

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

February 12, 2020

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 12th day of February, 2020, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, 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
James Ross	Assistant Vice President

and all of the above were present except Directors Mathers and Ottmann, thus constituting a quorum.

Also present at the meeting were Brian and Hollie Choate, members of the public; Rose Montalbano of F. Matuska, Inc.; Michael Ammel and Amanda Benzman of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests; Truman Edminster and J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Loren Morales of RBC Capital Markets; and Katie Carner and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. and Ms. Choate addressed the Board regarding their request for a consent to encroachment for installation of a wrought iron fence within the District's drainage easement and reviewed information related to the request, a copy of which is attached. Ms. Carner and Mr. Gaden stated that the District has previously not granted consents to encroachment for installation of fencing in the District's drainage easement. Ms. Carner stated the matter would be discussed further under agenda item no. 15.

APPROVE MINUTES

The Board reviewed the minutes of the January 6, 2020, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes of the January 6, 2020, regular meeting, as submitted. Director Ross seconded the motion, which passed unanimously.

REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2014 BONDS

The Board reviewed the interim arbitrage rebate report for the District's \$5,610,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2014, from OmniCap Group LLC, noting that there is no payment due to the Internal Revenue Service.

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 Ross seconded the motion, which passed by unanimous vote.

BUDGET FOR FISCAL YEAR END MARCH 31, 2021, INCLUDING REPORT ON BUDGET WORKSHOP

Ms. Montalbano presented and reviewed with the Board the revised draft budget for the Master District's fiscal year ending March 31, 2021, a copy of which is attached to the bookkeeper's report. Discussion ensued regarding the budget workshop held with representatives from each Participant district.

After review and discussion, Director Dahlke moved to adopt the Master District budget for the fiscal year ending March 31, 2021, as presented. Director Ross 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 requested the Board authorize replacement of the gates at lift stations nos. 2 and 3 for an estimated amount of \$4,500.00 each. The Board discussed sending a notice letter to the Texas Commission on Environmental Quality ("TCEQ") for use of surplus funds for the gate replacements.

Mr. Ammel updated the Board on the status of repair of lift pump no. 1 at lift station no. 2.

Mr. Ammel updated the Board on the status of the pending insurance claim for the water plant no. 1 electrical damage.

Ms. Carner discussed certain requirements of the America's Water Infrastructure Act of 2018 (the "Act") requiring community water systems that serve a population of 3,301 or more to certify to the Environmental Protection Agency that the system has completed a Risk and Resilience Assessment and created an Emergency Response Plan. She then presented and reviewed a memorandum regarding the Act, a copy of which is attached. Ms. Carner reported the District's engineer has confirmed the District meets the community water system service population threshold as defined in the Act and will need to make the discussed certifications by the required Act deadlines.

After review and discussion, Director Ross moved to (1) approve the operator's report; (2) authorize replacement of the gates at lift stations nos. 2 and 3 for an estimated amount of \$4,500.00 each; and (3) authorize ABHR to send a notice letter to the TCEQ regarding the use of surplus funds for the gate replacements at lift station nos. 2 and 3. Director Dahlke 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 January, a copy of which is attached.

Ms. Carner stated that the District received a report of Egyptian geese in the regional detention facilities. 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 Ross moved to authorize AAAC to set up for Egyptian geese removal in the amount of \$1,050. Director Dahlke 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 THE TOWNE LAKE COMMUNITY ASSOCIATION, INC. ("HOA") AND LAKE ACCESS AND RULES

Ms. Carner stated that ABHR sent the HOA a revised amendment to the maintenance agreement on November 20, 2019, and has not yet received comments. She stated she will follow up with the HOA.

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. He stated that EHRA provided HC 196's engineer with a draft exhibit for the proposed Emergency Water Supply Agreement for review.

PRELIMINARY PLANNING FOR GRADE SEPARATION AT UNION PACIFIC RAILROAD AND INTERSECTION IMPROVEMENTS AT HIGHWAY 290 ("UPRR/HIGHWAY 290 PROJECT")

Mr. Gaden updated the Board on the status of the UPRR/Highway 290 Project, including the preliminary engineering work and projected schedule for completion of the project. The Board requested EHRA provide a written schedule for the project.

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 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 ("SCS") for the Board's approval.

Mr. Gaden reviewed photographs of unexpected damage to the tie-back walls that were identified by the contractor, copies of which are attached. After discussion, the Board concurred to include the repairs as a change order to the contract with SCS, to be presented at the next meeting.

