

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

February 13, 2024

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 13th day of February, 2024, at the Lakehouse, 10000 Towne Lake Parkway, Cypress, Texas, outside the boundaries of the District but inside the boundaries of the Service Area, and the roll was called of the members of the Board:

Jeffry D. Ottmann	President
Joanne E. Quintero	Vice President
Jeff P. Collins	Secretary
James Spackman	Assistant Secretary
Alan Steinberg	Asst. Vice President/ Asst. Secretary

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

Also present at the meeting were Bethany Gray of the Towne Lake Community Association, Inc. ("HOA"); Michael Crahan of Caldwell Companies; Angel Ruvalcaba of KGA/DeForest Design, LLC ("KGA"); Leslie Cook of RBC Capital Markets; JC Reno of Storm Water Solutions, LLC; Lynn Kurtz of Myrtle Cruz, Inc.; Amanda Benzman of Environmental Development Partners ("EDP"); J.T. Gaden and Kenrick Piercy of EHRA Engineering ("EHRA"); Brenda McLaughlin of Bob Leared Interests; and Katie Carner, Allison Leatherwood, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

CONVENE IN EXECUTIVE SESSION TO CONSULT WITH ATTORNEY, PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board convened in Executive Session at 12:48 p.m. pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with their attorney. Ms. Carner, Ms. Leatherwood, and Ms. Ramirez also were present.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:01 p.m. No action was taken by the Board.

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the January 9, 2024, regular meeting. After review and discussion, Director Quintero moved to approve the minutes of the January 9, 2024, regular meeting, as presented. Director Collins seconded the motion, which passed unanimously.

CONTRACT REVENUE BONDS (WATER, SEWER, AND DRAINAGE FACILITIES), SERIES 2024A

Ms. Cook reviewed a Pricing Book for the sale of the District's \$10,195,000 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2024A ("Series 2024A Bonds") and the \$3,045,000 Taxable Contract Revenue Bonds (Water, Sewer, and Drainage Facilities), Series 2024B ("Series 2024B Bonds"), a copy of which is attached.

REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S SERIES 2024A BONDS

The Board considered review of the bids and award of the sale of the Series 2024A Bonds. Ms. Cook read the bids that had been received:

- (1) BOK Financial Securities, Inc. ("BOK"), with a net effective interest rate of 4.048849%;
- (2) Stifel, Nicolaus & Co., Inc., with a net effective interest rate of 4.064894%;
- (3) SAMCO Capital Markets, with a net effective interest rate of 4.079670%;
- (4) Robert W. Baird & Co., Inc., with a net effective interest rate of 4.092969%;
- (5) Raymond James & Associates, Inc., with a net effective interest rate of 4.097164%;
- (6) Crews & Associates, Inc., with a net effective interest rate of 4.116899%;
- (7) UMB Bank, N.A., with a net effective interest rate of 4.137307%;
- (8) Loop Capital Markets, LLC, with a net effective interest rate of 4.212902%;
- (9) HilltopSecurities ("Hilltop"), with a net effective interest rate of 4.260805%; and
- (10) TD Securities, with a net effective interest rate of 4.336539%.

The Board next considered award of the sale of the Series 2024A Bonds. Ms. Cook stated that the low bid submitted by BOK, with a net effective interest rate of 4.048849%, had been reviewed and all numbers checked and confirmed.

She recommended that the District accept the bid of BOK, as submitted. After review and discussion, Director Quintero moved to award the sale of the Series 2024A Bonds to BOK, with a net effective interest rate of 4.048849%, as recommended. Director Collins seconded the motion, which passed unanimously.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S SERIES 2024A BONDS

The Board considered adopting a Resolution Authorizing the Issuance of the District's Series 2024A Bonds ("Series 2024A Resolution"). Ms. Carner reviewed the proposed Series 2024A Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the Series 2024A Bonds, the payment of principal and interest over the life of the Series 2024A Bonds, and certain District covenants regarding the Series 2024A Bonds. After review and discussion, Director Quintero moved to adopt the Series 2024A Resolution and direct that it be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

PAYING AGENT/REGISTRAR AGREEMENT

The Board next considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Ms. Carner stated that the Paying Agent/Registrar Agreement sets forth the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Series 2024A Bonds. After discussion, Director Quintero moved to approve the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. and direct that the agreement be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

OFFICIAL STATEMENT

The Board next considered approving the Official Statement. Ms. Carner explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates and debt service requirements. After discussion, Director Quintero moved to approve the Official Statement and direct that it be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Carner reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Series 2024A Certificate"). After review and discussion, Director Quintero moved to authorize execution of the Series 2024A Certificate and direct that it be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

EXECUTION OF DOCUMENTS RELATED TO DISTRICT'S SERIES 2024A BONDS

Ms. Carner next explained that there will be various documents related to delivery of the Series 2024A Bonds requiring execution by the directors prior to closing. She requested that the Board authorize the President or Vice President and Secretary or Assistant Secretary to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2024A Bonds to the purchaser. After discussion, Director Quintero moved to authorize execution of documents related to the sale and delivery of the Series 2024A Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2024A Bonds. Director Collins 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 relating to the Series 2024A bond issue transcript review. After discussion, Director Quintero moved to approve payment to the Attorney General relating to the bond issue transcript review. Director Collins seconded the motion, which passed unanimously.

