

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 504

June 3, 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 3rd day of June, 2024, at The Groves Lifestyle Center, 17317 Cathedral Pines Drive, Atascocita, Texas, inside 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 Hernandez, thus constituting a quorum.

Also present in person at the meeting were Paul Schneider and Harry Rockwood, directors of Harris County Municipal Utility District No. 412 ("HC 412"); Brian Krueger of Forvis Mazars, LLP ("Forvis"); Christina Ferguson of Myrtle Cruz, Inc.; Corporal Oswaldo Alvarez of Harris County Constable's Office ("HCCO"); Danae Dehoyos of Touchstone District Services; Chip Patronella of Champions Hydro-Lawn, Inc. ("Champions"); Ryan Lesikar of BGE, Inc. ("BGE"); Madeline James of Assessments of the Southwest, Inc.; Trina Kilgore of Inframark Water & Infrastructure Services ("Inframark"); Sanjay Bapat and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR"); and members of the public as shown on the attached list.

PUBLIC COMMENTS

Director McGowen welcomed the members of the public to the meeting. She reviewed the District's policy for public comments and requested that each speaker keep their statement length under three minutes.

There were no comments from the public.

The Board reviewed written correspondence from residents and open records requests that were received since the last regular Board meeting.

APPROVE MINUTES

The Board reviewed the minutes of the May 2, 2024, regular meeting, May 16, 2024, special meeting, and the May 23, 2024, special meeting. After review and

discussion, Director Bell moved to approve the minutes of May 2, 2024, regular meeting, May 16, 2024, special meeting, and the May 23, 2024, special meeting, as submitted. Director McGowen seconded the motion, which passed unanimously.

2024 DIRECTORS ELECTION

The Board considered approving a Certificate of Election, reflecting the election of John Hernandez, Kedrin Bell, and Kimberly Badu to the Board of the District, each for a four-year term. After review and discussion, Director McGowen moved to approve the Certificate of Election and the distribution of same to Directors Hernandez, Bell, and Badu and direct that the Certificate of Election be filed appropriately and retained in the District's official records. Director Turner seconded the motion, which passed unanimously.

The Board reviewed the Sworn Statements and Oaths of Office for Directors Hernandez, Bell, and Badu. After review and discussion, Director McGowen moved to approve the Sworn Statements and Oaths of Office and direct that the documents be filed appropriately and retained in the District's official records, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Turner seconded the motion, which passed unanimously.

REORGANIZE BOARD AND ELECT OFFICERS

The Board considered reorganizing the Board. After discussion, the Board concurred to make no changes to the organization of the Board.

AUTHORIZE EXECUTION AND FILING DISTRICT REGISTRATION FORM

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the updated terms of office. Following review and discussion, Director McGowen moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Turner seconded the motion, which passed unanimously.

TEXAS PUBLIC INFORMATION ACT TRAINING

Mr. Bapat discussed the Texas Public Information Act ("TPIA") and noted that the Texas Legislature has made it explicit that officers and employees of governmental entities are temporary custodians of public information. He distributed a memorandum regarding Texas Open Meetings Act ("TOMA") and TPIA training requirements, noted that all Directors have previously completed TOMA training, and encouraged the Board to receive TPIA training as soon as possible and forward their certificate of completion to ABHR for inclusion in the District's permanent records.

ENGAGE AUDITOR TO PREPARE AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2024

Mr. Krueger stated that that FORVIS, LLP has changed its name to Forvis Mazars, LLP. He then reviewed an engagement letter with Forvis reflecting an estimated cost of \$21,600, plus expenses, to prepare the District's audit for the fiscal year ending June 30, 2024. The Board tabled discussion on this agenda item.

UPDATE FROM HC 412, INCLUDING REPORT FROM JOINT FACILITIES COMMITTEE

Mr. Schneider 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 April and May, 2024.

REPORT FROM BEST TRASH

There was no discussion on this agenda item.

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.

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

ADOPT BUDGET FOR FISCAL YEAR END JUNE 30, 2025

Ms. Ferguson reviewed the proposed budget for the District for the fiscal year ending June 30, 2025, a copy of which is attached to the bookkeeper's report. The Board discussed revisions to the tap revenue, election, and security line items.

After review and discussion, Director McGowen moved to adopt the budget for the District for the fiscal year ending June 30, 2025, revised as discussed. Director Bell seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. James 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 98.7% collected as of May 31, 2024.

Following review and discussion, Director Turner moved to approve the tax assessor/collector's report and payment of the tax bills. Director McGowen seconded the motion, which passed unanimously.

AUTHORIZE THE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing the District's delinquent tax attorney to proceed with the collection of 2023 delinquent taxes as of July 1, 2024. Following review and discussion, Director Turner moved to authorize the delinquent tax attorney to proceed with the collection of delinquent 2023 taxes. Director McGowen seconded the motion, which passed unanimously.

REPORT ON DETENTION AND DRAINAGE FACILITIES

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

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

Mr. Patronella stated that two fallen trees were removed in the amounts of \$500.00 each as part of Champions' monthly authorized amount.

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 1,872 occupied homes.

Following review and discussion, Director McGowen moved to approve the operator's report. Director Bell 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 McGowen 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 Bell 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 No. 9 in the amount of \$33,174.00, submitted by Schier Construction Company, Inc. ("Schier").

