

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

June 2, 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 2nd day of June, 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
Saundra Dahlke	Secretary
James Spackman	Assistant Secretary
James Ross	Asst. Vice President/ Asst. Secretary

and all of the above were present except for Director Ottmann, thus constituting a quorum.

Also present at the meeting via teleconference were Roger Dietrich and Doug Larson, members of the public; John Casey, director of Harris County Municipal Utility District No. 501; Allison Snyder of Porter Hedges LLP; Fran Matuska of F. Matuska, Inc.; Michael Ammel and Amanda Benzman of Environmental Development Partners, LLC; Loren Morales and Leslie Cook of RBC Capital Markets; Truman Edminster and J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Jessie Carrasco of Caldwell Companies; Brenda McLaughlin of Bob Leared Interests; and Alia Vinson, 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 June 1, 2021).

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the May 5, 2021, regular meeting. After

review and discussion, Director Dahlke moved to approve the minutes of May 5, 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 AND AUTHORIZE APPROPRIATE ACTION

The Board reviewed options for renewal of the District's current electricity contract, which expires on May 31, 2025, a copy of which is attached. After review and discussion, Director Spackman moved to authorize Director Ottmann to execute an electricity contract for a term of at least 60 months at a rate not to exceed \$0.0445 per kilowatt hour, to commence on June 1, 2025, subject to final review. 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.

After discussion, Director Ross moved to approve the bookkeeper's report and the payments presented. Director Dahlke seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

Ms. Cook reviewed an updated Sources and Uses of Funds Analysis regarding the potential refunding bond issue to refund certain maturities of the District's \$8,060,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2013, a copy of which is attached. She also reviewed a list of underwriters, a copy of which is attached, and recommended that the District designate SAMCO Capital Markets as the District's underwriter. After review and discussion, Director Ross moved to designate SAMCO Capital Markets as the District's underwriter for the District's Contract Revenue Refunding Bonds (Water, Sewer, and Drainage Facilities), Series 2021, as recommended. Director Spackman seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously. Discussion ensued regarding the proposed schedule for issuance of the bonds.

#### 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, in conjunction with the wastewater treatment plant aeration and digester basin rehabilitation project, the galvanized air drop pipes for the diffusers need to be replaced with stainless steel air drop pipes. The Board considered authorizing Director Quintero to approve a proposal in an amount not to exceed

\$50,000.00 for the replacement of the galvanized air drop pipes with stainless steel pipes.

Mr. Ammel requested the Board authorize the rental of stand-by emergency portable generators during hurricane season for the wastewater treatment plant and lift station no. 2 for a monthly cost of \$3,300.00 and \$2,100.00, respectively.

Mr. Ammel requested the Board authorize a water plant no. 2 fence rehabilitation project in the estimated amount of \$55,000.00.

The Board 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 galvanized air drop pipes and the water plant no. 2 fence rehabilitation project.

Mr. Ammel updated the Board on the status of the replacement of the motor at booster pump no. 1 at water plant no. 2.

After review and discussion, Director Dahlke moved to (1) accept the operator's report; (2) authorize Director Quintero to approve a proposal for the replacement of the galvanized air drop pipes with stainless steel pipes in an amount not to exceed \$50,000.00; (3) authorize the rental of stand-by emergency generators for the wastewater treatment plant and lift station no. 2 for the monthly costs of \$3,300.00 and \$2,100.00, respectively; (4) authorize the water plant no. 2 fence rehabilitation project in the estimated amount of \$55,000.00; and (5) authorize ABHR to send a notice letter to the TCEQ regarding the use of surplus funds for the replacement of the galvanized air drop pipes and the water plant no. 2 fence rehabilitation project. 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

The Board discussed the status of wildlife management in the District, including wildlife monitoring and trapping.

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

Ms. Carner stated that the updated presentation on the District was posted on the District's website.

The Board reviewed correspondence regarding algae in the regional detention facilities, a copy of which is attached. Ms. Carner stated that the

correspondence has been provided to the Towne Lake Community Association, Inc. ("HOA"), as the holder of the lake maintenance contract for the regional detention facilities.

The Board discussed a report of an underage boat driver in the regional detention facilities. After discussion, the Board requested ABHR to coordinate with the HOA to obtain clarification regarding the boat driver rules.

#### ENGINEERING MATTERS

Mr. Gaden presented an engineer's report, 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.

Mr. Gaden reported that EHRA is still working on a map that identifies areas with erosion in the regional detention facilities and the ownership of each area.

#### 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.

#### 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.

#### REVIEW BIDS AND AWARD CONTRACT 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.

AUTHORIZE DESIGN, APPROVE PLANS AND SPECIFICATIONS, AND AUTHORIZE ADVERTISEMENT FOR BIDS OF WATER PLANT NO. 1 HYDROPNEUMATIC TANK ADDITION

Mr. Gaden requested the Board authorize design, approve plans and specifications, and authorize advertisement for bids for the additional hydropneumatic tank at water plant no. 1.

