

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

October 7, 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 7th day of October, 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 and John Casey, directors of Harris County Municipal Utility District No. 501 ("HC 501"); Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC; 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"); Jesse Carrasco of Caldwell Companies; 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 October 7, 2020).

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the September 2, 2020, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes of September 2, 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.

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.

ADOPT RESOLUTION CHANGING AND APPOINTING INVESTMENT OFFICER

Ms. Carner presented and reviewed the Resolution Changing and Appointing Investment Officer, which reflected the appointment of Rose Montalbano with F. Matuska, Inc. as the District's new Investment Officer. After review and discussion, Director Ottmann moved to adopt the Resolution Changing and Appointing Investment Officer, and direct that the Resolution 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.

ACCEPT DISCLOSURE STATEMENT FOR INVESTMENT OFFICER

The Board considered accepting the disclosure statement from the District's Investment Officer. Ms. Carner explained that the disclosure statement required by the Public Funds Investment Act discloses relationships between the District's investment officer and entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. She also explained that the statement would be filed in the District's official records and with the Texas Ethics Commission. Following review and discussion, Director Ottmann moved to accept the disclosure statement and authorize filing of the disclosure statement with the Texas Ethics Commission. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

APPROVED AMENDED EXHIBIT A TO DEPOSITORY PLEDGE AGREEMENTS WITH BBVA USA AND WELLS FARGO

The Board considered approving an Amended Exhibit A to each of the Depository Pledge Agreements with BBVA USA and Wells Fargo providing for the appointment of Rose Montalbano as Investment Officer. Following review and discussion, Director Ottmann moved to approve Amended Exhibits A to the Depository Pledge Agreements with BBVA USA and Wells Fargo. Director Dahlke seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

AUTHORIZE EXECUTION AND FILING OF DISTRICT REGISTRATION FORM

The Board considered authorizing execution of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the new Investment Officer and the new address for F. Matuska Inc.'s offices. Following review and discussion, Director Ottmann moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form 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.

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

Mr. Jenkins reviewed a developer reimbursement report related to the proceeds from the Series 2020 Bonds. Following review and discussion, Director Ottmann moved to approve the developer reimbursement report and authorize disbursement of Series 2020 Bonds proceeds as reflected in the developer reimbursement report, subject to the developer's execution of a receipt for the funds. Director Spackman 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.

The Board reviewed a Notice of Anticipated Fees for 2021 from the West Harris County Regional Water Authority ("WHCRWA"), a copy of which is attached. After discussion, the Board concurred to post the notice to the District's website.

Mr. Ammel requested the Board authorize the replacement of starter no. 3 on blower no. 2 at the wastewater treatment plant ("WWTP") for the estimated cost of \$5,000.00.

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 (1) approve the operator's report; and (2) authorize the replacement of starter no. 3 on blower no. 2 at the WWTP for an estimate cost of \$5,000.00. Director Spackman 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 September, a copy of which is attached. The Board reviewed correspondence from a resident of Towne Lake regarding beavers, a copy of which is attached.

Director Ottmann reported that, as previously authorized by the Board, he negotiated and approved a revised proposal for nutria removal in the amount of \$100 per nutria removed, with no set up fee, in lieu of the previously approved proposal.

EROSION, DREDGING, AND WATER QUALITY

Ms. Carner reported that the three Consents to Encroachment with the Towne Lake Community Association, Inc. ("HOA") for the additional aquatic plantings, the boat ramp island pilot erosion project, and the SOX erosion control project are ready for execution by the Board and the HOA.

REQUEST FOR USE OF LAKE FOR PUBLIC SAFETY TRAINING AND, IF APPROPRIATE, APPROVE AGREEMENT FOR USE OF FACILITIES

The Board discussed correspondence from the Cy-Fair Fire Department ("Cy-Fair FD") requesting periodic use of the regional detention facilities for public safety training. Discussion ensued. After discussion, the Board concurred to authorize ABHR to prepare a draft Agreement for Use of Facilities with Cy-Fair FD for the Board's review.

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

Ms. Carner updated the Board on the status of the Amendment to the Maintenance Agreement with the HOA.

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 reviewed a capital project funds analysis, a copy of which is attached to the engineer's report.

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.

Ms. Carner discussed a proposed Interlocal Agreement with Harris County Emergency Services District No. 9 ("ESD No. 9") for funding participation in connection with the UPRR/Highway 290 Project. After review and discussion, Director Dahlke moved to authorize execution of an Interlocal Agreement with ESD No. 9, subject to the Board President's final approval, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Ottmann seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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.

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. 2 in the amount of \$340,738.20, submitted by Allgood Construction Co., Inc. After review and discussion, Director Dahlke moved to approve Pay Estimate No. 2 in the amount of \$340,738.20, 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 reviewed and recommended approval of Pay Estimate No. 10 and Final in the amount of \$76,213.89, submitted by Hassell Construction Company, Inc. He also recommended the Board accept the project. After review and discussion, Director Dahlke moved to approve Pay Estimate No. 10 and Final in the amount of \$76,213.89 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 CAPACITY RESERVATIONS AND UTILITY COMMITMENT LETTERS

Mr. Gaden reported that Harris County Municipal Utility District No. 502 has requested 104 equivalent single-family connections for water and sewer capacity for Towne Lake, Sections 54 and 61 and IIC 501 has requested 90 equivalent single-family connections for water and sewer capacity for Towne Lake, Section 60. Following review and discussion, and based upon the engineer's recommendation, Director Dahlke moved to approve the capacity requests. Director Ottmann seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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

Ms. Carner reviewed a partial abandonment of a storm sewer easement owned by the District. Mr. Gaden stated EHRA recommends partially abandoning the easement as a section of it is no longer required. After review and discussion, Director Spackman moved to approve the partial abandonment and direct that the abandonment be filed appropriately and retained in the District's official records. Director Ottmann seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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.

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.

WHCRWA MATTERS

Director Ottmann noted that the WHCRWA will hold a Fall Forum on October 28, 2020, via videoconference.

LANDSCAPE ARCHITECT'S REPORT

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 reviewed and recommended approval of Change Order No. 2 to increase the contract in the amount of \$5,600.00, submitted by Texas Wall Systems. The Board determined that Change Order No. 2 is beneficial to the District.

After review and discussion, Director Ottmann moved to approve Change Order No. 2 to increase the contract in the amount of \$5,600.00, based on the Board's determination that the Change Order is beneficial to the District and the landscape architect's recommendation. Director Spackman 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

Mr. DeForest updated the Board on the status of Greenhouse Road, Segment Five landscape improvements. He reviewed and recommended approval of Change Order No. 2 to increase the contract in the amount of \$1,500.00, submitted by Classic Irrigation & Landscape, LLC. The Board determined that Change Order No. 2 is beneficial to the District.

After review and discussion, Director Ottmann moved to approve Change Order No. 2 to increase the contract in the amount of \$1,500.00, based on the Board's determination that the Change Order is beneficial to the District and the landscape architect's recommendation. Director Spackman 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.

REVIEW AND REVISE ACTION LIST

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

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 1:02 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, Mr. Edminster, and Mr. Gaden 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 1:35 p.m.

CONVEYANCE OF EASEMENTS/DEEDS; ABANDONMENT OF EASEMENT;
CONSENTS TO ENCROACHMENT (CONT'D)

After discussion, Director Ottmann moved to authorize ABHR to draft correspondence to the residents at 9527 E. Pedernales River Drive regarding unauthorized improvements on the District's drainage easement property. Director Spackman seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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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