

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 504

February 1, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 504 (the "District") met in regular session, open to the public, on the 1st day of February, 2024, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Blanco Conference Room, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

John Hernandez	President
Ebony McGowen	Vice President
Kedrin Bell	Secretary
Anthony Turner	Assistant Secretary
Kimberly Badu	Assistant Vice President

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

Also present in person at the meeting were Corporal Oswaldo Alvarez of Harris County Constable's Office ("HCCO"); Craig Rathmann of Rathmann & Associates, L.P.; Chip Patronella of Champions Hydro-Lawn, Inc. ("Champions"); JC Reno of Storm Water Solutions, LLC; Ryan Lesikar of BGE, Inc. ("BGE"); Josh LaMartina of TBG Partners; Christina Ferguson of Myrtle Cruz, Inc.; Brittany Keeswood of Assessments of the Southwest, Inc.; Trina Kilgore of Inframark Water & Infrastructure Services ("Inframark"); and Sanjay Bapat and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

On the telephone were Paul Schneider and Harry Rockwood, directors of Harris County Municipal Utility District No. 412 ("HC 412").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the January 4, 2024, regular meeting. After review and discussion, Director Turner moved to approve the minutes of January 4, 2024, regular meeting, as presented. Director Hernandez seconded the motion, which passed by a vote of 3-0 with Director McGowen absent from the meeting.

2024 DIRECTORS ELECTION

Mr. Bapat explained that the Harris County Clerk notified the District that Harris

County will not contract with political subdivisions, such as the District, to administer the District's May 2024 Directors Election. He stated that, as a result, the District will not contract with Harris County, as previously authorized, but instead the District will administer its own election.

Mr. Bapat discussed the option of approving exemptions from using electronic voting systems during the 2024 Directors Election. After review and discussion, Director Turner moved to approve an exemption from the electronic voting machine requirement and to authorize ABHR to publish the required notice. Director Hernandez seconded the motion, which passed by a vote of 3-0 with Director McGowen absent from the meeting.

The Board discussed pay for election officials during the 2024 Directors Election. Following discussion, Director Turner moved to set the pay for election officials at \$18.00 per hour. Director Hernandez seconded the motion, which passed by a vote of 3-0 with Director McGowen absent from the meeting.

The Board considered a proposed Order Calling Directors Election for the May 4, 2024 election. Following review and discussion, Director Turner moved to adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records. Director Hernandez seconded the motion, which passed by a vote of 3-0 with Director McGowen absent from the meeting.

Mr. Bapat discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Harris County. After review and discussion, Director Turner moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director Hernandez seconded the motion, which passed by a vote of 3-0 with Director McGowen absent from the meeting.

UPDATE FROM HC 412, INCLUDING REPORT FROM JOINT FACILITIES COMMITTEE

Mr. Rockwood provided an update on the joint facilities, including repairs and maintenance conducted during the previous month. He then reported on the District's water usage in December, 2023 and January, 2024.

Mr. Lesikar stated that the City of Houston's ("City") master meter on the surface water line was out of calibration and was subsequently replaced by the City. He stated that, due to the miscalibrated meter, it appears that HC 412 and the District were overbilled for usage by the City for the billing periods of October-December, 2023. He stated that BGE is coordinating with the City on reconciling the districts' actual usage with the billed usage and obtaining a credit from the City for the excess billing.

REPORT FROM BEST TRASH

The Board reviewed a report on garbage collection and recycling services in the District provided by Best Trash, a copy of which is attached.

SECURITY MATTERS, INCLUDING CONSTABLE'S REPORT AND REPORT FROM THE SECURITY COMMITTEE

Corporal Alvarez updated the Board on the status of security in the District. The Board discussed security matters in the District.

Discussion ensued regarding big rig parking on unfinished sections of Madera Run Parkway. Corporal Alvarez stated that unfinished sections of roadway are considered private property and the HCCO is unable to take any action.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Keeswood reviewed the tax assessor/collector's report, a copy of which is attached, and reviewed the District's delinquent tax roll. She reported that the District's 2023 taxes are 89.70% collected as of January 31, 2024.

Following review and discussion, Director Turner moved to approve the tax assessor/collector's report and payment of the tax bills. Director Bell seconded the motion, which passed by a vote of 3-0 with Director McGowen absent from the meeting.

REPORT ON DETENTION AND DRAINAGE FACILITIES

Mr. Patronella reviewed the report on mowing and maintenance in the District, a copy of which is attached.

