

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 503

September 28, 2023

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 28th day of September, 2023, 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 Director Mulroony, thus constituting a quorum.

Also present at the meeting were Dan Weidner of Caldwell Companies; Leslie Cook of RBC Capital Markets; Lynn Kurtz of Myrtle Cruz, Inc.; Amanda Benzman of Environmental Development Partners ("EDP"); Brenda McLaughlin of Bob Leared Interests; J.T. Gaden of EHRA Engineering ("EHRA"); and Katie Carner, Allison Leatherwood, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the July 27, 2023, regular meeting. After review and discussion, Director Taylor moved to approve the minutes of the July 27, 2023, regular meeting, as submitted. Director Gilligan seconded the motion, which passed unanimously.

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING

Ms. Cook reviewed a tax rate analysis, a copy of which is attached, which recommends that the Board levy a total 2023 tax rate of \$1.50, comprised of \$0.35 to provide for the District's contract tax requirements and \$1.15 to provide for maintenance and operation requirements. Discussion ensued regarding the proposed tax rate. Ms. Carner discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Gilligan moved to: (1) set the public hearing date for October 26, 2023; and (2) authorize the tax assessor/collector to mail notice of the District's meeting on October 26, 2023 at 9:30 a.m., to set the proposed 2023 total tax rate of \$1.50 per \$100 of assessed valuation. Director Taylor seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

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

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

DISCUSS FUNDING REQUEST FROM RENNELL ELEMENTARY SCHOOL PARENT TEACHER ORGANIZATION FOR LANDSCAPE AND PLAYGROUND IMPROVEMENTS

The Board reviewed correspondence from the Rennell Parent Teacher Organization regarding an updated funding request for recreational facility improvements for Rennell Elementary, a copy of which is attached. After review and discussion, Director Carrigan moved to deny the funding request. Director Gilligan 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 99.0% of the District's 2022 taxes have been collected as of August 31, 2023.

Ms. McLaughlin updated the Board on the status of the adjustments to the District's 2022 certified value by the Harris Central Appraisal District ("HCAD").

Following review and discussion, Director Taylor moved to approve the tax assessor/collector's report and the checks presented for payment. Director Odum seconded the motion, which passed unanimously.

ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR ELECTION FOR HCAD

The Board considered nominating a candidate for the Board of Director Election for HCAD. After review and discussion, Director Carrigan moved to adopt a Resolution Nominating Candidate for Board of Director Election for HCAD, reflecting

the District's nomination of Jonathan Cowen, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Gilligan seconded the motion, which passed unanimously.

SECURITY MATTERS, INCLUDING DISCUSS PARTICIPATION IN SECURITY COMMITTEE

The Board discussed security matters in Towne Lake. Ms. Carner stated that the Towne Lake Community Association has created a security committee to work in coordination with the Towne Lake municipal utility districts. After discussion, the Board declined to designate any directors to participate on a security committee on behalf of the District at this time.

ENGINEERING MATTERS

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

REPORT ON UPRR/HIGHWAY 290 PROJECT

Mr. Gaden updated the Board on the status of Harris County Municipal Utility District No. 500 ("HC 500"), as Master District's, UPRR/Highway 290 Project. Ms. Carner updated the Board on the status of agreements with HC 500's funding partners for the project.

UPDATE ON PREPARATION OF BOND APPLICATION NO. 1, INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") FOR APPROVAL OF PROJECT AND BONDS

Mr. Gaden updated the Board on the status of preparation of bond application no. 1. The Board then considered adopting a Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds.

After review and discussion, Director Gilligan moved to adopt a Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds, subject to final review, and direct that it be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed unanimously.

DEEDS AND EASEMENTS

There was no discussion on this agenda item.

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

HC 500 MASTER DISTRICT MATTERS

Mr. Gaden updated the Board on the status of HC 500, as Master District, projects.

OPERATION OF DISTRICT FACILITIES

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

Ms. Benzman stated that Stage 2 of the District's Drought Contingency Plan ("DCP") was initiated on August 18, 2023 and reviewed the notice that was sent to District customers, a copy of which is attached to the operator's report. She discussed the status of the HC 500, as Master District's, water well no. 1 project and potential timing for returning to Stage 1 of the DCP.

The Board reviewed a notice from the West Harris County Regional Water Authority ("WHCRWA") regarding Stage 2 Drought Conditions, a copy of which is attached.

The Board reviewed a notice from the WHCRWA regarding the 2024 Preliminary Fees, a copy of which is attached.

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

AMEND DISTRICT RATE ORDER

The Board considered amending the District's Rate Order to change the utility rates for multi-family developments. After review and discussion, Director Carrigan moved to adopt the Amended Rate Order, as discussed, and direct that it be filed appropriately and retained in the District's official records. Director Odum seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Ms. Benzman submitted a list of delinquent accounts to the Board for termination of utility service. She stated that the accounts in question have been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain, or correct the charges, services, or disconnection. Ms. Benzman noted that the accounts listed have neither attended the Board meeting nor contacted her office or the District to contest or explain the charges. After discussion,

Director Carrigan moved to authorize EDP to proceed with termination of utility service to the delinquent accounts pursuant to the provisions of the District's Rate Order. Director Taylor seconded the motion, which passed unanimously.

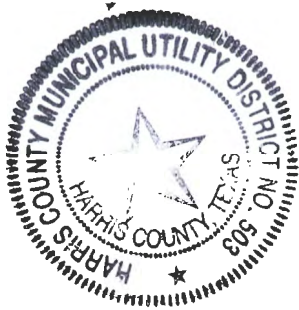
REPORT ON DEVELOPMENT

Mr. Weidner reviewed a report on development in Towne Lake, a copy of which is attached.

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

Jennifer Taylor
Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Tax rate analysis.....	1
Bookkeeper’s report.....	2
Correspondence from the Rennell Parent Teacher Organization.....	2
Tax assessor/collector’s report	2
Engineer’s report.....	3
Operator’s report.....	4
Notice from the WHCRWA regarding Stage 2 Drought Conditions	4
Notice from the WHCRWA regarding 2024 Preliminary Fees	4
Report on development in Towne Lake	5