

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 504

October 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 October, 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 Directors Hernandez and Badu, thus constituting a quorum.

Also present at the meeting were Russell Wolff of Best Trash, LLC ("Best Trash"); Brian Krueger of Forvis Mazars, LLP; Loren Morales of Rathmann & Associates, L.P.; Michael Willett of Touchstone District Services ("Touchstone"); Sergeant Oswald Alvarez of Harris County Constable's Office ("HCCO"); Chip Patronella of Champions Hydro-Lawn, Inc. ("Champions"); Ryan Lesikar of BGE, Inc. ("BGE"); Rhonda Gideon of Assessments of the Southwest, Inc. ("ASW"); Trina Kilgore of Inframark Water & Infrastructure Services ("Inframark"); Sanjay Bapat and Jennifer Ramirez of Allen Boone Humphries Robinson LLP; 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.

Mr. Empfield addressed the Board regarding trespassing on the District's drainage reserve behind the cul-de-sac at the end of Tranquility Grove Drive. He requested the Board consider installing barriers along the cul-de-sac to help deter trespassing. The Board also reviewed correspondence submitted by Mr. Empfield regarding his concerns, a copy of which is attached.

Mr. Brown addressed the Board regarding safety concerns in the District and stated that he believes the District needs additional officers. He also discussed traffic

concerns along Madera Run Parkway, including speeding and the intersection at Lupine Meadow Lane.

Mr. Koenig addressed the Board regarding trespassing on the District's drainage reserve behind the cul-de-sac at the end of Tranquility Grove Drive. He also addressed the Board regarding speeding on Madera Run Parkway. Mr. Koenig then requested the Board consider installing pedestrian crossing signs or a crosswalk across Madera Run Parkway to assist the residents in The Groves, Section 38 in accessing the main trails.

The Board reviewed correspondence from a resident regarding safety concerns in the District, a copy of which is attached.

APPROVE MINUTES

The Board reviewed the minutes of the August 20, 2024, special meeting and the September 5, 2024, regular meeting. After review and discussion, Director Turner moved to approve the minutes of the August 20, 2024, special meeting and the September 5, 2024, regular meeting, as submitted. Director McGowen seconded the motion, which passed unanimously.

UPDATE FROM HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 412 ("HC 412"), INCLUDING REPORT FROM JOINT FACILITIES COMMITTEE

Mr. Bapat reviewed an update provided by HC 412 on the status of the joint facilities, including repairs and maintenance conducted during the previous month and water usage.

Mr. Bapat reported that the next free chlorine maintenance will commence on October 14, 2024. The Board concurred to post a notice to the District's website regarding the maintenance.

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.

Mr. Wolff discussed Best Trash's procedures for collecting residential yard waste.

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. He also discussed the traffic concerns brought up by residents under public comments. Mr. Bapat noted that an additional deputy was added to the District's law

enforcement contract as of October 1, 2024.

The Board discussed Mr. Empfield's concerns regarding people trespassing in the District's drainage reserve behind the cul-de-sac at the end of Tranquility Grove Drive, noting that the District has already installed "no trespassing" signs. Corporal Alvarez encouraged residents to report trespassers as soon as they are observed.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Bapat stated that ASW published a Notice of Public Hearing regarding the adoption of the District's 2024 tax rate stating that the Board anticipates levying a total 2024 tax rate of \$1.05 per \$100 assessed valuation. Director McGowen then opened the public hearing.

Mr. Brown inquired about the effect of the proposed tax rate on the average homeowner's tax bill. Mr. Morales stated that the proposed tax rate will result in a decrease of \$8 on the tax bill of the District's average home value.

Ms. Spears addressed the Board regarding the proposed tax rate and inquired when the tax rate is projected to start decreasing more significantly. Mr. Morales stated that it depends on how many bonds are remaining to be issued, as the District is still developing. Mr. Lesikar generally discussed the District's future bond issuance requirements.

Mr. Brown inquired if the H-E-B and the apartment complex under construction pay property taxes to the District. Mr. Bapat stated that all commercial properties within the boundaries of the District pay property taxes to the District, including the referenced properties.

There being no further comments from the public, Director McGowen closed the public hearing.

After discussion, the Board agreed to levy a total 2024 tax rate of \$1.05 per \$100 of assessed valuation, with \$0.64 allocated for water/sewer/drainage debt service, \$0.135 allocated for road debt service, and \$0.275 allocated for maintenance and operation expenditures. Mr. Bapat reviewed an Order Levying Taxes and an Amendment to Information Form reflecting the proposed tax rate. He stated that the Amendment to Information Form will be filed with Harris County and the Texas Commission on Environmental Quality ("TCEQ").

