

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 503

March 20, 2024

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 20th day of March, 2024, 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 Odum, thus constituting a quorum.

Also present at the meeting were Michael Crahan of Caldwell Companies; Leslie Cook of RBC Capital Markets ("RBC"); Lynn Kurtz of Myrtle Cruz, Inc.; Amanda Benzman of Environmental Development Partners; Brenda McLaughlin of Bob Leared Interests; J.T. Gaden of EHRA Engineering ("EHRA"); and Katie Carner, Allison Leatherwood, and Rachel Wooten 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 January 25, 2024, regular meeting. After review and discussion, Director Carrigan moved to approve the minutes of the January 25, 2024, regular meeting, as submitted. Director Taylor seconded the motion, which passed unanimously.

2024 DIRECTORS ELECTION

Ms. Leatherwood discussed procedures related to the District's 2024 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received two candidate applications for the three director positions for the May 4, 2024, Directors Election. Following review and discussion, Director Gilligan moved to accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors and direct that the Certificate be filed appropriately and retained in

the District's official records. Director Carrigan seconded the motion, which passed unanimously.

Ms. Leatherwood presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 4, 2024, Directors Election is cancelled and that the unopposed candidates, Jennifer Taylor and Kevin Gilligan, are declared elected to office to serve from the May 4, 2024, election until the May 6, 2028, Directors Election. Following review and discussion, Director Gilligan moved to adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office and direct that the Order be filed appropriately and retained in the District's official records. Director Carrigan seconded the motion, which passed unanimously.

SERIES 2024 BOND ANTICIPATION NOTE ("SERIES 2024 BAN") MATTERS

Ms. Cook stated that the District was unable to obtain bids for the sale of the Series 2024 BAN. She stated that RBC will try again to obtain bids for the Series 2024 BAN in April.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END MARCH 31, 2024

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall") to prepare the District's audit for fiscal year end March 31, 2024. The Board reviewed an audit continuance letter from McCall, a copy of which is attached, which notes that preparation of the District's annual audit will cost an estimated \$12,000-\$14,000. Following review and discussion, Director Taylor moved to authorize McCall to prepare the District's audit for fiscal year end March 31, 2024. Director Carrigan seconded the motion, which passed unanimously.

AUTHORIZE RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from McDonald & Wessendorff Insurance for renewal of the District's insurance policies. Following review and discussion, Director Taylor moved to approve the proposal from McDonald & Wessendorff Insurance for renewal of the District's insurance policies. Director Gilligan 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 Taylor moved to approve the bookkeeper's report and the checks presented for payment. Director Gilligan seconded the motion, which passed unanimously.

Director Mulroony entered the meeting.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin reviewed the tax assessor/collector's report, a copy of which is attached, and stated that 95.99% of the District's 2023 taxes had been collected as of February 29, 2024. She discussed an overpayment refund to the District's developer.

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

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Leatherwood discussed with the Board optional tax exemptions for the 2024 tax year. The Board reviewed a Resolution Concerning Exemptions from Taxation for the 2024 tax year. After discussion, Director Taylor moved to adopt the Resolution Concerning Exemptions from Taxation, which declines granting any exemptions for residential homesteads and individuals who are over 65 or disabled in the District, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Gilligan seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

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

Following review and discussion, Director Gilligan moved to approve the operator's report. Director Carrigan 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 EDP's office or the District to contest or explain the charges. After discussion, Director Gilligan 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 Carrigan seconded the motion, which passed unanimously.

REVIEW WATER CONSERVATION PLAN; APPROVE ANNUAL REPORT AND WATER CONSERVATION IMPLEMENTATION REPORT; ADOPT ORDER ADOPTING AMENDED AND RESTATED WATER CONSERVATION PLAN

Ms. Leatherwood stated that the Texas Commission on Environmental Quality (“TCEQ”) rules require that the District review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2024. The Board reviewed an Amended and Restated Water Conservation Plan. After review and discussion, Director Gilligan moved to adopt an Order Adopting Amended and Restated Water Conservation Plan, subject to final review, and direct that the Order be filed appropriately and retained in the District’s official records. Director Taylor seconded the motion, which passed by unanimous vote.