TAXABLE CONTRACT REVENUE BONDS (WATER, SEWER, AND DRAINAGE FACILITIES), SERIES 2024B

REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S SERIES 2024B BONDS

The Board considered review of the bids and award of the sale of the Series 2024B Bonds. Ms. Cook read the bids that had been received:

- (1) Hilltop, with a net effective interest rate of 5.414865%;
- (2) Robert W. Baird & Co., Inc., with a net effective interest rate of 5.456724%;

- (3) Bernardi Securities, Inc., with a net effective interest rate of 5.494820%;
- (4) SAMCO Capital Markets, with a net effective interest rate of 5.578757%;
and
- (5) BOK, with a net effective interest rate of 5.663914%.

The Board next considered award of the sale of the Series 2024B Bonds. Ms. Cook stated that the low bid submitted by Hilltop, with a net effective interest rate of 5.414865%, had been reviewed and all numbers checked and confirmed. She recommended that the District accept the bid of Hilltop, as submitted. After review and discussion, Director Quintero moved to award the sale of the Series 2024B Bonds to Hilltop, with a net effective interest rate of 5.414865%, as recommended. Director Collins seconded the motion, which passed unanimously.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S SERIES 2024B BONDS

The Board considered adopting a Resolution Authorizing the Issuance of the District's Series 2024B Bonds ("Series 2024B Resolution"). Ms. Carner reviewed the proposed Series 2024B Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the Series 2024B Bonds, the payment of principal and interest over the life of the Series 2024B Bonds, and certain District covenants regarding the Series 2024B Bonds. After review and discussion, Director Quintero moved to adopt the Series 2024B Resolution and direct that it be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

PAYING AGENT/REGISTRAR AGREEMENT

The Board next considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Ms. Carner stated that the Paying Agent/Registrar Agreement sets forth the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Series 2024B Bonds. After discussion, Director Quintero moved to approve the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. and direct that the agreement be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

OFFICIAL STATEMENT

The Board next considered approving the Official Statement. Ms. Carner

explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates and debt service requirements. After discussion, Director Quintero moved to approve the Official Statement and direct that it be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Carner reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Series 2024B Certificate"). After review and discussion, Director Quintero moved to authorize execution of the Series 2024B Certificate and direct that it be filed appropriately and retained in the District's official records. Director Steinberg seconded the motion, which passed unanimously.

EXECUTION OF DOCUMENTS RELATED TO DISTRICT'S SERIES 2024B BONDS

Ms. Carner next explained that there will be various documents related to delivery of the Series 2024B Bonds requiring execution by the directors prior to closing. She requested that the Board authorize the President or Vice President and Secretary or Assistant Secretary to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2024B Bonds to the purchaser. After discussion, Director Quintero moved to authorize execution of documents related to the sale and delivery of the Series 2024B Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2024B Bonds. Director Collins 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 relating to the Series 2024B bond issue transcript review. After discussion, Director Quintero moved to approve payment to the Attorney General relating to the bond issue transcript review. Director Collins seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Gaden presented the engineer's report, a copy of which is attached, and reviewed it with the Board.

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 design of the UPRR/Highway 290 project. He stated that EHRA will provide the updated project schedule to the Board.

Ms. Carner updated the Board on the status of the various utility relocation projects and the funding agreement with the Harris County Toll Road Authority.

The Board reviewed a form of Agreement with Southwestern Bell Telephone Company d/b/a AT&T Texas ("AT&T") for the relocation, adjustment, and protection of telecommunication facilities in connection with the District's UPRR/Highway 290 project. After review and discussion, Director Quintero moved to authorize execution of the Agreement with AT&T, subject to the Director Collins' final approval, and direct that the final Agreement be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

Ms. Carner reported that, as part of the Interlocal Agreement with Harris County Emergency Services District No. 9 ("ESD 9") and Harris County Municipal Utility District No. 503 ("HC 503") regarding the funding contribution for the UPRR/Highway 290 Project, ESD 9 has requested that the District include language in the Agreement stating that the District will provide an alternate access point to the back of the ESD 9 site in the event that any utility repairs require the access driveway to be blocked off. Ms. Carner then requested that the Board consider reauthorizing approval and execution of the Interlocal Agreement with ESD 9, HC 503, and the District. After review and discussion, Director Quintero moved to authorize execution of the Interlocal Agreement with ESD 9, HC 503, and the District, revised as discussed. Director Collins seconded the motion, which passed unanimously.

