

**AGENDA**  
**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537**

Notice is hereby given that, pursuant to V.T.C.A. Government Code, Chapter 551, the Board of Directors of **Harris County Municipal Utility District No. 537** will meet in **special session**, open to the public, at **8:00 a.m.**, on **Friday, May 15, 2026**, at **1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056**, at which meeting the following items will be considered and acted on:

1. Hear from Public;
2. Consider accepting Oath of Office and Statement of Officer from Directors-Elect;
3. Consider approving and issuing Certificate of Election to Directors-Elect;
4. Consider reconstituting Board of Directors;
5. Consider amending District Registration form and authorizing filing with TCEQ;
6. Hear from HOA and take any action thereon;
7. Consent Agenda:
  - a. Consider approving Minutes of meetings held March 13 and April 2, 2026;
  - b. Hear Customer Service Report from Green for Life and take any action thereon;
  - c. Hear Lake Management Services Report and take any action thereon, including proposal for outfall bridge painting;
  - d. Hear Website Report and take any action thereon;
  - e. Hear Tax Assessor's Report and take any action thereon;
8. Hear Financial Advisor's Report, and take any action thereon;
9. Hear Bookkeeper's Report and take any action thereon, including:
  - a. consider approving payment of bills;
  - b. consider approving investment report; and
  - c. consider approving budget for fiscal year ending May 31, 2027;
10. Hear Operator's Report and take any action thereon;
  - a. discuss emergency water service responses to residents;
  - b. discuss issues concerning wastewater discharge;
  - c. discuss maintenance of storm drains in District, and take any action necessary in connection with such maintenance;
11. Hear Engineer's Report and take any action thereon, including:
  - a. consider authorizing Engineer to proceed with the design of District facilities;
  - b. consider approving plans and specifications of District facilities;
  - c. consider authorizing Engineer to advertise for bids for District projects;
  - d. consider approving pay estimates, and change orders for construction projects in progress in the District; and
  - e. consider authorizing construction contracts and related items;
12. Consider amending District Rate Order (water rates);
13. Hear Report from General Manager regarding Water Pressurization Project, and take any necessary action thereon, including:
  - a. consider amending Agreement with General Manager;
14. Hear Attorney's Report and take any action thereon, including:
  - a. discuss offsite drainage and take any action thereon;
  - b. review Arbitrage Report and take any action thereon; and
  - c. discuss required Cyber Security training.

To join by video, use the following link: <https://zoom.us/join>. The Meeting ID is **823 1096 1760**, and the Passcode is **562796**. To join by phone, call 346 248 7799. Meeting materials will be available online at <https://hcmud537.com/>.

Pursuant to V.T.C.A. Government Code §551, the Board of Directors may convene in closed session in relation to any agenda item included in this Notice with such closed session to be held at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by V.T.C.A Government Code Chapter 551, including but not limited to, private consultation with the District's Attorneys on any or all matters or subjects authorized by law, pending or contemplated litigation, personnel matters, real estate transactions, security devices, economic development negotiations and/or gifts and donations.

EXECUTED this 8th day of May, 2026.

HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 537

(SEAL)



