

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 504

September 5, 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 5th day of September, 2024, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and by videoconference, with access available to the public, pursuant to Chapter 551.127 of the Texas Government Code, and the roll was called of the members of the Board present in person:

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 Directors Hernandez and Badu, thus constituting a quorum.

Also present either in person or via videoconference at the meeting were Rachel Beeton, member of the public; Harry Rockwood, director of Harris County Municipal Utility District No. 412 ("HC 412"); Cort King and Guillo Machado of Read King; Ben Smith of The Groves Community Association, Inc. ("HOA"); Craig Rathmann of Rathmann & Associates, L.P.; Michael Willett of Touchstone District Services; Tiffany Darst of Ashlar Development; Christina Ferguson of Myrtle Cruz, Inc.; Sergeant Oswaldo Alvarez of Harris County Constable's Office ("HCCO"); Chip Patronella of Champions Hydro-Lawn, Inc. ("Champions"); Ryan Lesikar of BGE, Inc. ("BGE"); Monica Garcia of Assessments of the Southwest, Inc.; Trina Kilgore of Inframark Water & Infrastructure Services; and Sanjay Bapat, Kelly Hanen, Julie Gerdes, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

The Board reviewed correspondence from a property owner requesting removal of a dead tree, a copy of which is attached.

The Board reviewed correspondence from a resident regarding a drainage concern, a copy of which is attached.

APPROVE MINUTES

The Board reviewed the minutes of the August 1, 2024, regular meeting. After

review and discussion, Director McGowen moved to approve the minutes of August 1, 2024, regular meeting, as submitted. Director Turner seconded the motion, which passed unanimously.

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 July and August, 2024.

Mr. Rockwood reported that the next free chlorine maintenance will commence on September 14, 2024.

REPORT ON DEVELOPMENT

Mr. King and Mr. Machado updated the Board on the status of Read King's development.

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.

The Board discussed Best Trash's procedures for collecting residential yard waste. The Board requested that a representative of Best Trash attend the next Board meeting to discuss Best Trash's procedures.

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

Corporal Alvarez reviewed the security report from the HCCO, a copy of which is attached. The Board discussed security matters in the District, including the schedule for the new deputy shift that will commence on October 1, 2024. The Board requested that the new deputy to be assigned to the evening shift.

Mr. Bapat reported that the HCCO caught a juvenile damaging District property with a vehicle. He stated that the juvenile's parent requested to pay for the damage in lieu of the District taking any further action and the Security Committee consented. Mr. Patronella stated that it will cost \$700.00 to repair the damage. After review and discussion, Director McGowen moved to authorize Champions to repair the damage, subject to receipt of payment from the parent. Director Bell seconded the motion, which passed unanimously.

Mr. Bapat stated the District received the Interlocal Agreement for Law Enforcement Services with Harris County after the last Board meeting and, due to the timing of approval by the Harris County, the Security Committee authorized execution of the Interlocal Agreement. The Board then considered ratifying approval of the Interlocal Agreement for Law Enforcement Services with Harris County.

After review and discussion, Director Turner moved to ratify approval of the Interlocal Agreement for Law Enforcement Services and direct that it be filed appropriately and retained in the District's official records. Director Bell seconded the motion, which passed unanimously.

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 for the installation of irrigation for new trees, a copy of which is attached. The Board tabled discussed on the proposal.

Mr. Patronella reviewed a proposal for removal of additional dead trees in the amount of \$1,800.00, a copy of which is attached.

The Board discussed the drainage concern reported by a resident and presented under public comments. Mr. Lesikar stated that he will inspect the drainage swale to determine if regrading is needed.

The Board discussed the property owner's request for removal of a dead tree behind their business. Mr. Patronella stated that Champions will coordinate the removal of the dead tree, as well as an additional fallen tree located nearby.

After review and discussion, Director Turner moved to (1) approve the proposal for removal of additional dead trees in the amount of \$1,800.00; and (2) authorize Champions to coordinate the removal of the two dead trees under the District's standing removal authorization. Director Bell seconded the motion, which passed unanimously.