Director Quintero inquired about EHRA's evaluation of the unauthorized cleats certain residents have installed in the tie-back walls. Mr. Gaden stated that some of the cleats have caused static cracks in the tie-back walls and requested the Board authorize SCS to remove the cleats as needed to repair the static cracks. Discussion ensued regarding the unauthorized cleats, including the potential for additional damage should the cleats be removed. After review and discussion, Director Ross moved to (1) authorize EHRA to survey the unauthorized cleats and identify any cleats that are causing static cracks; and (2) authorize EHRA and ABHR to coordinate on sending correspondence notifying residents that the installation of cleats into the District's tie-back walls is unauthorized and that existing cleats that are causing damage to the tie-back walls will be removed in order to repair the damage, with correspondence to be sent first to all residents whose cleats will be removed and second to all residents adjacent to Lake 1G. Director Dahlke seconded the motion, which passed by unanimous vote.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WASTEWATER TREATMENT PLANT HEADWORKS IMPROVEMENT PROJECT

Mr. Gaden updated the Board on the status of the wastewater treatment plant 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 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 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.

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

There was no discussion on this agenda item.

TOWNE LAKE SECTION 60 TEMPORARY ACCESS ROAD

Mr. Gaden reviewed a memorandum from EHRA, a copy of which is attached, regarding upcoming construction of Towne Lake Section 60 within Harris County Municipal Utility District No. 501 and EHRA's recommendation that a temporary construction access road be utilized off Towne Lake Parkway for the fill, water, sewer, and drainage, and paving contractors only. He reviewed an exhibit of the proposed route for the access road, which crosses the District's drainage easement. Mr. Gaden stated that construction of the access road would involve installing rip rap and fill within the District's drainage easement. Ms. Carner stated that the District would need Right-of-Entry Agreements from all contractors proposing to utilize the temporary construction access road. Discussion ensued. After review and discussion, Director Ross moved to (1) authorize EHRA to solicit for bids for the installation and removal of rip rap and fill within the District's drainage easement, to be funded by the developer; and (2) authorize ABHR to prepare Right-of-Entry Agreements with the appropriate contractors as identified by EHRA. Director Dahlke seconded the motion, which passed by unanimous vote.

CONVEYANCE OF EASEMENTS/DEEDS; ABANDONMENT OF EASEMENT;
CONSENTS TO ENCROACHMENT

Ms. Carner reviewed a sanitary sewer easement, a storm sewer easement, a water line easement, and a combined storm sewer and sanitary sewer easement (collectively, the "Easements") from CC TL Parkway 14, L.P. to the District. After review and discussion, Director Dahlke moved to accept the Easements and direct that Easements be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed by unanimous vote.

The Board then considered approving a Consent to Encroachment with the HOA for installation of biologs and aquatic vegetation in the no-wake zone areas of detention 1C. After review and discussion, Director Dahlke moved to approve the Consent to Encroachment with the HOA and direct that the Consent be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed by unanimous vote.

The Board discussed the request from Mr. and Ms. Choate for a consent to encroachment for installation of wrought iron fencing within the District's drainage easement. Following discussion, and based on the engineer's recommendation, the Board concurred to deny the request.

UPDATE ON PARK BOND APPLICATION NO. 1, WATER, SEWER, AND
DRAINAGE BOND APPLICATION NO. 10, AND PREPARATION OF SURPLUS
FUNDS APPLICATION

Ms. Carner updated the Board on the status of the preparation of park bond application no. 1. The Board deferred adoption of a Resolution Authorizing Application to the TCEQ for Approval of Projects and Bonds for park bond application no. 1.

Ms. Carner updated the Board on the status of preparation of bond application no. 10.

Ms. Carner 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.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

LANDSCAPE ARCHITECT'S REPORT, INCLUDING UPDATED MASTER PARK PLAN

Ms. Carner stated that the landscape architect's report prepared by KGA DeForest Design, LLC, was provided to the Board in advance of the meeting and there were no action items for the Board's consideration.

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 regarding an open records request, a copy of which is attached.

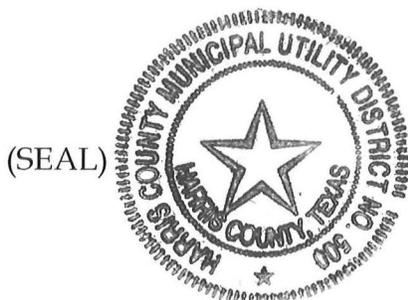
CONVENE IN EXECUTIVE SESSION TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER, PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board did not convene in Executive Session.

REVIEW AND REVISE ACTION LIST

The Board reviewed the action list and noted items to be included and removed from the list.

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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