

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 503

November 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 November, 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, thus constituting a quorum.

Also present at the meeting were Lynn Kurtz of Myrtle Cruz, Inc.; Amanda Benzman of Environmental Development Partners, LLC; Brenda McLaughlin of Bob Leared Interests ("BLI"); J.T. Gaden of EHRA Engineering ("EHRA"); Becky Ullman of Caldwell Companies; and Katie Carner, Allison Leatherwood, Jennifer Ramirez, and Franky Wallace 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 September 22, 2022, regular meeting. After review and discussion, Director Gilligan moved to approve the minutes of the September 22, 2022, regular meeting, as submitted. Director Carrigan seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Carner stated that BLI mailed a Notice of Public Hearing to each property owner in the District regarding the adoption of the District's 2022 tax rate stating that the Board anticipates levying a maximum total 2022 tax rate of \$1.50 per \$100 assessed valuation.

Director Carrigan opened the public hearing. There being no comments from the public, Director Carrigan closed the public hearing.

After discussion, the Board agreed to levy a total 2022 tax rate of \$1.50 per \$100 of assessed valuation, composed of a \$0.68 contract tax component and a \$0.82 maintenance and operations tax component. Ms. Carner presented an Order Levying Taxes reflecting the proposed 2022 tax rate. After review and discussion, Director Taylor moved to adopt the Order Levying Taxes and direct that the Order be filed appropriately and retained in the District's official records. Director Odum seconded the motion, which passed unanimously. Ms. Carner stated that the Board does not need to authorize execution of an Amendment to Information Form since the tax rate did not change from the previous year.

FINANCIAL AND BOOKKEEPING MATTERS

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

Following review and discussion, Director Carrigan moved to approve the bookkeeper's report and the checks presented for payment. Director Odum seconded the motion, which passed unanimously.

AMEND BUDGET FOR FISCAL YEAR END MARCH 31, 2023

There was no discussion on this agenda item.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

Ms. Carner explained that the Texas Public Funds Investment Act requires the Board to annually review its Investment Policy and authorize any appropriate amendments. After discussion, the Board determined to make no amendments at this time. After review and discussion, Director Gilligan moved to adopt a Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Carrigan seconded the motion, which passed unanimously.

REVIEW, REVISE, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Carner reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District

May Engage in Investment Transactions. After review and discussion, Director Gilligan moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Carrigan seconded the motion, which passed unanimously.

APPROVE SERVICE AGREEMENT FOR GARBAGE AND RECYCLING SERVICES

The Board reviewed a proposed Residential Solid Waste Collection Contract with Best Trash, LLC. After review and discussion, Director Taylor moved to approve the Residential Solid Waste Collection Contract, subject to final review, and direct that the Contract be filed appropriately and retained in the District's official records. Director Odum seconded the motion, which passed unanimously.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Carner reported that ABHR has filed the District's Eminent Domain Authority Annual Report for 2022 with the Comptroller of the State of Texas.

OPERATION OF DISTRICT FACILITIES

Ms. Benzman reviewed the operator's report, a copy of which is attached.

Ms. Benzman reported that EDP completed the annual Homeland Security Contact update on behalf of the District.

Following review and discussion, Director Gilligan moved to approve the operator's report. Director Mulroony seconded the motion, which passed unanimously.

Ms. Carner reviewed a Badger Meter Beacon AMA Managed Solution Master Agreement with Badger Meter, Inc., regarding software management for electronic water meters ("Badger Agreement"). She discussed the Badger Agreement, including provisions regarding authorized customers, disclaimer of warranties, service credits, caps on damages, limitations on liability/claims, and indemnity. Ms. Carner also reviewed a memorandum from ABHR regarding the same, a copy of which is attached. She then reviewed a draft Resolution Establishing Rules and Regulations Governing the Use of the District's Online Portal System.

