

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

September 2, 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 2nd day of September, 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
James Spackman	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; Robert DeForest of KGA DeForest Design, LLC ("KGA"); Loren Morales and Leslie Cook of RBC Capital Markets ("RBC"); Kent Puckett and Jesse 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 (posted on September 1, 2020).

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the August 5, 2020, regular meeting. After review and discussion, Director Ottmann moved to approve the minutes of August 5, 2020, regular meeting, as submitted. 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.

Ms. Montalbano stated that \$41,563.04 will be transferred from the District's debt service reserve fund at the time of the closing of the refunding bond issue to the debt service fund in order to maintain the required balance in the debt service reserve fund.

After review and discussion, Director Ottmann moved to approve the bookkeeper's report and the payments presented. Director Spackman 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

Mr. Morales reviewed a Pricing Book for the sale of the District's \$6,545,000 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2020 ("Series 2020 Bonds"), a copy of which is attached.

REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S SERIES 2020 BONDS

The Board considered review of the bids and award of the sale of the Series 2020 Bonds. Mr. Morales read the bids that had been received:

- (1) SAMCO Capital Markets ("SAMCO"), with a net effective interest rate of 3.091409%;
- (2) Raymond James & Associates, Inc., with a net effective interest rate of 3.349065%;
- (3) Robert W. Baird & Co., Inc., with a net effective interest rate of 3.358069%;
- (4) UMB Bank, N.A., with a net effective interest rate of 3.480745%; and
- (5) Huntington Securities, Inc., with a net effective interest rate of 3.716027%.

The Board next considered award of the sale of the Series 2020 Bonds. Mr. Morales stated that the low bid submitted by SAMCO, with a net effective

interest rate of 3.091409%, had been reviewed and all numbers checked and confirmed. He recommended that the District accept the bid of SAMCO, as submitted. After review and discussion, Director Ottmann moved to award the sale of the Series 2020 Bonds to SAMCO, with a net effective interest rate of 3.091409%, as recommended. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S SERIES 2020 BONDS

The Board next considered adopting a Resolution Authorizing the Issuance of the District's Series 2020 Bonds ("Resolution"). 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 Series 2020 Bonds, the payment of principal and interest over the life of the Series 2020 Bonds, and certain District covenants regarding the Series 2020 Bonds. After review and discussion, Director Ottmann moved to adopt the Resolution 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.

PAYING AGENT/REGISTRAR AGREEMENT

The Board next considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Ms. Carner stated that the Paying Agent/Registrar Agreement sets forth the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Series 2020 Bonds. After discussion, Director Ottmann moved to approve the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. and direct that the agreement 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.

OFFICIAL STATEMENT

The Board next considered approving the Official Statement. Ms. Carner explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates and debt service requirements. After discussion, Director Ottmann moved to approve the Official Statement 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.

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.

EXECUTION OF DOCUMENTS RELATED TO DISTRICT'S SERIES 2020 BONDS

Ms. Carner next explained that there will be various documents related to delivery of the Bonds requiring execution by the directors prior to closing. She requested that the Board authorize the President or Vice President and Secretary or Assistant Secretary to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2020 Bonds to the purchaser. After discussion, Director Ottmann moved to authorize execution of documents related to the sale and delivery of the Series 2020 Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2020 Bonds. Director Ross seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

APPROVE PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board considered approving payment to the Attorney General relating to bond issue transcript review. After discussion, Director Ottmann moved to approve payment to the Attorney General relating to the bond issue transcript review. Director Ross 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 the replacement of the phase two aeration tank air header at the wastewater treatment plant ("WWTP") is complete.

Mr. Ammel stated that the replacement of the chlorine feed system at WWTP is complete.

Mr. Ammel stated that the chlorine leak detector replacement at the WWTP is complete.

Mr. Ammel updated the Board on the status of the water plant no. 1 piping rehabilitation project.

After review and discussion, Director Ottmann moved to approve the operator's report. 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, Egyptian geese, and nutria removal, and reviewed a report from AAAC for August, a copy of which is attached.

The Board discussed the confirmed sighting by a resident of an alligator in the regional detention facilities. Ms. Carner stated that the District obtained a nuisance permit from the Texas Parks and Wildlife Department and AAAC is attempting to locate and remove the alligator. The Board also reviewed a memorandum from the District to the Participant districts regarding the confirmed alligator sighting, a copy of which is attached. The Board directed ABHR to request the Participant districts distribute the memorandum to any available distribution lists and encourage residents to sign up for the District's email distribution list.

