

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

JUNE 19, 2023

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 open to the public, to be held at 12:00 p.m., on Monday, June 19, 2023, at 1980 Post Oak Blvd, Suite 1380, Houston, Texas 77056, a designated meeting place located outside the boundaries of the District. Whereupon, at 12:00 p.m., the meeting was called to order and the roll was called of the members of the Board, to wit:

Allen Watson	-	President
Beatriz Armendarez	-	Vice President
Anthony Sartori	-	Secretary
James Balock	-	Assistant Secretary
Nancy Turner	-	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 Carson Nunnally of Development Houston In Town, L.P. ("Hines"), a Developer of land within the District; Tiffany Loggins of L & S District Services ("L & S"), Bookkeeper for the District; Shammarie Leon of Bob Leared Interests, Tax Assessor/Collector for the District; Jaison Sanwald of Si Environmental, LLC ("SiEnviro"), Operator for the District; Alix Osgood and James Lott of Brown & Gay Engineers ("BGE"), Engineers for the District; Michael Willett of Touchtone Services; Josh J. Kahn and Deidra Daniels (Paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District; and Neville Henry, a board member of the Somerset Green Homeowners Association ("HOA").

HEAR FROM THE PUBLIC

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

APPROVE MINUTES OF MEETINGS HELD APRIL 10 AND MAY 2, 2023

The Board reviewed the proposed minutes of the meetings of the Board held April 10 and May 2, 2023, copies of which were previously distributed to the Board.

Upon motion by Director Watson, seconded by Director Balock, and after full discussion, the Board voted unanimously to approve such minutes, as presented.

GREEN FOR LIFE REPORT

The Board recognized Mr. Kahn who on behalf of the District's trash and recycle service provider, Green for Life Environmental ("GFL"), presented to and reviewed with the Board the Customer Service Report. Director Balock requested that GFL confirm whether glass can be recycled and, if so, what types of glass.

The Board noted no action was needed.

DEVELOPER'S REPORT

The Board recognized Mr. Nunnelly, who updated the Board on the status of development in the District and stated that all lots have been sold to builders and that he expects the HOA to be turned over to residents by year end. Director Sartori inquired about the back gates and Mr. Nunnelly advised that the would be activated after a security plan is finalized.

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

HEAR FROM FINANCIAL ADVISOR

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 for the months February and March. She also noted 99% of the District's 2022 taxes have been collected. Ms. Leon provided the Board with the list of delinquent tax accounts and notified them that the letters providing notice of 20% penalty on delinquent taxes will be sent in July. Ms. Leon also noted that the District's 2023 preliminary estimated assessed valuation is \$330,598,284, a 34.42% increase from 2022.

Upon motion by Director Balock, 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. Loggins, who submitted to and reviewed with the Board the Bookkeeper's Report, payment of invoices, and Investment Report, copies of which are attached hereto. Ms. Loggins also presented to and reviewed with the Board a proposed amended budget for fiscal year ending May 31, 2024. Discussion ensued about the proposed amended budget regarding sewer inspection fees, trash expenses, and sewer expenses to be paid to the City of Houston. The Board discussed whether the District should continue paying the trash fee on behalf of the residents. Mr. Kahn advised that he had received the sewer invoice from the City of Houston and asked if the Board wished to pay the invoice in full. Director Watson advised that, if the District paid the invoice, the City would be more amenable to working with the District on other matters. Director Watson advised that the City will not approve the meters currently being used to measure sewer flow and recommended that the sewer bills be based on water usage, noting that it would likely save the District money.

Upon motion by Director Sartori, seconded by Director Watson, and after full discussion, the Board voted unanimously to approve (1) the Bookkeeper's Report, payment of invoices, and Investment Report, as presented' (2) the amended FYE 2024 budget, as discussed; (3) payment to the City of Houston in the amount of \$542,449.49, for sewer service; and (4) continue payment of the trash fee through FYE 2024.

OPERATOR'S REPORT

The Board recognized Mr. Sanwald, who presented to the Annual Consumer Confidence Report.

Upon motion by Director Watson, seconded by Director Sartori, and after full discussion, the Board voted unanimously to authorize SiEnviro to distribute the Consumer Confidence Report.

Mr. Sanwald then submitted and reviewed with the Board the Operator's Reports for the months of February and March, copies of which are attached hereto. He stated that the total connection count is 413, and that the average water accountability was at 100%.

Mr. Sanwald advised that the City of Houston has hired a contractor to televise the sanitary sewer line going underneath the railroad to determine the location of the sags, noting that the obligation to repair by the City is based on the location of the sags.

Upon motion by Director Watson, seconded by Director Turner, and after full discussion, the Board voted unanimously to approve the Operator's Report, as presented;.

ENGINEER'S REPORT

The Board recognized Mr. Lott, who, presented to and reviewed with the Board the Engineer's report and noted that the average water pressure in the District was 33 PSI. Ms. Osgood advised that the park bond application report was ready to be submitted to the TCEQ and requested authorization to submit the application on a 60-day expedited review.

Upon motion by Director Watson, seconded by Director Sartori, and after full discussion, the Board voted unanimously to (1) approve the Engineer's Report; and (2) authorize the District's Engineer to submit the park bond application report to the TCEQ.

DISTRICT WEBSITE

The Board recognized Mr. Willett, who reviewed with the Board the website which is currently under construction, noting that the following items need to be added: (1) District history; (2) pump information; and (3) water pressure information.

Upon motion by Director Turner, seconded by Director Balock, and after full discussion, the Board voted unanimously to authorize Touchstone to make the website live on or before July 1, 2023, subject to the addition of the (1) District history; (2) pump information; and (3) water pressure information.

DISCUSS CITY OF HOUSTON WATER SERVICE AGREEMENT

The Board recognized Mr. Kahn, who advised that the District's current take or pay quantity is 1,000,000 gallons per month. The Board suggested increasing to 1,900,000 gallons per month based on increase in monthly usage.

Upon motion by Director Watson, seconded by Director Balock, and after full discussion, the Board voted unanimously to raise the District's take or pay amount to 1,900,000 gallons per month and authorize the District's Attorney to send the required notice to the City.

WATER PRESSURE

The Board noted that no action was needed.

GROUNDWATER USE AND CREDITS

The Board noted that no action was needed.

ATTORNEY'S REPORT

Renew District 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 Sartori, 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 Sartori, and after full discussion, the Board voted unanimously to approve the Unclaimed Property Report.

Annual Arbitrage Report

Mr. Kahn then presented to and reviewed with the Board the Annual Arbitrage Report.

The Board noted that no action was required regarding the Annual Arbitrage Report.

August Meeting

After discussion, it was the consensus of the Board that the District's August meeting will be held on Monday, August 21.

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 21st day of August, 2023.

(SEAL)




Secretary, Board of Directors