

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

January 14, 2025

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 14th day of January, 2025, 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:

Jeffrey 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 Lydia Morgan, member of the public; Deputy Kimberly Nobles of the Harris County Sheriff's Office; Kristine Nau of the Towne Lake Community Association, Inc. ("HOA"); Leslie Cook and Jake Terry of RBC Capital Markets; Kent Puckett and Michael Crahan of Caldwell Companies; Angel Ruvalcaba of KGA/DeForest Design, LLC; Erik Scott of Storm Water Solutions, LLC; Lynn Kurtz of Myrtle Cruz, Inc.; Amanda Benzman of Inframark Water & Infrastructure Services; J.T. Gaden and Kenrick Piercy of EHRA Engineering ("EHRA"); 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 December 10, 2024, regular meeting. After review and discussion, Director Quintero moved to approve the minutes of December 10, 2024, regular meeting, as presented. Director Steinberg seconded the motion, which passed unanimously.

ADOPT RESOLUTION ADOPTING COVERED APPLICATIONS POLICY

Ms. Carner discussed legislation enacted by the Texas Legislature that requires

all governmental entities to adopt a policy prohibiting the use of certain social media applications and services on government-owned or -leased devices. She stated that a model policy was developed by the Texas Departments of Public Safety and Information Resources for use by governmental entities. Ms. Carner reviewed the proposed Covered Applications Policy with the Board.

After review and discussion, Director Steinberg moved to adopt the Resolution Adopting Covered Applications Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Quintero seconded the motion, which passed unanimously.

SERIES 2025 ROAD BOND MATTERS

Ms. Cook reviewed a schedule for the issuance of the District's \$5,470,000 Contract Revenue Bonds (Road Facilities), Series 2025 (the "Series 2025 Road Bonds").

APPROVE FINAL COST SUMMARY

The Board reviewed the cost summary prepared by EHRA for the Series 2025 Road Bonds. Following review and discussion, Director Collins moved to approve the cost summary, subject to final review. Director Steinberg seconded the motion, which passed unanimously.

APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Ms. Cook reviewed a draft Preliminary Official Statement for the District's issuance and sale of its Series 2025 Road Bonds. Following review and discussion, Director Collins moved that the Preliminary Official Statement be deemed final and be authorized for release, subject to final review. Director Steinberg seconded the motion, which passed unanimously.

APPOINT PAYING AGENT/REGISTRAR

The Board discussed appointing The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar for the District's Series 2025 Road Bonds. Following discussion, Director Collins moved to appoint The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar for the Series 2025 Road Bonds. Director Steinberg seconded the motion, which passed unanimously.

ADVERTISEMENT AND SCHEDULE FOR SALE OF THE SERIES 2025 ROAD BONDS

The Board considered authorizing the District's financial advisor to

advertise for the sale of the District's Series 2025 Road Bonds. Following discussion, Director Collins moved to authorize the District's financial advisor to advertise for the sale of the District's Series 2025 Road Bonds. Director Steinberg seconded the motion, which passed unanimously. The Board concurred to schedule the bond sale for next month's regular meeting on February 11, 2025.

AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

The Board considered authorizing the District's auditor, McCall Gibson Swedlund Barfoot PLLC ("McCall"), to prepare a developer reimbursement report for the Series 2025 Road Bonds. After review and discussion, Director Collins moved to authorize McCall to prepare the developer reimbursement report for the Series 2025 Road Bonds. Director Steinberg seconded the motion, which passed unanimously.

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 additional check no. 6199 in the amount of \$368,323.92, payable to Century Link Communications LLC, check no. 6200 in the amount of \$204.09, payable to Director Ottmann, check no. 6201 in the amount of \$184,176.31, payable to AT&T CWO, and check no. 6202 in the amount of \$678,575.92, payable to Level 3 Communications LLC.

After review and discussion, Director Collins moved to approve the bookkeeper's report and the payments presented, including check nos. 6199-6202 as detailed above. Director Quintero seconded the motion, which passed unanimously.

Ms. Kurtz reviewed a draft budget for the Master District's fiscal year ending March 31, 2026, a copy of which is attached to the bookkeeper's report. The Board discussed revisions to the proposed budget. The Board then discussed scheduling a budget workshop with up to two representatives of each of the Participant districts to discuss the proposed Master District budget.