Ms. Carner noted the current set-up fee for nutria removal has expired, and per the existing proposal from AAAC, it would cost \$400 for AAAC to set up for nutria removal for a three-month period. After discussion, Director Dahlke moved to (1) authorize AAAC to set up for nutria removal in the amount of \$400; and (2) authorize Director Ottmann to negotiate and approve a revised proposal with a flat fee per nutria removed and no set up fee, if appropriate. Director Spackman seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

EROSION, DREDGING, AND WATER QUALITY

The Board reviewed the Towne Lake Residential Shoreline Vegetation Treatment Opt-out Request, a copy of which is attached. Discussion ensued.

The Board reviewed correspondence from the Towne Lake Fishing Club requesting authorization to plant additional aquatic vegetation for fish habitats

in certain locations around the lake, a copy of which is attached. Mr. Gaden stated that EHRA reviewed a map of the proposed locations for the plantings and has no objections. After review and discussion, Director Dahlke moved to authorize execution of a Consent to Encroachment for the additional planting of aquatic vegetation for fish habitats, subject to the Board President's and Vice President's final approval and release of the CTE. Director Ottmann seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

DISCUSS AMENDMENT TO MAINTENANCE AGREEMENT WITH THE TOWNE LAKE COMMUNITY ASSOCIATION, INC. AND LAKE ACCESS AND RULES

Ms. Vinson updated the Board on the status of the Amendment to the Maintenance Agreement with the Towne Lake Community Association, Inc.

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.

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.

REVIEW BIDS AND AWARD CONTRACT FOR EMERGENCY WATER INTERCONNECT

Mr. Gaden updated the Board on the status of design of the emergency water interconnect with Harris County Municipal Utility District No. 196 ("HC 196").

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.

REVIEW BIDS AND AWARD CONTRACT FOR WWTP AERATION AND DIGESTER BASIN REHABILITATION PROJECT

Mr. Gaden updated the Board on the status of the WWTP aeration and digester basin rehabilitation project and reviewed an updated preliminary cost estimate. The Board discussed the availability of surplus funds in the capital projects fund to pay for the project.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR TOWNE LAKE SECTION 60 TEMPORARY ACCESS ROAD

Mr. Gaden updated the Board on the construction of the Towne Lake Section 60 temporary construction access road. He stated that he had no pay estimates from Storm Water Solutions, 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 DETENTION 1L, PHASE 2

Mr. Gaden updated the Board on the status of construction of detention 1L, Phase 2. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$218,769.30, submitted by Allgood Construction Co., Inc. After review and discussion, Director Dahlke moved to approve Pay Estimate No. 1 in the amount of \$218,769.30, 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 WWTP 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. 2 and Final in the amount of \$5,100.80, submitted by Electrical Mechanical Service, Inc. He also recommended the Board accept the project. After review and discussion, Director Dahlke moved to approve Pay Estimate No. 2 and Final in the

amount of \$5,100.80 and accept the project, 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 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.

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. Mr. Gaden reviewed a preliminary summary of costs for park bond application no. 1 and the associated bond anticipation note, a copy of which is attached. The Board then considered adopting a Resolution Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for Approval of Projects and Bonds for park bond application no. 1. Following review and discussion, Director Ottmann moved to adopt the Resolution Authorizing Application to the TCEQ for park bond application no. 1 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.

Ms. Carner updated the Board on the status of the preparation of the surplus funds applications for the construction of the emergency interconnect facilities with HC 196 and water well no. 1.

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

Mr. Gaden requested the Board approve the Owner's Ratification of Plat for the Towne Lake Detention Reserve. After discussion, Director Ottmann moved to authorize execution of the Owner's Ratification of Plat. Director Spackman seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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.

Mr. DeForest reviewed the updated Master Park Plan. After review and discussion, Director Ottmann moved to approve the updated Master Park Plan, subject to final review. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously. The Board requested that all comments be submitted by September 15, 2020.

APPROVE PLANS AND SPECIFICATIONS AND AUTHIORIZE 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 reviewed and recommended approval of Pay Estimate No. 9 in the amount of \$74,753.01, submitted by Classic Irrigation & Landscape, LLC. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 9 in the amount of \$74,753.01, as recommended. Director Spackman seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Puckett and Mr. Carrasco 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.

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.

DISCUSS MEETING ORGANIZATION AND PROCEDURES

The Board deferred discussion on this matter until the Internal District meeting.

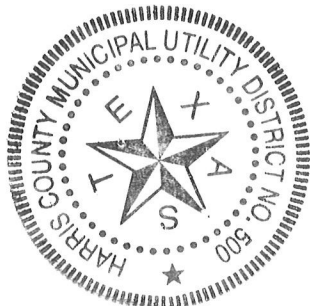
REVIEW AND REVISE ACTION LIST

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

(SEAL)



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