After review and discussion, Director McGowen moved to (1) adopt the Order Levying Taxes; (2) authorize execution of the Amendment to Information Form; and (3)

direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Turner seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END JUNE 30, 2024

Mr. Krueger reviewed the draft audit for the fiscal year ending June 30, 2024. Following review and discussion, Director Bell moved to approve the audit for the fiscal year ended June 30, 2024, subject to final review. Director Turner seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Gideon 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 99.69% collected as of September 30, 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.

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 \$4,859.00 for additional clearing of District-owned wooded reserves along fences, a copy of which is attached.

Mr. Patronella reviewed a proposal in the amount of \$13,251.50 for the installation of irrigation for approximately 10 loblolly pine trees, a copy of which is attached.

Mr. Patronella reviewed a proposal in the amount of \$2,705.00 for the installation of irrigation in the tree beds near Rainier Creek Drive, a copy of which is attached.

After review and discussion, Director McGowen moved to (1) approve the proposal in the amount of \$4,859.00 for additional clearing of District-owned wooded reserves along fences; (2) approve the proposal in the amount of \$13,251.50 for the installation of irrigation for approximately 10 loblolly pine trees; and (3) approve the proposal in the amount of \$2,705.00 for the installation of irrigation in the tree beds near Rainier Creek Drive. Director Turner seconded the motion, which passed unanimously.

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.

UPDATE ON TREE SURVEY, INCLUDING APPROVE RELATED SERVICE AGREEMENT

The Board reviewed a proposal from Bio Vista Services, LLC (“Bio Vista”) in the amount of \$3,600.00 for a District-wide tree survey, a copy of which is attached. The Board also considering approving a Service Agreement with Bio Vista. Mr. Bapat reminded the Board that The Groves Community Association has agreed to pay for half of the tree survey expense.

After review and discussion, Director Bell moved to (1) approve the proposal from Bio Vista for a District-wide tree survey; and (2) approve a Service Agreement with Bio Vista and direct that it be filed appropriately and retained in the District’s official records. Director Turner seconded the motion, which passed unanimously.

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 1,931 occupied homes.

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.

Ms. Kilgore stated that Inframark conducted a survey of the facilities that will require a TCEQ pre-purchase inspection prior to reimbursement by the District and identified items that need to be addressed. She requested authorization for Inframark to address all the punchlist items identified in the estimated amount of \$8,600.00 .

Following review and discussion, Director McGowen moved to (1) approve the operator’s report; (2) authorize Inframark to write off the account with an outstanding balance of less than \$25.00 as uncollectible; and (3) authorize Inframark to complete the punchlist items for the facilities requiring a TCEQ pre-purchase inspection in an amount not to exceed \$8,600.00. Director Turner 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 Turner 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 stated that he had no pay estimates from Schier Construction Company, Inc. 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 construction of the Madera Run Parkway expansion (from Hickory Arroyo Drive to Radura Road) project. He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$548,960.40, submitted by Precise Services, Inc. ("Precise").

The Board discussed communication with residents regarding the upcoming traffic pattern changes in connection with the completion of certain punchlist repairs for the project, as well as notifications once the lanes are fully open to traffic.

After review and discussion, Director Turner moved to approve Pay Estimate No. 2 in the amount of \$548,960.40 to Precise, as recommended. Director McGowen seconded the motion, which passed unanimously.

Mr. Lesikar stated that CenterPoint Energy ("CPE") provided a design and service agreement for the installation of 47 streetlights along Madera Run Parkway. He stated that the construction cost due to CPE is \$113,644.00.

After review and discussion, Director McGowen moved to (1) approve the design and service agreement with CPE for the installation of 47 streetlights along Madera Run Parkway; and (2) authorize payment to CPE in the amount of \$113,644.00. Director Turner seconded the motion, which passed unanimously.

Mr. Lesikar stated that there are approximately three dead trees that need to be removed along the new lanes of Madera Run Parkway and recommended that they be removed prior to the lanes being opened to traffic. He also stated that there are still downed trees from the recent extreme weather events that were not removed by Harris County. After discussion, Director Bell moved to delegate authority to Director Turner to conduct a site visit and approve the removal of the dead trees by a District contractor in an amount not to exceed \$15,000.00. Director McGowen seconded the motion, which passed unanimously. The Board deferred action on the removal of the remaining downed trees.

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 reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$106,140.37, submitted by Fellers & Clark, L.P. ("F&C").

After review and discussion, Director Turner moved to Pay Estimate No. 4 in the amount of \$106,140.37 to F&C, as recommended. Director McGowen seconded the motion, which passed unanimously.

