

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

AUGUST 21, 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, August 21, 2023, 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
Beatriz Armendarez	-	Vice President
Anthony Sartori	-	Secretary
James Balock	-	Assistant Secretary
Nancy Turner	-	Assistant Secretary

Directors Watson, Sartori, Balock, and Turner were present, thus constituting a quorum. Director Armendarez monitored the meeting via Zoom. Copies of the notices of the meeting are attached hereto.

Also attending the meeting were Carson Nunnally 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; Jaison Sanwald and Karl Skarboszewski of Si Environmental, LLC ("SiEnviro"), Operator for the District; Alix Osgood, Julia Frankovich, and Michael Fitzgerald of Brown & Gay Engineers ("BGE"), Engineers for the District; Simon VanDyke of Touchtone Services; Zachary Smith of Lake Management Services ("LMS"); Joshua J. Kahn, Julianne B. Kugle, and Deidra Daniels (Paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District; Neville Henry, a board member of the Somerset Green Homeowners Association ("HOA"); and the following Members of the Public: Tony Short, Kim Pham, Laura Wilson, Lisa Lichenwalter, Kimberly Hickson, Blair

Lichenwalter, David Wue, Megan McSchaffer, Leslie Smith, Jerry Tran, Timothy Long, Mallory Holan, and Patricia Henrx.

Agenda items were taken out of order.

#### **APPROVE MINUTES OF MEETING JUNE 19, 2023**

The Board reviewed the proposed minutes of the meeting of the Board held June 19, 2023, copies of which were previously distributed to the Board.

Upon motion by Director Sartori, 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 noted that a Report was included with the meeting materials, previously distributed.

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

#### **HEAR FROM FINANCIAL ADVISOR**

No Report was offered.

#### **TAX ASSESSOR-COLLECTOR'S REPORT**

The Board recognized Ms. Leon, who reviewed with the Board the Tax Assessor/Collector's Reports, noting that the District has three (3) delinquent accounts for the 2022 tax year.

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.

#### **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 (1) the Bookkeeper's Report, (2) payment of invoices, and Investment Report, as presented.

### **GROUNDWATER USE AND CREDITS**

The Board recognized Mr. Smith, who reviewed with the Board the Groundwater Credit Report.

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

### **DEVELOPER'S REPORT**

The Board recognized Mr. Nunnally, who updated the Board on the status of development in the District and stated that all lots have been sold to builders and that he expects the HOA to be turned over to residents by year end.

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

### **HEAR FROM PUBLIC**

Numerous residents addressed the Board regarding low water pressure and the boil water notice.

Director Watson advised that the District's water is supplied by the City of Houston and the District maintains the public infrastructure within the boundaries of the District. Director Watson further advised that the TCEQ permitted the District to remove the backflow preventers, which increased water pressure, and noted that the Board is working daily with the City of Houston to find a resolution which will increase the water pressure to the District.

Mr. Short advised that he had less than 10 psi at his home.

The Board instructed the District's Operator to check the water pressure at the meter at Mr. Short's home.

### **OPERATOR'S REPORT**

Mr. Sanwald then submitted and reviewed with the Board the Operator's Report a copy of which is attached hereto. Mr. Sanwald presented (1) a resident request for a separate irrigation meter, and (2) a resident request for reimbursement for the purchase of a home booster pump.

Upon motion by Director Watson, seconded by Director Turner, and after full discussion, the Board voted unanimously to (1) approve the Operator's Report; and (2) take no action on the resident requests.

## **ENGINEER'S REPORT**

The Board recognized Ms. Frankovich, who reviewed with the Board options for water pressure boosting systems, noting that the District must authorize a project for a repressurization system by September 25, 2023, or the City of Houston will require the District to reinstall the backflow preventers. Ms. Frankovich next presented two (2) options for a repressurization system: the first requiring about 5,000 square feet of land and costing approximately \$1.3 million (plus land acquisition), and the second requiring about 0.5 acres of and costing approximately \$2.75 million (plus land acquisition). Ms. Frankovich further noted that option 1 would take approximately 1-1/2 to 2 years to complete and option 2 would take approximately 2-1/2 to 3 years to complete.

The Board discussed the two repressurization system options presented, noting that the District did not own a tract of land of sufficient size to build either Option 1 or Option 2. It was the consensus of the Board to obtain more information before choosing which repressurization system to install. Thereafter, upon motion by Director Watson, seconded by Director Balock, and after full discussion, the Board voted unanimously to (1) authorize District consultants to begin site selection and design services for a water repressurization system project to increase and maintain the water pressure within the District; and (2) approve the Engineer's Report.

## **DISTRICT WEBSITE**

The Board recognized Mr. VanDyke, who advised that the District's website is now live.

The Board noted that no action was necessary.

## **ATTORNEY'S REPORT**

### **Code of Ethics**

The Board recognized Mr. Kahn, who advised that, due to legislation passed during this year's legislative session, Directors are entitled to fees of office in an amount equal to the daily per diem rate set by the Texas Ethics Commission for members of the legislature under Section 24a, Article III, Texas Constitution, which is currently \$221 per day. Mr. Kahn then presented to and reviewed with the Board an Amended and Restated Order Adopting Code of Ethics and Establishing Policies Relating to Travel Expenditures, Fees of Office, Professional

Services, Financial Accounting, Annual Operating Budget, Audit Committee, and Meeting Conduct.

Upon motion by Director Turner, seconded by Director Watson, and after full discussion, the Board voted unanimously to approve the Amended and Restated Order Adopting Code of Ethics and Establishing Policies Relating to Travel Expenditures, Fees of Office, Professional Services, Financial Accounting, Annual Operating Budget, Audit Committee, and Meeting Conduct, as presented.

#### **Amendment to Notice to Sellers and Purchasers**

The Board recognized Mr. Kahn, who presented to and reviewed with the Board an Amendment to Notice to Sellers and Purchases and advised that the form was being amended to comply with recent legislative changes.

Upon motion by Director Turner, seconded by Director Watson, and after full discussion, the Board by unanimous vote approved the Amendment to Notice to Sellers and Purchasers of Real Estate Located Within the District and authorized SK Law to file said Notice in the Harris County Real Property Records and with the Texas Commission on Environmental Quality ("TCEQ").

#### **Future Board Meetings**

After discussion, it was the consensus of the Board to schedule its next meetings for September 25 and October 16, 2023.

#### **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 25th day of September, 2023.



  
Secretary, Board of Directors