

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 504

April 4, 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 4th day of April, 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:

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|----------------|--------------------------|
| 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, thus constituting a quorum.

Also present in person at the meeting were Ben Smith of The Groves Community Association, Inc. ("HOA"); Paul Schneider, director of Harris County Municipal Utility District No. 412 ("HC 412"); Brian Krueger of FORVIS, LLP; Corporal Oswaldo Alvarez of Harris County Constable's Office ("HCCO"); Michael Willett and Danae Dehoyos of Touchstone District Services ("Touchstone"); Chip Patronella of Champions Hydro-Lawn, Inc. ("Champions"); Rachel Sternberg of BGE, Inc. ("BGE"); Josh LaMartina of TBG Partners; 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 Hernandez welcomed the members of the public to the meeting. He reviewed the District's policy for public comments and requested that each speaker keep their statement length under three minutes.

Ms. Calicut expressed her appreciation to the Board for conducting the meeting within the District. She requested the Board conduct an in-depth cost analysis on the cost of holding Board meetings within the District and ABHR, including a videoconference option for each. She stated that residents' comments on the proposed community survey discussed by the Board at the March 25, 2024, special meeting, were submitted for the Board's consideration.

Ms. Edmond addressed the Board regarding the residents' requested revisions to

the proposed community survey. She requested the Board conduct an in-depth cost analysis on the cost of holding Board meetings within the District and ABHR, including a videoconference option for each. She stated that she believes that offering a videoconference option would assist the residents with understanding the context of the Board's discussions during meetings.

Mr. Brown expressed his appreciation to the Board for conducting the meeting in the District.

Mr. Gott requested the Board consider working with the HOA to install pedestrian crossing signs or a crosswalk across Madera Run Parkway to assist the residents in The Groves, Section 38 in accessing the main trails. He also stated that there is a washout in the slope leading to the detention pond near The Groves, Section 38 that he is concerned could cause potential flooding. Mr. Gott also inquired about the transfer of the law enforcement contract from the HOA to the District.

Ms. Hawkins inquired about the upcoming development around the H-E-B and near the entryways on Madera Run Parkway and Woodland Hills Drive. Director Bell stated that the developers for the commercial development around the H-E-B will be attending the June Board meeting to provide an update. Mr. Bapat stated that the District's engineer will provide an update on upcoming construction and development projects in the District.

Directors Badu and McGowen entered the meeting.

Ms. Weisinger inquired about the office center under development on Madera Run Parkway. Mr. Smith stated that the office center is being marketed as "The Groves Office Center."

Ms. Turner inquired if residents are able to give public comments via the public teleconference line when the meetings are held at ABHR. Director Hernandez confirmed that residents can give public comments via the public teleconference line.

The Board additionally reviewed written correspondence from residents and an open records request from a resident that were received since the last regular Board meeting.

APPROVE MINUTES

The Board reviewed the minutes of the March 7, 2024, regular meeting. After review and discussion, Director Turner moved to approve the minutes of March 7, 2024, regular meeting, as presented. Director Hernandez seconded the motion, which passed unanimously.

APPROVE SUPPLEMENTAL DEVELOPER REIMBURSEMENT REPORT AND AUTHORIZE DISBURSEMENT OF FUNDS

Mr. Krueger reviewed a draft supplemental developer reimbursement report reflecting additional amounts reimbursable by the District to CF CSLK Groves LLC and HSD-Lakeway Holdings, Ltd. for construction of the projects funded by the Series 2023A Road Bonds. After review and discussion, Director McGowen moved to approve the supplemental developer reimbursement report, subject to final review, and authorize disbursement of the 2023A Road Bond proceeds, subject to receipt of executed receipts from the developers. Director Hernandez seconded the motion, which passed unanimously.

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 February and March, 2024. Mr. Schneider also updated the Board on the status of the ongoing free chlorine maintenance for the water distribution system.

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. The Board requested that HCCO list the calls related specifically to the H-E-B separately on the monthly report.

In response to an inquiry during public comments, the Board discussed the transition of the law enforcement contract from the HOA to the District.

The Board reviewed correspondence from the HCCO regarding rate increases for the 2024-2025 contract period, effective as of October 1, 2024, a copy of which is attached.

The Board discussed potentially adding an extra deputy to the District's law enforcement contract with Harris County. Mr. Bapat stated that deputies added in the middle of a contract are required to be at 100% coverage and the District would pay a prorated amount for a deputy at 100% coverage, which is currently \$116,400 per year.

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 98.18% collected as of March 31, 2024.