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.

LIFT STATION NO. 1 EXPANSION AND GENERATOR ADDITION

Mr. Lesikar updated the Board on the status of design and ultimate sizing of the proposed lift station no. 1 expansion and generator addition.

LIFT STATION NO. 2 GENERATOR ADDITION

Mr. Lesikar reviewed a preliminary cost estimate for the lift station nos. 2 and 3 generator addition project, a copy of which is attached. He also reviewed a proposal in the amount of \$137,500.00 from BGE for engineering and construction phase services related to the project. After discussion, the Board concurred to table discussion on the proposal until the next regular meeting.

LIFT STATION NO. 3 GENERATOR ADDITION

Mr. Lesikar stated that this item was combined with the lift station no. 2

generator addition.

REHABILITATION OF GROUND STORAGE TANK NO. 2 (INTERIOR AND EXTERIOR) AND GROUND STORAGE TANK NO. 1 (EXTERIOR)

Mr. Lesikar stated that the proposed rehabilitation of ground storage tank no. 2 (interior and exterior) and ground storage tank no. 1 (exterior) project was discussed with the Joint Committee and the project has been recommended to proceed. He stated that the project will be contracted through HC 412 and the District will be responsible for its pro-rata share.

UPDATE ON PREPARATION OF BOND APPLICATION NO. 9

Mr. Lesikar reported that bond application no. 9 is under review at the TCEQ.

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 construction of the office development located at 13803 Madera Run Parkway, as reflected in his report.

Mr. Lesikar reported that BGE is still reviewing the plans for the proposed apartment complex located at the northeast corner of Madera Run Parkway and Woodland Hills Drive.

Mr. Lesikar stated that construction has commenced for the Groves South Retail Infrastructure.

Mr. Lesikar reported that the engineer for Read King's proposed multifamily development indicated plans will be submitted to BGE for review in October.

UTILITY COMMITMENT LETTERS

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Mr. Lesikar stated that BGE will present information on a GIS asset management system at the November meeting.

Mr. Lesikar stated that he conducted a site visit to inspect the drainage swale behind the resident's property on Rainier Creek Drive. He stated that he recommends regrading approximately 500-600 feet of the drainage swale, which should alleviate some of the drainage issues reported by the resident. After discussion, the Board requested Champions prepare a proposal for the Board's review at the next regular meeting.

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

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

The Board considered approving a Special Warranty Deed for park reserves to be conveyed from CF CSLK Groves, LLC to the District and a Special Warranty Deed for park reserves to be conveyed from The Groves Community Association to the District (collectively, the "Deeds"). After discussion, Director McGowen moved to approve the Deeds, subject to receipt, and direct that the Deeds be filed appropriately and retained in the District's official records. Director Bell seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report prepared by Myrtle Cruz, Inc., a copy of which is attached, and reviewed the bills of the District submitted 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.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2019 BONDS

Mr. Bapat reviewed an arbitrage rebate report for the Series 2019 Bonds and noted that the report reflects that the District does not owe any payment to the Internal Revenue Service for excess earnings on bond funds.

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, the Board concurred to accept the landscape architect’s report.

REPORT ON DEVELOPMENT

There was no discussion on this agenda item.

REPORT FROM COMMUNICATIONS COMMITTEE, INCLUDING DISTRICT WEBSITE MATTERS

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

The Board reviewed the monthly communications report prepared by Touchstone, a copy of which is attached.

The Board reviewed a proposal from Touchstone for District email accounts, a copy of which is attached. After discussion, the Board concurred to table discussion of the proposal until the next regular meeting.

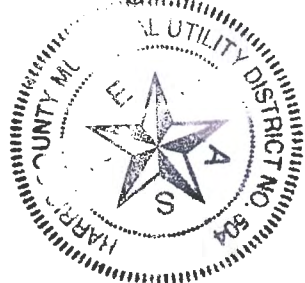
DISTRICT ACTION ITEMS LIST


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)

1221362




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Sign-in sheet.....	1
Correspondence from Mr. Empfield	1
Correspondence from resident	2
Report from Best Trash	2
Constable's report	2
Tax assessor/collector's report	4
Mowing and maintenance report	4
Proposals from Champions	4
Report on the maintenance of the District's storm water quality features.....	5
Proposal from Bio Vista Services	5
Operator's report.....	5
Engineer's report.....	6
Preliminary cost estimate and engineering proposal for the lift station nos. 2 and 3 generator addition project	7
Bookkeeper's report.....	9
Landscape architect's report.....	10
Monthly communications report.....	10
Proposal from Touchstone.....	10