After review and discussion, Director Gilligan moved to (1) approve the Agreement with Badger Meter, Inc. and direct that the Agreement be filed appropriately and retained in the District's official records; and (2) adopt the Resolution Establishing Rules and Regulations Governing the Use of the District's Online Portal System and direct that the Resolution be filed appropriately and retained in the

District's official records. 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. Following review and discussion, Director Carrigan moved to approve the tax report. Director Mulroony seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

In response to an inquiry from the Board, Mr. Gaden stated that the pumping and hauling that will be required until construction of the wastewater treatment plant no. 2 is complete will be a Harris County Municipal Utility District No. 500 ("HC 500"), as Master District, expense.

Mr. Gaden reported that Towne Lake, Sections 64, 65, and 66 will need 375 equivalent single-family connections ("ESFCs") for water and sewer capacity in the Master District facilities. Following discussion, Director Carrigan moved to request 375 ESFCs of water and sewer capacity from the Master District. Director Odum seconded the motion, which passed unanimously.

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 No. 4 in the amount of \$53,910.00 and Change Order No. 1 to increase the contract in the amount of \$13,650.00, submitted by R Construction Company ("R Construction"). The Board determined that Change Order No. 1 is beneficial to the District.

After review and discussion, and as recommended, Director Carrigan moved to approve Pay Estimate No. 4 in the amount of \$53,910.00 and Change Order No. 1 to increase the contract in the amount of \$13,650.00, submitted by R Construction, based on the engineer's recommendation and the Board's determination that the Change Order is beneficial to the District. Director Odum 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. 3 in the amount of \$57,777.56, submitted by Blazey Construction Services, LLC ("Blazey").

After review and discussion, Director Carrigan moved to approve Pay Estimate No. 3 in the amount of \$57,777.56, submitted by Blazey, as recommended. Director Odum 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 reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$74,743.78, submitted by Principal Services, Ltd. ("Principal").

After review and discussion, Director Carrigan moved to approve Pay Estimate No. 3 in the amount of \$74,743.78, submitted by Principal, as recommended. Director Odum seconded the motion, which passed unanimously.

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

DEEDS AND EASEMENTS

There was no discussion on this agenda item.

HC 500 MASTER DISTRICT MATTERS

Mr. Gaden updated the Board on the status of HC 500, as Master District, projects, including construction of water well no. 1, the emergency water interconnect with Harris County Municipal Utility District No. 196, and the surface water delivery line to water plant no. 2.

AUTHORIZE EXECUTION OF GENERAL CERTIFICATE IN CONNECTION WITH MASTER DISTRICT'S BOND SALE

The Board considered authorizing execution of the General Certificate in connection with the Master District's Series 2023 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities). Following review and discussion, Director Gilligan moved to authorize execution of the General Certificate in connection with the Master District's Series 2023 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities). Director Taylor seconded the motion, which passed unanimously.

AUTHORIZE EXECUTION OF RESOLUTION TO COMPLY WITH THE SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 IN CONNECTION WITH MASTER DISTRICT'S BOND SALE

The Board considered authorizing execution of a Resolution to Comply with the Securities and Exchange Commission Rule 15c2-12, whereby the District agrees to provide current financial information on an annual basis. Following review and discussion, Director Gilligan moved to authorize execution of the Resolution to Comply with the Securities and Exchange Commission Rule 15c2-12 in connection with the Master District's Series 2023 Contract Revenue Bonds (Water, Sewer, and Drainage Facilities). Director Taylor seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

Mr. Gaden updated the Board on the status of development in the District and around Towne Lake.

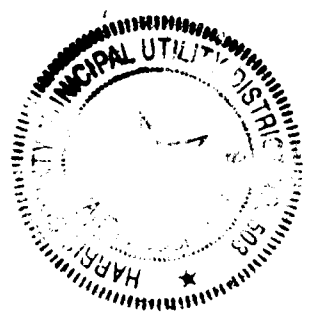
DISCUSS MEETING SCHEDULE

The Board discussed the regular meeting schedule.

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

Janique Taylor
Secretary, Board of Directors

(SEAL)



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