Ms. James reviewed a request for waiver of penalty and interest in the amount of \$257.45 from the resident at 16830 Olympic National Drive, a copy of which is attached to the tax report. She stated that Texas Property Tax Code, Section 33.011 only allows the District to waive fees or penalties for late payment of property taxes in limited amount of circumstances, which does not apply in this case.

Following review and discussion, Director Bell moved to (1) approve the tax assessor/collector's report and payment of the tax bills; and (2) deny the request for a waiver of penalty and interest. Director Turner 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.

Ms. Sternberg noted that the washout referenced by a resident during public comments is on page 24 of the report and stated that BGE will investigate the issue to determine if any action needs to be taken.

Mr. Patronella reviewed a proposal in the amount of \$14,800.00 for removal of large dead trees, a copy of which is attached. Ms. Sternberg noted that the proposal falls under the total amount authorized by the Board for dead tree removal. After review and discussion, the Board concurred to approve the proposal.

The Board reviewed a report on the maintenance of the District's storm water quality features prepared 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 1,841 occupied homes.

Ms. Kilgore reviewed two abandoned accounts with outstanding balances in excess of \$25.00, and requested authorization to turn over the accounts to a collection agency to pursue collection.

Ms. Kilgore reported that the District received a leak adjustment request for

account no. 60504-5040119802. She stated that the request complied with the District's leak adjustment policy and a credit in the amount of \$470.59 was applied to the outstanding balance.

Ms. Kilgore reported that a posting box has been ordered for a final cost of \$3,485.00 and it will be delivered and installed in approximately 3 weeks, as previously authorized by the Board.

Following review and discussion, Director McGowen moved to (1) approve the operator's report; and (2) authorize Inframark to turn over the recommended accounts with outstanding balances 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

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 Hernandez seconded the motion, which passed unanimously.

CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM, IF NECESSARY

Ms. Kilgore reviewed the annual report on the Identity Theft Prevention Program, a copy of which is attached to the operator's report, and stated the report reflects that the program has been implemented, no serious incidents of identity theft or fraud have been detected, and there are no recommendations for material changes to the program. After review and discussion, Director Badu moved to approve the annual report on the Identity Theft Prevention Program. Director Turner seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Ms. Sternberg reviewed the engineer's report, a copy of which is attached.

GROUND STORAGE TANK NO. 4

Ms. Sternberg updated the Board on the status of construction of the ground storage tank no. 4 project. She reviewed and recommended approval of Pay Estimate No. 7 in the amount of \$122,595.00, submitted by Schier Construction Company, Inc. ("Schier").

After review and discussion, Director Bell moved to approve Pay Estimate No. 7 in the amount of \$122,595.00 to Schier, as recommended. Director Badu seconded the motion, which passed unanimously.

WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE THE GROVES, SECTIONS 42 AND 43

Ms. Sternberg updated the Board on the status of construction of the water, sewer, and drainage facilities to serve The Groves, Sections 42 and 43. She reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$209,781.92, submitted by Beyer Construction, LLC ("Beyer").

After review and discussion, Director Bell moved to approve Pay Estimate No. 3 in the amount of \$209,781.92 to Beyer, as recommended. Director Badu seconded the motion, which passed unanimously.

LIFT STATION NO. 2 EXPANSION

Ms. Sternberg updated the Board on the status of construction of the construction of the lift station no. 2 expansion project. She reviewed and recommended approval of Pay Estimate No. 2 and Final in the amount of \$7,307.87, submitted by Peltier Brothers Construction, LLC ("Peltier"). Ms. Sternberg also recommended the Board accept the project.

After review and discussion, Director Bell moved to approve Pay Estimate No. 2 and Final in the amount of \$89,500.00 to Peltier and accept the project, as recommended. Director Badu seconded the motion, which passed unanimously.

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

Ms. Sternberg reported that the District received nine bids for construction of the Madera Run Parkway expansion (from Hickory Arroyo Drive to Radura Road) project. She recommended that the Board award the contract to the low bidder, Precise Services, Inc. ("Precise"), in the amount of \$939,410.85, contingent upon BGE's final review of qualifications. The Board concurred that, in its judgment, Precise 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 construction of the Madera Run Parkway expansion (from Hickory Arroyo Drive to Radura Road) project to Precise in the amount of \$939,410.85, contingent upon BGE's final review of qualifications, and 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 Badu seconded the motion, which passed unanimously.