By: \_\_\_\_\_

Joshua J. Kahn  
Sanford Kuhl Hagan Kugle Parker Kahn, LLP

Harris County MUD 537

	Actuals as of <u>04/20/2026</u>	Budget <u>FYE 5/31/26</u>	Proposed Budget <u>FYE 5/31/27</u>
<b><u>DISTRICT REVENUES</u></b>			
Customer Service Fees - Water	\$ 196,176.74	\$ 225,000.00	\$ 238,000.00
Water Tap Connection Fees	9,100.00	0.00	0.00
Customer Service Fees - Sewer	281,708.42	346,000.00	346,000.00
Sewer Inspection Fees	0.00	2,500.00	0.00
Security Revenue (HOA)	79,962.77	235,000.00	235,000.00
Landscape Revenue (HOA)	168,492.62	126,125.00	126,125.00
Maintenance Tax	618,745.28	651,400.00	651,400.00
Penalties and Interest	7,984.19	7,500.00	9,000.00
Termination/Reconnection Fees	8,558.93	6,500.00	10,000.00
Transfer/Connection Fees	1,125.00	2,500.00	2,500.00
Builder Inspection Fees	0.00	250.00	250.00
Customer Service Inspections	0.00	500.00	500.00
Miscellaneous Income	0.00	500.00	500.00
Interest Income	31,309.26	23,000.00	38,000.00
<b>TOTAL DISTRICT REVENUE</b>	<b>\$ 1,403,163.21</b>	<b>\$ 1,626,775.00</b>	<b>\$ 1,657,275.00</b>
<b><u>DISTRICT EXPENSES</u></b>			
<b><u>Water Expenses</u></b>			
Bulk Water Purchases	\$ 107,313.47	\$ 152,000.00	\$ 140,000.00
Laboratory Fees	5,840.93	30,000.00	10,000.00
Permit Fees	1,158.85	650.00	1,200.00
Maintenance and Repair	41,836.91	115,000.00	100,000.00
Tap Connection Expense	3,265.00	0.00	0.00
<b><u>Sewer Expenses</u></b>			
Purchased Sewer Service	\$ 119,826.04	\$ 225,000.00	\$ 225,000.00
Maintenance and Repair	28,542.92	45,000.00	45,000.00
Utilities	2,022.94	3,200.00	3,200.00
Sewer Inspection Expense	208.00	1,500.00	1,000.00
<b><u>Other Expenses</u></b>			
Directors Fees	\$ 3,652.00	\$ 8,000.00	\$ 8,000.00
General Manager Fees	9,000.00	6,000.00	12,000.00
Payroll Taxes	967.88	1,200.00	1,600.00
Legal Fees	34,896.25	75,000.00	75,000.00
Audit Fees	17,500.00	18,000.00	19,000.00
Engineering Fees	11,449.86	60,000.00	45,000.00
Financial Advisor Fees	1,700.00	1,800.00	1,800.00
Election Expenses	18,913.58	10,000.00	0.00
TCEQ Assessment Fees	2,862.51	2,990.00	2,920.00
Operator Expense	25,182.46	35,000.00	35,000.00
Bookkeeping Fees	10,350.00	15,600.00	15,600.00
Maintenance and Repair - Drainage Facilities	10,599.58	10,000.00	12,000.00
Landscape Maintenance (Somerset Green HOA)	195,871.39	177,125.00	200,000.00
Lake Maintenance	28,805.87	30,000.00	30,000.00
Website Expense	9,373.89	17,500.00	17,500.00
Postage	461.66	2,000.00	1,000.00
Insurance	9,602.00	8,900.00	9,650.00
Travel Expenses	0.00	3,000.00	3,000.00
Travel Expenses - General Manager	498.96	2,500.00	2,500.00
Registration Fees	750.00	1,200.00	1,200.00
Other Expenses	9,392.36	8,000.00	10,000.00
CSI/Builder Inspections	1,684.93	2,000.00	2,000.00
Termination/Reconnect/NSF Fee	1,701.00	5,000.00	3,000.00
Security Services	143,987.46	245,000.00	245,000.00
Garbage Expense	128,492.97	139,000.00	197,000.00
<b>TOTAL DISTRICT EXPENSE</b>	<b>\$ 987,711.67</b>	<b>\$ 1,457,165.00</b>	<b>\$ 1,475,170.00</b>
<b>NET GAIN(LOSS)</b>	<b>\$ 415,451.54</b>	<b>\$ 169,610.00</b>	<b>\$ 182,105.00</b>

## TAXPAYER IMPACT STATEMENT

	Current Budget Fiscal Year Ending May 31, 2026**	Proposed Amended Budget Fiscal Year Ending May 31, 2027**	No-New-Revenue Tax Rate Budget***
Estimated District Operations and Maintenance Tax Bill on Average Homestead*	\$1,754.93	\$1,420.81	\$1,1420.81

\*Harris County Municipal Utility District No. 537 (the "District") levies taxes in accordance with the Texas Water Code. The District's proposed operations and maintenance tax rate is equal to \$0.17 per \$100 of assessed value. Average homestead values are determined by the Harris Central Appraisal District. All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth in Taxation worksheet was prepared in accordance with the Texas Water Code.

\*\*Average tax bill estimates for the current and proposed budgets reflect those taxes necessary to fund the operations and maintenance tax revenues stated in the applicable budget.

\*\*\*This column estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget generates the same amount of operations and maintenance tax revenues as the current budget.