

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

January 6, 2021

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 6th day of January, 2021, 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 George Gentry and John Casey, directors of Harris County Municipal Utility District No. 501; Mark Michna of Acclaim Energy Advisors; Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Fran Matuska of F. Matuska, Inc.; Michael Ammel and Amanda Benzman of Environmental Development Partners, LLC; Truman Edminster and J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc.; Brenda McLaughlin of Bob Leared Interests; Loren Morales and Leslie Cook of RBC Capital Markets ("RBC"); Jerry Hlozek of Caldwell Companies; and Katie Carner, Erin Mitchell, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP.

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 January 6, 2021).

#### PUBLIC COMMENTS

Mr. Gentry addressed the Board regarding the lack of lighting on the bridge at Greenhouse Road crossing over Cypress Creek. Mr. Gaden stated EHRA is investigating the electrical issues with the light fixtures on the bridge.

## APPROVE MINUTES

The Board reviewed the minutes of the December 2, 2020, regular meeting. After review and discussion, Director Ottmann moved to approve the minutes of December 2, 2020, regular meeting, as submitted. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

## RECEIVE PRESENTATION FROM ACCLAIM ENERGY

Mr. Michna reviewed an updated electricity pricing report, a copy of which is attached. He recommended the Board authorize a director to approve a contract extension based on certain parameters set by the Board. Director Ottmann reported on alternative options for electricity contracts and recommended the Board obtain information from other electricity brokers for comparison. After discussion, the Board concurred to authorize ABHR to obtain proposals from other electricity brokers for the Board's review at the next regular meeting.

## 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 reviewed a letter from the Texas Commission on Environmental Quality regarding the inspection of the wastewater treatment plant, noting that no deficiencies were found.

Mr. Ammel stated that the Board previously authorized the replacement of the pump level controller at lift station no. 2 for the estimated amount of \$5,750.00, but requested the Board approve an increase in the approved estimate amount to \$6,500.00.

Mr. Ammel reported that the District's emergency water interconnect with Remington Municipal Utility District No. 1 is open so that water plant no. 1 could be taken offline for the piping rehabilitation project.

After review and discussion, Director Ottmann moved to (1) accept the operator's report; and (2) approve the replacement of the pump level controller at lift station no. 2 in the amount of \$6,500.00, in lieu of the previously approved amount. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

DISCUSS, AND IF APPROPRIATE, ADOPT RESOLUTION DESIGNATING ADDRESSES FOR TEXAS PUBLIC INFORMATION ACT REQUESTS

Ms. Carner stated that the Section 552.234(c) of the Texas Government Code provides that a governmental entity may designate one mailing address and one electronic mailing address for receiving written requests for public information. She then reviewed with the Board a memorandum regarding designating addresses for Texas Public Information Act requests, a copy of which is attached, and a draft Resolution Designating Addresses for Texas Public Information Act Requests. After review and discussion, Director Ottmann moved to adopt the Resolution Designating Addresses for Texas Public Information Act Requests and direct that the Resolution be filed appropriately and retained in the District's official records. Director Spackman 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 requested the Board approve the addition of check no. 4436 in the amount of \$1,176.00, two wire transfers related to the sale of the park bond anticipation note in the amount of \$60,020.30 to ABHR and in the amount of \$60,020.00 to RBC, five wire transfers from the water, sewer, and drainage capital projects fund in the amounts of \$80,966.69, \$87,538.60, \$36,693.00, \$7,671.17, and \$81,946.04 to CW SCOA West, L.P. ("CW SCOA"), and three wire transfers from the road capital projects fund in the amounts of \$29,812.49, \$6,681.33, and \$3,124.76 to CW SCOA.

Ms. Matuska stated that she is working on preparation of a draft budget for the Master District's fiscal year ending March 31, 2022. The Board then discussed scheduling a budget workshop with two representatives of each of the Participant districts to discuss the proposed Master District budget once it is available.

The Board then considered accepting the annual disclosure statements of the bookkeeper and investment officer.

After discussion, Director Dahlke moved to (1) approve the bookkeeper's report and the payments presented, including the addition of check no. 4436 and the wire transfers, as detailed above; (2) authorize distribution of the proposed budget to the Participant districts, once available; (3) authorize ABHR to schedule a budget workshop, as discussed, with the President and Vice President attending on behalf of the District; and (4) accept the annual disclosure statements of the bookkeeper and investment officer;. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

## ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Carner reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no changes to the policy are required at this time.

