

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 503

March 2, 2026

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 2nd day of March, 2026, 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:

Danielle Gonzalez	President
Kevin Gilligan	Vice President
Ryan Schilhab	Secretary
TJ Florete	Assistant Secretary
Kelli Odum	Asst. Vice President/ Asst. Secretary

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

Also present at the meeting were Vanessa Stanlinsky of Myrtle Cruz, Inc.; Brenda McLaughlin of Bob Leared Interests; Amanda Benzman of Inframark Water & Infrastructure Services ("Inframark"); Kenrick Piercy of EHRA Engineering; Michael Crahan of Caldwell Companies ("EHRA"); and Allison Leatherwood 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 January 29, 2026, regular meeting. After review and discussion, Director Schilhab moved to approve the minutes of the January 29, 2026, regular meeting, as submitted. Director Gonzalez 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 Schilhab moved to approve the proposal from McDonald & Wessendorff Insurance for renewal of the District's insurance policies. Director Gonzalez seconded the motion, which passed unanimously.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END MARCH 31, 2026

The Board considered authorizing McCall Gibson Swedlund Barfoot Ellis PLLC (“McCall”) to prepare the District’s audit for fiscal year end March 31, 2026. 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 \$16,000 to \$18,000. Following review and discussion, Director Schilhab moved to authorize McCall to prepare the District’s audit for fiscal year end March 31, 2026. Director Florete seconded the motion, which passed unanimously.

2026 DIRECTORS ELECTION

Ms. Leatherwood discussed procedures related to the 2026 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board’s Secretary stating that the District received two candidate applications for the two director positions for the May 2, 2026, Directors Election.

Ms. Leatherwood presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 2, 2026, Directors Election is cancelled and that the unopposed candidates, Ryan Schilhab and Kelli Odum are declared elected to office following the expiration of the current, outgoing directors’ terms.

Following review and discussion, Director Schilhab moved to (1) accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors; and (2) adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office. Director Gonzalez seconded the motion, which passed unanimously.

SECURITY MATTERS

The Board discussed security matters in Towne Lake.

FINANCIAL AND BOOKKEEPING MATTERS

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

Ms. Stanlinsky noted hand-written check no. 2573 in the amount of \$1,375 payable to Off Cinco is also being presented for approval but is not included in the report.

After review and discussion, Director Gilligan moved to accept the bookkeeper’s report and approve payment of the bills listed in the report, including the hand-written

check no. 2573, as detailed above. Director Schilhab the motion, which passed unanimously.

ADOPT BUDGET FOR FISCAL YEAR ENDING MARCH 31, 2027

Ms. Stanlinsky reviewed the draft budget for fiscal year ending March 31, 2027, a copy of which is attached to the bookkeeper's report. Following review and discussion, Director Gilligan moved to adopt the budget for fiscal year ending March 31, 2027, as presented. Director Schilhab seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin reviewed the tax assessor/collector's reports for January and February, copies of which are attached, and stated that 92.266% of the District's 2025 taxes had been collected as of February 28, 2026. Following review and discussion, Director Gonzalez moved to approve the tax assessor/collector's report, and the checks presented for payment. Director Schilhab seconded the motion, which passed unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Leatherwood presented and reviewed a resolution concerning optional exemptions from taxation, including a general residential homestead exemption and a homestead exemption for disabled persons or persons over 65 years of age. After review and discussion, Director Florete moved to adopt a Resolution Concerning Exemptions from Taxation reflecting that the Board of Directors rejects all of the optional exemptions and to direct that the Resolution be filed appropriately and retained in the District's official records. Director Gonzalez seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2026 TAX YEAR

Ms. Leatherwood discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2026 tax year.

Following review and discussion, Director Florete moved to adopt a Resolution Regarding Development Status for 2026 Tax Year establishing the District as a Developing district for the 2026 tax year, pursuant to Section 49.23603 Texas Water Code,

and direct that the Resolution be filed appropriately and retained in the District's official records. Director Schilhab seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Ms. Benzman reviewed the operator's report, a copy of which is attached. She then reviewed the maintenance items and repairs performed in the District.

Ms. Benzman requested authorization to conduct a valve survey for the estimated cost of \$8,400.

Ms. Benzman reviewed an account with an outstanding balance of \$407.33 and requested authorization to write off the account as uncollectible and turn over the account to the collection agency to pursue collection.

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 Inframark's office or the District to contest or explain the charges.

Following review and discussion, Director Gonzalez moved to (1) approve the operator's report; (2) authorize Inframark to conduct the valve survey; (3) authorize Inframark to write off the closed account as uncollectible and turn over the account to a collection agency; and (4) authorize Inframark to proceed with termination of utility service to the delinquent accounts pursuant to the provisions of the District's Rate Order. Director Gilligan seconded the motion, which passed unanimously.

APPROVE AND AUTHORIZE OPERATOR TO FILE WATER LOSS AUDIT

Ms. Leatherwood stated that all retail public water suppliers are required to submit to the Texas Water Development Board a water loss audit once every five years. She said the next scheduled audit is for the year 2025 and is due by May 1, 2026. Ms. Benzman reviewed the Water Loss Audit with the Board. After review and discussion, Director Florete moved to approve the Water Loss Audit, direct that the audit be filed appropriately and retained in the District's official records, and authorize the District's Operator to submit the audit to the Texas Water Development Board. Director Gonzalez seconded the motion, which passed by unanimous vote.

REVIEW EMERGENCY PREPAREDNESS PLAN

Ms. Leatherwood discussed the District's Emergency Preparedness Plan and stated no updates are necessary at this time.

ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Ms. Leatherwood reported that the Board is required to review the District's Drought Contingency Plan annually. Ms. Benzman confirmed that no changes need to be made at this time.

APPROVE ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

Ms. Benzman reviewed the Water Conservation Plan Annual Report with the Board. After review and discussion, Director Gonzalez moved to approve the Water Conservation Annual Report, direct that the report be filed appropriately and retained in the District's official records, and authorize the District's Operator to submit the report to the appropriate government agencies. Director Schilhab seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

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

Mr. Piercy updated the Board on the geographic information system mapping for the District.

Mr. Piercy presented and reviewed a proposed Amendment to the Professional Services Agreement with EHRA. He further explained the updated schedule of hourly rates. Following review and discussion, Director Gilligan moved to approve the Amendment, and direct that it be filed appropriately and retained in the District's official records. Director Schilhab seconded the motion, which passed by unanimous vote.

HC 500 (MASTER DISTRICT) MATTERS

Ms. Leatherwood and Mr. Piercy updated the Board on the status of HC 500, as Master District, projects as detailed in the engineering report.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA") MATTERS

There was no discussion on this matter.

WEBSITE MATTERS

Ms. Leatherwood updated the Board regarding traffic and engagement metrics for the District's website.

ANNUAL CYBERSECURITY AND ARTIFICIAL INTELLIGENCE TRAINING

Ms. Leatherwood provided an update on recent legislation regarding cybersecurity and artificial intelligence training and noted that additional information will be provided once available.

REPORT ON DEVELOPMENT

Mr. Crahan reported on development in the District.

MEETING SCHEDULE

The Board concurred to hold its next regular meeting on May 4, 2026, at 10:00 a.m. at the offices of ABHR.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Audit continuance letter from McCall	2
Bookkeeper's Report.....	2
Tax Assessor/Collector's Reports	3
Operator's Report.....	4
Engineer's Report.....	5