MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

JUNE 12, 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 regular session open to the public, to be held at 11:30 a.m., on Friday, June 12, 2026, at 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056, a designated meeting place located outside the boundaries of the District. Whereupon, at 11:30 a.m., the meeting was called to order and the roll was called of the members of the Board, to wit:

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

All Directors 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; Brenda McLaughlin of Bob Leared Interests ("BLI"), Tax Assessor/Collector for the District; Ben Allen, P.E. of BGE, Engineers for the District; Zach Smith of Lake Management Services ("LMS"); Garrett Robertson and Jaison Sanwald (via Zoom) of SiEnvironmental, LLC ("SiEnviro"), Operator for the District; Jenna Craig of Touchstone, Website Consultant for the District; David Selesky of GFL, Waste Contractor for the District (via Zoom); Cory Burton of Municipal Risk Management Group ("MRMG"); 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 Mike Reckles, Terri Zieves, and Denez Pilazo.

Some Agenda Items were taken out of order.

HEAR FROM PUBLIC

The Board noted that there were no members of the public present who wished to address the Board.

HOA REPORT

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

The Board took no action.

APPROVE MINUTES OF MEETING MAY 15, 2026

The Board reviewed the proposed minutes of the meeting of the Board held May 15, 2026, copies of which were previously distributed to the Board.

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

TAX ASSESSOR-COLLECTOR'S REPORT

The Board recognized Ms. McLaughlin, who reviewed with the Board the Tax Assessor/Collector's Report and checks presented for payment and a list of delinquent accounts.

Upon motion by Director Stefan, seconded by Director Sherwood, 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.

LAKE MANAGEMENT REPORT

The Board recognized Mr. Smith, who presented to and reviewed with the Board a proposal in the amount of $2,799.50 to apply an epoxy coating on the pond outfall structures. Mr. Smith noted that this proposal also includes grinding off the paint on the concrete under the canal bridges.

Upon motion by Director Turner, seconded by Director Hepler, and after full discussion, the Board voted unanimously to approve the LMS proposal.

The Board also discussed with Mr. Smith (1) the need to replace the gravel along the canals, (2) the lake color, and (3) fountain timers.

WEBSITE REPORT

The Board recognized Ms. Craig, who presented to and reviewed with the Board the Website Report.

Ms. Craig discussed (1) the text alert system and ways to get more residents signed up for text alerts and (2) Director bios for the website.

Ms. Craig also presented to and reviewed with the Board a proposal in the amount of $3,000.00 to prepare the video tutorials for the District website. Ms. Craig noted that such cost does not include any costs that may be charged by SiEnviro related to the videos.

Upon motion by Director Turner, seconded by Director Hepler, and after full discussion, the Board voted unanimously to approve the proposal in the amount of $3,000.00 to prepare the video tutorials for the District website.

GFL REPORT

The Board recognized Mr. Selesky, who explained that there was a recent billing issue that resulted in the District being overbilled for trash service for the previous two months. Mr. Selesky noted that the issue has been corrected and that the District has received a credit for all charges that were over billed.

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

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.

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

OPERATOR'S REPORT

The Board recognized Mr. Robertson, who presented to and reviewed with the Board the Operator's Report and accounts for termination. A copy of the Operator's Report is attached hereto.

Upon motion by Director Stefan, seconded by Director Turner, and after full discussion, the Board voted unanimously to approve (1) termination of accounts; and (2) the Operator's Report.

Mr. Robertson next discussed the valve survey that was recently completed in Section One and the repairs that are needed as a result of the findings of the survey.

Upon motion by Director Hepler, seconded by Director Sherwood, and after full discussion, the Board voted unanimously to approve the valve repairs in an amount not to exceed $10,000.00.

The Board then discussed with Mr. Robertson the best approach to handle customers with high water bills. The Board noted that all future refunds should be through a check issued by the District and not through a credit on the customer's water bill. The Board noted that the Operations Committee could approve the issuance of a check for a customer refund between meetings, if needed.

Director Hepler commended SiEnviro for their customer service. The Board directed SiEnviro to never enter a customer's home, even if they are attempting to help that customer. Si Enviro should only inspect any facilities located outside of the homes.

The Board next discussed the recent TWDB Water Loss Audit, which shows accountability for the year over 100%. The Board noted that all future Water Loss Audits should be presented to the Board for review prior to submission to the TWDB. The Board also inquired as to why accountability was over 100%. Mr. Sanwald noted that, because the City of Houston master meter is much larger than the typical residential meter, it is not as accurate and could be under-registering the water flowing through the master meter.

