

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 504

May 2, 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 2nd day of May, 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 Turner, thus constituting a quorum.

Also present in person at the meeting were Ben Smith of The Groves Community Association, Inc. ("HOA"); Harry Rockwood, director of Harris County Municipal Utility District No. 412 ("HC 412"); JC Reno of Storm Water Solutions, LLC; Corporal Oswaldo Alvarez of Harris County Constable's Office ("HCCO"); Michael Willett and Danae Dehoyos of Touchstone District Services; Chip Patronella of Champions Hydro-Lawn, Inc. ("Champions"); Ryan Lesikar of BGE, Inc. ("BGE"); TBG Partners; Rhonda Gideon 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.

Mr. Brown inquired about the possibility of raising the static water levels in the drainage channel. Mr. Lesikar stated that raising the static water levels of the drainage channel would reduce the detention storage capacity. Mr. Brown also inquired if the District grants tax exemptions to the commercial properties and if the District has a homestead exemption. Mr. Bapat stated that the District does not grant any exemptions to the commercial properties. He also stated that for the 2024 tax year the District granted an exemption of \$20,000 of the appraised value of residence homesteads of

individuals who are disabled or are sixty-five years of age or older and stated that the District does not currently have a homestead exemption.

Ms. Calicut stated that residents' requests for agenda and discussion items were submitted ahead of the meeting for the Board's consideration. She stated that she supports holding future Board meetings at 6 p.m. to enable more residents to attend.

Mr. Calicut inquired about the clearing of the wooded area near the new office building development on Madera Run Parkway. Director Hernandez explained that the District does not own that property, but he noted that the development is subject to restrictions from the commercial property owners association. Mr. Calicut then inquired about the ownership of the entrance monuments. Mr. Lesikar stated that the HOA owns and is responsible for the entry monuments after conveyance from the developer.

Ms. Edmond thanked Board for the quick installation of the District posting box next to the Lifestyle Center. She requested that Board use the District's website to post additional information on current and future projects, including project schedules. Ms. Edmond then expressed her appreciation for the Board on working to increase accessibility of District meetings for residents and requested the Board evaluate the consultants' contracts for potential cost savings, particularly those of the financial advisor and auditor. Mr. Bapat explained the different fee structures for the various consultants' contracts and that the auditor and financial advisor's fees are generally tied to the number of and size of financings in a given year and the District is currently in a financing phase which resulted in higher fees for both the auditor and financial advisor.

The Board additionally 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 April 4, 2024, regular meeting and March 25, 2024, special meeting. Ms. Ramirez noted that Director McGowen requested a revision to page 3 of the April 4, 2024, regular meeting minutes. After review and discussion, Director Bell moved to approve the minutes of April 4, 2024, regular meeting, as revised, and March 25, 2024, special meeting, as submitted. Director Hernandez seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING PETITION TO HOLD REGULAR DISTRICT MEETINGS IN THE DISTRICT

Director Hernandez opened the public hearing regarding the petition to hold regular District meetings in the District at 6:23 p.m.

Mr. Willett reviewed the results of the community survey regarding the District's

regular meeting location, a copy of which is attached.

Ms. Calicut stated that the community survey required residents to provide an email address, which she believes deterred residents from responding. Mr. Willett stated that data validation required residents to provide an email address in order to prevent multiple responses from the same individual.

Mr. Brown stated that he supports holding future meetings in the District.

Ms. Calicut stated that she believes the statutory requirement is to hold meetings in the District or within 10 miles of the District. Mr. Bapat explained that the Board can make the determination to move meetings to an outside location after conducting a public hearing and making a determination that a meeting place outside of the district is beneficial to the district and will not deprive the residents of the district of a reasonable opportunity to attend meetings in accordance with the provisions of Section 49.062(e) of the Texas Water Code.

Ms. Edmond discussed feedback from a community brainstorming session held earlier in the week and stated that residents want to find a balance between cost and community engagement. She stated that she feels residents are supportive of evening meetings and holding two meetings per year in the District in connection with setting the budget and the tax rate hearing. Ms. Edmond also stated that she supports adding videoconference access to District meetings that are held at a location outside of the District.

Director Badu entered the meeting.

Mr. Brown inquired why consultants cannot attend District meetings via teleconference to save on cost and inquired about the cost to have consultants attend District meetings in the District. The Board discussed the value of having consultants attend meetings in person and the results of the previous cost analysis conducted.

Ms. Edmond inquired if meetings could be recorded and posted to the District's website. Mr. Bapat stated that meetings could be recorded and posted to the District's website but noted that additional costs would be incurred to host the large recording files.

