

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 503

July 15, 2022

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 503 (the "District") met in regular session, open to the public, on the 15th day of July, 2022, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Patrick Carrigan	President
Kevin Gilligan	Vice President
Jennifer Taylor	Secretary
Sean Mulroony	Assistant Secretary
Kelli Odum	Asst. Vice President/ Asst. Secretary

and all of the above were present except for Directors Carrigan and Odum, thus constituting a quorum.

Also present at the meeting were Cindy Harrell of F. Matuska, Inc. ("FMI"); Michelle Townes of McCall Gibson Swedlund Barfoot PLLC; Amanda Benzman of Environmental Development Partners, LLC ("EDP"); Brenda McLaughlin of Bob Leared Interests; J.T. Gaden of Edminster Hinshaw Russ and Associates, Inc. ("EHRA"); Leslie Cook of RBC Capital Markets; and Katie Carner, Allison Leatherwood, Alex Manautou, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the June 17, 2022, regular meeting. After review and discussion, Director Gilligan moved to approve the minutes of the June 17, 2022, regular meeting, as submitted. Director Mulroony seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MARCH 31, 2022

Ms. Townes presented the draft District audit for the fiscal year ending March 31, 2022. Following review and discussion, Director Taylor moved to approve the audit for fiscal year ended March 31, 2022, subject to final review. Director Mulroony seconded the motion, which passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Harrell reviewed the bookkeeper's report, a copy of which is attached, and reviewed the bills submitted for the Board's review.

Ms. Harrell reviewed a proposed amended budget for the fiscal year ending March 31, 2023, a copy of which is attached to the bookkeeper's report. The Board requested the proposed amended budget be revised to reflect developer advances in the amount of \$38,765.00.

Following review and discussion, Director Taylor moved to: (1) approve the bookkeeper's report and the checks presented for payment; and (2) adopt the amended budget for the fiscal year ending March 31, 2023, revised as discussed. Director Gilligan seconded the motion, which passed unanimously.

## BOOKKEEPING SERVICES MATTERS

Ms. Carner stated that Harris County Municipal Utility District No. 500 ("HC 500") and Harris County Municipal Utility District No. 501 ("HC 501") have each terminated their contracts with FMI and engaged Myrtle Cruz, Inc. ("MCI") to provide bookkeeping services. The Board then discussed the District's bookkeeping services.

### AUTHORIZE TERMINATION OF CONTRACT FOR BOOKKEEPING SERVICES WITH FMI

The Board considered terminating the District's contract with FMI for bookkeeping services. Following review and discussion, Director Gilligan moved to: (1) terminate the contract with FMI as the District's bookkeeper; and (2) authorize ABHR to send a notice of termination to FMI, pursuant to the terms of the contract. Director Taylor seconded the motion, which passed unanimously.

### AUTHORIZE EXECUTION OF AGREEMENT FOR BOOKKEEPING SERVICES WITH MCI

The Board considered engaging MCI to serve as the District's bookkeeper. Ms. Carner reviewed a draft Agreement for Bookkeeping Services with MCI. After review and discussion, Director Gilligan moved to authorize execution of the Agreement for Bookkeeping Services with MCI and direct that the Agreement be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed unanimously.

ADOPT RESOLUTION CHANGING AND APPOINTING INVESTMENT OFFICER

The Board reviewed a Resolution Changing and Appointing Investment Officer, which appoints Mary Jarmon as the new Investment Officer for the District. After review and discussion, Director Gilligan moved to adopt the Resolution Changing and Appointing Investment Officer and direct that the Resolution be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed unanimously.

ACCEPT DISCLOSURE STATEMENT FOR BOOKKEEPER AND INVESTMENT OFFICER

The Board received the disclosure statements from Mary Jarmon and Lynn Kurtz as the District's new Investment Officer and bookkeeper. Ms. Carner explained that the statements disclose relationships of the bookkeeper/Investment Officer with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. She noted that the disclosure statements will be filed with the Texas Ethics Commission.

After review and discussion, Director Gilligan moved to accept the disclosure statements of Ms. Jarmon and Ms. Kurtz as the District's Investment Officer and bookkeeper and authorize filing of the statements with the Texas Ethics Commission. Director Taylor seconded the motion, which passed unanimously.

APPROVE AMENDED EXHIBITS A TO DEPOSITORY PLEDGE AGREEMENTS ("DPA") WITH CENTRAL BANK AND ALLEGIANCE BANK

The Board reviewed an Amended Exhibit A to the District's DPA with Central Bank which reflects MCI as the District bookkeeper and Ms. Jarmon as the District's Investment Officer. The Board then reviewed an Amended Exhibit A to the District's DPA with Allegiance Bank which reflects Ms. Jarmon as the District's Investment Officer.

