

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 504

February 6, 2025

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 6th day of February, 2025, 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 McGowen and Badu, thus constituting a quorum.

Also present at the meeting either in person or via videoconference were Taimour Khan of The Pavilions at The Groves; Cameron Whitley of West Lake Church; Ben Smith of The Groves Community Association ("HOA"); Tiffany Darst of Ashlar Development; Loren Morales of Rathmann & Associates, Inc.; Christina Ferguson of Myrtle Cruz, Inc. ("MCI"); Josh LaMartina of TBG Partners; Michael Willett of Touchstone District Services ("Touchstone"); Paul Schneider and Harry Rockwood, directors of Harris County Municipal Utility District No. 412 ("HC 412"); Corporal 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 ("Inframark"); and Sanjay Bapat and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Khan inquired about the status of the Woodland Hills Drive at Pine Peak Way Traffic Signal project, including trash and debris around the construction site. Mr. Lesikar updated Mr. Khan on the status of the project and stated that he will address the condition of the site with the contractor.

Mr. Whitley introduced himself and stated that West Lake Church has purchased land within the District and anticipates starting construction in the next several months.

APPROVE MINUTES

The Board reviewed the minutes of the January 3, 2025, regular meeting. After review and discussion, Director Bell moved to approve the minutes of the January 3, 2025, regular meeting, as submitted. Director Turner seconded the motion, which passed unanimously.

SERIES 2025 UNLIMITED TAX BOND MATTERS

Mr. Morales reviewed a Credit Opinion from Moody's Investor Services, a copy of which is attached, which confirms that the District's credit rating is Baa1.

REVIEW BIDS AND AWARD SALE OF DISTRICT'S \$7,500,000 UNLIMITED TAX BONDS, SERIES 2025 (THE "SERIES 2025 BONDS")

The Board considered review of the bids and award of the sale of the Series 2025 Bonds. Mr. Morales reviewed the bids that had been received, including:

- (1) Robert W. Baird & Co., Inc. ("Baird"), with a net effective interest rate of 4.263046%;
- (2) Raymond James & Associates, Inc., with a net effective interest rate of 4.270872%;
- (3) HilltopSecurities, with a net effective interest rate of 4.271858%;
- (4) SAMCO Capital Markets, with a net effective interest rate of 4.289957%;
- (5) UMB Bank, N.A., with a net effective interest rate of 4.289957%; and
- (6) RBC Capital Markets, with a net effective interest rate of 4.354167%.

The Board next considered award of the sale of the Series 2025 Bonds. Mr. Morales stated that the low bid submitted by Baird, with a net effective interest rate of 4.263046%, had been reviewed and all numbers checked, and everything was found to be correct and in order. Mr. Morales provided a written bid tabulation and recommended that the District accept the bid of Baird, as submitted. A copy of the written recommendation is attached. After review and discussion, Director Hernandez moved to award the sale of the Series 2025 Bonds to Baird, with a net effective interest rate of 4.263046%, as recommended. Director Bell seconded the motion, which passed unanimously.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S SERIES 2025 BONDS

The Board considered adopting a Resolution Authorizing the Issuance of the District's Series 2025 Bonds ("Resolution"). Mr. Bapat reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the Series 2025 Bonds, the payment of principal and interest over the life of the Series 2025 Bonds, and certain District covenants regarding the tax-exempt status of the Series 2025 Bonds. After review and discussion, Director Hernandez moved to adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records. Director Bell seconded the motion, which passed unanimously.

PAYING AGENT/REGISTRAR AGREEMENT

The Board considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Mr. Bapat stated that the Agreement sets forth the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Bonds. After review and discussion, Director Hernandez moved to approve the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. and direct that it be filed appropriately and retained in the District's official records. Director Bell seconded the motion, which passed unanimously.

OFFICIAL STATEMENT

The Board next considered approving the Official Statement. Mr. Bapat explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates and debt service requirements. After discussion, Director Hernandez moved to approve the Official Statement. Director Bell seconded the motion, which passed unanimously.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Mr. Bapat reviewed with the Board a Certificate Regarding Provision of Financial Advice stating that the Board has relied on its financial advisor for financial advice concerning the issuance of the Series 2025 Bonds. After review and discussion, Director Hernandez moved to authorize execution of the Certificate Regarding Provision of Financial Advice and direct that it be filed appropriately and retained in the District's official records. Director Bell seconded the motion, which passed unanimously.

EXECUTION OF DOCUMENTS RELATED TO DISTRICT'S SERIES 2025 BONDS

Mr. Bapat explained that there will be various documents related to delivery of the Series 2025 Bonds requiring execution by the directors prior to closing. He requested that the Board authorize the President or Vice President and Secretary or Assistant Secretary to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2025 Bonds to the purchaser. After review and discussion, Director Hernandez moved to authorize execution of documents related to the sale and delivery of the Series 2025 Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2025 Bonds. Director Bell seconded the motion, which passed unanimously.

APPROVE PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board considered approving payment to the Attorney General relating to bond issue transcript review. After discussion, Director Hernandez moved to approve payment to the Attorney General relating to bond issue transcript review. Director Bell seconded the motion, which passed unanimously.

EXECUTION OF AMENDMENT TO INFORMATION FORM

The Board considered approving the Amendment to Information Form to reflect the total amount of bonds sold by the District. After discussion, Director Hernandez moved to approve the Amendment to Information Form and to authorize filing with the Texas Commission on Environmental Quality ("TCEQ") and with Harris County as required by law. Director Bell seconded the motion, which passed unanimously.

