

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

June 29, 2022

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 29th day of June, 2022, 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:

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|--------------------|---------------------------------------|
| 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 Directors Ottmann and Spackman, thus constituting a quorum.

Also present at the meeting were Bill Collier of the Towne Lake Community Association, Inc. ("HOA"); Wendi Devita and Lynn Kurtz of Myrtle Cruz, Inc. ("MCI"); Leslie Cook of RBC Capital Markets; Cindy Harrell of F. Matuska, Inc. ("FMI"); Bart Downum of Environmental Development Partners, LLC ("EDP"); J.T. Gaden 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").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the June 1, 2022, regular meeting. After review and discussion, Director Steinberg moved to approve the minutes of the June 1, 2022, regular meeting, as presented. Director Collins seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MARCH 31, 2022

Ms. Carner stated that the District's audit is not yet ready due to the District's regular July meeting being rescheduled a week earlier and the timing of the auditor receiving some of the District's files from the District's bookkeeper. She stated that the

Board can either schedule a special meeting to review the audit, or approve the audit, subject to receipt and final comments from directors and consultants. After discussion, Director Collins moved to approve the audit for fiscal year ended March 31, 2022, subject to receipt and final review by the directors and consultants. Director Steinberg seconded the motion, which passed unanimously.

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 (the "MSRB") through EMMA in compliance with SEC Rule 15c2-12. Following review and discussion, Director Steinberg 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 Collins seconded the motion, which passed unanimously.

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.

AUTHORIZE RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board deferred discussion on this agenda item, pending receipt of an insurance renewal proposal from Arthur J. Gallagher & Co. ("AJG").

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Harrell reviewed the bookkeeper's report, a copy of which is attached, and submitted the bills for the Board's review.

After discussion, Director Collins moved to approve the bookkeeper's report and the payments presented. Director Steinberg seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

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

Mr. Downum updated the Board on the status of repair of lift station no. 3 pump nos. 1 and 2.

Mr. Downum updated the Board on the system-wide water pressure issues in the Towne Lake Service Area. He stated that EDP discovered a valve buried underground at the water plant no. 1 site that was almost completely closed, which has since been re-opened. He stated that the newest water pressure data indicates a significant improvement in water pressure throughout the system.

Mr. Downum stated that EDP has received odor complaints related to wastewater treatment plant no. 1. He stated that EDP started adding a ferric chloride chemical feed at the lift station, which seems to have resolved the odor issues for the time being.

The Board then reviewed a proposal for landscaping improvements at wastewater treatment plant no. 1 prepared by KGA DeForest Design, LLC, a copy of which is attached.

After review and discussion, Director Collins moved to: (1) accept the operator's report; and (2) approve the proposal for the landscaping improvements at the wastewater treatment plant in the amount of \$58,326.84 to be completed under EDP's contract with the District. Director Steinberg 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

Director Quintero inquired about the use of curb stops as part of residential erosion control, which are now visible due to the lower than usual lake level. Mr. Gaden stated that curb stops are typically included in the plans for erosion control, and EHRA has no concerns regarding their use.

The Board reviewed a request from the HOA for installation of fish habitat structures in the regional detention facilities, a copy of which is attached. Mr. Collier addressed the Board regarding the request and that that the HOA is requesting to install 30 fish habitat structures in the area of the regional detention facilities located at the southwest corner of Tuckerton Road and Towne Lake

Parkway. Mr. Gaden stated that EHRA has no objections to the request. Discussion ensued regarding the terms of a potential consent to encroachment for installation of fish habitat structures by the HOA. After review and discussion, Director Collins moved to authorize execution of a consent to encroachment for the fish habitat structures. Director Steinberg seconded the motion, which passed unanimously.