The Board then discussed including the project in the notice letter to the TCEQ regarding the use of surplus funds, previously authorized under the operator's report.

After review and discussion, and based on the engineer's recommendation, Director Ross moved to (1) authorize design, approve the plans and specifications, and authorize advertisement for bids for the water plant no. 1 hydropneumatic tank addition project; and (2) authorize the inclusion of the project in the surplus funds notice letter to the TCEQ, previously authorized under the operator's report. 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 reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$85,275.00 and Change Order No. 1 to increase the contract in the amount of \$3,000.00, submitted by T&G Services. The Board determined that Change Order No. 1 is beneficial to the District.

After review and discussion, Director Ross moved to approve Pay Estimate No. 1 in the amount of \$85,275.00 and Change Order No. 1 to increase the contract in the amount of \$3,000.00, submitted by T&G Services, based on the Board's determination that the Change Order is beneficial to the District and the engineer's recommendation.

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 CLEARING AND GRUBBING FOR DETENTION 1L, PHASE 2

The Board deferred discussion on this agenda item until Executive Session.

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

APPROVE CAPACITY RESERVATIONS AND UTILITY COMMITMENT LETTERS

There was no discussion on this agenda item.

UPDATE ON TPDES PERMIT RENEWAL APPLICATION FOR HORSEPEN CREEK WASTEWATER TREATMENT PLANT

Mr. Gaden reported that the TPDES permit renewal application for the Horsepen Creek wastewater treatment plant is under review at the TCEQ.

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

The Board considered approving a proposal in the amount of \$2,850.00 from Berg Oliver Associates, Inc. for a Phase I Environmental Site Assessment for conveyance of two tracts to the District. After review and discussion, Director Dahlke moved to approve the proposal from Berg Oliver and direct that the proposal 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 3-0, with Director Ross abstaining.

The Board considered approving two Special Warranty Deeds for four tracts to be conveyed from the District to CW SCOA West, L.P. The Board also considered

accepting a drainage easement for two tracts from CW SCOA West, L.P. After discussion, Director Dahlke moved to (1) approve the Special Warranty Deeds and direct that the Deeds be filed appropriately and retained in the District's official records; and (2) accept the drainage easement and direct that the easement be filed appropriately and retained in the District's official records. Director Ross seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

UPDATE ON PARK BOND APPLICATION NO. 1, SURPLUS FUNDS APPLICATIONS, AND BOND APPLICATION NO. 11

Ms. Carner and Mr. Gaden updated the Board on the status of the park bond application no. 1 and the surplus funds applications.

Ms. Carner and Mr. Gaden updated the Board on the status of preparation of the taxable bond application no. 11 for water, sewer, and drainage facilities. The Board then considered adopting a Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds. Following review and discussion, Director Ross moved to adopt the Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds 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.

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.

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 1:24 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. Vinson and Ms. Carner were also present.

Ms. Snyder joined the meeting at 1:25 p.m.

Ms. Snyder left the meeting at 1:44 p.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 1:56 p.m.

ENGINEERING MATTERS (CONT'D)

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR CLEARING AND GRUBBING FOR DETENTION 1L, PHASE 2 (CONT'D)

After review and discussion, Director Spackman moved to (1) authorize filing suit against Webb & Webb Construction, LLC dba Eagle Construction; and (2) designate the Board President as the District's representative in this matter. Director Ross seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

DISCUSS AND, IF APPROPRIATE, APPROVE ENGAGEMENT LETTER WITH THOMPSON & HORTON LLP

The Board considered engaging Thompson & Horton LLP for legal services upon request. After review and discussion, Director Dahlke moved to approve the engagement letter with Thompson & Horton LLP for legal services and direct that the letter be filed appropriately and retained in the District's official records. Director Ross seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously.

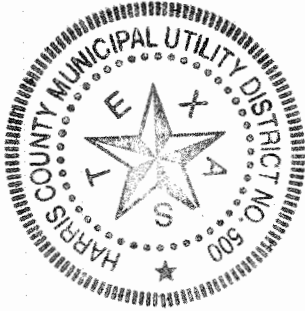
REVIEW AND REVISE ACTION LIST

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)



  
ASST Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Options for renewal of electricity contract.....	2
Bookkeeper's report.....	2
Sources of Uses of Funds Analysis regarding potential refunding bond issue.....	2
List of underwriters.....	2
Operator's report.....	2
Correspondence regarding algae in the regional detention facilities.....	3
Engineer's report.....	4
Landscape architect's report.....	7