GROVES SOUTH PUBLIC INFRASTRUCTURE TO SERVE THE 26-ACRE COMMERCIAL TRACT

Ms. Sternberg updated the Board on the status of construction of the Groves South public infrastructure to serve the 26-acre commercial tract project. She stated that she had no pay estimates from Fellers & Clark, L.P. for the Board's approval.

UPDATE ON PREPARATION OF BOND APPLICATION NO. 9

Ms. Sternberg updated the Board on the status of preparation of bond application no. 9.

DISTRICT CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Sternberg stated that there were no updates to the District's CIP at this time.

JOINT CIP WITH HC 412

Ms. Sternberg stated that there were no updates to the joint CIP with HC 412 at this time.

UTILITY COMMITMENT LETTERS

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Ms. Sternberg updated the Board on the status of removal of the remaining identified dead trees on District-owned reserves throughout the District.

Ms. Sternberg reviewed and recommended approval of a proposal in the amount of \$3,569.00, submitted by Fencecrete, for repair of the fence at lift station no. 3. After review and discussion, Director Bell moved to approve the proposal in the amount of \$3,569.00, as recommended. Director Badu seconded the motion, which passed unanimously.

Ms. Sternberg stated that BGE and Champions are still investigating possible causes of the two sinkholes in the District's drainage channel.

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

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

There was no discussion on this agenda item.

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

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. He reviewed and recommended approval of Pay Estimate Nos. 6, 7, and 8 in the amounts of \$104,915.30, \$116,627.09, and \$4,955.90, respectively, each submitted by HD Outdoor Designs, LLC ("HD Outdoor").

After review and discussion, Director Turner moved to approve Pay Estimate Nos. 6, 7, and 8 in the amounts of \$104,915.30, \$116,627.09, and \$4,955.90, respectively, to HD Outdoor, as recommended. Director Hernandez seconded the motion, which passed unanimously.

THE GROVES, SECTION 41

Mr. LaMartina updated the Board on the status of construction of The Groves, Section 41 project. He reviewed and recommended approval of Pay Estimate Nos. 4 and 5 in the amounts of \$7,380.00 and \$31,839.71, respectively, and Change Order No. 1 to increase the contract in the amount of \$43,874.33, each submitted by HD Outdoor. Mr. LaMartina stated that Change Order No. 1 is for additional sidewalk, plantings, and irrigation. The Board determined that Change Order No. 1 is beneficial to the District.

After review and discussion, Director Turner moved to approve Pay Estimate Nos. 4 and 5 in the amounts of \$7,380.00 and \$31,839.71, respectively, to HD Outdoor, and Change Order No. 1 to increase the contract in the amount of \$43,874.33, 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 Hernandez seconded the motion, which passed unanimously.

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

REPORT ON DEVELOPMENT

Ms. Sternberg updated the Board on the status of development in the District.

REPORT FROM COMMUNICATIONS COMMITTEE, INCLUDING DISTRICT WEBSITE MATTERS

Directors McGowen and Turner updated the Board on the status of the District's website and the Communication Committee's activities. Director McGowen stated that the community survey regarding the District's regular meeting location is planned to be distributed to residents on April 5, 2024.

The Board reviewed the residents' comments on the verbiage for the community survey. The Board discussed additional revisions to the community survey and concurred to have Touchstone make the survey available to residents for three weeks.

The Board discussed residents' request for election information to be posted on the District's website. After discussion, the Board concurred to add a tab on the District's website for election information.

The Board reviewed a website analytics report for the month of March, a copy of which is attached.

TOWN HALL PLANNING MATTERS

The Board discussed planning matters for the town hall meeting, which will be held on May 23, 2024 at 6:00 p.m. After discussion, the Board concurred to hold the town hall at The Groves Elementary, subject to Touchstone confirming availability.

DISTRICT ACTION ITEMS LIST

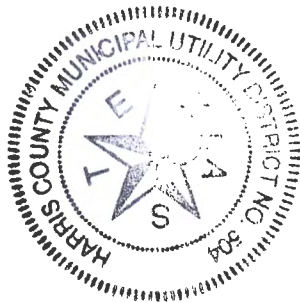
The Board reviewed the action list and noted items to be included and removed from the list.

DISCUSS MEETING SCHEDULE MATTERS, INCLUDING SET DATE FOR PUBLIC HEARING REGARDING PETITION TO HOLD REGULAR DISTRICT MEETINGS IN THE DISTRICT

The Board discussed setting a public hearing date regarding the petition to hold regular District meetings within the District. After discussion, Director McGowen moved to hold the public hearing on May 2, 2024 at 6 p.m. Director Badu seconded the motion, which passed unanimously.

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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