MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

MAY 15, 2026

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 special session open to the public, to be held at 8:00 a.m., on Friday, May 15, 2026, at 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056, a designated meeting place located outside the boundaries of the District. Whereupon, at 8:02 a.m., the meeting was called to order and the roll was called of the members of the Board, to wit:

Nancy Turner
Francine Stefan
David Kahn
William Sherwood
Gregory Hepler

All Directors were present, except Director Sherwood who monitored the meeting via Zoom, thus constituting a quorum. Copies of the notices of the meeting are attached hereto.

Also attending the meeting were Loren Clark of L&S District Services ("L&S"), Bookkeeper for the District (via Zoom); Brenda McLaughlin of Bob Leared Interests ("BLI"), Tax Assessor/Collector for the District (via Zoom); Ben Allen, P.E. of BGE, Engineers for the District (via Zoom); Garrett Robertson of SiEnvironmental, LLC ("SiEnviro"), Operator for the District; Jenna Craig of Touchstone, Website Consultant for the District (via Zoom); Allen Watson, General Manager for the District (via Zoom); Joshua J. Kahn and Deidra Daniels (Certified Paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District; and members of the public J.D. Smith and Michael Robinson.

Some Agenda Items were taken out of order.

HEAR FROM PUBLIC

The Board recognized Mr. Smith, who discussed with the Board issues with his water bills and water in the meter box, noting that it has been going on for several months with no resolution provided by SiEnviro.

Mr. Robertson advised that he would go inspect the meter box to determine the issue and get it resolved.

OATHS AND STATEMENTS OF DIRECTORS-ELECT

The Board next considered accepting the Oaths of Office and Statements of Officers of Directors-Elect Hepler, D. Kahn, and Sherwood, noting that Directors-Elect Hepler, D. Kahn, and Sherwood had each executed the Oath of Office and the Statement of Officer.

Upon motion by Director Turner, seconded by Director Stefan, and after full discussion, the Board voted unanimously to accept the Oath of Office and executed Statement of Officer of Directors-Elect Hepler, D. Kahn, and Sherwood, thus qualifying them to serve on the Board, and, thereafter, issuing Certificates of Election to said Directors for a term of service until the Directors' Election in May 2030, or until successors have been duly elected and appointed.

RECONSTITUTE THE BOARD

Upon motion by Director Turner, seconded by Director Hepler, and after full discussion, the Board voted to reconstitute the Board, as follows:

David Kahn	-	President
Nancy Turner	-	Vice President.
Francine Stefan	-	Secretary
William Sherwood	-	Assistant Secretary
Gregory Hepler	-	Assistant Secretary

DISTRICT REGISTRATION FORM

The Board then considered the execution and filing of a District Registration Form.

Upon motion by Director Stefan, seconded by Director D. Kahn, and after full discussion, the Board voted unanimously to authorize preparation of a revised District Registration Form and filing of same with the Texas Commission on Environmental Quality ("TCEQ").

HOA REPORT

The Board recognized Mr. Robinson, who advised that he did not have anything to discuss with the Board.

The Board took no action.

CONSENT AGENDA

The Board considered the following items under its Consent Agenda:

a. Consider approving Minutes of meeting held March 13, 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;

d. Hear Website Report and take any action thereon;

e. Hear Tax Assessor's Report and take any action thereon.

Upon motion by Director Stefan, seconded by Director Hepler, and after full discussion, the Board voted unanimously to approve the following (1) Minutes of the meeting held March 13, as presented; (2) Customer Serve Report from GFL, as amended; (3) well report from Lake Management Services; (4) Website report; and (5) Tax Assessor's Report

FINANCIAL ADVISOR'S REPORT

No Report was offered.

BOOKKEEPER'S REPORT

The Board recognized Ms. Clark, 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 Turner, seconded by Director Hepler, and after full discussion, the Board unanimously (1) approved the Bookkeeper's Report, as submitted; (2) approved the Investment Report; and (3) authorized payment of the checks therein.

The Board discussed with Ms. Clark the outstanding landscaping and security invoices not yet paid by the Somerset Green HOA. Ms. Clark advised that she will follow up before the fiscal year end to ensure all outstanding invoices are paid.

