

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

December 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 December, 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 except Director Ross, 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; Mary DuBois of Acclaim Energy; Fran Matuska 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 and Leslie Cook of RBC Capital Markets (“RBC”); Eric Steinman of KGA DeForest Design, LLC; 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 December 1, 2020).

PUBLIC COMMENTS

There were no comments from the public.

## APPROVE MINUTES

The Board reviewed the minutes of the November 4, 2020, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes of November 4, 2020, regular meeting, as submitted. Director Ottmann seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

## RECEIVE PRESENTATION FROM ACCLAIM ENERGY

Ms. DuBois reviewed an electricity pricing report, a copy of which is attached. She reported that the District's current electricity contract expires in May, 2025. She discussed the option for the District to join an electricity aggregation pool to extend the contract out to April, 2029, and a rate of \$0.03895 per kWh or better for a 47-month term. After discussion, the Board concurred to defer action on this agenda item, pending further review by the Board.

## 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 noted the addition of check no. 4400 in the amount of \$128,707.80 to Quadvest Construction, LP ("Quadvest") for the remaining balance for the purchase of the Wastewater Treatment Plant Phase III Expansion. Ms. Carner stated that the District received the executed Bill of Sale from Quadvest.

After review and discussion, Director Ottmann moved to (1) approve the bookkeeper's report and the payments presented; and (2) authorize execution of the Bill of Sale for the Wastewater Treatment Plant Phase III Expansion. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

## SERIES 2021 PARK BOND ANTICIPATION NOTE ("SERIES 2021 PARK BAN")

### AUTHORIZE FINANCIAL ADVISOR TO SOLICIT BIDS FOR SERIES 2021 PARK BAN

The Board considered authorizing RBC to solicit bids for the Series 2021 Park BAN. After review and discussion, Director Ottmann moved to authorize RBC to solicit bids for the Series 2021 Park BAN. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

## AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to prepare a developer reimbursement report for Series 2021 Park BAN and reviewed correspondence from McCall regarding the estimated fees for preparation of the report, a copy of which is attached. After review and discussion, Director Ottmann moved to authorize McCall to prepare the developer reimbursement report for the Series 2021 Park BAN. Director Dahlke seconded the motion. A roll call vote 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 stated that the phase one aeration tank at the wastewater treatment plant is aging and the EHRA is evaluating the coating system for a possible rehabilitation project. He stated that EHRA requested EDP obtain pricing to replace the RAS piping in the phase one aeration tank prior to commencing any coating project. Mr. Ammel stated that replacing the RAS piping would cost an estimated amount of \$21,000.00.

Mr. Ammel stated that the starter on blower no. 1 requires replacement in the amount of \$5,000.00.

Mr. Ammel reported that the pump level controller at lift station no. 2 requires replacement in the amount of \$5,750.00.

The Board then discussed authorizing ABHR to send a notice letter to the Texas Commission on Environmental Quality ("TCEQ") regarding the use of surplus funds for the replacement of the RAS piping, replacement of the starter on blower no. 1, and the replacement of the pump level controller at lift station no. 2.

Mr. Ammel reported that the replacement of starter no. 3 on blower no. 2 at the wastewater treatment plant is complete.

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

The Board reviewed a letter from the West Harris County Regional Water Authority ("WHCRWA") regarding the increase in groundwater pumpage and surface water fees effective January 1, 2021, a copy of which is attached.

After review and discussion, Director Ottmann moved to (1) accept the operator's report; (2) approve the replacement of the RAS piping in the estimated amount of \$21,000.00; (3) approve the replacement of the starter on blower no. 1 in the amount of \$5,000.00; (4) approve the replacement of the pump level controller at lift station no. 2 in the amount of \$5,750.00; and (5) authorize ABHR to send a notice letter to the TCEQ regarding the use of surplus funds for the replacement of the RAS piping, replacement of the starter on blower no. 1, and the replacement of the pump level controller at lift station no. 2. Director Spackman seconded the motion. A roll call vote 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 November, a copy of which is attached.

The Board considered authorizing an extension of the alligator monitoring services provided by AAAC, in the amount of \$500 per week. The Board also considered authorizing AAAC to set up for beaver trapping in Section 2 in the amount of \$2,000, pursuant to a previously approved proposal. Director Ottmann stated that he discussed potentially changing the fee structure of wildlife monitoring and trapping with AAAC. He stated that he proposed AAAC charge a flat wildlife monitoring fee and a flat rate per type of animal removed.

After discussion, the Board concurred to authorize a one-month extension of the alligator monitoring, pending receipt of a revised proposal for wildlife monitoring and trapping at the next meeting.

### EROSION, DREDGING, AND WATER QUALITY

The Board requested ABHR to follow up with the Towne Lake Community Association, Inc. ("HOA") regarding the water quality reports for the regional detention facilities.

Mr. Gaden updated the Board on the status of the HOA's SOX erosion control pilot program.