The Board then considered approving the Water Conservation Plan annual report and 5-year implementation report. After review and discussion, Director Gilligan moved to approve the annual report and 5-year implementation report on the Water Conservation Plan, subject to final review, and direct that the reports be filed appropriately and retained in the District’s official records. Director Taylor seconded the motion, which passed unanimously.

REVIEW DROUGHT CONTINGENCY PLAN AND ADOPT ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Ms. Leatherwood stated that the TCEQ rules require that the District review and adopt an Amended and Restated Drought Contingency Plan prior to May 1, 2024. The Board reviewed an Amended and Restated Drought Contingency Plan. After review and discussion, Director Carrigan moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District’s official records. Director Taylor seconded the motion, which passed unanimously.

REVIEW EMERGENCY PREPAREDNESS PLAN (“EPP”) AND AUTHORIZE FILING OF UPDATES, IF NECESSARY

Ms. Leatherwood discussed the District’s EPP and requirements to file any updates with the TCEQ and other required entities. After discussion, Director Carrigan moved to authorize EHRA to update the District’s EPP and submit the updated pages to all required entities, if necessary. Director Gilligan seconded the motion, which passed unanimously.

APPROVE INTERLOCAL AGREEMENT FOR PROJECT (GREENHOUSE ROAD UNDERPASS AT STATE HIGHWAY 290)

Ms. Carner reported that, as part of the Interlocal Agreement with Harris County Emergency Services District No. 9 ("ESD 9") and Harris County Municipal Utility District No. 500 ("HC 500"), as Master District, regarding the funding contribution for the UPRR/Highway 290 Project, ESD 9 has requested that HC 500 include language in the Agreement stating that HC 500 will provide an alternate access point to the back of the ESD 9 site in the event that any utility repairs require the access driveway to be blocked off. Ms. Carner then requested that the Board consider reauthorizing approval and execution of the Interlocal Agreement with ESD 9, HC 500, and the District. After review and discussion, Director Carrigan moved to authorize execution of the Interlocal Agreement with ESD 9, HC 500, and the District, revised as discussed. Director Taylor seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

AGREEMENTS AND CONSTRUCTION CONTRACTS

There was no discussion on this agenda item.

REPORT ON UPRR/HIGHWAY 290 PROJECT

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

UPDATE ON BOND APPLICATION NO. 1

Mr. Gaden updated the Board on the status of bond application no. 1.

DEEDS AND EASEMENTS

There was no discussion on this agenda item.

HC 500 MASTER DISTRICT MATTERS

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

REVIEW PROPOSALS FOR DISTRICT WEBSITE AND ASSOCIATED SERVICE AGREEMENTS AND AUTHORIZE APPROPRIATE ACTION, IF APPROPRIATE

The Board reviewed proposals from Off Cinco and eSiteful for creation of a District website, copies of which are attached.

After discussion, Director Carrigan moved to (1) approve the proposal from Off Cinco for the creation of a fixed layout website, with Option 1 updates and email alerts; and (2) approve the Service Agreement with Off Cinco and direct that it be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed unanimously.

ADOPT BUDGET FOR FISCAL YEAR ENDING MARCH 31, 2025

Ms. Kurtz reviewed the draft budget for fiscal year ending March 31, 2025, a copy of which is attached to the bookkeeper's report. The Board discussed revisions to the proposed budget. Following review and discussion, Director Taylor moved to adopt the budget for fiscal year ending March 31, 2025, revised as discussed. Director Gilligan seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

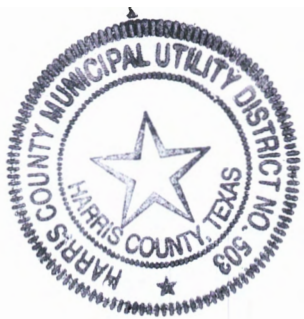
Mr. Crahan updated the Board on the status of development in Towne Lake.

DISCUSS MEETING SCHEDULE

The Board discussed the regular meeting schedule for April.

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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