

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 504

August 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 August, 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 Director Bell, thus constituting a quorum.

Also present either in person or via videoconference at the meeting were Paul Schneider and Harry Rockwood, directors of Harris County Municipal Utility District No. 412 ("HC 412"); Christina Ferguson of Myrtle Cruz, Inc.; Jessica Jacobs of TBG Partners ("TBG"); Sergeant Oswaldo Alvarez of Harris County Constable's Office ("HCCO"); Marie Newsom of Storm Water Solutions, LLC; Chip Patronella of Champions Hydro-Lawn, Inc. ("Champions"); Ryan Lesikar of BGE, Inc. ("BGE"); Cameron Brown of Assessments of the Southwest, Inc.; Chad Buckley of Inframark Water & Infrastructure Services ("Inframark"); and Sanjay Bapat and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

The Board reviewed correspondence from a resident requesting reimbursement for the removal of a tree that fell from a District reserve onto the resident's property during Hurricane Beryl and repair of the resident's damaged fence, a copy of which is attached.

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APPROVE MINUTES

The Board reviewed the minutes of the July 2, 2024, regular meeting. After review and discussion, Director McGowen moved to approve the minutes of July 2, 2024, regular meeting, as submitted. Director Turner seconded the motion, which passed unanimously.

Director Badu entered 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 June and July 2024.

Mr. Rockwood reported on the status of the joint facilities after Hurricane Beryl, noting that the facilities ran on generator power for approximately four days. He stated that the existing generators struggled to keep up with the demand of the expanded plants and HC 412 wants to add another generator to serve the plants. Mr. Lesikar stated that BGE is looking into the options, including cost and delivery wait times. Mr. Rockwood also stated that the District and HC 412 share one portable generator for a total of seven lift stations, which proved logistically challenging during the extended power outage. The Board discussed obtaining a generator for the District's sole use at its lift stations. After discussion, the Board requested BGE to prepare a cost estimate for portable versus permanent generators for the District's lift stations, including lease versus purchase options.

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 reviewed the security report from the HCCO, a copy of which is attached. The Board discussed security matters in the District.

Mr. Bapat stated that the District has not yet received the Interlocal Agreement for Law Enforcement Services from Harris County.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

The Board discussed the District's development status. After fully considering relevant data, information, statutory definitions, and the engineer's recommendation, the Board determined that the District is a "Developing District" for the 2024 tax year.

Following review and discussion, Director McGowen moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developing District for the 2024 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Hernandez 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 Badu seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Brown reviewed the tax assessor/collector's report, a copy of which is attached, and reviewed the District's delinquent tax roll. He reported that the District's 2023 taxes were 99.21% collected as of July 31, 2024.

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

ADOPT RESOLUTION CASTING BALLOT FOR THE ELECTION OF A PERSON TO THE BOARD OF DIRECTOR OF HARRIS CENTRAL APPRAISAL DISTRICT ("HCAD")

Mr. Bapat advised the Board that the District may cast a vote for the water district nominee for the Board of Directors Election for HCAD. The Board then considered adopting a Resolution Casting Ballot for the Election of a Person to the Board for HCAD.

After discussion, Director Turner moved to adopt a Resolution Casting Ballot for the Election of a Person to the Board for HCAD, reflecting the District's vote for Jonathan Cowen, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Badu seconded the motion, which passed by a vote of 3-0 with Director McGowen abstaining.

REPORT ON DETENTION AND DRAINAGE FACILITIES

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

The Board discussed the first resident's request for reimbursement for tree removal and repair of the damaged fence. The Board also discussed the second resident's request for removal of a fallen tree and repair of the damaged fence. Mr. Bapat stated that since the tree fell as a result of an act of God, and not an omission by the District, the District is not liable for damages to the residents' fences. After review and discussion, Director Badu moved to (1) reimburse the resident for the tree removal expense in the amount of \$3,031.00; (2) authorize Champions to coordinate the removal of the fallen tree on the second resident's fence in an amount not to exceed \$3,000.00; and (3) deny the requests for repair of the damaged fences. Director McGowen seconded the motion, which passed unanimously.

The Board discussed procedures that residents should follow to report downed or damaged trees on District reserves. The Board concurred to post a website notice with guidelines for residents.

The Board discussed authorizing BGE and Champions to conduct another District-wide tree survey. The Board concurred to schedule a special meeting with The Groves Community Association to discuss tree assessment and maintenance matters prior to commencing with another tree survey.

Ms. Newsom reviewed the report on the maintenance of the District's storm water quality features, a copy of which is attached.

BOOKKEEPER'S REPORT (CONT'D)

Ms. Ferguson requested the Board approve check no. 2295 in the amount of \$3,031.00, payable to Derrick and Ashley Sherrad.

After review and discussion, Director Hernandez moved to approve check no. 2295, as detailed above. Director McGowen seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Buckley presented an operator's report, a copy of which is attached, and reviewed it with the Board. He reported that the District currently has 1,901 occupied homes.

Mr. Buckley stated that Inframark would like to defer discussion of the annual CPI increase until the next regular meeting.

Mr. Buckley reviewed one abandoned account with an outstanding balance in excess of \$25.00 and requested authorization to turn over the account to a collection agency to pursue collection.