Mr. Patronella reviewed a proposal in the amount of \$7,020.00 for removal of 22 dead trees, a copy of which is attached. Mr. Lesikar noted that the proposal falls under the total amount authorized by the Board for dead tree removal. After review and discussion, the Board concurred to approve the proposal.

Mr. Patronella reviewed a proposal in the amount of \$4,850.00 for clearing MUD-owned wooded reserves along fences, a copy of which is attached.

After review and discussion, Director Hernandez moved to approve the proposal in the amount of \$4,850.00 for clearing the MUD-owned wooded reserves along fences. Director Bell seconded the motion, which passed by a vote of 3-0 with Director McGowen absent from the meeting.

Mr. Reno reviewed a report on the maintenance of the District's storm water

quality features, a copy of which is attached.

Director McGowen entered the meeting.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Rathmann reviewed an analysis of the optional tax rate exemptions the District may offer, a copy of which is attached. The Board discussed the optional tax rate exemptions.

After review and discussion, Director McGowen moved to adopt the Resolution Concerning Exemptions From Taxation providing for the exemption from ad valorem taxation of \$20,000 of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older but rejects a general homestead exemption, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Bell seconded the motion, which passed by a vote of 3-0 with Director Turner abstaining.

OPERATION OF DISTRICT FACILITIES

Ms. Kilgore presented an operator's report, a copy of which is attached, and reviewed it with the Board. She reported that the District currently has 1,813 occupied homes.

Ms. Kilgore reported that Inframark received one water quality complaint in January, 2024. She stated that the water quality complaint is from a resident who has called Inframark numerous times to report a sulfur smell from the cold-water tap in the home. Ms. Kilgore stated that Inframark has flushed the lines by the resident's home approximately six times in the past three months and Inframark has scheduled the laboratory company to test the water at the tap outside of the home. The Board discussed Inframark's standard procedures for handling water quality complaints. After discussion, the Board directed Inframark to limit flushing to no more than three times per six-month period for residents who frequently report water quality issues that are possibly due to causes internal to the residence, excluding periods of scheduled chlorine burn maintenance, and then proceed with having the water tested at the tap outside of the home.

Ms. Kilgore reviewed one abandoned account with an outstanding balance of less than \$25.00 and requested authorization to write off the account from the accounts receivable ledger as uncollectible.

Following review and discussion, Director Turner moved to (1) approve the operator's report; and (2) authorize Inframark to write off the account with an outstanding balance of less than \$25.00 as uncollectible. Director Hernandez seconded

the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

Ms. Kilgore presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District’s Rate Order, prior to the meeting of the opportunity to appear before the Board to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Turner moved to authorize termination of delinquent accounts in accordance with the District’s Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District’s official records. Director Hernandez seconded the motion, which passed unanimously.

ENGINEER’S REPORT

Mr. Lesikar reviewed the engineer’s report, a copy of which is attached.

GROUND STORAGE TANK NO. 4

Mr. Lesikar updated the Board on the status of construction of the ground storage tank no. 4 project. He reviewed and recommended approval of Pay Estimate Nos. 4 and 5 in the amounts of \$99,855.00 and \$7,110.00, respectively, each submitted by Schier Construction Company, Inc. (“Schier”).

After review and discussion, Director Bell moved to approve Pay Estimate Nos. 4 and 5 in the amounts of \$99,855.00 and \$7,110.00, respectively, to Schier, as recommended. Director Turner seconded the motion, which passed unanimously.

WATER, SEWER, DRAINAGE, AND PAVING FACILITIES TO SERVE GRAMINA WAY STREET DEDICATION

Mr. Lesikar updated the Board on the status of construction of the water, sewer, drainage, and paving facilities to serve Gramina Way Street Dedication. He stated that he had no pay estimates from NORKON Construction, LLC for the Board’s approval.

WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE THE GROVES, SECTIONS 42 AND 43

Mr. Lesikar updated the Board on the status of construction of the water,

sewer, and drainage facilities to serve The Groves, Sections 42 and 43. He stated that he had no pay estimates from Beyer Construction, LLC for the Board's approval.

LIFT STATION NO. 2 EXPANSION

Mr. Lesikar updated the Board on the status of construction of the construction of the lift station no. 2 expansion project. He stated that he had no pay estimates from Peltier Brothers Construction, LLC for the Board's approval.

MADERA RUN PARKWAY EXPANSION (FROM HICKORY ARROYO DRIVE TO RADURA ROAD)

Mr. Lesikar updated the Board on the status of the Madera Run Parkway expansion (from Hickory Arroyo Drive to Radura Road) project, as reflected in his report. The Board requested that BGE provide a preliminary schedule for bidding and construction of the project.

