

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

June 3, 2020

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 500 (the "District") met in regular session, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, on the 3rd day of June, 2020, and the roll was called of the members of the Board being present by telephone:

Joanne E. Quintero	President
Jeffrey D. Ottmann	Vice President
Saundra Dahlke	Secretary
Vacant	Assistant Secretary
James Ross	Asst. Vice President/ Asst. Secretary

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

Also present at the meeting via teleconference were Adam Jannik, member of the public; George Gentry, director of Harris County Municipal Utility District No. 501; Allison Snyder of Porter & Hedges LLP; Rose Montalbano of F. Matuska, Inc.; Michael Ammel of Environmental Development Partners, LLC ("EDP"); Truman Edminster and J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Brenda McLaughlin of Bob Leared Interests; Loren Morales of RBC Capital Markets ("RBC"); Robert DeForest of KGA DeForest Design, LLC ("KGA"); Kent Puckett, Jessie Carrasco, and Jerry Hlozek of the Caldwell Company; 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 June 1, 2020).

PUBLIC COMMENTS

Mr. Jannik addressed the Board regarding his request to utilize the lake for seaplane training. Ms. Carner stated the matter would be discussed further under agenda item no. 7.

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 12:08 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. Ms. Carner and Ms. Snyder also were present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 12:46 p.m.

ENGINEERING MATTERS

REPAIRS TO 24-INCH SANITARY SEWER LINE NEAR TOWNE LAKE PARKWAY AND TUCKERTON ROAD, INCLUDING, IF APPROPRIATE, APPROVE SETTLEMENT AGREEMENT

After review and discussion, Director Ottmann moved to authorize execution of a Settlement Agreement with BASU Family Holdings, LLC, Burton Construction Inc., and Alvites Plumbing, Inc., subject to final review. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

APPROVE MINUTES

The Board reviewed the minutes of the May 6, 2020, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes of May 6, 2020, regular meeting, as submitted. Director Ottmann seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC

There was no discussion on this agenda item.

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.

CONTRACT REVENUE REFUNDING BONDS (WATER, SEWER, AND DRAINAGE FACILITIES), SERIES 2020 ("SERIES 2020 REFUNDING BONDS")

Mr. Morales reviewed a Refunding Analysis Update, a copy of which is attached, for the Series 2020 Refunding Bonds.

AUTHORIZE PREPARATION OF PRELIMINARY OFFICIAL STATEMENT

Mr. Morales requested that the Board authorize preparation of the Preliminary Official Statement for the Series 2020 Refunding Bonds. Following discussion, Director Ottmann moved to authorize preparation of the Preliminary Official Statement for the Series 2020 Refunding Bonds. Director Dahlke seconded the motion, which passed by unanimous vote following a roll call vote.

AUTHORIZE APPLICATION FOR RATING

The Board considered authorizing RBC to seek a rating from Moody's Investors Service ("Moody's") for the Series 2020 Refunding Bonds. After discussion, Director Ottmann moved to engage a Moody's to perform a credit rating analysis for the Series 2020 Refunding Bonds. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

DESIGNATE UNDERWRITER

Mr. Morales discussed underwriter options for the Series 2020 Refunding Bonds. Following discussion, Director Ottmann moved that the Board designate SAMCO Capital Markets, Inc. as the underwriter. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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 reported that EDP filed an unauthorized discharge report with the Texas Commission on Environmental Quality ("TCEQ") and Harris County for an excursion caused by a failure of the automatic bar screen at the wastewater treatment plant. Discussion ensued.

Mr. Ammel updated the Board on the status of the water plant piping rehabilitation project.

Mr. Ammel updated the Board on the status of the installation of the flow meter on the water supply line to the ground storage tank at water plant no. 2.

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 following a roll call vote.

DISCUSS LAKE MANAGEMENT AND MAINTENANCE

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

The Board discussed the status of wildlife management in the District, including alligator monitoring and beaver removal, and reviewed a report from AAAC for May, a copy of which is attached.

Ms. Carner stated that the District has received reports of nutria and reviewed a proposal for nutria removal from AAAC, consisting of an initial set up fee of \$600, good for a three-month period, plus \$250 per nutria removed, a copy of which is attached.

