

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

November 4, 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 4th day of November, 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
Sandra 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 John Casey and George Gentry, directors of Harris County Municipal Utility District No. 501; Fran Matuska of F. Matuska, Inc.; Eric Thiry 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 and Leslie Cook of RBC Capital Markets; Jesse Carrasco of Caldwell Companies; Robert DeForest of KGA DeForest Design, LLC (“KGA”); 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](http://www.districtdirectory.org/agendapackets/hcmud500) (posted on November 2, 2020).

PUBLIC COMMENTS

There were no comments from the public.

## APPROVE MINUTES

The Board reviewed the minutes of the October 7, 2020, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes of October 7, 2020, regular meeting, as submitted. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

## AUTHORIZE PREPARATION OF SUPPLEMENTAL DEVELOPER REIMBURSEMENT REPORT

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to prepare a supplemental developer reimbursement report for additional developer reimbursements. After review and discussion, Director Ottmann moved to authorize McCall to prepare the supplemental developer reimbursement report for additional developer reimbursements. Director Ross seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Matuska presented the bookkeeper's report and submitted the bills for the Board's review. A copy of the bookkeeper's report is attached.

Ms. Matuska reported that the District will receive a credit in the amount of \$82,798.45 for the 2019 alternate water credits from the West Harris County Regional Water Authority ("WHCRWA"), which will be credited against the Participant Districts' future pumpage and surface water delivery fees.

Ms. Carner stated that the final payment for the District's lease of the Wastewater Treatment Plant Phase III Expansion (the "Leased Facility") is due in February, 2021. She reported that Quadvest Construction, L.P. has requested the District consider paying off the lease in December 2020. Discussion ensued regarding the request.

After review and discussion, Director Ottmann moved to (1) approve the bookkeeper's report and the payments presented; and (2) authorize ABHR to prepare a Bill of Sale for the payoff of the Leased Facility for the Board's approval at the December regular meeting. Director Dahlke seconded the motion. A roll call vote 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 Clifton White 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 vote 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 vote 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 Clifton White 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 vote 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 Clifton White as the District's bookkeeper. 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 vote of the Board was taken and the motion passed unanimously.

## OPERATION OF DISTRICT FACILITIES

Mr. Thiry presented the operator's report, a copy of which is attached. He reported on routine maintenance and repair items in the Service Area.

Mr. Thiry updated the Board on the replacement of starter no. 3 on blower no. 2 at the wastewater treatment plant.

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

In response to an inquiry from Director Ottmann, Mr. Thiry stated that the results of the lead and copper sampling are included in the annual Consumer Confidence Report. The Board requested EDP provide the Board with a copy of latest test results.

After review and discussion, the Board concurred to accept the operator's report.

## 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 October, a copy of which is attached.

### EROSION, DREDGING, AND WATER QUALITY

The Board reviewed correspondence to the residents at 9527 E. Pedernales River Drive regarding unauthorized improvements on the District's drainage easement property and a response letter from the residents, copies of which are attached. Mr. Gaden updated the Board on the status of his communication with the residents regarding the matter.

The Board discussed erosion in the regional detention facilities and considered establishing a committee to work with EHRA on erosion control matters. After review and discussion, Director Dahlke moved to designate Directors Quintero and Ottmann to the Erosion Control Committee. Director Ottmann seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

DISCUSS AMENDMENT TO MAINTENANCE AGREEMENT WITH THE TOWNE LAKE COMMUNITY ASSOCIATION, INC. ("HOA") 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.

Mr. Gaden reviewed potential procedures for EHRA to perform inspection services for residents who enter into a Consent to Encroachment with the District for the construction of improvements that would alter the lake edge. Discussion ensued.

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 reported that the proposed Interlocal Agreement with Harris County Emergency Services District No. 9 ("ESD No. 9") has been sent to the attorneys for ESD No. 9 for review.

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 WASTEWATER TREATMENT PLANT AERATION AND DIGESTER BASIN REHABILITATION PROJECT

Mr. Gaden updated the Board on the status of the wastewater treatment plant aeration and digester basin rehabilitation project.

AUTHORIZE DESIGN OF WASTEWATER TREATMENT PLANT NO. 2

Mr. Gaden requested the Board authorize design of wastewater treatment plant no. 2. After review and discussion, Director Ottmann moved to authorize design of wastewater treatment plant no. 2. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

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. 3 in the amount of \$300,361.86, submitted by Allgood Construction Co., Inc. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 3 in the amount of

\$300,361.86, as recommended. Director Spackman seconded the motion. A roll call vote 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 reviewed and recommended approval of Pay Estimate No. 6 and Final in the amount of \$317,259.80, submitted by W.W. Payton Corporation. He also recommended the Board accept the project. After review and discussion, Director Ottmann moved to approve Pay Estimate No. 6 and Final in the amount of \$317,259.80 and accept the project, as recommended. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

#### 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.

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.

Mr. Gaden requested the Board authorize preparation of a surplus funds application for the developer's additional invoices that were not previously reimbursed. The Board then considered adopting a Resolution Authorizing Application to the TCEQ for use of surplus funds. Ms. Carner also requested the Board consider authorizing ABHR to combine the emergency water interconnect project, the construction of water well no. 1 project, and the developer's additional invoices into a single surplus funds application if the timing works out for submission of all three projects.

Following review and discussion, Director Ottmann moved to (1) authorize the preparation and submittal of a surplus funds application; (2) adopt the 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; and (3) authorize ABHR to combine the emergency water interconnect project, the construction of water well no. 1 project, and the developer's past invoices into a single surplus funds application, if possible. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

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

Ms. Carner reported that Director Quintero approved a proposal in the amount of \$2,600 from Berg Oliver Associates, Inc. for a Phase I Environmental Site Assessment for conveyance of additional park reserves to the District.

The Board considered approving a Special Warranty Deed for additional park reserves to be conveyed from CW SCOA West, L.P. to the District. After discussion, Director Ottmann moved to approve the Special Warranty Deed, subject to receipt, and direct that the Deed be filed appropriately and retained in the District's official records. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

The Board discussed authorizing the HOA to continue maintaining the park reserves that are conveyed to the District. After discussion, Director Ottmann moved to authorize the HOA to continue maintaining the park reserves to the current standards.. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

WHCRWA MATTERS

Director Ottmann reported on his attendance at the WHCRWA's Fall Forum held on October 28, 2020.

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 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 Nos. 10 and 11 and Final in the amounts of \$1,350.00 and \$69,185.78, respectively, submitted by Classic Irrigation & Landscape, LLC. He also recommended the Board accept the project.

After review and discussion, Director Ottmann moved to approve Pay Estimate Nos. 10 and 11 and Final in the amounts of \$1,350.00 and \$69,185.78, respectively, and accept the project, as recommended. Director Spackman seconded the motion. A roll call vote 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.

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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