

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

March 4, 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 4th day of March, 2020, 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, thus constituting a quorum.

Also present at the meeting were Michael Crahan of the Towne Lake Community Association, Inc. ("HOA"); George Gentry, director of Harris County Municipal Utility District No. 501; 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"); Eric Steinman of KGA DeForest Design, LLC ("KGA"); Peter Barnhart and Jessie Carrasco of Caldwell Companies; Loren Morales of RBC Capital Markets; Katie Carner and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR"); and members of the public as shown on the attached list.

PUBLIC COMMENTS

Mr. Grumbles addressed the Board regarding the tie-back wall rehabilitation project in Lake 1G. He inquired about the schedule for completion of the project and whether any damage was uncovered as a result of the previous dredging project.

Mr. Wnuk expressed concern regarding the contractor utilizing spray paint on the tie back walls above the water line. He also reported that he does not believe certain cracks within the boat slips are being repaired.

Mr. Faver stated that he believes there is a lack of sufficient communication to residents regarding the tie-back wall rehabilitation project.

## ENGINEERING MATTERS

Mr. Gaden discussed the status of rehabilitation of the Lake 1G tie-back walls, including the original scope of work to repair static cracks. He stated that the contractor identified additional damaged areas once the water level was lowered. Mr. Gaden stated that there is no evidence that the damage was caused by the previous dredging project, and he reported that the contractor will be repairing the additional damaged areas. He stated that repair of all cracks in the boat slips is supposed to be included in the rehabilitation project, and residents should notify EHRA if there are any cracks that have not been addressed. Mr. Gaden also stated that the contractor is required to restore the tie-back walls to their original condition by removing any spray paint or unnatural markings. He stated that the tie-back wall rehabilitation project is a 60-day contract, with completion scheduled for the end of March, 2020.

Ms. Carner noted that the District has been posting weekly updates, provided by EHRA, regarding the project on the District's website. She stated the website updates contain contact information for the EHRA project representatives residents can contact with questions or concerns about the project.

In response to an inquiry from the public, Mr. Gaden stated that no additional projects are anticipated in Lake 1G at this time.

## APPROVE MINUTES

The Board reviewed the minutes of the February 12, 2020, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes of the February 12, 2020, regular meeting, as submitted. Director Mathers seconded the motion, which passed by a vote of 4-0, with Director Ottmann abstaining.

## AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END MARCH 31, 2020

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to prepare the District's audit for fiscal year end March 31, 2020. The Board reviewed an audit continuance letter from McCall, a copy of which is attached, noting that preparation of the District's annual audit will cost an estimated \$17,000-18,000. Following discussion, Director Ottmann moved to authorize McCall to prepare the District's audit for fiscal year end March 31, 2020. Director Ross seconded the motion, which carried 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 requested the Board authorize the replacement of the piping that connects the water plant to the pressure tanks. He estimated the piping replacement would cost approximately \$50,000. The Board discussed sending a notice letter to the Texas Commission on Environmental Quality ("TCEQ") for use of surplus funds for the water plant pipe replacement project.

Mr. Ammel updated the Board on the status of the replacement of the gates at lift stations nos. 2 and 3.

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.

After review and discussion, Director Ottmann moved to (1) approve the operator's report; (2) authorize the replacement of the water plant piping to the pressure tanks in the approximate amount of \$50,000; and (3) authorize ABHR to send a notice letter to the TCEQ regarding the use of surplus funds for the water plant piping replacement project. Director Ross seconded the motion, which passed by unanimous vote.

#### DISCUSS LAKE MANAGEMENT AND MAINTENANCE

##### WILDLIFE MANAGEMENT, INCLUDING REPORT AND PROPOSALS FROM A ALL ANIMAL CONTROL

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 discussed methods to encourage residents to report wildlife sightings directly to EDP.

##### EROSION, DREDGING, AND WATER QUALITY

There was no discussion on this agenda item.

DISCUSS AMENDMENT TO MAINTENANCE AGREEMENT WITH THE HOA AND LAKE ACCESS AND RULES

Ms. Carner stated that the HOA has provided comments to the proposed revised amendment to the maintenance agreement, which ABHR is reviewing.