The Board tabled discussion on a First Amendment to Agreement with Harris County and CW SCOA West, L.P. related to Mound Road extension and construction of drainage facilities.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR THE WASTEWATER TREATMENT PLANT NO. 1 EXPANSION, PHASE 4

Mr. Gaden updated the Board on the status of design of the wastewater treatment plant no. 1 expansion, phase 4 project.

LAKE EROSION REHABILITATION PROJECT

Mr. Gaden updated the Board on the status of design of the lake erosion rehabilitation project.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR THE WATER PLANT NO. 1 GROUND STORAGE TANK NO. 2 RECOATING PROJECT

Mr. Gaden updated the Board on the status of design of the water plant no. 1 ground storage tank no. 2 recoating project.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR CONSTRUCTION OF WASTEWATER TREATMENT PLANT NO. 2

Mr. Gaden updated the Board on the status of construction of wastewater treatment plant no. 2. He had no action items from C4 Partners.

The Board discussed the power issues at wastewater treatment plant no. 1. The Board requested that EHRA evaluate the design of wastewater treatment plant no. 2 to determine if any improvements can be made to protect against future power issues. The Board also requested that EDP prepare an incident report regarding the recent electrical incident at wastewater treatment plant no. 1 for review by EHRA and the Board.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR THE BARKER CYPRESS LEFT TURN LANE

Mr. Gaden updated the Board on the status of construction of the Barker Cypress left turn lane project. He had no action items from SAS Concrete Construction, LLC.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR WATER WELL NO. 1 AND WATER PLANT NO. 1 HYDROPNEUMATIC TANK ADDITION

Mr. Gaden updated the Board on the status of construction of water well no. 1 and the additional hydropneumatic tank. He reviewed and recommended approval of Pay Estimate No. 20 in the amount of \$24,772.50, submitted by HCG, LLC.

After review and discussion, Director Quintero moved to approve Pay Estimate No. 20 in the amount of \$24,772.50 to HCG, LLC, as recommended. Director Collins seconded the motion, which passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR THE MOUND ROAD EAST UTILITY EXTENSION PROJECT

Mr. Gaden updated the Board on the status of construction of the Mound Road East Utility Extension project. He had no action items from Texasite, LLC.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR THE WATER PLANT NO. 1 GROUND STORAGE TANK NO. 2 EMERGENCY ROOF REPLACEMENT AND RECOATING

Mr. Gaden updated the Board on the status construction of the water plant no. 1 ground storage tank no. 2 emergency roof replacement project. He had no action items from Tank Builders, Inc.

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.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Kurtz reviewed the bookkeeper's report, a copy of which is attached, and submitted the bills for the Board's review. She also requested the Board approve check no. 5858 in the amount of \$206.37, payable to Director Quintero.

The Board discussed check no. 5852, payable to the HOA. Ms. Carner stated that KGA reviewed the documentation and pricing information provided by the HOA for the irrigation rehabilitation along Greenhouse Road conducted by the HOA. The Board reviewed a letter from KGA, a copy of which is attached to the landscape architect's report, recommending reimbursement to the HOA in the total amount of \$272,719.91.

Ms. Kurtz reviewed a revised draft budget for the Master District's fiscal year ending March 31, 2025, a copy of which is attached to the bookkeeper's report. Discussion ensued regarding the budget workshop held with representatives from the Participant districts and revisions to the draft budget recommended as a result of the workshop. After review and discussion, Director Quintero moved to adopt the Master District budget for the fiscal year ending March 31, 2025, as presented. Director Collins seconded the motion, which passed unanimously.

After review and discussion, Director Quintero moved to (1) approve the bookkeeper's report and the payments presented, including check no. 5858 as detailed above; and (2) approve the reimbursement to the HOA in the amount of \$272,719.91 for irrigation rehabilitation along Greenhouse Road conducted by the HOA. Director Steinberg seconded the motion, which passed unanimously.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

There was no discussion on this agenda item.

Director Collins exited the meeting.

LANDSCAPE ARCHITECT'S REPORT

Mr. Ruvalcaba reviewed the landscape architect's report, a copy of which is attached.

Mr. Ruvalcaba stated that the District received three bids for construction of the Greenhouse Road tree replacement project. He recommended that the Board award the contract to the apparent second lowest bidder, Allstar Landscaping ("Allstar"), in the amount of \$70,578.00. Mr. Ruvalcaba stated that the apparent low bidder did not include bid items that were included in a bid addendum. The Board concurred that, in its judgment, Allstar was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Director Quintero stated that she would not be in favor of replacing the new trees again if they die in the future.