## AMENDED ORDER ESTABLISHING A RECORDS MANAGEMENT PROGRAM AND DESIGNATING A RECORDS MANAGEMENT OFFICER

Ms. Carner stated that the Texas Local Government Records Act provides that all local governments must establish an active and continuing records management program that contains policies and procedures that promote cost-effective and efficient recordkeeping. She stated that the District's current records management program requires that all District records be retained permanently. She then reviewed with the Board a memorandum regarding an Amended Records Management Program, a copy of which is attached, and a draft Amended Order Establishing a Records Management Program and Designating a Records Management Officer that amends the District's records management program to adopt the recommended retention schedules published by the Texas State Library and Archive Commission ("TSLAC"), which will allow the District to periodically dispose of records once the applicable retention period for that specific information has expired. After review and discussion, Director Ottmann moved to adopt an Amended Order Establishing a Records Management Program and Designating a Records Management Officer, authorize submission of the Amended Order to TSLAC, and direct that the Amended Order 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.

## SERIES 2021 PARK BOND ANTICIPATION NOTE

The Board considered review of the bids and award of the sale of the District's \$6,002,000 Park Bond Anticipation Note, Series 2021 ("Series 2021 Park BAN"). Mr. Morales reviewed the bid that had been received:

- (1) Trustmark National Bank, with a rate of 0.440%.

Mr. Morales recommended that the District accept the bid of Trustmark National Bank, as submitted. After discussion, Director Ottmann moved to award the sale of the Series 2021 Park BAN to Trustmark National Bank. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE AND EXECUTION OF SERIES 2021 PARK BAN

The Board next considered adopting a Resolution Authorizing the Issuance of the District's Series 2021 Park BAN. 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 2021 Park BAN, the payment of the Series 2021 Park BAN from a future bond issue by the District, and certain District covenants regarding the tax-exempt status of the Series 2021 Park BAN. After review and discussion, Director Ottmann moved to adopt the Resolution Authorizing the Issuance of the District's Series 2021 Park BAN. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE SERIES 2021 PARK BAN AND AUTHORIZE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER SERIES 2021 PARK BAN TO THE PURCHASER

Ms. Carner next explained that there will be various documents related to the issuance of the Series 2021 Park BAN requiring execution by the directors prior to closing. She requested that the Board authorize the President and Secretary to execute documents necessary in connection with the transaction. Ms. Carner also requested that the Board authorize the attorney and financial advisor to take all necessary action to deliver the Series 2021 Park BAN to the purchaser. Following discussion, Director Ottmann moved to authorize execution of documents related to the issuance of the Series 2021 Park BAN and to authorize the attorney and financial advisor to take all necessary action to deliver the Series 2021 Park BAN to the purchaser. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

ACCEPT AND EXECUTE PURCHASERS' INVESTMENT AND BID LETTER

The Board considered authorizing execution of the Purchasers' Investment and Bid Letter by Trustmark National Bank and various certificates and documents related to the issuance of the Series 2021 Park BAN. Following discussion and review, Director Ottmann moved to authorize execution of the Purchasers' Investment and Bid Letter by Trustmark National Bank and various certificates and documents related to the issuance of the Series 2021 Park BAN. Director Dahlke seconded the motion. A roll call vote 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 Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

DEVELOPER REIMBURSEMENT REPORT AND AUTHORIZE  
DISBURSEMENT OF SERIES 2021 PARK BAN PROCEEDS

Mr. Jenkins reviewed a developer reimbursement report related to the proceeds from the Series 2021 Park BAN. Following review and discussion, Director Ottmann moved to approve the developer reimbursement report and authorize disbursement of Series 2021 Park BAN proceeds as reflected in the final developer reimbursement report, subject to the Series 2021 Park BAN closing and the developer's execution of a receipt for the funds. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

APPROVE SUPPLEMENTAL REIMBURSEMENT REPORTS AND AUTHORIZE  
DISBURSEMENT OF BOND PROCEEDS

Mr. Jenkins reviewed eight supplemental reimbursement reports reflecting the amounts reimbursable by the District to CW SCOA West, L.P. for construction of the projects funded by the District's \$10,875,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2015, \$15,955,000 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2016, \$11,875,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2017, \$10,500,000 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2018, \$12,615,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2019 and the \$10,875,000 Contract Revenue Bonds (Road Facilities), Series 2015, \$12,440,000 Contract Revenue Bonds (Road Facilities), Series 2016, and \$9,635,000 Contract Revenue Bonds (Road Facilities), Series 2018. After discussion, Director Ottmann moved to (1) approve the developer reimbursement reports and direct that the reports be filed appropriately and retained in the District's official records; and (2) approve the disbursement of funds as provided in the developer reimbursement reports, subject to the developer's execution of receipts for the funds. 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 wildlife monitoring and trapping, and reviewed a report from AAAC for December, a copy of which is attached.

