

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

April 1, 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 1st day of April, 2020, by teleconference at (1-888-278-0296), Access Code (7326726), 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 except Director Mathers, thus constituting a quorum.

Also present at the meeting via teleconference were Yemi Odufuye, member of the public; Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC; George Gentry, director of Harris County Municipal Utility District No. 501; Rose Montalbano of F. Matuska, Inc.; Michael Ammel 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”); Jerry Hlozek and Jessie Carrasco of Caldwell Companies; Loren Morales of RBC Capital Markets; and Katie Carner and Jennifer Ramirez of Allen Boone Humphries Robinson LLP (“ABHR”).

Ms. Carner reviewed certain recommended protocols for conducting the District’s meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an “agenda packet” prior to the start of the meeting at www.districtdirectory.org/agendapackets/hcmud500 (posted on March 31, 2020).

DECLARE EMERGENCY

Ms. Carner reported on Governor Abbott’s disaster declaration dated March 13, 2020, authorizing political subdivisions of the State of Texas to use all available resources to facilitate and expedite the use and deployment of District resources to enhance preparedness and response to the novel coronavirus (COVID-19). She stated in response to the Governor’s declaration, an emergency may be declared within the District for the duration of this declared disaster and for the limited purposes authorized by Governor Abbott. After discussion, Director Ottmann moved to declare

an emergency within the District for the duration of this declared emergency/disaster and for the limited purposes authorized by the Governor as a result of the novel coronavirus (COVID-19). Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

CONSIDER OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC

The Board discussed operations and service requirements relating to COVID-19 epidemic.

MEMORANDUM REGARDING PREPARATION FOR POTENTIAL EFFECTS OF COVID-19; ADOPT RESOLUTION REGARDING DELEGATION OF AUTHORITY DUE TO AN EMERGENCY

The Board reviewed a memorandum from ABHR regarding preparation for potential effects of COVID-19, a copy of which is attached. Ms. Carner then reviewed a Resolution Regarding Delegation of Authority Due to an Emergency (the "Resolution") and noted the Resolution reflects delegations of authority to take certain actions on behalf of the Board or District, including delegation to the bookkeeper to sign approved, authorized checks on behalf of the District in accordance with Section 49.151 of the Texas Water Code. After review and discussion, Director Ottmann moved to adopt the Resolution and direct it be filed appropriately and retained in the District's official records. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the March 4, 2020, regular meeting. After review and discussion, Director Ottmann moved to approve the minutes of March 4, 2020, regular meeting, as submitted. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2015 BONDS

The Board reviewed the interim arbitrage rebate report for the District's \$10,875,000 Contract Revenue Bonds (Road Facilities), Series 2015, from OmniCap Group LLC, noting that there is no payment due to the Internal Revenue Service.

SERIES 2020 BOND ANTICIPATION NOTE MATTERS

The Board considered review of the bids and award of the sale of the District's \$3,330,000 Taxable Bond Anticipation Note, Series 2020 ("2020 BAN"). Mr. Morales reviewed the bid that had been received:

- (1) Trustmark National Bank, with a rate of 1.600%.

Mr. Morales recommended that the District accept the bid of Trustmark National Bank, as submitted. After review and discussion, Director Ottmann moved to award the sale of the 2020 BAN to Trustmark National Bank. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE AND EXECUTION OF 2020 BAN

The Board considered adopting a Resolution Authorizing the Issuance of the District's 2020 BAN. Ms. Carner reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the 2020 BAN and the payment of the 2020 BAN from a future bond issue by the District. After review and discussion, Director Ottmann moved to adopt the Resolution Authorizing the Issuance of the District's 2020 BAN. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE 2020 BAN AND AUTHORIZE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER 2020 BAN TO THE PURCHASER

Ms. Carner explained that there will be various documents related to the issuance of the 2020 BAN requiring execution by the directors prior to closing. She requested that the Board authorize the President and Secretary to execute documents necessary in connection with the transaction. Ms. Carner also requested that the Board authorize the attorney and financial advisor to take all necessary action to deliver the 2020 BAN to the purchaser. Following discussion, Director Ottmann moved to authorize execution of documents related to the issuance of the 2020 BAN and to authorize the attorney and financial advisor to take all necessary action to deliver the 2020 BAN to the purchaser. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

ACCEPT AND EXECUTE PURCHASERS' INVESTMENT AND BID LETTER

The Board considered authorizing execution of the Purchasers' Investment and Bid Letter by Trustmark National Bank and various certificates and documents related to the issuance of the 2020 BAN. Following discussion and review, Director Ottmann moved to authorize execution of the Purchasers' Investment and Bid Letter by Trustmark National Bank and various certificates and documents related to the issuance of the 2020 BAN. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Carner reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate"). After review and discussion, Director Ottmann moved to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