Ms. Calicut stated that other political subdivisions have created YouTube channels and live stream meetings. Mr. Bapat stated that usually only larger entities, since as cities, live stream meetings, but that the District will offer video conference access for all meetings outside of the District which functions similar to a live stream..

The Board discussed the regular meeting location and time.

After review and discussion, the Board determined that the new meeting place at

the office of ABHR, LLP is beneficial to the district and will not deprive the residents of the district of a reasonable opportunity to attend meetings due to at least two regular meetings and a townhall being held in the District every year and all meetings outside of the District having videoconference access. Director Hernandez then moved to (1) hold regular District meetings in a new meeting location at the offices of ABHR located at 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, at a time to be determined, based on the Board's determination that a new meeting place is beneficial to the District and will not deprive the residents of the district of a reasonable opportunity to attend meetings; (2) conduct two regular meetings a year in the District in the evening in connection with setting the budget and the tax rate hearing; (3) conduct one town hall event per year within the boundaries of the District; and (4) provide videoconference access to regular District meetings that are held at ABHR. Director McGowen seconded the motion, which passed unanimously.

The Board discussed the regular meeting schedule for June, which will be held in the District due to the budget setting schedule.

Director Hernandez closed the public hearing at 7:40 p.m.

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 March and April, 2024.

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.

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 98.46% collected as of April 30, 2024.

Following review and discussion, Director McGowen moved to approve the tax assessor/collector's report and payment of the tax bills. Director Hernandez 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 stated that there have been new reports of nutria activity, and the wildlife trapper has begun working to remove them.

Mr. Patronella reviewed a proposal in the amount of \$3,800.00 for removal of approximately 20 dead trees, a copy of which is attached. After review and discussion, Director McGowen moved to approve the proposal in the amount of \$3,800.00 for removal of approximately 20 dead trees. Director Bell seconded the motion, which passed unanimously.

Mr. Patronella reviewed a proposal in the amount of \$13,251.50 for the installation and irrigation for approximately 10 loblolly pine trees, a copy of which is attached. The Board tabled action on this proposal until the fall.

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

Mr. Reno reviewed a proposal in the amount of \$3,852.00 for the cleanout of the District's the CDS4030 stormwater quality feature in West Lake Groves, a copy of which is attached. After review and discussion, Director Hernandez moved to approve the proposal in the amount of \$3,852.00 for the cleanout of the District's the CDS4030 stormwater quality feature in West Lake Groves. Director Badu 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 1,862 occupied homes.

Ms. Kilgore reported that the leak adjustment given for account no. 60504-5040119802 was actually \$272.25, not \$470.59 as originally reported last month.

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 on the free chlorine maintenance for the water distribution system conducted from April 2, 2024 through April 15, 2024. She noted that only two customers called Inframark regarding a water odor during that time.

Ms. Kilgore reported that two different residents located near each other along Fernbank Forest Drive reported water odor. She said she conducted a site visit and determined that there was no water odor outside the home, but there was water odor inside the home. Ms. Kilgore noted that the laboratory tests indicated that there were no issues. She also noted that both homes have a water filtration system, which could potentially be causing an issue. Ms. Kilgore stated that homeowner in between those two residences does not have a water filtration system and was not reporting any issues with water odor.

Following review and discussion, Director Bell 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 McGowen 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 Bell 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 McGowen seconded the motion, which passed unanimously.

APPROVE CONSUMER CONFIDENCE REPORT ("CCR")

The Board considered approving the District's CCR for 2023. After review and discussion, Director Bell moved to approve the CCR, subject to final review, and authorize Inframark to deliver a link to the CCR to District customers and certify the distribution with the Texas Commission on Environmental Quality by July 1, 2024. Director McGowen 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. 8 in the amount of \$78,166.00, submitted by Schier Construction Company, Inc. ("Schier").

After review and discussion, Director McGowen moved to approve Pay Estimate No. 8 in the amount of \$78,166.00 to Schier, as recommended. Director Hernandez seconded the motion, which passed unanimously.

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

Mr. Lesikar updated the Board on the status of construction of the water, sewer, and drainage facilities to serve The Groves, Sections 42 and 43. He reviewed and recommended approval of Pay Estimate No. 4 and Final in the amount of \$46,070.07, submitted by Beyer Construction, LLC ("Beyer"). Mr. Lesikar also requested the Board accept the project.

After review and discussion, Director McGowen moved to approve Pay Estimate No. 4 and Final in the amount of \$46,070.07 to Beyer and accept the project, as recommended. Director Hernandez 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.

