

**MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS**

JUNE 10, 2024

THE STATE OF TEXAS §

COUNTY OF HARRIS §

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537 §

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 537 (the "District"), noticed a regular session open to the public, to be held at 12:00 p.m., on Monday, June 10, 2024, at 1980 Post Oak Blvd, Suite 1380, Houston, Texas 77056, a designated meeting place located outside the boundaries of the District. Whereupon, at 12:03 p.m., the meeting was called to order and the roll was called of the members of the Board, to wit:

Allen Watson	-	President
Jim Balock	-	Vice President
Anthony Sartori	-	Secretary
Nancy Turner	-	Assistant Secretary
Francine Stefan	-	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Copies of the notices of the meeting are attached hereto.

Also attending the meeting were Tiffany Carden of L & S District Services ("L & S"), Bookkeeper for the District; Shammarie Leon of Bob Leared Interests, Tax Assessor/Collector for the District; James Lott, P.E. and Alex Almeida of BGE, Engineers for the District; Jaison Sanwald of SiEnvironmental, LLC ("SiEnviro"), Operator for the District; Justin Waggoner of Touchstone, website consultant for the District; David Selensky of GFL, trash collector for the District; Bob Jones of Engineering of Jones Engineering Solutions; Joshua J. Kahn and Deidra Daniels (Paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District; and Neville Henry (President) and Kimberly Hickson-Spaw (Director) members of the Somerset Green Homeowner's Association Board (HOA).

HEAR FROM PUBLIC

The Board noted that no Public wished to address the Board.

DIRECTOR COMMENTS

Francine Stefan introduced herself and provided a brief overview of her work and personal life.

APPROVE MINUTES OF MEETING MAY 13, 2024

The Board reviewed the proposed minutes of the meeting of the Board held May 13, 2024, copies of which were previously distributed to the Board.

Upon motion by Director Stefan, seconded by Director Watson, and after full discussion, the Board voted unanimously to approve such Minutes, as submitted.

GREEN FOR LIFE REPORT

The Board recognized Mr. Selensky, who addressed the Board's concerns regarding curb damage and recommended that 166 homes receive backdoor service, which would eliminate the garbage truck(s) from driving down certain streets. Mr. Selensky advised that the cost would be an additional \$5.00 per month for the 166 homes for a total increase of \$830.00 per month. The Board inquired whether GFL would pay for the current curb damage, and Mr. Selensky advised that GFL would submit the curb damage to its insurance carrier.

Upon motion by Director Balock, seconded by Director Turner, and after full discussion, the Board voted unanimously to approve backdoor service for 166 homes at an additional cost of \$5 per month for the 166 homes.

WEBSITE REPORT

The Board recognized Mr. Waggoner, who presented to and reviewed with the Board the Website Report

The Board noted that no action was necessary in connection with the Website Report..

FINANCIAL ADVISOR'S REPORT

No Report was offered.

TAX ASSESSOR-COLLECTOR'S REPORT

The Board recognized Ms. Leon, who reviewed with the Board the Tax Assessor/Collector's Report. She noted that the District's 2024 preliminary assessed valuation, before protests, is \$381,567,151, a 21.3% increase from 2023.

Upon motion by Director Turner, seconded by Director Watson, and after full discussion, the Board voted unanimously to (1) approve the Tax Assessor/Collector's Report; and (2) authorize payment of the tax checks listed therein.

BOOKKEEPER'S REPORT

The Board recognized Ms. Carden, who submitted to and reviewed with the Board the Bookkeeper's Report, payment of invoices, and Investment Report, copies of which are attached hereto.

Upon motion by Director Stefan, seconded by Director Watson, and after full discussion, the Board voted unanimously to approve (1) the Bookkeeper's Report, (2) payment of invoices, and (3) Investment Report.

The Board next discussed payment of the District's 20.7% share of the basic mowing maintenance provided by HLS. The Board noted that it did not have sufficient information to pay the June 2022 through December 2023 invoices. After discussion, it was the consensus of the Board to request itemized invoices from HLS to determine the proper payments to be made by the District.