Director Ottmann stated that AAAC has agreed to a flat rate fee of \$36,000 per year for wildlife monitoring and the previously-approved flat rate per type of animal removed. After review and discussion, Director Dahlke moved to authorize execution of the proposal with the terms described, subject to Director Ottmann's final review. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

### EROSION, DREDGING, AND WATER QUALITY

The Board reviewed correspondence from the Towne Lake Fishing Club requesting authorization to plant additional aquatic vegetation and install flat rocks, a copy of which is attached. After discussion, the Board requested EHRA coordinate with Director Ottmann to obtain additional information from the Towne Lake Fishing Club regarding the request and prepare a recommendation for the February meeting.

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

The Board deferred discussion on this matter until Executive Session.

## 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 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.

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 reviewed a report containing the projected number of new connections for the Participant districts for the upcoming year, a copy of which is attached to the engineer's report.

PRELIMINARY PLANNING FOR GRADE SEPARATION AT UNION PACIFIC RAILROAD AND INTERSECTION IMPROVEMENTS AT HIGHWAY 290 ("UPRR/HIGHWAY 290 PROJECT")

Mr. Gaden updated the Board on the status of the UPRR/Highway 290 Project.

Ms. Carner updated the Board on the status of the Interlocal Agreement with Harris County Emergency Services District No. 9 regarding the funding contribution for 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.

The Board then considered adopting an Order Establishing Rules and Regulations Regarding Sanitary and Pollution Control of the Areas in Proximity to Public Water Supply Well to establish sanitary control measures within a 150-foot radius of water well no. 1. After review and discussion, Director Ottmann moved to adopt the Order Establishing Rules and Regulations Regarding Sanitary and Pollution Control of the Areas in Proximity to Public Water Supply Well and direct that the Order be filed appropriately and retained in the District's official records. 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 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. He stated that he had no pay estimates from T&G Services for the Board's approval.

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 PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR THE MOUND ROAD EAST UTILITY EXTENSION PROJECT

Mr. Gaden updated the Board on the design of the Mound Road East Utility Extension project.

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 WATER PLANT NO. 2

Mr. Gaden reported that the final Pay Estimate approved at the November, 2020, meeting for construction of water plant no. 2 was incorrect and EHRA will present a corrected Pay Estimate for the Board's approval at the February, 2021, meeting.

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 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 Nos. 4 and 5 in the amounts of \$384,470.15 and \$234,702.41, respectively, and Change Order Nos. 1 and 2 to

increase the contract in the amounts of \$34,000.00 and \$142,940.16, respectively, submitted by Allgood Construction Co., Inc. The Board determined that Change Order Nos. 1 and 2 are beneficial to the District.

After review and discussion, and based on the engineer's recommendation, Director Ottmann moved to approve Pay Estimate Nos. 4 and 5 in the amounts of \$384,470.15 and \$234,702.41, respectively, and Change Order Nos. 1 and 2 to increase the contract in the amounts of \$34,000.00 and \$142,940.16, respectively, based on the Board's determination that the Change Orders are beneficial to the District. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

In response to an inquiry from the Board, Mr. Gaden updated the Board on the efforts to address the traffic concerns with the construction vehicles working in the Towne Lake area.

#### AMERICA'S WATER INFRASTRUCTURE ACT OF 2018

Mr. Gaden requested the Board authorize the preparation of the Risk and Resilience Assessment. After review and discussion, Director Ottmann moved to authorize the preparation of the Risk and Resilience Assessment. 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.

#### 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 SURPLUS FUNDS APPLICATIONS

Ms. Carner updated the Board on the status of the 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, water well no. 1, and the developer's additional invoices.

#### WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

## LANDSCAPE ARCHITECT'S REPORT

The Board reviewed the landscape architect's report from KGA/DeForest Design, LLC, a copy of which is attached.

## REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Hlozek updated the Board on 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.

## REVIEW AND REVISE ACTION LIST

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

The Board suspended the meeting at 1:57 p.m.

## 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 2:24 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 also was present.

Director Spackman left the meeting at 2:55 p.m.

The Board suspended the meeting at 3:02 p.m.

## RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 3:03 p.m.

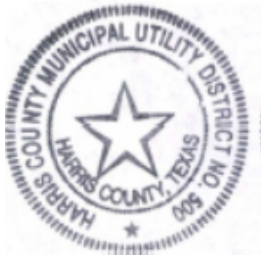
DISCUSS LAKE MANAGEMENT AND MAINTENANCE (CONT'D)

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

The Board discussed a draft Resolution Establishing Rules and Regulations Governing the Use of the District's Lakes (the "Lake Rules"). After discussion, Director Dahlke moved to authorize distribution of the draft Lake Rules to the HOA and to consider adoption of same at the next meeting. Director Ottmann seconded the motion. A roll call vote 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)



/s/ Sandra Dahlke  
Secretary, Board of Directors

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