County Municipal Utility District No. 196 ("HC 196") regarding a potential emergency interconnect with the District. After discussion, the Board concurred to authorize ABHR to begin coordinating with the attorney for HC 196 on the preparation of an Emergency Water Supply Agreement for the proposed interconnect.

Mr. Gaden reviewed specifications for the installation of biologs and aquatic vegetation in the no-wake zone areas of detention 1C, a copy of which is attached. Discussion ensued. The Board concurred to discuss the specifications further with the HOA.

Mr. Gaden stated that, in connection with the construction of the water, sewer, and drainage facilities for Towne Lake, Section 60, the contractors might need

construction access over a District easement. Ms. Vinson stated that the contractor would need to enter into a Right-of-Entry Agreement with the District if access through the District's easement is required. Discussion ensued.

APPROVE ENGINEER'S REVISED HOURLY RATE AND REIMBURSEMENT SCHEDULE

There was no discussion on this agenda item

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. Gaden 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.

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 DETENTION 1L, PHASE 2

Mr. Gaden updated the Board on the status of the construction of detention 1L, Phase 2. He stated that he had no pay estimates from Texas Dewatering, LLC for the Board's approval.

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 No. 3 in the amount of \$132,300.00, submitted by Project Storm, LLC. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 3 in the amount of \$132,300.00, 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 reviewed and recommended approval of Pay Estimate No. 3 and Final in the amount of \$45,162.60, submitted by WadeCon, LLC, and final acceptance of the project.

After review and discussion, Director Ottmann moved to approve Pay Estimate No. 3 and Final in the amount of \$45,162.60 and accept the project, as recommended. Director Mathers 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 agenda item until executive session.

APPROVE CAPACITY RESERVATIONS AND UTILITY COMMITMENT LETTERS

Mr. Gaden reported that Harris County Municipal Utility District No. 502 ("HC 502") has requested 89 equivalent single-family connections for water and sewer capacity for Towne Lake, Section 53. Following review and discussion, and based upon the engineer's recommendation, Director Ottmann moved to approve the capacity request. Director Mathers seconded the motion, which carried unanimously.

CONVEYANCE OF EASEMENTS/DEEDS; ABANDONMENT OF EASEMENT

Ms. Vinson reviewed a drainage easement from the CW SCOA West, LP, to the District for the detention 1L basin. After review and discussion, Director Ottmann moved to accept the drainage easement, subject to receipt from CW SCOA West, LP 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.

The Board considered approving an amended proposal in the amount of \$2,600 from Berg Oliver Associates, Inc. ("Berg Oliver") for a Phase I Environmental Site Assessment for conveyance of additional reserves 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 passed by a vote of 3-0, with Director Ross abstaining.

UPDATE ON PARK BOND APPLICATION NO. 1, AUTHORIZE PREPARATION OF WATER, SEWER, AND DRAINAGE BOND APPLICATION NO. 10, AND PREPARATION OF SURPLUS FUNDS APPLICATION, INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") FOR USE OF SURPLUS FUNDS

Ms. Vinson updated the Board on the status of the preparation of park bond application no. 1.

The Board considered authorizing the preparation of bond application no. 10 for water, sewer, and drainage facilities. After review and discussion, Director Ottmann moved to authorize preparation of bond application no. 10 for water, sewer, and drainage facilities. Director Mathers seconded the motion, which passed by unanimous vote.

Ms. Vinson 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

REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S \$7,410,000 CONTRACT REVENUE BONDS (ROAD FACILITIES), SERIES 2019

The Board considered review of the bids and award of the sale of the District's \$7,410,000 Contract Revenue Bonds (Road Facilities), Series 2019 ("Series 2019 Bonds"). Mr. Dustin read the bids that had been received:

- (1) Hutchinson, Shockey, Erley & Co. ("Hutchinson"), with a net effective interest rate of 3.083737%; and
- (2) Raymond James & Associates, Inc., with a net effective interest rate of 3.098657%;
- (3) SAMCO Capital Markets, Inc., with a net effective interest rate of 3.102612%;
- (4) BOK Financial Securities, Inc., with a net effective interest rate of 3.152612%; and
- (5) Robert W. Baird & Co., Inc., with a net effective interest rate of 3.269870%.