Discussion then ensued about the method of meter reading performed by SiEnviro. The Board stated that they only wanted SiEnviro employees to read the meters in the District and for SiEnviro to cease utilizing a third-party vendor to read the meters.

The Board next discussed the high water bill for the resident at 819 Blackshire.

Upon motion by Director Stefan, seconded by Director Turner, and after full discussion, the Board authorized the issuance of a refund check to the resident at 819 Blackshire in the amount of $646.54.

Mr. Robertson presented to and reviewed with the Board a draft of the monthly letter that would be sent to the 25 customers with the highest water usage each month. The Board noted that they would like to provide comments on the letter to Mr. Robertson before it is finalized.

The Board then discussed the new $5.00/month fee that the City of Houston is now adding to the water bills to all City of Houston customers for trash service. After further discussion, the Board noted that, although the District has historically billed its customers the exact same rates billed by the City of Houston, they do not want to charge a similar fee to the District customers at this time.

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 discussed the memo prepared by Director Hepler regarding recommended repairs and improvements to various District facilities. The Board instructed Mr. Allen to bring a proposal to the next meeting for such repairs and improvements.

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

MUNICIPAL RISK MANAGEMENT GROUP

The Board recognized Mr. Burton, who presented to and reviewed with the Board an Amended Engagement Letter with MRMG, noting that MRMG prepares the District's annual arbitrage yield restrictions and rebate calculation analyses.

Upon motion by Director Stefan, seconded by Director Turner, and after full discussion, the Board voted unanimously to approve the Amended Engagement Letter with MRMG, as presented.

COMMITTEE REPORTS

The Board recognized Director Sherwood, who presented to and reviewed with the Board a summary of all of the relevant District contracts.

The Board discussed the need for warning signage in the District's electrical yard. Mr. Sanwald noted that SiEnviro would have those signs installed within the next week.

Director Turner provided the Communications Report and requested Board authorization to purchase signs to place out at the entrance to the community notifying residents of upcoming District meetings.

Upon motion by Director Stefan, seconded by Director Turner, and after full discussion, the Board voted unanimously to approve the purchase of the notice signs in an amount not to exceed $200.00.

Director Hepler next discussed the possibility of installing smart meters on all homes within the District. Director Hepler noted that he is in the process of preparing an executive summary on the benefits of smart meters and the options for such meters.

Director D. Kahn discussed the Elections Committee and noted that he will be meeting with representatives of the AWBD at the upcoming summer conference to discuss the need for special legislation in the 2027 legislative session to require Harris County to offer joint elections in May of even numbered years.

Director Stefan provided an update from the Finance Committee and noted that such committee is working with the District's bookkeeper on ways to include more useful financial information in the Bookkeeper's Report.

Director Hepler provided an updated from the Operations Committee and noted that he is working with SiEnviro in an attempt to reduce complaints from District customers about inaccurate meter readings. Mr. Sanwald noted that the meter readers take notes when conducting the monthly meter reads and such notes could be distributed to the Board. The Board instructed SiEnviro to start sending the monthly notes to SK Law for distribution to the Board.

ATTORNEY'S REPORT

Unclaimed Property

The Board considered approving the District's Unclaimed Property Report, presented with the Bookkeeper's Report and the Tax Assessor's Report. The Board noted that the Bookkeeper's report shows that the District remitted $495.98 to the State of Texas for unclaimed property.

Upon motion by Director Turner, seconded by Director Stefan, and after full discussion, the Board voted unanimously to approve the Unclaimed Property Report.

Identity Theft Prevention Policy

Mr. J. Kahn next presented to the Board for approval a Resolution Providing for Annual Review of Identity Theft Prevention Policy (the "Policy"). In connection therewith, Mr. Sanwald noted that SiEnviro had reviewed the Policy and that, over the previous year, no significant red flag events had occurred, and recommended no changes at this time.

Upon motion by Director Turner, seconded by Director Stefan, and after full discussion, the Board voted unanimously to approve the Resolution Providing for Annual Review of Identity Theft Prevention Policy.

Insurance Policy Renewal

The Board recognized Mr. J. 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, SIG/McDonald & Wessendorff Insurance. The Board noted that, since the District no longer employs a General Manager, the District no longer needs worker's compensation coverage.

Upon motion by Director Turner, seconded by Director Stefan, and after full discussion, the Board voted unanimously to renew the District's insurance policy with SIG/McDonald & Wessendorff.

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.

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 July, 2026.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537
TEXAS

Francine Stef
Secretary, Board of Directors