MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

JULY 10, 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, July 10, 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; Alyssa Peruchini of The GMS Group ("GMS"), Financial Advisors for the District; Brenda McLaughlin of Bob Leared Interests ("BLI"), Tax Assessor/Collector for the District (via Zoom); James Lott, P.E. of BGE, Engineers for the District; Garrett Robertson and Whitney Aelmore of SiEnvironmental, LLC ("SiEnviro"), Operator for the District; Jenna Craig of Touchstone, Website Consultant 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.

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.

CONSENT AGENDA

a. Consider approving Minutes of meeting held June 12, 2026;
b. Hear Tax Assessor's Report and take any action thereon, including approving checks presented for payment;
c. Hear Lake Management Services Report and take any action thereon, including proposals for maintenance and repairs;
d. Hear Website Report and take any action thereon;
e. Hear GFL Report and take any action thereon;
f. Hear Bookkeeper's Report and take any action thereon, including:
   (i) consider approving payment of bills; and
   (ii) consider approving investment report.

The Bookkeeper's Report was pulled from the Consent Agenda. The Board noted that no GFL Report was provided.

Upon motion by Director Stefan, seconded by Director Hepler, and after full discussion, the Board voted unanimously to approve (1) the Minutes of the meeting held June 12, 2026, as presented; (2) the Tax Assessor's Report and checks presented for payment; (3) the Lake Management Services Report; and (3) the Website Report.

The Board recognized Ms. Carden, who presented to and reviewed with the Bookkeeper's Report and checks presented for payment. Ms. Carden noted that check nos. 2748 and 2754 were pulled, as the invoices had been previously paid.

Mr. Kahn noted that GFL has failed to issue a credit for over charges in the March, April, and May invoices and that Ms. Daniels had prepared a spreadsheet of the GFL invoices from January 2026 – June 2026, and found that the District was owed a credit of $11,536.15.

Ms. Carden advised that a check for the June 2026 GFL invoice had not yet issued and that check no. 2760 would be issued in the amount of $1,323.99 to include the credit owed to the District.

Director Stefan inquired about Bookkeeping fees and Ms. Carden noted that the increased fees were due to work involved in billing the HOA. Ms. Carden also noted that the HOA was delinquent in its payments to the District for landscape services. The Board discussed amending its Payment Agreements with the HOA to include a reserve fund and administrative fee for landscape and security services.

Upon motion by Director Stefan, seconded by Director Turner, and after full discussion, the Board voted unanimously to approve the Bookkeeper's Report and checks presented for payment.

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.

The Board discussed the repairs on Dunleigh Meadows, noting that the meter box had not been buried and that debris needed to be removed. The Board also discussed Riverway's failure to clear construction debris and to install SWPPP devices to keep trash and silt out of the District's storm water facilities. Mr. J. Kahn noted that the District's Rate Order provided for penalties for non-compliance with the District's Rate Order in the amount of not less than $200 per day and not more that $5,000 per day for each violation.

Upon motion by Director Turner, seconded by Director Hepler, and after full discussion, Directors Kahn, Turner, Stefan, and Hepler, as follows: (1) assess a penalty of $500 per day against Riverway for non-compliance; and (2) instruct SiEnviro to provide Riverway notice (i) of the violations the District's Rate Order and penalties to be assessed; (ii) that Riverway has until July 21 to comply with the District's Rate Order; and (ii) that Riverway may contest the violations and penalties at the District's July 22 meeting. Director Sherwood voted against the Motion. The Motion carried.

The Board next discussed SiEnviro's inability to bill residents pursuant to the District's current Rate Order. Mr. Robertson explained that SiEnviro's billing software (AVR) could not accommodate the number of billing tiers current in the District's Rate Order and recommended that the District amend its Rate Order. Mr. J. Kahn noted that the District's Rate Order mirror's the City of Houston's Rate Order and has mirrored the City's Rate Order since the creation of the District. Mr. Robertson explained that the billing issues began when SiEnviro changed billing software in 2025. Mr. Robertson estimated that, due to SiEnviro's inability to bill the residents pursuant to the District's Rate Order, the District's residents had been underbilled in the amount of $18,873.79 over the past 10 months, the majority of which was for water.

Director D. Kahn asked why it took 10 months for SiEnviro to discover the billing issues and how SiEnviro intended to make the District whole, noting that SiEnviro needed to have a complete audit of the District's billing at SiEnviro's sole cost and expense, to determine the District's actual lost revenue.

Director Hepler advised that he wants to observe exactly how the District's residents are currently being billed and how the billing errors are occurring.

Director Turner asked if SiEnviro could update the AVR billing software to accommodate the District's current Rate Order.

After further discussion, the Board requested that, on or before 12 noon on July 20, SiEnviro provide a written recommendation to SK Law for options to accurately bill the District's customers and that SK Law provide the written recommendation to the Board. Director Stefan noted that an amendment of the District's Rate Order to accommodate the limitations in the AVR billing software should be the last option.

