

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

SEPTEMBER 16, 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 special session open to the public, to be held at 12:00 p.m., on Monday, September 16, 2024, at 1980 Post Oak Blvd, Suite 1380, Houston, Texas 77056, a designated meeting place located outside the boundaries of the District. Whereupon, at 12:05 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, except Director Sartori, thus constituting a quorum. Copies of the notices of the meeting are attached hereto.

Also attending the meeting were Debra Loggins (via Zoom) of L & S District Services ("L & S"), Bookkeeper for the District; Kevin Garcia of McGrath & Co. ("McGrath"), Auditors for the District; Shammarie Leon of Bob Leared Interests, Tax Assessor/Collector for the District; James Lott, P.E. of BGE, Engineers for the District; Corey Howell of The GMS Group ("GMS"), Financial Advisors for the District; Jaison Sanwald of SiEnvironmental, LLC ("SiEnviro"), Operator for the District; Justin Waggoner of Touchstone, website consultant for the District; Joshua J. Kahn and Deidra Daniels (Paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District; Bea Armendarez and Elizabeth Kaster (both via Zoom), members of the Public; and Neville Henry (President) and David Villareal (Director) (both via Zoom), members of the Somerset Green Homeowner's Association Board (the "HOA").

HEAR FROM PUBLIC

The Board recognized Ms. Armendarez, who advised that her GLF had missed collecting her trash.

The Board recognized Ms. Kaster, who requested an encroachment easement onto District property so that she could have whole-home a generator installed.

Upon motion by Director Watson, seconded by Director Turner, and after full discussion, the Board voted unanimously to approve the requested encroachment easement and authorized the District's Attorney to prepare same.

APPROVE MINUTES OF MEETING AUGUST 12, 2024

The Board reviewed the proposed minutes of the meeting of the Board held August 12, 2024, copies of which were previously distributed to the Board. Director Watson requested a revision.

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

AUDITOR'S REPORT

FYE Audit

The Board recognized Mr. Garcia, who reviewed with the Board the Annual Financial Report for the fiscal year ending May 31, 2024.

Upon motion by Director Stefan, seconded by Director Watson, and after full discussion, the Board voted unanimously to approve the Annual Financial Report for the fiscal year ending May 31, 2024, subject to final review by the District's Directors and Consultants.

FINANCIAL ADVISOR'S REPORT

Review Tax Rate Calculations and Authorize Publication of Notice

The Board next discussed calling a public hearing on the District's proposed 2024 tax rate. Mr. Howell reviewed with the Board the District's 2024 certified values and cash flow analysis based on the 2024 recommended debt service tax rate, noting that the District is not a Developed District, as

defined in Texas Water Code, Section 49.23602. Mr. Kahn reviewed with the Board the process for setting the tax rate, noting that the District must publish notice and hold a public hearing for discussion of the proposed 2024 tax rate.

The Board then discussed setting a meeting date for conducting the public hearing and setting the tax rate. It was the consensus of the Board to schedule such meeting for 12 p.m., Monday, October 21, 2024, at 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056.

Upon motion by Director Watson, seconded by Director Armendarez, and after full discussion, the Board voted unanimously to (1) confirm that the District is not a Developed District, as defined in Texas Water Code, Section 49.23602; (2) call the public hearing on the proposed 2024 Tax Rate, to be held at 12:00 p.m., Monday, October 21, 2024, at 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056; and (3) authorize the publication of the Notice of Public Hearing on Tax Rate at a proposed total tax rate for 2024 of \$0.50 per \$100 of assessed, along with a tax rate and levy analysis as required by Chapter 49 of the Texas Water Code.

GREEN FOR LIFE REPORT

The Board recognized Mr. Kahn, who on behalf of GFL, presented to and reviewed with the Board the Customer Service Report.

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

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.

TAX ASSESSOR-COLLECTOR'S REPORT

The Board recognized Ms. Leon, who reviewed with the Board the Tax Assessor/Collector's Report and checks presented for payment.

Upon motion by Director Watson, seconded by Director Balock, 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.

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

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. Mr. Sanwald next discussed electronic meters and presented an estimated cost for retrofitting and/or replacing the District's current meters.

Upon motion by Director Watson, seconded by Director Turner, and after full discussion, the Board voted unanimously to (1) authorize SiEnviro to conduct a meter audit to determine how many District meters can be retrofitted and how many meters would need to be replaced so that a true cost estimate could be provided to the Board; and (2) 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, a copy of which is attached hereto. Mr. Lott noted that, during the month of August, average water pressure within the District was 44.4 PSI, with a minimum of 41.4 PSI and a maximum of 47.8 PSI.

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

WATER PRESSURE IN DISTRICT

The Board recognized Director Watson, who advised that TxDOT has agreed to sell a tract of land to the District to be used for the proposed water repressurization system and that he is waiting to receive the purchase packet from TxDOT.

GROUNDWATER USE AND CREDITS

No Report was offered.

HOA AND DISTRICT RESPONSIBILITIES

The Board reviewed the draft letter to residents and suggested revisions thereto.

Upon motion by Director Watson, seconded by Director Turner, and after full discussion, the Board unanimously approved the letter to residents, as revised, and authorized the District's Attorney to mail the letter to all District residents.

The Board next reviewed and discussed the draft MUD/HOA Responsibility Chart.

Mr. Henry requested that the HOA be provided a copy of the current draft and that the District Board meet with the HOA Board to discuss the allocation of responsibilities.

After discussion, it was the consensus of the Board that the District Board would meet with the HOA Board at the conclusion of the October 21 District Board meeting.

ATTORNEY'S REPORT

Encroachment Request

This item was discussed under Public Comments.

Future Board Meetings

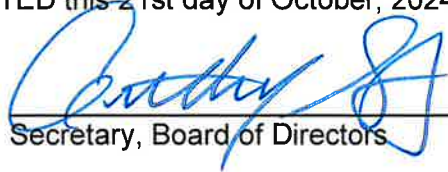
No action was taken on this item.

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 October, 2024.




Secretary, Board of Directors