GROVES SOUTH PUBLIC INFRASTRUCTURE TO SERVE THE 26-ACRE COMMERCIAL TRACT

Mr. Lesikar updated the Board on the status of construction of the Groves South public infrastructure to serve the 26-acre commercial tract project. He stated that he had no pay estimates from Fellers & Clark, L.P. for the Board's approval.

UPDATE ON PREPARATION OF BOND APPLICATION NO. 9

Mr. Lesikar updated the Board on the status of preparation of bond application no. 9.

DISTRICT CAPITAL IMPROVEMENT PLAN ("CIP")

Mr. Lesikar stated that there were no updates to the District's CIP at this time.

JOINT CIP WITH HC 412

Mr. Lesikar stated that there were no updates to the joint CIP with HC 412 at this time.

UTILITY COMMITMENT LETTERS

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Mr. Lesikar updated the Board on the status of removal of the identified dead trees on District-owned reserves throughout the District. He stated that there are approximately 35 dead trees left to remove.

Mr. Lesikar reported that the fence at lift station no. 3 is damaged due to an unknown cause. He stated that BGE will obtain a proposal from Fencecrete for repair of the fence for the Board's review at the next regular meeting.

Mr. Lesikar stated that Champions identified two sinkholes in the District's drainage channel. He stated that BGE and Champions are investigating possible causes of the sinkholes.

The Board discussed security at the District's facilities. Mr. Lesikar stated that security improvements are included in the District's CIP. The Board requested that Inframark provide a proposal for putting up camera monitoring signs at the District's facilities.

After review and discussion, Director Bell moved to approve the engineer's report. Director Turner seconded the motion, which passed unanimously.

DEEDS, EASEMENTS, AND ENCROACHMENT AGREEMENTS, INCLUDING PROPOSALS FOR ENVIRONMENTAL SERVICES AND CONSENTS TO ENCROACHMENT

There was no discussion on this agenda item.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT SUMMER CONFERENCE

The Board discussed the AWBD winter conference. The Board then considered approving reimbursement to the directors for expenses incurred in attending the AWBD winter conference and authorizing attendance at the AWBD summer conference. After review and discussion, Director McGowen moved to approve reimbursement of the eligible AWBD winter conference expenses and to authorize attendance of Board members at the AWBD summer conference. Director Turner seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Ferguson reviewed the bookkeeper's report, a copy of which is attached, and submitted the bills of the District for payment.

After review and discussion, Director Bell moved to approve the bookkeeper's report and payment of the bills. Director McGowen seconded the motion, which passed unanimously.

LANDSCAPING REPORT

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

THE GROVES, SECTION 39

Mr. LaMartina updated the Board on the status of construction of The Groves, Section 39 project. He reviewed and recommended approval of Pay Estimate No. 8 and Final in the amount of \$31,703.29, submitted by HD Outdoor Designs, LLC ("HD Outdoor"). He also recommended the Board accept the project.

After review and discussion, Director Turner moved to approve Pay Estimate No. 8 and Final in the amount of \$31,703.29 to HD Outdoor and final acceptance of the project, as recommended. Director Hernandez seconded the motion, which passed unanimously.

THE GROVES, SECTION 40

Mr. LaMartina updated the Board on the status of construction of The Groves, Section 40 project. He stated that he had no pay estimates from HD Outdoor for the Board's approval.

THE GROVES, SECTION 41

Mr. LaMartina updated the Board on the status of construction of The Groves, Section 41 project. He stated that he had no pay estimates from HD Outdoor for the Board's approval.

After review and discussion, Director Turner moved to approve the landscape architect's report. Director Hernandez seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

There was no discussion on this agenda item.

REPORT FROM COMMUNICATIONS COMMITTEE, INCLUDING DISTRICT WEBSITE MATTERS

Directors McGowen and Turner updated the Board on the status of the District's website and the Communication Committee's activities.

The Board reviewed a website analytics report for the calendar year 2023, a copy of which is attached.

TOWN HALL PLANNING MATTERS

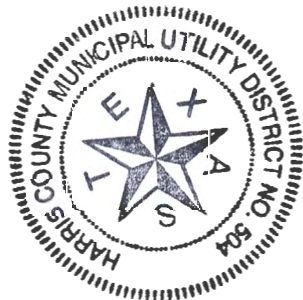
The Board discussed planning matters for holding an annual town hall meeting in the District. The Board concurred to schedule a special meeting to discuss the development of a presentation to utilize during the town hall meeting.

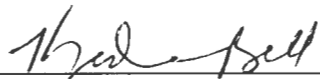
DISTRICT ACTION ITEMS LIST

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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