The Board then considered accepting the annual disclosure statements of the District's bookkeeper and investment officer.

After review and discussion, Director Quintero moved to (1) authorize distribution of the proposed Master District budget to the Participant districts, subject to Directors Ottmann's and Quintero's approval; (2) authorize ABHR to schedule a budget workshop, as discussed, with Directors Ottmann and Quintero attending on behalf of the District; and (3) accept the annual disclosure statements of the bookkeeper and investment officer and authorize filing of the same with the Texas Ethics

Commission, as required. Director Steinberg seconded the motion, which passed unanimously.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Carner reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no changes to the policy are required at this time.

LANDSCAPE ARCHITECT'S REPORT

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

Mr. Ruvalcaba updated the Board on the status of design of the landscape improvements for the drill site located south of Tuckerton Road, including coordination with the Parks Committee.

After review and discussion, the Board concurred to accept the landscape architect's report.

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 reviewed a summary of status of the insurance claims for fence damage related to the previous derecho and hurricane weather events.

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

DISCUSS LAKE MANAGEMENT AND MAINTENANCE

WILDLIFE MANAGEMENT, INCLUDING REPORT 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 December, 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

There was no discussion on this agenda item.

REPORT ON STORMWATER FACILITIES MAINTENANCE AND REPAIRS

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

ENGINEERING MATTERS

Mr. Piercy reviewed the engineer's report, a copy of which is attached.

GRADE SEPARATION AT UNION PACIFIC RAILROAD AND INTERSECTION IMPROVEMENTS AT HIGHWAY 290 ("UPRR/HIGHWAY 290 PROJECT")

Mr. Piercy and Ms. Carner updated the Board on the status of design of the UPRR/Highway 290 project, including the project schedule.

Ms. Carner updated the Board on the status of the increased project funding request to the Houston-Galveston Area Council.

Ms. Carner updated the Board on the status of the utility relocations for the UPRR/Highway 290 project. The Board reviewed a form of Agreement with Level 3 Communications LLC ("Level 3") for the relocation, adjustment, and protection of telecommunication facilities in connection with the District's UPRR/Highway 290 project. After review and discussion, Director Collins moved to authorize execution of the Agreement with Level 3, subject to the Director Ottmann's final approval, and direct that the final Agreement be filed appropriately and retained in the District's official records. Director Steinberg seconded the motion, which passed unanimously.

Ms. Carner reviewed a change order for custom work to the agreement with Southwestern Bell Telephone Company d/b/a AT&T Texas ("AT&T") to increase the total cost by \$184,176.31 for additional design work and materials required as a result of unforeseen field conditions. After review and discussion, Director Collins moved to approve the change order for custom work to the agreement with AT&T. Director Steinberg seconded the motion, which passed unanimously.

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

Mr. Piercy updated the Board on the status of design of the wastewater treatment

plant no. 1 expansion, phase 4 and access road improvements project.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR THE HOODED GREENHOUSE ROAD LEFT TURN LANE SOUTH OF CYPRESS NORTH HOUSTON

Mr. Piercy updated the Board on the status of design of the hooded Greenhouse Road left turn lane south of Cypress North Houston.

RESERVOIR DREDGING PHASE ONE

Mr. Gaden stated that funding for a lake dredging project was included in the District's last bond issue. He stated that phase one of the lake dredging project includes six areas around the lake and the first step is to obtain a bathymetric survey. He requested the Board authorize EHRA to obtain a bathymetric survey in an amount not to exceed \$10,000. Mr. Gaden stated that the survey is necessary to identify the current conditions in order to prepare a scope of work.

After review and discussion, Director Collins moved to authorize EHRA to obtain a bathymetric survey in an amount not to exceed \$10,000. Director Steinberg seconded the motion, which passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR THE WASTEWATER TREATMENT PLANT NO. 1 EMERGENCY GENERATOR

Mr. Piercy updated the Board on the status of construction of the wastewater treatment plant no. 1 emergency generator project. He had no action items from McDonald Municipal and Industrial.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR THE LAKE EROSION REHABILITATION PROJECT

Mr. Piercy updated the Board on the status of construction of the lake erosion rehabilitation project. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$157,486.50, submitted by Double Oak.

After review and discussion, Director Collins moved to approve Pay Estimate No. 3 in the amount of \$157,486.50 to Double Oak, as recommended. Director Steinberg seconded the motion, which passed unanimously.