After review and discussion, Director Gilligan moved to approve the Amended Exhibits A to the District's DPAs with Central Bank and Allegiance Bank. Director Taylor seconded the motion, which passed unanimously.

AUTHORIZE EXECUTION OF DISTRICT REGISTRATION FORM

The Board then considered authorizing execution and filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the new bookkeeper and Investment Officer.

After review and discussion, Director Gilligan moved to authorize filing of the updated District Registration Form with the TCEQ, as required. Director Taylor seconded the motion, which passed unanimously.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin reviewed the tax assessor/collector's report, a copy of which is attached. She reported that the District's 2021 taxes are 100% collected.

The Board discussed adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value as of July 1, 2022.

Following review and discussion, Director Mulroony moved to: (1) approve the tax report; and (2) adopt the Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value and direct that the Resolution be filed appropriately and retained in the District's official records. Director Gilligan seconded the motion, which passed unanimously.

#### DISCUSS GARBAGE AND RECYCLING SERVICES AND, IF APPROPRIATE, AUTHORIZE SOLICITATION OF PROPOSALS

Ms. Carner stated that the District's engineer and developer reported they expect the District should have residents by the end of 2022 or early 2023 and discussed the District's options for garbage and recycling collection services. After review and discussion, Director Taylor moved to authorize ABHR to solicit proposals from Waste Management and Best Trash, LLC for two times per week curbside garbage collection and one time per week curbside recycling collection. Director Gilligan seconded the motion, which passed unanimously.

#### OPERATIONAL MATTERS

Ms. Carner reported that HC 500 and HC 501 have each triggered Stage 1 of their respective Drought Contingency Plans.

The Board deferred discussion on amending the District's Rate Order. The Board also deferred discussion on the First Amendment to Agreement for Operating Services.

#### ENGINEERING MATTERS

Mr. Gaden reviewed the engineer's report from EHRA, a copy of which is attached.

REPORT ON UPRR/HIGHWAY 290 PROJECT

Mr. Gaden updated the Board on the status of HC 500, as Master District's, UPRR/Highway 290 Project.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR THE WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE TOWNE LAKE NORTH ENTRY ROAD

Mr. Gaden updated the Board on the status of construction of the water, sewer, and drainage facilities to serve Towne Lake North Entry Road. He had no pay estimates from Gonzalez Construction Enterprises, Inc. for the Board's approval.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR THE WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE TOWNE LAKE, SECTION 64

Mr. Gaden updated the Board on the status of construction of the water, sewer, and drainage facilities to serve Towne Lake, Section 64. He reviewed and recommended approval of Pay Estimate Nos. 2 and 3 in the amounts of \$525,902.09 and \$108,720.00, respectively, submitted by R Construction Company ("R Construction").

After review and discussion, Director Gilligan moved to approve Pay Estimate Nos. 2 and 3 in the amounts of \$525,902.09 and \$108,720.00, respectively, to R Construction, as recommended. Director Taylor seconded the motion, which passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR THE WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE TOWNE LAKE, SECTION 65

Mr. Gaden updated the Board on the status of construction of the water, sewer, and drainage facilities to serve Towne Lake, Section 65. He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$530,674.15, submitted by Blazey Construction Services, LLC ("Blazey").

After review and discussion, Director Gilligan moved to approve Pay Estimate No. 2 in the amount of \$530,674.15 to Blazey, as recommended. Director Taylor seconded the motion, which passed unanimously.

APPROVE PAY ESTIMATES AND CHANGE ORDERS FOR THE WATER, SEWER, AND DRAINAGE FACILITIES TO SERVE TOWNE LAKE, SECTION 66

Mr. Gaden updated the Board on the status of construction of the water, sewer, and drainage facilities to serve Towne Lake, Section 66. He had no pay estimates from Principal Services for the Board's approval.

After discussion, Director Gilligan moved to approve the engineer's report. Director Taylor seconded the motion, which passed unanimously.

DEEDS AND EASEMENTS

There was no discussion on this agenda item.

HC 500 MASTER DISTRICT MATTERS

There was no discussion on this agenda item.

REPORT ON DEVELOPMENT

The Board discussed development in the District.

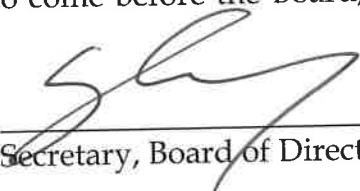
DISCUSS MEETING SCHEDULE

The Board discussed the regular meeting schedule. After discussion, the Board concurred to change the District's regular meeting date to the fourth Thursday of each month at 9:30 a.m.

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

(SEAL)



  
Asst. Secretary, Board of Directors

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