

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

MAY 13, 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, May 13, 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, 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. of BGE, Engineers for the District; Jaison Sanwald of SiEnvironmental, LLC (“SiEnviro”), Operator for the District; Joshua J. Kahn and Ava Leigh Bryan (Legal Assistant) 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.

CONSIDER APPROVING ORDER CANVASSING ELECTION RETURNS.

The Board recognized Mr. Kahn who read the returns of the District’s Directors’ Election held on May 4, 2024, as follows: there were cast 353 ballots for the election of two (2) Director positions for the District, and that said ballots were cast for the following persons in the numbers indicated:

Nancy Turner	132 votes
Francine Stefan	88 votes
William Hill	79 Votes
Soterios Platis	54 Votes

Upon motion by Director Balock, seconded by Director Sartori, and after full discussion, the Board voted unanimously to adopt the Order Canvassing Election Returns and Declaring Results of Directors Election.

APPROVE SWORN STATEMENTS, BONDS, AND OATHS OF DIRECTORS

Upon motion by Director Balock, seconded by Director Sartori, and after full discussion, the Board voted unanimously to approve the sworn statements, bonds, and oaths of Director Turner and Director Stefan.

CONSIDER APPROVING AND ISSUING CERTIFICATES OF ELECTION.

Mr. Kahn then noted that Certificates of Election will be issued to Directors-Elect Turner, and Stefan for a term of service until the Directors’ Election in May 2028, or until successors have been duly elected or appointed.

Upon motion by Director Balock, seconded by Director Sartori, and after full discussion, the Board voted unanimously to accept the Certificates of Election.

CONSIDER RECONSTITUTING BOARD OF DIRECTORS

Upon motion by Director Balock, seconded by Director Sartori, and after full discussion, the Board voted unanimously to elect the following slate of officers:

- Allen Watson - President
- Jim Balock - Vice President
- Anthony Sartori - Secretary

Nancy Turner - Assistant Secretary
Francine Stefan - Assistant Secretary

AUTHORIZE AMENDMENT AND FILING OF DISTRICT REGISTRATION FORM

The Board next considered authorizing amendment and filing of a District Registration form and filing of the same with the Texas Commission on Environmental Quality (“TCEQ”). Mr. Kahn stated that the Texas Water Code provides that this form be completed with the names, offices, and terms of office of the District officers and revised when a new Director is appointed or elected. He noted that information on the District’s consultants is also listed on the form.

Upon motion by Director Balock, seconded by Director Sartori, and after full discussion, the Board voted unanimously to authorize amendment of the District Registration form and filing of said form with the TCEQ.

APPROVE MINUTES OF MEETING APRIL 15, 2024

The Board reviewed the proposed minutes of the meeting of the Board held April 15, 2024, copies of which were previously distributed to the Board. The Board stated that a revision needed to be made to the minutes under the Green For Life section. Mr. Kahn noted that the minutes would be revised to reflect the revision.

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

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. He also noted that his office received the annual CPI adjustment from GFL which increased the rate from \$22.85 to \$24.36.

The Board then discussed scheduling a meeting with Mr. Selesky regarding improving the GFL pickup routes through the District for trash pickup to minimize the damage to curbs and sidewalks in the neighborhood. The Board authorized Director Balock and Director Turner to coordinate this meeting with Mr. Selesky.

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

FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Kahn who on behalf of GMS Group, presented and reviewed with the Board a Memorandum Summary of Cost and Cash Flow Analysis Report which outlined the short-term financial planning related to the District water pressurization projects, a copy of which is attached hereto. He reviewed the analysis that assumed the issuance of \$1,850,000 unlimited tax bonds in 2025 for the purpose of providing funds to construct a water pressurization system. The analysis indicates that the District could issue the additional bonds for such projects without causing an increase to the District's total tax rate of \$0.50 per \$100 of assessed valuation. The Board discussed the timeline to approve and sell the bonds.

The Board noted that no action was needed in connection with the Financial Advisor's report.

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 2023 taxes were 98.157% collected.

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

DISCUSS LANDSCAPING FUNDING SUPPORT BY THE DISTRICT

The Board then discussed the level of service required by the District regarding landscaping maintenance. Director Watson noted that the District has responsibility for 20.7% of landscaping throughout the District which includes basic mowing maintenance. The Board noted that reconciliation of the HLS invoices from 2022-2024 needed to be reviewed to see what had been paid by the District and what was outstanding. The Board agreed to authorize BGE to conduct a survey of the amenity center and areas surrounding the meters for the next board meeting.

DISCUSS SECURITY FUND PAYMENT

The Board then discussed the annual security payment to the HOA. The Board noted that payment in the amount of \$40,000 had been made for 2024. The Board agreed to minimize payment for the next year in the amount of \$20,000 to the HOA for security funding.

Upon motion by Director Sartori, seconded by Director Balock, and after full discussion, the Board voted unanimously to authorize security funding in the amount of \$20,000 to the HOA for the District's fiscal year ending May 31, 2025.

INTERLOCAL AGREEMENT WITH SUBSIDENCE DISTRICT

The Board recognized Mr. 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 Balock, seconded by Director Sartori, 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.

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. Ms. Carden also presented to and reviewed with the Board the revised proposed budget for fiscal year ending May 31, 2025, reflecting the changes requested by the Board at the last Board meeting.

Upon motion by Director Watson, seconded by Director Balock, and after full discussion, the Board voted unanimously to approve (1) the Bookkeeper's Report, (2) payment of invoices, (3) Investment Report, and (4) the budget for fiscal year ending May 31, 2025.

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.

Upon motion by Director Watson, 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 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 April, average water pressure within the District was 44.7 PSI, with a minimum of 40.2 PSI and a maximum of 49.8 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 the District's Attorneys and Engineers are continuing to work on property acquisition for a proposed water repressurization system.

GROUNDWATER USE AND CREDITS

Mr. Kahn noted that no Report was offered.

DISTRICT WEBSITE/COMMUNICATIONS

The Board recognized Mr. Willett, who presented to and reviewed with the Board the Communications Monthly Report, a copy of which is attached hereto.

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

ATTORNEY'S REPORT

Engage Auditor to Prepare Annual Audit for Fiscal Year Ending May 31, 2024

Mr. Kahn noted that the Board needed to authorize the District's auditor to prepare the annual audit report for the Fiscal Year Ending May 31, 2024.

Upon motion by Director Watson, seconded by Director Balock, and after full discussion, the Board voted unanimously to authorize the District's auditor to prepare the annual audit report for fiscal year ending May 31, 2024.

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.

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 June, 2024.




Secretary, Board of Directors