The Board discussed the special meeting held with the HOA to discuss tree assessment and maintenance matters. Mr. Lesikar stated that the HOA received a proposal from a licensed arborist to conduct a tree survey in the approximate amount of \$4,000.00. The Board concurred to consider entering into a service agreement with the arborist to perform the District-wide tree survey at the next regular meeting. Mr. Patronella also stated that Champions will be re-surveying the MUD-owned wooded reserves along fences to determine if any additional clearing needs to be completed.

The Board reviewed the report on the maintenance of the District's storm water quality features provided by Storm Water Solutions, LLC, a copy of which is attached.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Garcia 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 were 99.50% collected as of August 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 unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Ferguson presented the bookkeeper's report and submitted the bills of the District for payment. A copy of the bookkeeper's report is attached.

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

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board reviewed the District's Investment Policy and concurred no changes were necessary at this time. After review and discussion, Director McGowen moved to adopt the Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Turner seconded the motion, which passed unanimously.

REVIEW, REVISE AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board considered adopting a resolution that approves a list of authorized depository institutions and a list of qualified broker/dealers with whom the District may engage in investment transactions. After review and discussion, Director McGowen moved to adopt the Resolution Adopting a List of Authorized Depository Institutions and a List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Turner seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from McDonald & Wessendorff Insurance for renewal of the District's insurance policies. Following review and discussion, Director Turner moved to approve the proposal for renewal of the District's insurance policies. Director McGowen seconded the motion, which passed unanimously.

FOURTH AMENDMENT TO LANDSCAPE MAINTENANCE COST SHARING AGREEMENT WITH THE HOA

Mr. Bapat discussed the conveyance of certain park and landscaping facilities from the developer to the District. He stated that currently the HOA maintains the facilities, but the financial obligation for maintenance will transfer to the District once the facilities have been conveyed. Mr. Bapat reviewed the terms of the proposed Fourth Amendment to Landscape Maintenance Cost Sharing Agreement with the HOA, which will allocate the maintenance responsibilities by ownership. He stated that there will be no change to the overall expense to the District at this time. After review and discussion, Director McGowen moved to approve the Fourth Amendment to Landscape Maintenance Cost Sharing Agreement with the HOA, subject to final review, and direct that it be filed appropriately and retained in the District's official records. Director Bell seconded the motion, which passed unanimously.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING

Mr. Rathmann reviewed a tax rate analysis, a copy of which is attached. He recommended that the Board levy a tax rate of \$0.775 per \$100 of assessed valuation to provide for the District's debt service requirements consisting of \$0.64 to pay for water/sewer/drainage debt service and \$0.135 for road debt service. The Board then discussed the District's operation and maintenance tax rate. Mr. Rathmann recommended that the District levy a "parity" tax rate in the total amount of \$1.05 such that the tax bill for the average homestead would not increase. Mr. Bapat discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director McGowen moved to (1) set the public hearing date for October 3, 2024 at 6:00 p.m.; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 3, 2024 at 6:00 p.m., to set the proposed 2024 total tax rate of \$1.05 per \$100 of assessed valuation, with \$0.775 allocated for the District's debt service and \$0.275 allocated for operations and maintenance. Director Bell seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

The Board considered delegating authority to the Board President and Vice President to approve the action items listed in the operator's report. A copy of the

operator's report is attached. After review and discussion, Director Bell moved to delegate authority to the Board President and Vice President to approve the action items listed in the operator's report. Director McGowen seconded the motion, which passed unanimously.

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

The Board considered delegating authority to the Board President and Vice President to approve the action items listed in the engineer's report. After review and discussion, Director Bell moved to delegate authority to the Board President and Vice President to approve the termination of delinquent accounts in accordance with the District's Rate Order. Director McGowen seconded the motion, which passed unanimously.

ENGINEER'S REPORT


The Board considered delegating authority to the Board President and Vice President to approve the action items listed in the engineer's report. A copy of the engineer's report is attached. After review and discussion, Director Bell moved to delegate authority to the Board President and Vice President to approve the action items listed in the engineer's report. Director McGowen seconded the motion, which passed unanimously.

Director Bell left the meeting.

There no longer being a quorum of the Board present, the meeting was adjourned.

(SEAL)




Secretary, Board of Directors

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