REQUEST RELATED TO USE OF STEEL PILING COFFER DAM AND REPORT ON INVESTIGATION OF CUT-IN BOAT SLIPS

Mr. Gaden updated the Board regarding his investigation into the request to utilize a cofferdam with steel sheet piling for the construction of a cut-in boat slip. He stated that EHRA completed more research on the potential use of bentonite chips to repair any potential damage to the clay liner. Mr. Gaden stated that EHRA recommends the Board proceed with amending the procedures for granting consents to encroachment for the construction of cut-in boat slips, including the use of steel piling coffer dams as part of the construction process, to require the use of bentonite chips to heal the clay liner overseen by the District's engineer. After review and discussion, Director Steinberg moved to authorize ABHR and EHRA to prepare the necessary documentation for a new form of consent to encroachment and procedures for the construction of cut-in boat slips. Director Collins seconded the motion, which passed unanimously.

AMENDMENT TO LAKE RULES

There was no discussion on this agenda item.

AGREEMENT FOR USE OF FACILITIES WITH CY-FAIR FIRE DEPARTMENT ("CY-FAIR FD")

Ms. Carner reviewed the proposed Agreement for Use of Facilities with Cy-Fair FD, which incorporates comments from the Lake Use Request Committee. After review and discussion, Director Steinberg moved to approve the Agreement for Use of Facilities with Cy-Fair FD and direct that the Agreement be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously. Ms. Carner stated the executed agreement will be provided to Cy-Fair FD today.

ENGINEERING MATTERS

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

Mr. Gaden reviewed the capital projects fund sheet, a copy of which is attached to the engineer's report.

Mr. Gaden stated that a follow up Erosion Control Committee meeting has been scheduled for July 20, 2022.

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. He reported that 30% plans are expected to be submitted to the Texas Department of Transportation this month and requested the Board authorize certain preliminary planning projects, including illumination, traffic signals, environmental and storm water pollution prevention plan.

Following review and discussion, and based on the engineer's recommendation, Director Steinberg moved to authorize preliminary planning projects, including illumination, traffic signals, environmental and storm water pollution prevention plan for the UPRR/Highway 290 Project. Director Collins seconded the motion, which passed unanimously.

Ms. Carner updated the Board on the status of preparation of Interlocal Agreements with the funding partners for the project. She stated that the estimated costs have increased and EHRA and Knudson, LP have requested the Houston-Galveston Area Council ("HGAC") consider increasing the federal funding allotment to compensate for the increased costs. Ms. Carner reported that HGAC staff informed EHRA and Knudson, LP that the UPRR/Highway 290 Project should qualify for 80% funding instead of the original 75% funding. She stated that EHRA and Knudson, LP are monitoring HGAC agendas and will attend all meetings related to the funding increase request.

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 will be provided to the Board.

REVIEW BIDS AND AWARD CONTRACT FOR EMERGENCY WATER INTERCONNECT

Mr. Gaden reported that the District received nine bids for construction of the emergency water interconnect with Harris County Municipal Utility District No. 196.

He recommended the Board award the contract to the low bidder, P&Z Logistics, Inc. ("P&Z"), in the amount of \$319,210.30. The Board concurred that, in its judgment, P&Z 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.

After review and discussion, and based on the engineer's recommendation, Director Steinberg moved to award the contract for construction of the emergency water interconnect with Harris County Municipal Utility District No. 196 to P&Z in the amount of \$319,210.30, subject to approval of payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor. Director Collins seconded the motion, which passed unanimously.

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.

WASTEWATER TREATMENT PLANT NO. 1 GENERATOR

There was no discussion on this agenda item.

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.

BARKER CYPRESS LEFT TURN LANE

Mr. Gaden updated the Board on the status of design of the Barker Cypress left turn lane project.

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

Mr. Gaden reported that EHRA received developer approval to award the contract for construction of wastewater treatment plant no. 2 to C4 Partners, and a pre-construction meeting is being scheduled.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR TOWNE LAKE SECTION 60 TEMPORARY ACCESS ROAD

Mr. Gaden updated the Board on the Towne Lake Section 60 temporary construction access road. He stated that he had no pay estimates from SWS for the Board's approval.

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 stated that he had no pay estimates from Hassell Construction Group, LLC for the Board's review.