The Board then considered award of the sale of the Series 2019 Bonds. Mr. Dustin stated that the low bid submitted by Hutchinson, with a net effective



interest rate of 3.083737%, had been reviewed and all numbers checked and confirmed. He recommended that the District accept the bid of Hutchinson as submitted. After discussion, Director Ross moved to award the sale of the Series 2019 Bonds to Hutchinson, with a net effective interest rate of 3.083737%, as recommended. Director Mathers seconded the motion, which carried unanimously.

#### RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S SERIES 2019 BONDS

The Board next considered adopting a Resolution Authorizing the Issuance of the District's Series 2019 Bonds ("Resolution"). Ms. Vinson reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the Series 2019 Bonds, the payment of principal and interest over the life of the Series 2019 Bonds, and certain District covenants regarding the tax-exempt status of the Series 2019 Bonds. After review and discussion, Director Ross moved to adopt the Resolution and direct that it be filed appropriately and retained in the District's official records. Director Mathers seconded the motion, which was approved by unanimous vote.

#### PAYING AGENT/REGISTRAR AGREEMENT

The Board next considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Ms. Vinson stated that the Paying Agent/Registrar Agreement sets forth the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Series 2019 Bonds. Director Ross moved to approve the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. and direct that it be filed appropriately and retained in the District's official records. Director Mathers seconded the motion, which carried unanimously.

#### OFFICIAL STATEMENT

The Board next considered approving the Official Statement. Ms. Vinson explained that the Preliminary Official Statement would be revised to reflect the terms of the sale, including the purchaser, interest rates and debt service requirements. After discussion, Director Ross moved to approve the Official Statement and direct that it be filed appropriately and retained in the District's official records. Director Mathers seconded the motion, which was approved by unanimous vote.



#### EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Vinson reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate"). After review and discussion, Director Ross moved to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records. Director Mathers seconded the motion, which passed by unanimous vote.

#### EXECUTION OF DOCUMENTS RELATED TO DISTRICT'S SERIES 2019 BONDS

Ms. Vinson next explained that there will be various documents related to delivery of the Bonds requiring execution by the directors prior to closing. She requested that the Board authorize the President or Vice President and Secretary or Assistant Secretary to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2019 Bonds to the purchaser. Director Ross moved to authorize execution of documents related to the sale and delivery of the Series 2019 Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2019 Bonds. Director Mathers seconded the motion, which was approved by unanimous vote.

#### APPROVE CHECK TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board considered approving the check to the Attorney General relating to bond issue transcript review. Upon a motion made by Director Ross and seconded by Director Mathers, the Board voted unanimously to approve the check to the Attorney General relating to bond issue transcript review.

#### APPROVE DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2019 BONDS AND AUTHORIZE DISBURSEMENT OF BOND PROCEEDS

Mr. Jenkins reviewed a reimbursement report reflecting the amount reimbursable by the District to CW SCOA West, L.P. for construction of the projects funded by the District's Series 2019 Bonds. After discussion, Director Ross moved to approve the developer reimbursement report, subject to final review. Director Mathers seconded the motion, which carried unanimously.

The Board considered approving the disbursement of the funds from the District's Series 2019 Bonds as provided in the developer reimbursement report. Upon a motion made by Director Ross and seconded by Director Mathers, the Board voted unanimously to approve the disbursement of funds as provided in

the above-described developer reimbursement report, subject to receipt of an executed receipt from the developer.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")  
MATTERS, INCLUDING AGREEMENT REGARDING CREDITS FOR ALTERNATE  
WATER SUPPLY USE

Ms. Vinson 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 Harris County Municipal Utility District No. 172 has executed the acknowledgement for the Credit Agreement. Discussion ensued.

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. 5 in the amount of \$106,713.04, submitted by Texas Wall & Landscapes, LLC. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 5 in the amount of \$106,713.04, as recommended. Director Ross 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 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 District to the residents at 19103 San Solomon Springs Court regarding the removal of existing water features along the edge of the lake, a copy of which is attached.

CONVENE IN EXECUTIVE SESSION TO 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 1:53 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, Ms. Vinson, and Ms. Ramirez also were present. Ms. Vinson requested the presence of Mr. Gaden in this executive session in order for the Board to obtain the necessary legal advice from its attorney, and the Board concurred to have him present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 1:56 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.



  
Asst. Secretary, Board of Directors

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