Mr. Ruvalcaba reviewed a design proposal in an amount not to exceed \$6,500.00, submitted by KGA, for the Greenhouse Road landscape replacement project. He requested authorization to solicit bids upon completion of the design.

After review and discussion, and as recommended by the landscape architect, Director Quintero moved to: (1) accept the landscape architect's report; (2) award the contract for construction of the Greenhouse Road tree replacement project to Allstar in the amount of \$70,578.00, subject to receipt of payment and performance bonds and the certificate of insurance and endorsements, if any, provided by the contractor; (3) approve the proposal from KGA for the Greenhouse Road landscape replacement project; and (4) authorize solicitation of bids for the Greenhouse Road landscape replacement project. Director Steinberg 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 stated that a section of the front fence at water plant no. 1 is down and requires repair. She stated that the estimated cost to replace the entire front of the fence is approximately \$9,000.00 and noted that the fence was already scheduled to be replaced the following year. The Board discussed replacing the entire front of the fence versus replacing the damaged panels.

Ms. Benzman reported that EDP filed two unauthorized discharge reports with the Texas Commission on Environmental Quality ("TCEQ") and Harris County for excursions at wastewater treatment plant no. 1, one caused by a clogged transfer line and one caused by a damaged electrical cord on a lift pump.

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

After review and discussion, Director Quintero moved to (1) approve the operator's report; and (2) approve the replacement of the front side of the water plant no. 1 fence in the approximate amount of \$9,000.00. Director Steinberg seconded the motion, which passed unanimously.

DISCUSS LAKE MANAGEMENT AND MAINTENANCE

WILDLIFE MANAGEMENT, INCLUDING REPORT FROM A ALL ANIMAL CONTROL

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.

EROSION, DREDGING, AND WATER QUALITY

There was no discussion on this agenda item.

REPORT FROM HOA REGARDING LAKE AND LANDSCAPE MAINTENANCE MATTERS

The Board reviewed a landscape maintenance report provided by the HOA, a copy of which is attached. Director Ottmann requested that the HOA provide the report in a summary format.

REPORT ON STORMWATER FACILITIES MAINTENANCE AND REPAIRS

Mr. Reno reviewed the report on maintenance of the District's stormwater facilities, a copy of which is attached.

ROAD BOND ISSUE NO. 6

Mr. Gaden updated the Board on the status of the preparation of road bond issue no. 6.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT INCLUDING CONSENT TO PARTIAL ASSIGNMENT OF FINANCING AND REIMBURSEMENT AGREEMENT

Ms. Ramirez stated that CW SCOA West, L.P. ("CW SCOA") has requested that the District consent to CW SCOA's partial assignment of the Financing and Reimbursement Agreement for Water, Sewer, and Drainage Facilities, dated October 3, 2007 (as amended on March 2, 2016), the Development Financing Agreement for Recreational Facilities, dated September 2, 2009 (as amended December 3, 2014), and the Financing and Reimbursement Agreement for Road Facilities, dated September 2, 2009 (as amended December 3, 2014) with the District to CC Towne Lake MF I, L.P. and reviewed an Acknowledgement of Assignment of the District. After review and discussion, Director Quintero moved to consent to the assignment and authorize execution of the Acknowledgement of Assignment of the District and direct that the Acknowledgement be filed appropriately and retained in the District's official records. Director Steinberg seconded the motion, which passed unanimously.

REPORTS FROM DISTRICT CONSULTANTS REGARDING DISTRICT CORRESPONDENCE AND PROVISION OF RECORDS

The Board reviewed correspondence from Liberty Mutual Holding Company Inc., a copy of which is attached. After review and discussion, Director Steinberg moved to authorize Director Steinberg to submit the proxy vote on behalf of the District. Director Quintero seconded the motion, which passed unanimously.

DISCUSS YEAR IN REVIEW UPDATE

The Board reviewed a draft of the year in review update. The Board concurred to submit any comments to ABHR by March 1st. The Board requested that ABHR provide a revised year in review update for the Board's approval at the March regular meeting.

REVIEW AND REVISE ACTION LIST

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

MEETING SCHEDULE

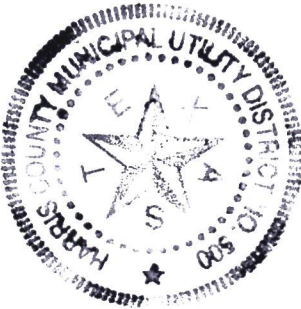
The Board discussed the regular meeting schedule for March.

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



Secretary, Board of Directors

(SEAL)



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