

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

February 3, 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 3rd day of February, 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, 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; Mary DuBois of Acclaim Energy Advisors ("Acclaim"); Mike Harrington of American Enerpower; Dave Ciarella of Enhanced Energy Services of America, LLC ("Enhanced Energy"); Fran Matuska of F. Matuska, Inc.; Michael Ammel 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 and Jessie Carrasco of Caldwell Companies; and Katie Carner 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 February 1, 2021).

PUBLIC COMMENTS

There were no comments from the public.

## APPROVE MINUTES

The Board reviewed the minutes of the January 6, 2021, regular meeting. After review and discussion, Director Dahlke moved to approve the minutes of January 6, 2021, regular meeting, as submitted. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

## RECEIVE ELECTRICITY PROPOSALS

The Board reviewed information from Acclaim, American Enerpower, and Enhanced Energy for electricity broker services, copies of which are attached.

Ms. DuBois reviewed the services that Acclaim provides and discussed electricity contract extension options.

Mr. Harrington introduced himself and reviewed the services that American Enerpower provides.

## REVIEW FINAL ARBITRAGE REBATE REPORTS FOR THE SERIES 2010 AND SERIES 2012 BONDS AND THE INTERIM REPORT FOR THE SERIES 2015 BONDS

The Board reviewed the final arbitrage rebate reports for the District's \$7,075,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2010 and \$5,000,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2012 and the interim arbitrage rebate report for the District's \$15,875,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2015, from OmniCap Group LLC, noting that there were no payments due to the Internal Revenue Service.

## RECEIVE ELECTRICITY PROPOSALS (CONT'D)

Mr. Ciarella introduced himself and reviewed the services that Enhanced Energy provides.

After discussion, Director Quintero moved to authorize a 30-day letter of authorization for American Enerpower. 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 presented and reviewed with the Board the revised draft budget for the Master District's fiscal year ending March 31, 2022, a copy of which is attached to

the bookkeeper's report. Discussion ensued regarding the budget workshop held with representatives from the Participant districts.

After discussion, Director Ottmann moved to (1) approve the bookkeeper's report and the payments presented; and (2) adopt the Master District budget for the fiscal year ending March 31, 2022, as presented. Director Spackman 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 updated the Board on the replacement of the pump level controller at lift station no. 2.

Mr. Ammel reported that the water plant no. 1 piping rehabilitation project is complete and the plant is back online. He reminded the Board that the piping rehabilitation project was designed to resolve an issue with cloudy water. He reported that EDP located a 4-inch pipe that was left inside the original 6-inch pipe, which had been causing the dissolved air issue.

After review and discussion, Director Spackman moved to accept the operator's report. Director Dahlke 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 January, a copy of which is attached.

Director Ross left the meeting.

##### EROSION, DREDGING, AND WATER QUALITY

The Board reviewed correspondence from the Towne Lake Fishing Club requesting authorization to install bull rock for fish spawning, a copy of which is attached. Mr. Gaden stated that EHRA reviewed a map of the proposed location for the bull rock and has no objections. After review and discussion, Director Ottmann moved to authorize execution of a Consent to Encroachment for the installation of bull rock for fish spawning, subject to the Board President's and

Vice President's final approval. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed by a vote of 4-0, with Director Ross absent from the meeting.

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

Ms. Carner reviewed the proposed First Amendment to the Amended and Restated Maintenance Agreement with the HOA. After review and discussion, Director Dahlke moved to approve the First Amendment to the Amended and Restated Maintenance Agreement with the HOA and direct that the Amendment be filed appropriately and retained in the District's official records. Director Ottmann seconded the motion. A roll call vote of the Board was taken and the motion passed by a vote of 4-0, with Director Ross absent from the meeting.

Ms. Carner stated that, as part of the Maintenance Agreement, the HOA must obtain District consent to construct structures within the District's drainage easements. She reviewed a map of the proposed locations for the construction of future docks and swim decks by the HOA. After review and discussion, Director Ottmann moved to consent to the construction of the proposed docks and swim decks within the District's drainage easement at the locations indicated, subject to EHRA's final confirmation with the HOA. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed by a vote of 4-0, with Director Ross absent from the meeting.

ADOPT RESOLUTION ESTABLISHING RULES AND REGULATIONS GOVERNING THE USE OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 500 LAKES

Ms. Carner reviewed the proposed Resolution Establishing Rules and Regulations Governing the Use of Harris County Municipal Utility District No. 500 Lakes. After review and discussion, Director Ottmann moved to adopt the Resolution Establishing Rules and Regulations Governing the Use of Harris County Municipal Utility District No. 500 Lakes 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 by a vote of 4-0, with Director Ross absent from the meeting.

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.

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.

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 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 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 reviewed and recommended approval of a revised Pay Estimate No. 6 and Final in the amount of \$367,930.80, submitted by W.W. Payton Corporation, in lieu of the previously approved final Pay Estimate. He also recommended the Board accept the project.

After review and discussion, Director Dahlke moved to approve revised Pay Estimate No. 6 and Final in the amount of \$367,930.80, and accept the project, as recommended. Director Ottmann seconded the motion. A roll call vote of the Board was taken and the motion passed by a vote of 4-0, with Director Ross absent from the 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 No. 6 in the amount of \$3,600.00, submitted by Allgood Construction Co., Inc.

After review and discussion, Director Dahlke moved to approve Pay Estimate No. 6 in the amount of \$3,600.00, as recommended. Director Ottmann seconded the

motion. A roll call vote of the Board was taken and the motion passed by a vote of 4-0, with Director Ross absent from the meeting.

TOWNE LAKE PARKWAY, SEGMENT 1 WATER, SEWER, DRAINAGE, AND PAVING FACILITIES

The Board deferred discussion on this matter until Executive Session.

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

In response to an inquiry from the Board, Mr. Gaden updated the Board on the status of the HOA's SOX erosion control project.

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.

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

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 2:27 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 2:45 p.m.

ENGINEERING MATTERS (CONT'D)

TOWNE LAKE PARKWAY, SEGMENT 1 WATER, SEWER, DRAINAGE, AND PAVING FACILITIES

Mr. Gaden reviewed and recommended approval of revised Pay Estimate No. 10 and Final in the amount of \$249,942.21 and Change Order No. 3 to increase the contract in the amount of \$173,628.32, submitted by Hassell Construction Company, Inc. ("Hassell"). The Board determined that Change Order No. 3 is beneficial to the District. Mr. Gaden also recommended the Board accept the project. Ms. Carner reviewed a proposed Settlement Agreement with Hassell.

After review and discussion, Director Ottmann moved to (1) approve revised Pay Estimate No. 10 and Final in the amount of \$249,942.21 and Change Order No. 3 to increase the contract in the amount of \$173,628.32, based on the engineer's recommendation and the Board's determination that the Change Order is beneficial to the District; (2) accept the project, as recommended; and (3) authorize execution of a Settlement Agreement for the project, subject to Board President's final approval. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed by a vote of 4-0, with Director Ross absent from the meeting.



There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)



/s/ Saundra Dahlke  
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Information from Acclaim, American Enerpower, and Enhanced Energy .....	2
Bookkeeper's report.....	2
Proposed budget for the fiscal year ending March 31, 2022.....	2
Operator's report.....	3
Report from A All Animal Control .....	3
Correspondence from the Towne Lake Fishing Club.....	3
Engineer's report.....	4
Landscape architect's report.....	7