

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

July 7, 2021

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 500 (the “District”) met in regular session, open to the public, on the 7th day of July, 2021, at the Lakehouse, 10000 Towne Lake Parkway, Cypress, Texas, outside the boundaries of the District, but inside the boundaries of the Master District Service Area, and the roll was called of the members of the Board:

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 Directors Dahlke and Spackman, thus constituting a quorum.

Also present at the meeting were Doug Larson, member of the public; George Gentry, director of Harris County Municipal Utility District No. 501; Athena Hendrickson of the Towne Lake Community Association, Inc.; Fran Matuska of F. Matuska, Inc.; Amanda Benzman and JC Reno of Environmental Development Partners, LLC; Loren Morales and Leslie Cook of RBC Capital Markets (“RBC”); J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc. (“EHRA”); Brenda McLaughlin of Bob Leared Interests; and Katie Carner, Brooke Milbauer, Erin Mitchell, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENTS

Mr. Gentry addressed the Board regarding a recent Association of Water Board Directors presentation on Winter Storm Uri and encouraged the District to examine the District’s processes for improvements to mitigate potential issues during future freeze events.

APPROVE MINUTES

The Board reviewed the minutes of the June 2, 2021, regular meeting. After review and discussion, Director Ottmann moved to approve the minutes of June 2, 2021, regular meeting, as submitted. Director Ross seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MARCH 31, 2021

The Board considered approving the combined draft audit for the Master District and Internal District for the fiscal year ending March 31, 2021. Following review and discussion, Director Ross moved to approve the audit for fiscal year ended March 31, 2021, subject to final review. Director Ottmann seconded the motion, which passed unanimously. The Board requested that all comments be submitted by July 16, 2021.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH CONTINUING DISCLOSURE OF INFORMATION AGREEMENT

Ms. Carner reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board (“MSRB”) through EMMA in compliance with SEC Rule 15c2-12. Following review and discussion, Director Ottmann moved to approve the Annual Report, subject to final review, authorize the attorney to submit the Annual Report in compliance with the continuing disclosure provisions contained in the bond resolutions and direct that the Annual Report be filed appropriately and retained in the District’s official records. Director Ross seconded the motion, which passed unanimously. The Board requested that all comments be submitted by July 16, 2021.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District’s procedures for continuing disclosure compliance. The Board concurred that no changes are required at this time.

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 Ottmann moved to approve the bookkeeper’s report and the payments presented. Director Ross seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT’S INSURANCE POLICIES

The Board reviewed the insurance renewal proposal from Arthur J. Gallagher & Co. (“Gallagher”) for the District’s directors and officers liability, umbrella, pollution, public employee blanket crime, directors bond, business travel accident, and workers compensation insurance policies.

Following review and discussion, Director Ottmann moved to accept the proposal from Gallagher and direct that the proposal be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously.

CONTRACT REVENUE REFUNDING BONDS (WATER, SEWER, AND DRAINAGE FACILITIES), SERIES 2021 ("SERIES 2021 REFUNDING BONDS")

Ms. Cook reviewed an updated Sources and Uses of Funds Analysis, a copy of which is attached, for the Series 2021 Refunding Bonds.

APPROVE PRELIMINARY OFFICIAL STATEMENT FOR THE DISTRICT'S SERIES 2021 REFUNDING BONDS

Ms. Cook reviewed the Preliminary Official Statement for the District's Series 2021 Refunding Bonds. After review and discussion, Director Ottmann moved to approve the Preliminary Official Statement, subject to final review. Director Ross seconded the motion, which passed unanimously.

APPOINT PAYING AGENT/REGISTRAR AND ESCROW AGENT

The Board considered appointing a paying agent/registrar and escrow agent for the Series 2021 Refunding Bonds. Following review and discussion, Director Ottmann moved to appoint The Bank of New York Mellon Trust Company, N.A., as the District's paying agent/registrar and escrow agent for the Series 2021 Refunding Bonds. Director Ross seconded the motion, which passed unanimously.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE SERIES 2021 REFUNDING BONDS AND AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE SALE OF THE BONDS

Ms. Carner reviewed a Resolution Authorizing the Issuance of the Series 2021 Refunding Bonds. The Board discussed delegating authority to Director Quintero, with Director Ross as an alternate, to coordinate with RBC on the sale of the Series 2021 Refunding Bonds.

The Board discussed parameters for the sale of the Series 2021 Refunding Bonds and, based upon RBC's recommendations, considered setting a minimum net present value savings of at least 6% and setting the maximum principal amount of the Series 2021 Refunding Bonds at \$8 million.