APPROVE DEVELOPER REIMBURSEMENT REPORT AND AUTHORIZE DISBURSEMENT OF 2020 BAN PROCEEDS

Mr. Jenkins reviewed a developer reimbursement report related to the proceeds from the 2020 BAN. Following review and discussion, Director Ottmann moved to approve the developer reimbursement report and authorize disbursement of 2020 BAN proceeds as reflected in the developer reimbursement report, subject to the 2020 BAN closing and the developer's execution of a receipt for the funds. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion 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 Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Ammel reported that EDP has activated its emergency response plan for operational matters related to the COVID-19 public health emergency. The Board

considered posting a website notice regarding the proper disposal of items in the District's sanitary sewer system. Mr. Ammel stated that EDP has previously included a utility bill insert regarding proper disposal of items. The Board requested that EDP provide the insert to ABHR for posting on the District's website.

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 water plant piping rehabilitation project.

Mr. Ammel stated that the replacement of the gates at lift stations nos. 2 and 3 is complete.

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

Mr. Ammel reviewed correspondence from the District's insurance company, The Hanover Insurance Group ("Hanover"), denying the District's insurance claim for the water plant no. 1 electrical damage, a copy of which is attached to the operator's report. Discussion ensued. After discussion, the Board directed ABHR and EDP to coordinate on a response to Hanover regarding the claim.

Discussion ensued regarding EDP's access to the District's wastewater treatment plant during the COVID-19 epidemic.

After review and discussion, Director Ottmann moved to approve the operator's report. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

DISCUSS LAKE MANAGEMENT AND MAINTENANCE

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

The Board reviewed a report from AAAC for March, 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 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

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 received preliminary comments to the draft proposed Emergency Water Supply Agreement from HC 196's attorney. She stated that HC 196's attorney indicated that HC 196 will require that the District pay for 100% of the construction and maintenance costs associated with the emergency interconnect. Discussion ensued regarding requesting HC 196 to reimburse the District for 50% for the construction costs, should HC 196 utilize the interconnect.

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

Mr. Edminster 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, a copy of which is attached to the engineer's report.

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 the access road is still under design, but the Towne Lake, Section 60 project is on hold.

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 requested the Board authorize immediate termination of the contract with Texas Dewatering, LLC, for owner's convenience. Mr. Gaden then requested the Board authorize re-advertisement for bids for construction of detention 1L, Phase 2. After review and discussion, and based upon the engineer's recommendation, Director Ottmann moved to (1) terminate the contract with Texas Dewatering, LLC, immediately; and (2) authorize re-advertisement for bids for construction of detention 1L, Phase 2. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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. 5 in the amount of \$56,700.00, submitted by Project Storm, LLC. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 5 in the amount of \$56,700.00, as recommended. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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 reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$45,907.20, submitted by Electrical Mechanical Service, Inc. After review and discussion, Director Ottmann moved to approve Pay Estimate

No. 1 in the amount of \$45,907.20, as recommended. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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

There was no discussion on this agenda item.

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 Texas Commission on Environmental Quality ("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.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

LANDSCAPE ARCHITECT'S REPORT, INCLUDING UPDATED MASTER PARK PLAN

The Board reviewed the landscape architect's report from KGA DeForest Design, LLC ("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

Ms. Carner stated the landscape architect's report provides that KGA recommends approval of Pay Estimate No. 8 in the amount of \$3,779.26, submitted by Texas Wall & Landscapes, LLC. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 8 in the amount of \$3,779.26, as recommended by KGA. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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

Ms. Carner stated the landscape architect's report provides that KGA recommends approval of Pay Estimate No. 5 in the amount of \$32,049.54, submitted by Classic Irrigation & Landscape, LLC. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 5 in the amount of \$32,049.54, as recommended by KGA. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Hlozek 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.

REPORTS FROM DISTRICT CONSULTANTS REGARDING DISTRICT
CORRESPONDENCE AND PROVISION OF RECORDS

There was no discussion on this agenda item.

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

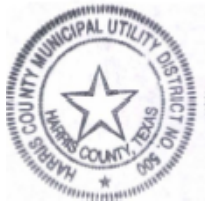
The Board did not convene in Executive Session.

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.

(SEAL)



/s/ Sandra Dahlke

Secretary, Board of Directors

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