

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

FEBRUARY 6, 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 special session open to the public, to be held at 12:00 p.m., on Monday, February 6, 2023, at 1980 Post Oak Blvd, Suite 1380, Houston, Texas 77056, a 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
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 Nunnely of Development Houston In Town, L.P. ("Hines"), a Developer of land within the District; Debra Loggins of L & S District Services ("L & S"), Bookkeeper for the District; Shammarie Leon of Bob Leared Interests, Tax Assessor/Collector for the District; Nathan White and Jaison Sanwald of Si Environmental, LLC ("SiEnviro"), Operators for the District; Josh J. Kahn, Darsey Norton, and Ava Leigh Bryan (Legal Assistant) of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District.

HEAR FROM THE PUBLIC

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

APPROVE MINUTES OF MEETING HELD NOVEMBER 29, 2022

The Board reviewed the proposed minutes of the meeting of the Board held November 29, 2022, copies of which were previously distributed to the Board.

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

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 noted that in 2022 there were 90 homes sales, and 24 homes sales in 2023 so far. Mr. Nunnelly also noted that in Section 9, construction has been completed and they have begun working on green space, which he said is estimated to be completed by March.

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

TAX ASSESSOR-COLLECTOR'S REPORT

The Board recognized Ms. Leon, who reviewed with the Board the Tax Assessor/Collector's Report for the months December and January. She also noted that 91.419% of the District's 2022 taxes have been collected. The Board requested that Ms. Leon ask the delinquent tax attorney for the District, Perdue Brandon Fielder Mott & Collins ("PBFMC") about the reoccurring delinquent account.

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 Balock, seconded by Director Watson, and after full discussion, the Board voted unanimously to approve the Bookkeeper's Report, payment of invoices, and Investment Report, as presented.

OPERATOR'S REPORT

The Board recognized Mr. Sanwald, who submitted and reviewed with the Board the Operator's Reports for the months of November, December, and January copies of which are attached hereto.

Mr. Sanwald stated that there were 6 new meters installed in January bringing their total connection count to 389, and that the average water accountability was at 99%. He also reviewed with the Board a list of calls that were received regarding low water pressure during the time of the freezing conditions in Houston. He observed that most of these homeowners did not have water pressure pumps in their residences. The Board discussed solutions to better communicate information to homeowners in the District, especially during City of Houston emergency operations. Mr. Kahn suggested that the Board consider hiring a consultant to create and manage a District website where information could be accessed by residents or members of the public. The Board agreed to schedule a special meeting to discuss the matter.

Mr. Sanwald also notified the Board that the Storm Water Prevention Plan Audit Report (the "SWPPP Audit") was completed, a copy of which is attached hereto. He explained that the SWPPP Audit is performed to review construction sites and best management practices (BMPs) to control pollutants that may be discharged in stormwater runoff. Mr. Sanwald noted that the SWPPP Audit is required to receive a permit to build in the City of Houston and to ensure the builders in the District are maintaining their construction sites in compliance with the Texas Pollutant Discharge Elimination System Construction General Permit.

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

ENGINEER'S REPORT

The Board recognized Ms. Osgood who did not provide a report and noted that she had not received the pressure reading data to calculate the average water pressure in the District. She stated that she would provide a report with updates at the next Board meeting.

The Board noted no action was needed.

DISCUSS CITY OF HOUSTON WATER SERVICE AGREEMENT

Mr. Kahn updated the Board on matters related to the billing reconciliation that remains outstanding with the City of Houston. He explained he continues to reach out to the City of Houston for assistance and will update the Board of his findings.

WATER PRESSURE

The Board then discussed the water pressure in the District, and how the system could be improved to help resolve the existing water pressure issues. Director Watson presented to and reviewed with the Board a comparison of the Royal Oaks Supplemental Water Pressure System, and photos of potential locations of a proposed water tank location.

The Board agreed to defer any action and discuss this item at the next Board meeting.

GROUNDWATER USE AND CREDITS

The Board recognized Mr. Kahn, who submitted to and reviewed with the Board the Lake Management Report on the District's groundwater use and credits. He noted the Amendment to the Subsidence District Permit had been approved.

The Board noted that no action was needed.

ATTORNEY'S REPORT

Consider Approving Order Authorizing Application and Application for Approval by Texas Commission on Environmental Quality ("TCEQ") of Project Issuance of Park Bonds

The Board discussed the possibility of selling Bonds for Park and Recreational Facilities in the year 2023. The Board requested that the consultants reevaluate the timeline to sell bonds and the assessed valuation of the District before authorizing preparation of the bond application to the TCEQ.

The Board did not take any action on this item and agreed to discuss it at a later meeting.

Resolution Regarding Tax Exemptions for 2023

Consideration was then given to a proposed Resolution Concerning Tax Exemptions for 2023.

Upon motion by Director Balock, seconded by Director Watson, and after full discussion, the Board voted unanimously not to grant any tax exemptions for 2023, and to approve the Resolution evidencing such decision. A copy of said Resolution is on file in the official records of the District.

Resolution Implementing 20% Penalty on 2022 Delinquent Taxes

Consideration was then given to a proposed Resolution Implementing a 20% Penalty on 2022 Delinquent Taxes.

Upon motion by Director Balock, seconded by Director Watson, after full discussion, and the question being put to the Board, the Board voted unanimously to authorize a 20% penalty on 2022 real property taxes which are delinquent on July 1, 2023, and a 20% penalty on 2022 personal property taxes which are delinquent on April 1, 2023, and thereafter, and to approve the Resolution evidencing the same. A copy of said Resolution is on file in the official records of the District.

Discuss Green for Life Trash / Recycle Service Contract Renewal

The Board discussed the District's existing contract with Green For Life Environmental ("GFL") and noted that their contract requires them to provide 60 days of notice to terminate. The Board requested SK Law to send a letter to trash service providers to obtain proposals for service to compare.

The Board noted they would discuss this item at a special meeting scheduled for March 3rd, 2023, at 9:00 am.

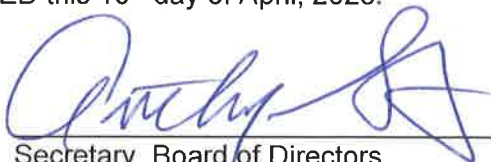
ADJOURNMENT

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 10th day of April, 2023.

(SEAL)




Secretary, Board of Directors