Following review and discussion, Director Ottmann moved to (1) adopt the Resolution Authorizing the Issuance of the Series 2021 Refunding Bonds and

direct that the Resolution be filed appropriately and retained in the District's official records; (2) delegate authority to Director Quintero, with Director Ross as an alternate, to work with RBC as the District's Authorized Representative to effect the sale of the Series 2021 Refunding Bonds and authorize the execution of any necessary documents related to the Series 2021 Refunding Bonds; and (3) authorize the financial advisor to proceed with the sale of the Series 2021 Refunding Bonds contingent upon a net present value savings of at least 6% and a maximum principal amount of \$8 million. Director Ross seconded the motion, which passed unanimously.

AUTHORIZE THE DISTRICT'S ATTORNEY AND THE FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S SERIES 2021 REFUNDING BONDS

The Board next considered authorizing ABHR and RBC to take all necessary action in connection with the issuance of the Series 2021 Refunding Bonds and to deliver the Series 2021 Refunding Bonds to the purchaser. After discussion, Director Ottmann moved to authorize ABHR and RBC to take all necessary action in connection with the issuance of the Series 2021 Refunding Bonds and to deliver the Series 2021 Refunding Bonds to the purchaser. Director Ross seconded the motion, which passed unanimously.

CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Carner reviewed a Certificate Regarding Provision of Financial Advice related to the Series 2021 Refunding Bonds. After review and discussion, Director Ottmann moved to approve the Certificate Regarding Provision of Financial Advice related to the Series 2021 Refunding Bonds and direct that the Certificate be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously.

APPROVE PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board considered approving payment to the Attorney General for review of the transcript for the Series 2021 Refunding Bonds. After discussion, Director Ottmann moved to authorize payment to the Attorney General for bond transcript review. Director Ross seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

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

Ms. Benzman reported that lift pump nos. 1 and 2 at lift station no. 2 require replacement in the estimated amount of \$31,000 each. 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 lift pumps.

Ms. Benzman updated the Board on the status of the replacement of the galvanized air drop pipes with stainless steel air drop pipes at the wastewater treatment plant.

Ms. Benzman updated the Board on the status of the water plant no. 2 fence rehabilitation project.

Ms. Benzman reported that the replacement of the motor at booster pump no. 1 at water plant no. 2 is complete.

After review and discussion, Director Ottmann moved to (1) accept the operator's report; (2) approve the replacement of lift pump nos. 1 and 2 at lift station no. 2 in the estimated amount of \$31,000 each; and (3) authorize ABHR to send a notice letter to the TCEQ regarding the use of surplus funds for the lift pump replacement project. Director Ross seconded the motion, which 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 June, a copy of which is attached.

EROSION, DREDGING, AND WATER QUALITY

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.

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.

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.

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. He reported on Harris County's proposed realignment of a portion of Mound Road. Discussion ensued regarding drainage matters adjacent to Mound Road. Mr. Gaden stated EHRA is coordinating with Harris County regarding installation of swales to improve drainage.

REVIEW BIDS AND AWARD CONTRACT FOR CONSTRUCTION OF WATER PLANT NO. 1 HYDROPNEUMATIC TANK ADDITION

Mr. Gaden updated the Board on the status of design of the additional hydropneumatic tank at water plant no. 1.

The Board discussed the possible installation of a permanent generator for the water plant no. 1 facilities. After discussion, the Board requested EDP and EHRA

coordinate on a cost estimate for the purchase and installation of permanent generator at water plant no. 1.

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. 2 in the amount of \$36,675.00, submitted by T&G Services. Mr. Gaden also reviewed and recommended approval of a proposal in an amount not to exceed \$15,000.00, submitted by JW Construction Services, for quality assurance and inspection services for the project.

After review and discussion, and based on the engineer's recommendation, Director Ottmann moved to (1) approve Pay Estimate No. 2 in the amount of \$36,675.00, submitted by T&G Services; and (2) approve the proposal in an amount not to exceed \$15,000.00, submitted by JW Construction Services. Director Ross seconded the motion, which passed unanimously.

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 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 accepting two Special Warranty Deeds for two tracts to be conveyed from CW SCOA West, L.P to the District in connection with the Phase 1L detention facility. After discussion, Director Ottmann moved to approve the Special Warranty Deeds and direct that the Deeds be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed unanimously.

The Board considered granting two Consents to Encroachment to Ashton Houston Residential L.L.C. for the installation of stone columns within District easements. After review and discussion, Director Ottmann moved to approve the Consents to Encroachment with Ashton Houston Residential L.L.C. and direct that the Consents be filed appropriately and retained in the District's official records. Director Ross seconded the motion, which passed by unanimous vote.

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.

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

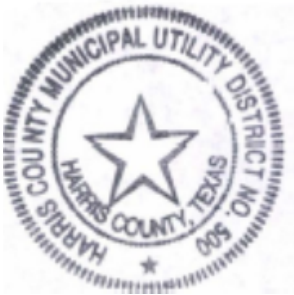
The Board did not convene in Executive Session.

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/ Saundra Dahlke
Secretary, Board of Directors

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