After review and discussion, Director Ottmann moved to approve the proposal for nutria removal. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

EROSION, DREDGING, AND WATER QUALITY

The Board reviewed correspondence from the Towne Lake Fishing Club, a copy of which is attached, requesting authorization to plant additional shoreline vegetation in certain locations around the lake. The Board also reviewed correspondence from Director Ottmann, a copy of which is attached, regarding planting of shoreline vegetation by the Towne Lake Fishing Club. Discussion ensued. Mr. Gaden stated that the new plantings are not covered in the recent Consent to Encroachment, which covers the no-wake zone areas of detention 1B. He stated that EHRA has no immediate concerns with the new plantings, but would like to monitor them over time. After discussion, the Board concurred to (1) authorize correspondence to the Towne Lake Fishing Club and the Towne Lake Community Association, Inc. ("HOA") regarding procedures for obtaining approval for shoreline stabilization measures, including the planting of aquatic vegetation; and (2) authorize preparation of a Consent to Encroachment that will cover the new shoreline vegetation.

The Board also discussed the need for shoreline stabilization in the no-wake sections in the southern portion of the lake, where erosion netting was previously removed.

The Board discussed Mr. Jannik's request for use of the lake for seaplane training. After discussion, the Board requested ABHR to coordinate with the HOA regarding the request. The Board concurred to table action on the request.

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

Ms. Carner updated the Board on the status of the maintenance agreement with the HOA. She stated that ABHR is working on revisions to the draft agreement and will continue to coordinate with Directors Quintero and Ottmann.

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 regarding discussions concerning the proposed emergency interconnect with Harris County Municipal Utility District No. 196 ("HC 196"). The Board then reviewed the proposed Emergency Water Supply Agreement with HC 196. The Board also considered authorizing preparation and submittal of a surplus funds application for construction of the emergency interconnect facilities with HC 196.

After review and discussion, Director Ottmann moved to (1) approve the Emergency Water Supply Agreement with HC 196 and direct that the Agreement be filed appropriately and retained in the District's official records; (2) authorize preparation of a surplus funds application for construction of the emergency interconnect facilities with HC 196; and (3) adopt a Resolution Authorizing Application to the TCEQ for Use of Surplus Funds and direct that the Resolution 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 following a roll call vote.

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. He reviewed a breakdown of the water, sewer, and drainage capital projects fund. The Board discussed the options for casing sizes for various pump capacities and the related cost estimates. After discussion, the Board concurred to direct EHRA to proceed forward with design of the 1,200 gallon per minute pump capacity well.

TOWNE LAKE SECTION 60 TEMPORARY ACCESS ROAD

Mr. Gaden updated the Board on the status of design of the Towne Lake Section 60 temporary construction access road.

REVIEW BIDS AND AWARD CONTRACT FOR DETENTION 1L, PHASE 2

Mr. Gaden stated that the District received eight bids for detention 1L, Phase 2, project. He recommended that the Board award the contract to the low bidder, Allgood Construction Co., Inc. ("Allgood"), in the amount of \$1,586,410.04, subject to EHRA's verification of Allgood's references and financial qualifications. The Board concurred that, in its judgment, Allgood 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 District's facilities. Following review and discussion, Director Ottmann moved to award the contract for construction of the detention 1L, Phase 2, project to Allgood in the amount of \$1,586,410.04, based on the engineer's recommendation and subject to the Board President's receipt of EHRA's verification of Allgood's references and financial qualifications and approval of the payment and performance bonds and review of the certificate of insurance and endorsements, if any,

provided by the contractor. 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 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 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.

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.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

LANDSCAPE ARCHITECT'S REPORT, INCLUDING 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.

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. 7 in the amount of \$87,227.17, submitted by Classic Irrigation & Landscape, LLC.

After review and discussion, Director Dahlke moved to approve Pay Estimate No. 7 in the amount of \$87,227.17, as recommended. Director Ottmann seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Puckett updated the Board regarding 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.

REVIEW AND REVISE ACTION LIST

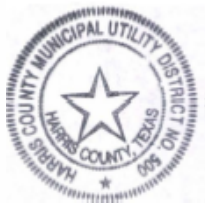
The Board reviewed the action list and noted items to be included and removed from the list.

OPERATOR'S REPORT (CONT'D)

Ms. Carner reported on further investigation regarding the denial of the District's insurance claim for the water plant no. 1 electrical damage. After discussion, the Board concurred to not pursue an appeal of the claim.

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

(SEAL)




Secretary, Board of Directors

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