OPERATOR'S REPORT

The Board recognized Mr. Sanwald, who submitted to and reviewed with the Board the Operator's Report, a copy of which is attached hereto. Ms. Sanwald noted that the City of Houston will be conducting a valve survey and that the City has included the sanitary sewer line for maintenance by the City. The Board next discussed high users. Mr. Sanwald advised that residents who use more than 15,000 gallons per month receive a door tag notice. After discussion, it was the consensus of the Board that a note be placed on the District website homepage instructing residents to contact SiEnviro about high water bills.

The Board recognized Mr. Kahn, who advised that, in June 2023, the District notified the City that the District was increasing its take or pay quantity to 1,900,000 gallons per month, but that the City was still billing the District for a take or pay amount of 600,00 gallons per month, with a penalty for all usage over 600,000 gallons per month. The Board discussed increasing the take or pay amount of 2,300,000 gallons per month.

Upon motion by Director Balock, seconded by Director Watson, and after full discussion, the Board voted unanimously to (1) approve the Operator's Report; and (2) raise the District's take or pay amount to 2,100,000 gallons per month and authorize the District's Attorney to send the required notice to the City.

ENGINEER'S REPORT

The Board recognized Mr. Lott, who introduced Mr. Almeida and advised that Mr. Almeida would be the backup Engineer for the District. Mr. Lott next presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto. Mr. Lott noted that, during the month of April, average water pressure within the District was 48.58 PSI, with a minimum of 44.96 PSI and a maximum of 51.839 PSI. Mr. Lott also presented a proposal in the amount of \$11,950 for repair of 3 curbs damaged by GFL trash trucks. After discussion, it was the consensus of the Board to wait on curb repairs until construction in the area is complete.

The Board noted that no action was necessary in connection with the Engineer's Report.

WATER PRESSURE IN DISTRICT

Director Watson then introduced Bob Jones and advised that Mr. Jones is an Engineer who is assisting the District on the water pressure issues.

The Board recognized Mr. Jones, who providing a brief summary of his work experience, noting that has worked on water systems and with MUDs for more than 50 years. Mr. Jones advised that, notwithstanding the District's contract with the City, the City is required by law to provide a minimum 35 psi during peak water usage Mr. Jones advised that the City's valve survey would provide crucial information about the 24" supply line. Mr. Jones concluded by stating that the District has two

issues to be resolved: (1) sustained water pressure; and (2) permanent removal of the backflow preventers.

GROUNDWATER USE AND CREDITS

Mr. Kahn noted that no Report was offered.

LAND CONVEYANCES

The Board next discussed conveyance of properties between the HOA and the District. Mr. Lott noted that BGE had not yet been authorized to prepare surveys. Director Watson noted that the only surveys needed were for the land around the two City meters and the amenity center.

Upon motion by Director Watson, seconded by Director Balock, and after full discussion, the Board voted unanimously to authorize BGE to prepare surveys for the land around the two City meters.

ATTORNEY'S REPORT

Fence Repair.

The Board took no action on this matter,

Insurance

The Board recognized Mr. Kahn, who presented to and reviewed with the Board a proposed renewal of the District's insurance policy from the District's current insurance provider, McDonald & Wessendorff Insurance.

Upon motion by Director Watson, seconded by Director Stefan, and after full discussion, the Board voted unanimously to renew the District's insurance policy with McDonald & Wessendorff Insurance.

Unclaimed Property Report

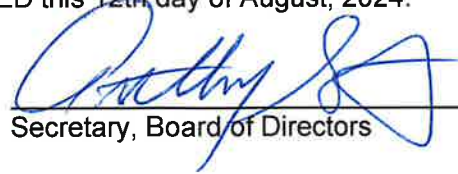
The Board then considered approving the District's Unclaimed Property Report, presented with the Bookkeeper's Report.

Upon motion made by Director Watson, seconded by Director Stefan, and after full discussion, the Board voted unanimously to approve the Unclaimed Property Report.

ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made and seconded, the Board by unanimous vote adjourned the meeting.

PASSED, APPROVED, AND ADOPTED this 12th day of August, 2024.


Secretary, Board of Directors