After review and discussion, Director Bell moved to approve Pay Estimate No. 9 in the amount of \$33,174.00 to Schier, as recommended. Director McGowen seconded the motion, which passed unanimously.

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

Mr. Lesikar updated the Board on the status of construction of the Madera Run Parkway expansion (from Hickory Arroyo Drive to Radura Road) project. He stated that he had no pay estimates from Precise Services, Inc. for the Board's approval.

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.

WOODLAND HILLS DRIVE AT PINE PEAK WAY TRAFFIC SIGNAL

Mr. Lesikar updated the Board on the status of construction of the Woodland Hills Drive at Pine Peak Way Traffic Signal project. He stated that he had no pay estimates from Third Coast Services LLC 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 and reviewed a revised summary of costs, a copy of which is attached.

DISTRICT CAPITAL IMPROVEMENT PLAN ("CIP") AND JOINT CIP WITH HC 412

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

COMMERCIAL DEVELOPMENT AND DISTRICT PLAN REVIEW

Mr. Lesikar updated the Board on the proposed office development located at 13803 Madera Run Parkway. He stated that Inframark prepared a revised tap fee letter to include the development's revised water connections.

Mr. Lesikar stated that the office development is required to have a fire hydrant on the property, which will require the construction of a 6-inch water line. He stated the owner of the development has requested that the District agree to accept the water line for ownership and maintenance if the water line is constructed on the property, subject to the owner constructing the line to District standards, granting the District an easement, and paying the full costs without seeking reimbursement. Mr. Lesikar stated that the alternative is for the owner to construct the water line within the public right-of-way, which involved removing additional trees. After discussion, the Board concurred to accept the water line for ownership and maintenance in the future, subject to the conditions noted above being met.

Mr. Lesikar reported that BGE is reviewing plans for a proposed apartment complex located at the northeast corner of Madera Run Parkway and Woodland Hills Drive. He stated there is no current timeline for construction. Mr. Bapat stated that the developer for the project stated that they would attend a future Board meeting to present information to the Board regarding the project.

Mr. Lesikar stated that the District received revised plans for the Groves South Retail Infrastructure on May 30, 2024, which BGE is reviewing. He stated that construction is scheduled to commence in July.

Mr. Lesikar stated that the engineer for Read King's multifamily development reached out for preliminary site information and anticipates submitting plans for review in July.

UTILITY COMMITMENT LETTERS

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Mr. Lesikar reported that repair of the fence at lift station no. 3 is complete.

Mr. Lesikar stated that BGE is still evaluating the scope of a complete desilting and rehabilitation project for the northern portion of the drainage channel. He stated that a proposal will be presented at the July meeting for the necessary washout repairs.

The Board discussed the slope paving around The Groves trash rack, including residents complaints about trespassing in the area. Mr. Patronella reviewed a proposal in the amount of \$660 for the purchase and installation of two "no trespassing" signs. The Board discussed adding a warning regarding wildlife to the sign. After review and discussion, Director McGowen moved to approve the purchase and installation of two "no trespassing/wildlife caution" signs in an amount not to exceed \$1,000, subject to Director Bell's final approval of the sign language. Director Bell seconded the motion, which passed unanimously.

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

ENGAGE AUDITOR TO PREPARE AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2024 (CONT'D)

After discussion, Director Turner moved to authorize execution of the engagement letter with Forvis to prepare the audit report for fiscal year ending June 30, 2024, subject to final review. Director McGowen seconded the motion, which passed unanimously.

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

Mr. Bapat stated that, in February 2023, the Board approved a letter agreement with RK Commercial Properties ("RK Commercial") regarding allowable encroachments within the water line easement that was granted to the District by CF CSLK Groves, LLC. He stated that RK Commercial has requested the District approve an amended and restated letter agreement, which clarifies that the underlying property

for the water line easement was conveyed to RK Groves, LLC, a related development entity to RK Commercial.

Following review and discussion, Director McGowen moved to approve the amended and restated letter agreement with RK Commercial Properties, Inc. and direct that it be filed appropriately and retained in the District's official records. Director Turner seconded the motion, which passed unanimously.

LANDSCAPING REPORT

The Board reviewed the landscape architect's report prepared by TBG Partners, a copy of which is attached.

THE GROVES, SECTION 40

The Board reviewed the status of construction of The Groves, Section 40 project. There were no action items for the Board's approval.

THE GROVES, SECTION 41

The Board reviewed the status of construction of The Groves, Section 41 project. There were no action items for the Board's approval.

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

REPORT ON DEVELOPMENT

There was no discussion on this agenda item.

Director Badu entered the meeting.

REPORT FROM COMMUNICATIONS COMMITTEE, INCLUDING DISTRICT WEBSITE MATTERS

Director McGowen 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 month of May, a copy of which is attached.

DISTRICT ACTION ITEMS LIST

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

from the list.

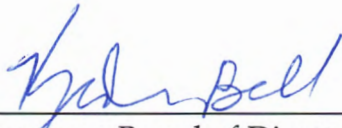
DISCUSS MEETING SCHEDULE MATTERS

The Board discussed the regular meeting schedule, including the timing of future meetings held at ABHR. After discussion, the Board concurred to hold meetings at ABHR at noon and direct that the meetings be recorded and posted to the District's website. The Board also concurred to reschedule the July meeting due to the 4th of July holiday.

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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