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 also presented to and reviewed with the Board the following proposals: (1) in the amount of $19,750.00 for maintenance and repairs of the District's Electrical Equipment Yard; (2) in the amount of $18,000.00 for preparation of a Topographic Study and As-Built drawings constructed conditions to compare constructed grades and elevations against approved design plans, confirming detention volume and outfall configurations match approved calculations, verifying pipe sizes, inverts, and material types against construction drawings, and identifying any deviations from the approved design requiring further review; (3) in the amount of $6,000.00 to evaluate all non-bulkhead portions of the canal above the water surface elevation (WSE); and (4) in the amount of $6,000.00 to evaluate all non-bulkhead portions of the detention pond above the WSE.

Upon motion by Director Turner, seconded by Director Hepler, and after full discussion, the Board voted unanimously, as follows; (1) defer action of the proposal in the amount of $19,750.00 for maintenance and repairs of the District's Electrical Equipment Yard; (2) approve the proposal in the amount of $18,000.00 for preparation of a Topographic Study and As-Built drawings; (3) approve the proposal in the amount of $6,000.00 to evaluate all non-bulkhead portions of the canal above the WSE; and (4) approve the proposal in the amount of $6,000.00 to evaluate all non-bulkhead portions of the detention pond above the WSE.

COMMITTEE REPORTS

Finance

The Board recognized Director Stefan, who reminded the Board that it had requested an analysis of how the District's debt obligations compared to other in-City District. Director Stefan introduced Ms. Peruchini, who reviewed with the Board a comparison the District's debt obligation to other Distrct's inside the City of Houston and inside the City of Katy.

The Board took no action.

Legislative

The Board recognized Director D. Kahn, who advised that he, Mr. J. Kahn, and Ms. Daniels had met with AWBD Executive Director Rick Ellis and that they would be working together to advance legislation to ensure joint elections with Counties in May of even-numbered years.

The Board took no action.

Communications

The Board recognized Director Turner, who provided an update on communications matters, including videos to be posted on the District's website.

The Board took no action.

Legal

The Board recognized Director Sherwood, who advised that he had worked with Mr. J. Kahn on drafting the Lease between the District and the HOA regarding the HOA's use of the District's electrical equipment yard.

The Board took no action.

Operations

The Board recognized Director Helpler, who reviewed a summary of his research on the purchase and installation of smart meters in the District, noting that there would be no labor savings with such installation and that the expense to purchase/install the meters was approximately $200,000 with ongoing subscription and usage fees.

After discussion, it was the consensus of the Board to not move forward with the purchase/installation of smart meters in the District.

Director Hepler next adding additional foot bridges in the District.

After discussion, it was the consensus of the Board that no additional foot bridges would be added.

Director Hepler discussed the ongoing erosion issues, noting that the increased number of ducks and pigeons was contributing the erosion issues. Director Hepler advised that he would obtain a proposal from BGE to create a dedicated area where residents could feed the ducks and a proposal for adding terraces around the lake to mitigate erosion. The Board noted that, because the duck population was increasing, it may be necessary to remove some of the drakes.

The Board took no action.

EMERGENCY AUTHORIZATIONS

The Board next discussed authorizing certain Directors to authorize emergency repairs between meetings.

Upon motion by Director Kahn, seconded by Director Stefan, and after full discussion, the Board voted unanimously as follows: (1) either Director appointed to the Operations Committee has the authority to approve **emergency** repairs between meetings in the amount not to exceed $5,000; (2) both Directors appointed to the Operations Committee may approve **emergency** repairs between meetings in the amount not to exceed $10,000; and (3) if emergency repairs between meetings exceed $10,000, an emergency meeting will be called.

ATTORNEY'S REPORT

Cyber Security/AI Training

The Board recognized Mr. J. Kahn, who noted that all Directors have completed the required training.

Lease with HOA

Mr. J. Kahn presented to and reviewed with the Board the proposed Lease Agreement with the HOA for the HOA's use of the District's electrical equipment yard.

After discussion, the Board deferred approval and requested that Mr. J. Kahn revise the Lease to include allocation of joint expenses.

Future Meetings

After discussion, it was the consensus of the Board to hold monthly meetings at 11 a.m. on the second Friday of each month, except December. The Board also agreed that the October 2026 meeting (tax rate hearing) would be scheduled at 6 p.m., Monday, October 5, and held in the District at the Pool Pavilion.

Arbitrage Report

Mr. J. Kahn presented to and reviewed with the Board the District's 5th Year Arbitrage Rebate Calculations prepared by Arbitrage Compliance Specialists for the District's Series 2021 Bonds.

The Board took no action.

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 D. Kahn, seconded by Director Stefan, 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.

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 14th day of August, 2026.

Francine Stefer

Secretary, Board of Directors

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537

TEXAS