DISCUSS AMENDMENT TO MAINTENANCE AGREEMENT WITH THE 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

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 requested the Board authorize design of the Mound Road East utility extension project. He reviewed an exhibit of the proposed project, a copy of which is attached. After review and discussion, Director Ottmann moved to authorize design of the Mound Road East utility extension project. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

RECEIVE ESTIMATES FROM PARTICIPANT DISTRICTS REGARDING MONTHLY WATER AND SEWER DEMANDS, NUMBER OF NEW CONNECTIONS, AND AMOUNT OF RESERVED CONNECTIONS FOR THE UPCOMING FISCAL YEAR

Mr. Gaden stated that EHRA is still finalizing the annual projection of water and sewer connections for each Participant district, for the fiscal year ending March 31, 2022.

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, as part of the Interlocal Agreement with Harris County Emergency Services District No. 9 ("ESD 9") regarding the funding contribution for the UPRR/Highway 290 Project, ESD 9 has requested that Harris County Municipal Utility District No. 503 ("HC 503") waive the non-taxable user fee for water and sewer capacity that a tax-exempt entity is typically required to pay. She stated that if the request is approved, HC 503 would need to be added as a party to the Interlocal Agreement with the District and ESD 9.

Ms. Carner then reviewed with the Board a legal conflicts waiver regarding representation by ABHR of HC 503 and the District in connection with the proposed Interlocal Agreement with ESD 9 and HC 503. After review and discussion, Director Ottmann moved to approve the legal conflicts waiver. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

Ms. Carner requested that the Board reauthorize execution of the Interlocal Agreement with ESD 9, HC 503, and the District, subject to Director Quintero's approval of same. After review and discussion, Director Ottmann moved to authorize execution of the Interlocal Agreement with ESD 9, HC 503, and the District, subject to Director Quintero's approval of same. Director Dahlke seconded the motion. A roll call vote 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 WASTEWATER TREATMENT PLANT AERATION AND DIGESTER BASIN REHABILITATION PROJECT

Mr. Gaden stated that the District received three bids for the wastewater treatment plant aeration and digester basin rehabilitation project. He recommended that the Board award the contract to the low bidder, T&G Services ("T&G"), in the amount of \$361,000.00. The Board concurred that, in its judgment, T&G 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 wastewater treatment plant aeration and digester basin rehabilitation project to T&G in the amount of \$361,000.00, based on the engineer's recommendation and approval of the payment and performance bonds and review of the certificate of

insurance and endorsements, if any, provided by the contractor. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously. Ms. Carner reminded the Board they previously had authorized submission of a notice letter to the TCEQ for the use of surplus funds for this project.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR WASTEWATER TREATMENT PLANT NO. 2

Mr. Gaden updated the Board on the design of wastewater treatment plant no. 2.

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 stated that he had no pay estimates from Allgood Construction Co., Inc. for the Board's approval.

The Board discussed complaints from residents regarding traffic violations committed by the construction vehicles working in the Towne Lake area, including speeding and failing to stop at stop signs. Mr. Gaden stated that EHRA will work with the contractors to address the complaints. The Board requested ABHR to contact the contract deputies requesting the deputies to address the traffic violations.

APPROVE CAPACITY RESERVATIONS AND UTILITY COMMITMENT LETTERS

There was no discussion on this agenda item.

UPDATE ON PARK BOND APPLICATION NO. 1 AND SURPLUS FUNDS APPLICATIONS

Ms. Carner reported that park bond application no. 1 has been submitted to the TCEQ.

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, water well no. 1, and the developer's additional invoices.

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

There was no discussion on this agenda item.

WHCRWA MATTERS

The Board concurred to add the notice from the WHCRWA regarding the increase in groundwater pumpage and surface water fees effective January 1, 2021 to the District's website.

The Board also concurred to add the link to the water conservation website, [www.watermyard.org](http://www.watermyard.org), to the District's website.

LANDSCAPE MAINTENANCE MATTERS, INCLUDING ADOPT RESOLUTION REGARDING MAINTENANCE OF DISTRICT PARKS AND RECREATIONAL FACILITES

The Board discussed landscape maintenance matters for the District's park reserves. The Board considered adopting a Resolution Regarding Maintenance of District Parks and Recreational Facilities regarding the HOA's continuing maintenance of the District's park reserves to the current standards. After review and discussion, Director Ottmann moved to adopt the Resolution Regarding Maintenance of District Parks and Recreational Facilities. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

LANDSCAPE ARCHITECT'S REPORT

Mr. Steinman 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. Steinman updated the Board on the status of Greenhouse Road, Segment Five hardscape improvements. He reviewed and recommended approval of Pay Estimate Nos. 10 and 11 and Final in the amounts of \$22,590.00 and \$35,249.66, respectively, submitted by Texas Wall Systems. Mr. Steinman reported that two lights need to be replaced and recommended the Board hold release of the check for the final pay estimate, pending replacement of the two lights.

After review and discussion, and based on the landscape architect's recommendation, Director Ottmann moved to (1) approve Pay Estimate No. 10 in the amount of \$22,590.00; and (2) approve Pay Estimate No. 11 and Final in the amount of \$35,249.66, subject to final approval by Director Quintero. Director Dahlke 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

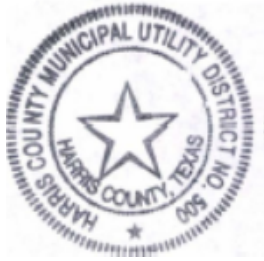
There was no discussion on this agenda item.

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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