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

Mr. Piercy updated the Board on the status of construction of the water plant no. 1 ground storage tank no. 2 recoating project. He reviewed and recommended

approval of Pay Estimate Nos. 2 and 3 and Final in the amounts of \$163,980.00 and \$28,420.00, respectively, and Change Order No. 2 to increase the contract in the amount of \$3,200.00, submitted by CFG Industries, LLC ("CFG"). Mr. Piercy stated that Change Order No. 2 is for replacing certain bolts, gaskets, and vent screens. The Board determined that Change Order No. 2 is beneficial to the District. Mr. Piercy also recommended the Board accept the project.

After review and discussion, and based on the engineer's recommendation, Director Collins moved to (1) approve Pay Estimate Nos. 2 and 3 and Final in the amounts of \$163,980.00 and \$28,420.00, respectively, to CFG; (2) approve Change Order No. 2 to increase the contract in the amount of \$3,200.00, submitted by CFG, based on the Board's determination that the Change Order is beneficial to the District; and (3) accept the project. Director Steinberg seconded the motion, which passed unanimously.

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

Mr. Piercy updated the Board on the status of construction of wastewater treatment plant no. 2. He reviewed a timeline for the power release for the plant and discussed the project delays. Discussion ensued. Mr. Piercy had no action items from C4 Partners.

PROPOSAL FOR WATER PLANT AND LIFT STATION COATING INSPECTIONS

Mr. Piercy stated that EHRA has requested proposals for the water plant and lift station coating inspections but has not received any yet.

DISCUSS OPTIONS FOR WATER REUSE, INCLUDING ESTABLISHMENT OF REUSE COMMITTEE

The Board discussed options for a water reuse system and considered forming a reuse committee to work with EHRA on a potential water reuse system.

After review and discussion, Director Collins moved to appoint Directors Steinberg and Collins to the District's Reuse Committee. Director Steinberg seconded the motion, which passed unanimously.

APPROVE CAPACITY RESERVATIONS AND UTILITY COMMITMENT LETTERS

There was no discussion on this agenda item.

RECEIVE ESTIMATES FROM PARTICIPANT DISTRICTS REGARDING MONTHLY WATER AND SEWER DEMANDS, NUMBER OF NEW CONNECTIONS, AND AMOUNT OF RESERVED CONNECTIONS FOR THE UPCOMING FISCAL YEAR

Mr. Piercy reviewed a report containing the projected number of new connections for the Participant districts for the upcoming year, a copy of which is attached.

CONVEYANCE OF EASEMENTS/DEEDS; ABANDONMENT OF EASEMENT; CONSENTS TO ENCROACHMENT, INCLUDING POTENTIAL ACQUISITION OF DRILL SITE ADJACENT TO EAST HIGHLANDS BAYOU

The Board considered authorizing execution of a Consent to Encroachment with CW SCOA West, L.P. After review and discussion, Director Steinberg moved to authorize execution of the Consent to Encroachment and direct that it be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

Ms. Carner reviewed with the Board a legal conflicts waiver regarding representation by ABHR of the West Harris County Regional Water Authority ("WHCRWA") and the District in connection with a proposed Right-of-Entry Agreement with the WHCRWA. After review and discussion, Director Steinberg moved to approve the legal conflicts waiver. Director Collins seconded the motion, which passed unanimously.

The Board then considered authorizing execution of a Right-of-Entry Agreement between the District and the WHCRWA for the WHCRWA's installation of an automatic meter reading system at the District's water well no. 1. After review and discussion, Director Steinberg moved to authorize execution of the Right-of-Entry Agreement with the WHCRWA and direct that it be filed appropriately and retained in the District's official records. Director Collins seconded the motion, which passed unanimously.

UPDATE ON PREPARATION OF PARK BOND APPLICATION NO. 2

There was no discussion on this agenda item.

WHCRWA MATTERS

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

There was no discussion on this agenda item.

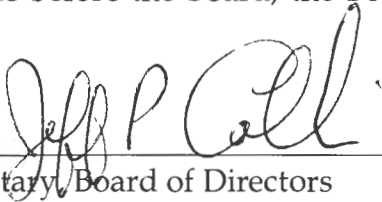
REVIEW AND REVISE ACTION LIST

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

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

(SEAL)




Secretary, Board of Directors

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