

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

August 5, 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 5th day of August, 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 George Gentry, Wayne Tyson, and John Casey, directors of Harris County Municipal Utility District No. 501; 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; Bob DeForest of KGA DeForest Design, LLC ("KGA"); Loren Morales and Leslie Cook of RBC Capital Markets ("RBC"); Jerry Hlozek and Jessie Carrasco of Caldwell Companies; and Alia Vinson, 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](http://www.districtdirectory.org/agendapackets/hcmud500) (posted on August 4, 2020).

PUBLIC COMMENTS

Mr. Tyson reviewed a presentation on erosion in the regional detention facilities, a copy of which is attached. Ms. Carner stated that matter would be discussed further under agenda item no. 9.b.

### APPROVE MINUTES

The Board reviewed the minutes of the July 1, 2020, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes of July 1, 2020, regular meeting, as submitted. Director Ottmann 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. She noted that the District's 2018 alternate water use credits were applied against the West Harris County Regional Water Authority's ("WHCRWA") monthly pumpage and surface water delivery fees, which in turn reduced the monthly billing for the Participant districts for such fee.

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.

### AUTHORIZE PREPARATION OF NOTICE TO PARTICIPANT DISTRICTS REGARDING PROPOSED CONTRACT TAX RATE

The Board considered authorizing the preparation of the annual notice to the Participant districts regarding the proposed contract tax rate and the contract payments owed to the Master District for calendar year 2021. Upon a motion made by Director Ottmann and seconded by Director Ross and following a roll call vote, the Board voted unanimously to authorize the preparation of the notice to the Participant districts regarding the contract tax and contract payments owed to the Master District for calendar year 2021.

### RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board discussed the upcoming expiration of the District's insurance policies and discussed the previously presented insurance proposals from McDonald & Wessendorff Insurance and for Arthur J. Gallagher & Co. ("Gallagher") for the District's property, boiler and machinery, general liability, and auto liability insurance policies.

Following discussion, Director Ottmann moved to accept the proposal from Gallagher and direct that the proposal be filed appropriately and retained in the District's official records. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

UPDATE ON 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 and discussed the schedule for pricing.

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 replacement of the phase two aeration tank air header at the wastewater treatment plant ("WWTP").

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

Mr. Ammel updated the Board on the status of replacement of the chlorine feed system at WWTP.

Mr. Ammel updated the Board on the status of chlorine leak detector replacement at the WWTP.

Mr. Ammel stated that the replacement of the electrical starter for booster pump no. 1 at water plant no. 1 is complete.

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

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

Ms. Carner stated that the Texas Commission on Environmental Quality ("TCEQ") issued an order approving the issuance of the District's \$6,545,000 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2020 ("Series 2020 Bonds") and discussed the procedures for sale of the bonds. Mr. Morales discussed the proposed schedule of events for sale of the bonds.

PRELIMINARY OFFICIAL STATEMENT FOR THE DISTRICT'S SERIES 2020 BONDS

Mr. Morales reviewed the Preliminary Official Statement for the District's

Series 2020 Bonds. After review and discussion, Director Ottmann moved to approve the Preliminary Official Statement, subject to final review. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

#### APPOINT PAYING AGENT/REGISTRAR AND ESCROW AGENT

The Board considered appointing a paying agent/registrar and escrow agent for the Series 2020 Bonds. Following review and discussion, Director Ottmann moved to appoint The Bank of New York Mellon Trust Company, N.A., as the District's paying agent/registrar and escrow agent for the Series 2020 Bonds. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

#### AUTHORIZE ADVERTISEMENT FOR SALE OF THE SERIES 2020 BONDS

The Board considered authorizing the District's financial advisor to advertise the sale of the District's Series 2020 Bonds. After discussion, Director Ottmann moved to authorize the District's financial advisor to advertise the sale of the District's Series 2020 Bonds. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously. The Board concurred to conduct the sale of the bonds at the regular meeting on September 2, 2020, at 12:00 p.m.

#### AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to prepare a developer reimbursement report for the Series 2020 Bonds. After review and discussion, Director Ottmann moved to authorize McCall to prepare the developer reimbursement report for the Series 2020 Bonds. Director Dahlke 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 ("AAAC")

The Board discussed the status of wildlife management in the District, including alligator monitoring and beaver and nutria removal, and reviewed a report from AAAC for July, a copy of which is attached. The Board then reviewed a memorandum from the District to the Participant districts regarding a recent reported alligator sighting, a copy of which is attached. The Board also

reviewed correspondence from a Towne Lake resident regarding the alligator sighting, a copy of which is attached.

The Board reviewed a revised proposal for Egyptian geese removal for \$100 per goose removed with no set up fee, a copy of which is attached. After review and discussion, Director Ottmann moved to approve the revised proposal for Egyptian geese removal and direct that the proposal 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.