ENGINEERING MATTERS, INCLUDING ALTERNATE WATER SUPPLY SOURCES (CONT'D)

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. Ms. Carner stated that ABHR provided HC 196's attorney with a draft 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. He distributed a proposed schedule for the project, a copy of which is attached.

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.

TOWNE LAKE SECTION 60 TEMPORARY ACCESS ROAD

Mr. Gaden updated the Board on the status of construction of the Towne Lake Section 60 temporary construction access road. He stated that EHRA is working on obtaining bids for the project.

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 for the Board's approval.

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.

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

There was no discussion on this agenda item.

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 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.

SERIES 2020 BOND ANTICIPATION NOTE ("BAN") MATTERS

Ms. Carner stated that bond application no. 10 was declared administratively complete on February 25, 2020, and discussed with the Board the issuance of a BAN as interim financing until the District's Series 2020 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities) are sold. The Board considered authorizing the financial advisor to solicit bids for the BAN. After review and discussion, Director Ottmann moved to authorize the financial advisor to solicit bids for the BAN. Director Dahlke seconded the motion, which passed by unanimous vote.

The Board then considered authorizing McCall to prepare the developer reimbursement report for the BAN. After discussion, Director Ottmann moved to authorize McCall to prepare the developer reimbursement report. Director Dahlke seconded the motion, which passed by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")  
MATTERS

The Board discussed the recent 96" water main break within the City of Houston (the "City"). Mr. Ammel stated that due to a drop in water pressure in a portion of the City's water distribution system, the City was required to issue a boil water notice for the City's entire water distribution system. He stated that WHCRWA's operator issued a letter stating that the water supply to the WHCRWA was not affected by the City's water main break, which was posted to the District's website. Mr. Ammel stated that based upon guidance received by the TCEQ, the District was not required to issue a boil water notice because the water pressure in the District was not affected as a result of the City's water main break.

LANDSCAPE ARCHITECT'S REPORT, INCLUDING UPDATED MASTER PARK  
PLAN

Mr. Steinman 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. Steinman updated the Board on the status of Greenhouse Road, Segment Five hardscape improvements. He reviewed and recommended approval of Pay Estimate No. 7 in the amount of \$44,880.84, submitted by Texas Wall & Landscapes, LLC. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 7 in the amount of \$44,880.84, as recommended. Director Ross seconded the motion, which carried unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR GREENHOUSE ROAD,  
SEGMENT FIVE LANDSCAPE IMPROVEMENTS

Mr. Steinman updated the Board on the status of Greenhouse Road, Segment Five landscape improvements. He reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$85,943.70, submitted by Classic Irrigation & Landscape, LLC. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 4 in the amount of \$85,943.70, as recommended. Director Ross seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

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

REPORTS FROM DISTRICT CONSULTANTS REGARDING DISTRICT  
CORRESPONDENCE AND PROVISION OF RECORDS

Director Ottmann stated that he has received inquiries from the Towne Lake Fishing Club regarding the terms of the Consent to Encroachment for installation of biologs and aquatic vegetation in the no-wake zone areas of detention 1C, previously approved by the Board. Discussion ensued.

The Board suspended the meeting at 12:53 p.m.

The Board reconvened the meeting at 1:41 p.m.

REPORTS FROM DISTRICT CONSULTANTS REGARDING DISTRICT  
CORRESPONDENCE AND PROVISION OF RECORDS (CONT'D)

Director Ottmann reported that the resident at 19103 San Solomon Springs Court appears to have removed the unauthorized water feature. The Board requested that EHRA confirm the unauthorized water features have been removed.

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 1:45 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. Edminster, Mr. Gaden, Ms. Carner, and Ms. Ramirez also were present. Ms. Carner requested the presence of Mr. Edminster and 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 them present.



RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

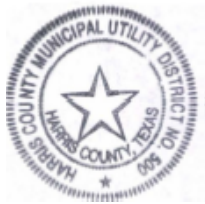
The Board reconvened in Open Session at 1:47 p.m. No action was taken by the Board.

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.

(SEAL)



/s/ Sandra Dahlke  
Secretary, Board of Directors

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