Mr. Lesikar reviewed and recommended approval of a proposal in the amount of \$32,005.00, submitted by All-Terra Engineering, Inc., for construction materials testing services for the project. After review and discussion, Director McGowen moved to approve proposal in the amount of \$32,005.00, as recommended. Director Hernandez seconded the motion, which passed unanimously.

The Board requested that BGE coordinate with Harris County Precinct 3 on scheduling a ground breaking ceremony for the project.

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. 1 in the amount of \$1,365,422.93, submitted by Fellers & Clark, L.P. ("Fellers").

After review and discussion, Director McGowen moved to approve Pay Estimate No. 1 in the amount of \$1,365,422.93 to Fellers, as recommended. Director Hernandez seconded the motion, which passed unanimously.

WOODLAND HILLS DRIVE AT PINE PEAK WAY TRAFFIC SIGNAL

Mr. Lesikar requested the Board authorize design, approve the plans and specifications, and authorize advertisement for bids for the construction of the Woodland Hills Drive at Pine Peak Way Traffic Signal. After review and discussion, Director McGowen moved to authorize design, approve the plans and specifications, and authorize advertisement for bids for the construction of the Woodland Hills Drive at Pine Peak Way Traffic Signal. Director Hernandez seconded the motion, which passed unanimously.

Mr. Lesikar reported that the District received four bids for construction of the Woodland Hills Drive at Pine Peak Way Traffic Signal project. He recommended that the Board award the contract to the low bidder, Third Coast Services LLC ("Third Coast"), in the amount of \$292,599.47. The Board concurred that, in its judgment, Third Coast 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 McGowen moved to award the contract for construction of the Woodland Hills Drive at Pine Peak Way Traffic Signal project to Third Coast in the amount of \$292,599.47, 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 Hernandez seconded the motion, which passed unanimously.

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 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 reported that the District received plans for a proposed office development located at 13803 Madera Run Parkway. He stated that BGE reviewed the plans and issued a letter of no objection on March 28, 2024. Mr. Lesikar stated that the BGE received revised plans on April 26, 2024, for revised water connections.

Mr. Lesikar reported that the District received plans for a proposed apartment complex located at the northeast corner of Madera Run Parkway and Woodland Hills Drive, which BGE is reviewing. The Board directed BGE to request that the developer for the project attend a Board meeting to discuss the project.

Mr. Lesikar reported that the District received plans for the Groves South Retail Infrastructure. He stated that BGE reviewed the plans and issued a comment letter on April 30, 2024.

UTILITY COMMITMENT LETTERS

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Mr. Lesikar reported that all of the dead trees on District-owned reserves that were identified in the Fall 2023 survey have been removed.

Mr. Lesikar updated the Board on the repair of the fence at lift station no. 3, noting that the contractor, Fencecrete, estimates the work will be completed in June 2024.

Mr. Lesikar reported that there is a severe washout on north end on drainage channel reserve near The Groves, Section 3. He noted that this area has been repaired previously using articulated blocks in 2027. Mr. Lesikar stated that there are also a number of other sinkholes. He stated that the District's CIP includes a complete rehabilitation on the northern portion of the drainage channel in the next several years. Mr. Lesikar stated that, if the Board wished to

expedite the rehabilitation, the project could be included in bond application no. 9. After discussion, the Board requested that BGE evaluate the scope of a complete desilting and rehabilitation project for the northern portion of the drainage channel and obtain a proposal from Champions to repair the severe washout.

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

BUDGET FOR FISCAL YEAR END JUNE 30, 2025

The Board reviewed a draft 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 took no action on the budget, pending further review by the directors and consultants.

TRAVEL REIMBURSEMENT GUIDELINES

The Board reviewed the District's Travel Reimbursement Guidelines in preparation for the Association of Water Board Directors summer conference.

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.

The Board requested that BGE prepare an exhibit detailing the ownership of the parks located within The Groves.

REPORT ON DEVELOPMENT

Mr. Lesikar updated the Board on the status of development in the District.

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 April, 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 from 6:00-8:30 p.m. at West Lake Middle School. The Board reviewed a draft community survey seeking residents' questions ahead of the town hall. The Board discussed the content to be included in the presentation. After discussion, the Board concurred to schedule a special meeting on May 16, 2024, at 5 p.m. at the Lifestyle Center to review the draft presentation.

DISTRICT ACTION ITEMS LIST

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

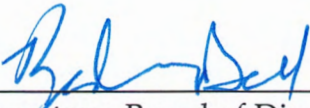
DISCUSS MEETING SCHEDULE MATTERS

The Board discussed the regular meeting schedule.

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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