OPERATOR'S REPORT

The Board recognized Mr. Robertson, who submitted to and reviewed with the Board the Operator's Report, a copy of which is attached hereto. Mr. Robertson also presented to and reviewed with the Board the Annual Drinking Water Quality Report.

Upon motion by Director Turner, seconded by Director Hepler, and after full discussion, the Board voted unanimously to approve the (1) Annual Drinking Water Quality Report, subject to final review by the District's Attorney; and (2) Operator's Report, as presented.

The Board discussed with Mr. Robertson the number of high water bills and complaints from residents. Director Tuner discussed an ongoing issue reported by resident L. Rodi and her request for a credit for overbilling.

Upon motion by Director Turner, seconded by Director Stefan, and after full discussion, the Board authorized Mr. Robertson to determine the credit amount for Ms. Rodi and thereafter, provide that amount to Director Turner for final approval and issuance of a check to Ms. Rodi.

ENGINEER'S REPORT

The Board recognized Mr. Allen, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto.

The Board took no action.

RATE ORDER

The Board recognized Mr. J. Kahn, who advised that the City of Houston had increased its water/wastewater rates. Mr. J. Kahn also discussed with the Board revising the Rate Order to include provisions for ongoing/unrepaired water leaks.

Upon motion by Director Stefan, seconded by Director Turner, and after full discussion, the Board voted unanimously to approve amending the Rate Order to increase the water/sewer fees to match the City of Houston and to include provisions for ongoing/unrepaired water leaks.

GENERAL MANAGER REPORT - WATER PRESSURE IN DISTRICT.

The Board recognized Mr. Watson, who provided an update on the backflow preventers, noting that the City has approved leaving off the backflow preventers for an additional five year period.

Mr. Watson also reviewed the Environmental Site Assessment completed on the property purchased from TxDOT.

The Board took no action.

ATTORNEY'S REPORT

Offsite Drainage

The Board took no action.

Arbitrage Report

The Board recognized Mr. J. Kahn, who reviewed with the Board the Arbitrage Analysis Report, noting that 5-year reports needed to be prepared for the Series 2021 and 2021A Bond issues.

Upon motion by Director Stefan, seconded by Director Turner, and after full discussion, the Board voted unanimously to authorize preparation of the 5-year reports for the Series 2021 and 2021A Bond issues.

Cyber Security/AI Training

The Board recognized Mr. J. Kahn, who explained that in the 2025 legislative session, legislation was passed that requires local government officials to complete cybersecurity and AI training each year. Mr. J. Kahn noted that the training is mandatory, the annual compliance deadline is August 31, and that the State will assess a monetary penalty against the District if all Directors do not complete the training by the deadline.

Interlocal Agreement with Subsidence District

The Board recognized Mr. J. Kahn, who reviewed with the Board an Agreement for the WaterWise Program sponsored by the Houston Galveston Subsidence District. Mr. Kahn advised that by participating in the program and sponsoring students, the District would receive groundwater credits which may be applied against the District's total yearly water demand, if needed, or may be sold.

Upon motion by Director Turner, seconded by Director D. Kahn, and after full discussion, the Board voted unanimously to approve the WaterWise Program and authorize execution of the Interlocal Agreement with the Harris Galveston Subsidence District.

FYE 2026 Audit

Mr. J. Kahn advised that the District had an evergreen contract with McGrath & Associates ("McGrath"), to prepare the District's annual financial reports.

Upon motion by Director D. Kahn, seconded by Director Stefan, the Board voted unanimously to authorize McGrath to prepare the District's FYE 2026 Audit.

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.

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Upon motion by Director Turner, seconded by Director D. Kahn, and after full discussion, the Board voted unanimously to approve the WaterWise Program and authorize execution of the Interlocal Agreement with the Harris Galveston Subsidence District.

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Upon motion by Director D. Kahn, seconded by Director Stefan, the Board voted unanimously to authorize McCall to prepare the District's FYE 2026 Audit.

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 June, 2026.

Francine Stefe

Secretary, Board of Directors

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537

TEXAS