#### EROSION, DREDGING, AND WATER QUALITY

The Board reviewed correspondence that was sent to the residents at 9527 E. Pedernales River Drive for construction of erosion control measures that were not authorized as a part of the residents' Consent to Encroachment ("CTE") with the District, a copy of which is attached. Mr. Gaden reported that the construction is complete, and EHRA will investigate the site further and report back regarding recommended action at the next meeting.

Mr. Gaden reported that the Towne Lake Community Association, Inc. ("HOA") has requested authorization to begin a pilot erosion control project utilizing a product called SOX and reviewed a brochure about the product, a copy of which is attached. The Board discussed erosion matters including the presentation received under public comments. After review and discussion, Director Ottmann moved to authorize the HOA to proceed with the pilot erosion control program utilizing the SOX product, contingent upon the HOA entering into a CTE with the District and subject to the Board President's and Vice President's final approval and release of the CTE. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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

The Board deferred discussion on this matter until Executive Session.

#### 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 stated that EHRA conducted an inspection of the WWTP aeration and digester basins while the basins are offline for the ongoing cleaning project. He stated that EHRA recommends rehabilitating the basins while they are offline. He then reviewed and recommended approval of a proposal in the amount of \$1,900, submitted by JW Construction Services ("JW"), for metal thickness testing and coating inspection. Mr. Gaden also requested the Board authorize design, approve the plans and specifications, and authorize advertisement for bids for the WWTP aeration and digester basins recoating project. The Board discussed authorizing ABHR to send a notice letter to the TCEQ regarding the use of surplus funds for the WWTP aeration and digester basins recoating project.

After review and discussion, Director Ross moved to (1) approve the proposal in the amount of \$1,900, submitted by JW; (2) authorize design, approve the plans and specifications, and authorize advertisement for bids for the WWTP aeration basin and digester basin rehabilitation project; and (3) authorize ABHR to send a notice letter to the TCEQ regarding the use of surplus funds for the WWTP aeration and digester basin rehabilitation project. Director Ottmann seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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.

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 EMERGENCY WATER INTERCONNECT

Mr. Gaden requested the Board approve plans and specifications and authorize advertisement for bids for the emergency water interconnect with Harris County Municipal Utility District No. 196 ("HC 196"). After review and discussion, Director Ross moved to approve plans and specifications and authorize advertisement for bids for the emergency water interconnect with HC 196. Director Ottmann seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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 and reviewed a preliminary layout, a copy of which is attached to the engineer's report.

TOWNE LAKE SECTION 60 TEMPORARY ACCESS ROAD

Mr. Gaden updated the Board on the status of the Towne Lake Section 60 temporary construction access road. He recommended the Board award the contract for construction of the access road to Storm Water Solutions, LLC in the amount of \$7,800 with the cost to be paid by the developer. The Board concurred that, in its judgment, Storm Water Solutions, LLC was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Gaden also recommended the Board authorize execution of Right of Entry Agreements with the contractors who will utilize the access road, subject to final review.

After review and discussion, and based upon the engineer's recommendation, Director Ross moved to (1) award the contract for construction of the Towne Lake Section 60 temporary construction access road to Storm Water Solutions, LLC in the amount of \$7,800, based on the engineer's recommendation and review of the certificate of insurance and endorsements, if any, provided by the contractor; and (2) authorize execution of Right of Entry Agreements with contractors who will utilize the access road, subject to final review. Director Ottmann 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. 6 in the amount of \$79,380.00, submitted by Project Storm, LLC. After review and discussion, Director Ross moved to approve Pay Estimate No. 6 in the amount of \$79,380.00, as recommended. Director Ottmann seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR DETENTION 1L, PHASE  
2

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



APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WWTP 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) paving project. 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 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 the preparation of the surplus funds application for the construction of the emergency interconnect facilities with HC 196.

Ms. Carner updated the Board on the status of preparation of the surplus funds application for construction of water well no. 1.



#### WHCRWA 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. He stated that he had no pay estimates from Texas Wall Systems for the Board's approval.

#### 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 he had no pay estimates from Classic Irrigation & Landscape, LLC for the Board's approval.

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

#### 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

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 convened in Executive Session at 2:22 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. Vinson and Ms. Carner also were present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 2:34 p.m.

DISCUSS LAKE MANAGEMENT AND MAINTENANCE (CONT'D)

DISCUSS AMENDMENT TO MAINTENANCE AGREEMENT WITH THE HOA  
AND LAKE ACCESS AND RULES (CONT'D)

After discussion, the Board concurred to authorize distribution of the draft amendment to the maintenance agreement with the tax attorney's comments to the HOA and coordinate a meeting between the tax attorney and the HOA to discuss the draft amendment, if requested.

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