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

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 PREPARATION OF PARK SURPLUS FUNDS APPLICATION AND BOND APPLICATION NO. 12

Ms. Carner updated the Board on the preparation of a park surplus funds application and water, sewer, and drainage bond application no. 12.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA") MATTERS, INCLUDING CONSTRUCTION OF SURFACE WATER DELIVERY LINE FOR WATER PLANT NO. 2

Mr. Gaden updated the Board on the status of WHCRWA's construction of the surface water delivery line for water plant no. 2.

LANDSCAPE ARCHITECT'S REPORT

There was no discussion on this agenda item.

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

The Board reviewed correspondence from the Texas Rural Water Association, a copy of which is attached.

BOOKKEEPING SERVICES MATTERS

AUTHORIZE TERMINATION OF CONTRACT FOR BOOKKEEPING SERVICES WITH FMI

The Board considered terminating the contract with FMI for bookkeeping services. Following review and discussion, Director Steinberg moved to: (1) terminate the contract with FMI as the District's bookkeeper; and (2) authorize ABHR to send a notice of termination to FMI, pursuant to the terms of the contract. Director Collins seconded the motion, which passed unanimously.

AUTHORIZE EXECUTION OF AGREEMENT FOR BOOKKEEPING SERVICES WITH MCI

The Board considered engaging MCI to serve as the District's bookkeeper. Ms. Carner reviewed the proposed Agreement for Bookkeeping Services with MCI. After review and discussion, Director Steinberg moved to authorize execution of the Agreement for Bookkeeping Services with MCI, subject to final review, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

ADOPT RESOLUTION CHANGING AND APPOINTING INVESTMENT OFFICER

The Board reviewed a Resolution Changing and Appointing Investment Officer, which appoints Mary Jarmon as the new Investment Officer for the District. After review and discussion, Director Steinberg moved to adopt the Resolution Changing and Appointing Investment Officer and direct that the Resolution be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

ACCEPT DISCLOSURE STATEMENT FOR BOOKKEEPER AND INVESTMENT OFFICER

The Board received the disclosure statements from Mary Jarmon and Wendi Devita as the District's new Investment Officer and bookkeeper. Ms. Carner explained that the statements disclose relationships of the bookkeeper/Investment Officer with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the

District. She noted that the disclosure statements will be filed with the Texas Ethics Commission.

After review and discussion, Director Steinberg moved to accept the disclosure statements of Ms. Jarmon and Ms. Devita as the District's Investment Officer and bookkeeper and authorize filing of the statements with the Texas Ethics Commission. Director Collins seconded the motion, which passed unanimously.

APPROVE AMENDED EXHIBITS A TO DEPOSITORY PLEDGE AGREEMENTS ("DPA") WITH CENTRAL BANK AND ALLEGIANCE BANK

The Board reviewed an Amended Exhibit A to the District's DPA with Central Bank which reflects MCI as the District bookkeeper and Ms. Jarmon as the District's Investment Officer. The Board then reviewed an Amended Exhibit A to the District's DPA with Allegiance Bank which reflects Ms. Jarmon as the District's Investment Officer.

After review and discussion, Director Steinberg moved to approve the Amended Exhibits A to the District's DPAs with Central Bank and Allegiance Bank. Director Collins seconded the motion, which passed unanimously.

AUTHORIZE EXECUTION OF DISTRICT REGISTRATION FORM

The Board then considered authorizing execution and filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the new bookkeeper and Investment Officer.

After review and discussion, Director Steinberg moved to authorize filing of the updated District Registration Form with the TCEQ, as required. Director Collins seconded the motion, which passed unanimously.

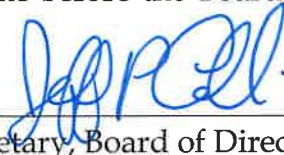
REVIEW AND REVISE ACTION LIST

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

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

The Board did not convene in Executive Session.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

| | Minutes |
|--|-------------|
| | <u>Page</u> |
| Bookkeeper's report..... | 2 |
| Operator's report..... | 2 |
| Proposal for landscaping improvements at wastewater treatment plant no. 1..... | 3 |
| Report from A All Animal Control | 3 |
| Request from HOA for installation of fish habitat structures | 3 |
| Engineer's report..... | 4 |
| Correspondence from the Texas Rural Water Association..... | 8 |