Following review and discussion, Director Turner moved to (1) approve the operator's report; and (2) authorize Inframark to turn over the recommended account with an outstanding balance in excess of \$25.00 to a collection agency. Director Hernandez seconded the motion, which passed unanimously.

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

Mr. Buckley 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 No. 11 in the amount of \$47,975.00 submitted by Schier Construction Company, Inc. ("Schier").

After review and discussion, Director Badu moved to approve Pay Estimate No. 11 in the amount of \$47,975.00 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 reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$64,026.00, submitted by Precise Services, Inc. ("Precise").

After review and discussion, Director Badu moved to approve Pay Estimate No. 1 in the amount of \$64,026.00 to Precise, as recommended. Director McGowen seconded the motion, which passed unanimously.

Mr. Lesikar reviewed a streetlight exhibit for Madera Run Parkway, a copy of which is attached. The Board then discussed the previously presented Change Order for an increase to BGE's previously approved project budget for additional coordination with CenterPoint Energy for installation of street lights along Madera Run Parkway. After review and discussion, Director Badu moved to approve the Change Order for an increase to BGE's previously approved project budget in an amount not to exceed \$5,000. Director Turner seconded the motion, which passed unanimously.

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 reported that bond application no. 9 was submitted to the Texas Commission on Environmental Quality on July 29, 2024.

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, as reflected in his report.

Mr. Lesikar reported that BGE is 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 BGE approved the revised plans for the Groves South Retail Infrastructure and issued a letter of no objection. He stated that construction is still scheduled to commence in August.

Mr. Lesikar reported that there are no updates on Read King’s proposed multifamily development.

UTILITY COMMITMENT LETTERS

There was no discussion on this agenda item.

STATUS OF EPA LEAD AND COPPER RULE INVENTORY AND SUBMITTAL

Mr. Lesikar updated the Board on the preparation of the lead and copper rule inventory and submittal, which is due to the Environmental Protection Agency in October, 2024.

OTHER ENGINEERING MATTERS

There was no discussion on this agenda item.

After review and discussion, Director Badu 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 accepting a water line easement from TGOC, LLC to the District.

Mr. Bapat stated that the District accepted a sanitary sewer easement from LH Groves, LLC in 2020 that is located on the Read King property. He then reviewed the terms of a proposed letter agreement with RK Groves, LLC regarding allowable encroachments within the sanitary sewer easement and informed the Board it is on the form negotiated with RK Groves, LLC for all easements granted to the District.

Following review and discussion, Director McGowen moved to (1) accept the easement from TGO, LLC and direct that it be filed appropriately and retained in the District's official records; and (2) approve the letter agreement with RK Groves, LLC and direct that it be filed appropriately and retained in the District's official records. Director Badu seconded the motion, which passed unanimously.

LANDSCAPING REPORT

Ms. Jacobs reviewed the landscape architect's report, a copy of which is attached.

THE GROVES, SECTION 40

Ms. Jacobs updated the Board on the status of construction of The Groves, Section 40 project. She reviewed and recommended approval of Pay Estimate No. 10 in the amount of \$9,002.50 and Change Order No. 2 to increase the contract in the amount of \$950.00, each submitted by HD Outdoor Designs, LLC ("HD Outdoor"). Ms. Jacobs stated that Change Order No. 2 is for repairs to the bull rock border at the roundabout. The Board determined that Change Order No. 2 is beneficial to the District.

After review and discussion, Director Turner moved to approve Pay Estimate No. 10 in the amount of \$9,002.50 to HD Outdoor and Change Order No. 2 to increase the contract in the amount of \$950.00, submitted by HD Outdoor, based on the landscape architect's recommendation and the Board's determination that the Change Order is beneficial to the District. Director Badu seconded the motion, which passed unanimously.

THE GROVES, SECTION 41

Ms. Jacobs updated the Board on the status of construction of The Groves, Section 41 project. She reviewed and recommended approval of Pay Estimate No. 7 in the amount of \$1,698.74, submitted by HD Outdoor.

After review and discussion, Director Turner moved to approve Pay Estimate No. 7 in the amount of \$1,698.74 to HD Outdoor, as recommended. Director Badu seconded the motion, which passed unanimously.

After review and discussion, Director Turner moved to approve the landscape architect's report. Director Badu 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 Turner and McGowen updated the Board on the status of the District's website and the Communication Committee's activities.

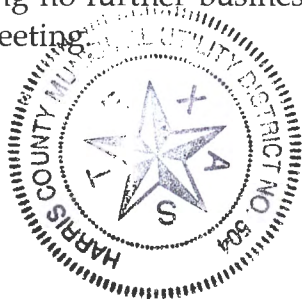
The Board reviewed the monthly communications report prepared by Touchstone District Services, a copy of which is attached.

DISTRICT ACTION ITEMS LIST

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

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Correspondence from resident	1
Correspondence from resident	1
Report from Best Trash	2
Constable's report	2
Bookkeeper's report.....	3
Tax assessor/collector's report	3
Mowing and maintenance report	4
Report on the maintenance of the District's storm water quality features.....	4
Operator's report.....	4
Engineer's report.....	5
Streetlight exhibit for Madera Run Parkway	6
Landscape architect's report.....	8
Monthly communications report.....	9