UPDATE FROM HC 412, INCLUDING REPORT FROM JOINT FACILITIES COMMITTEE

Mr. Schneider 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. Schneider discussed the water lost as a result of the water leak that occurred at the beginning of January, 2025, on the water plant site. He stated that the Joint Facilities Committee will discuss the most equitable way to allocate the cost of the lost water between HC 412 and the District.

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.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Bapat reviewed the various optional tax exemptions the District may offer its residents and noted that the District currently offers an 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. After discussion, the Board tabled discussion on this agenda item until the next regular meeting.

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 2024 taxes were 86.97% collected as of January 31, 2025.

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.

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 Bell moved to approve reimbursement of the eligible AWBD winter conference expenses and to authorize attendance of Board members at the AWBD summer conference. Director Hernandez seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

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

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.

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 \$2,000.00 for vegetation removal in the drainage swale along Whiteoak Canyon Drive. After review and discussion, Director Bell moved to approve the proposal in the amount of \$2,000.00. Director Turner seconded the motion, which passed unanimously.

Mr. Lesikar reviewed a summary of the revised proposals from Custom Scapes and Champions, a copy of which is attached, to remove the medium priority trees identified in the District-wide tree survey prepared by Bio Vista Services, LLC. Mr. Smith stated that the HOA's recommendation is to approve the proposal from Custom Scapes.

After review and discussion, Director Bell moved to approve the proposal for removal of the medium priority trees from Custom Scapes in the amount of \$27,654.00, with the District being responsible for \$9,541.00 and the HOA being responsible for \$18,113.00. Director Turner seconded the motion, which passed unanimously.

The Board discussed the timing for the next District-wide tree survey. After discussion, the Board concurred to conduct the next District-wide tree survey in the Fall 2025.

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.

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 1,986 occupied homes.

Following review and discussion, Director Turner moved to approve the operator's report. 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 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. 4 in the amount of \$120,935.24, submitted by Precise Services, Inc. ("Precise").

After review and discussion, Director Bell moved to approve Pay Estimate No. 4 in the amount of \$120,935.24 to Precise, as recommended. 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 reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$100,089.09, submitted by Third Coast Services LLC ("Third Coast").

After review and discussion, Director Bell moved to approve Pay Estimate No. 1 in the amount of \$100,089.09 to Third Coast, as recommended. Director Turner seconded the motion, which passed unanimously.

CLEARING AND GRUBBING TO SERVE GROVES NORTH RETAIL

Mr. Lesikar stated that four bids were solicited and two bids were received for the clearing and grubbing to serve Groves North retail. He recommended that the Board award the contract to the low bidder, BSC Management, Ltd. ("BSC"), in the amount of \$70,104.75. The Board concurred that, in its judgment, BSC was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Following review and discussion, Director Bell moved to award the contract for the clearing and grubbing to serve Groves North retail to BSC in the amount of \$70,104.75, based on the engineer's recommendation and subject to receipt of payment and performance bonds and the certificate of insurance and endorsements, if any, provided by the contractor. Director Turner seconded the motion, which passed unanimously.

GROVES NORTH RETAIL PUBLIC INFRASTRUCTURE

The Board deferred the review of bids and award of contract for the Groves North retail public infrastructure project, pending receipt of bids.

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 NOS. 2 AND 3 GENERATOR ADDITIONS

Mr. Lesikar updated the Board on the status of design of the lift station nos. 2 and 3 generator addition project.

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

Mr. Lesikar updated the Board on the status of design of the rehabilitation of ground storage tank no. 2 (interior and exterior) and ground storage tank no. 1 (exterior) project.

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 status of commercial development and plan reviews in the District, as reflected in his report.

UPDATE ON DEVELOPMENT OF GIS ASSET MANAGEMENT SYSTEM

Mr. Lesikar updated the Board on the development of the GIS asset management system.

UTILITY COMMITMENT LETTERS

There was no discussion on this agenda item.

DISCUSS DEDICATION OF DISTRICT FACILITY

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

There was no discussion on this agenda item.

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

DEEDS AND EASEMENTS

There was no discussion on this agenda item.

LANDSCAPING REPORT

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

THE GROVES, SECTION 40

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

LANDSCAPING IMPROVEMENTS TO TRANQUILITY GROVE DRIVE CUL-DE-SAC

Mr. LaMartina reviewed a preliminary design for landscaping improvements to Tranquility Grove Drive cul-de-sac project. The Board discussed revisions to the preliminary design.

After review and discussion, Director Hernandez moved to accept the landscape architect's report. Director Turner 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

Director Bell 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 tabled consideration of the proposals for the purchase and administration of District iPads and a SharePoint site until the next regular meeting.

ADOPT RESOLUTION ADOPTING COVERED APPLICATIONS POLICY

Mr. Bapat discussed legislation enacted by the Texas Legislature that requires all governmental entities to adopt a policy prohibiting the use of certain social media

applications and services on government-owned or -leased devices. He stated that a model policy was developed by the Texas Departments of Public Safety and Information Resources for use by governmental entities. Mr. Bapat reviewed the proposed Covered Applications Policy with the Board.

After review and discussion, Director Turner moved to adopt the Resolution Adopting Covered Applications Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Hernandez seconded the motion, which passed unanimously.

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)



[Handwritten Signature]

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Moody’s Credit Opinion.....	2
Written recommendation for Series 2025 Bonds	2
Constable’s report	5
Tax assessor/collector’s report	5
Bookkeeper’s report.....	5
Mowing and maintenance report	6
Summary of tree removal proposals.....	6
Report on the maintenance of the District’s storm water quality features.....	6
Operator’s report.....	6
Engineer’s report.....	7
Landscape architect’s report.....	10
Monthly communications report.....	10