

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

OCTOBER 13, 2025

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 6:00 p.m., on Monday, October 13, 2025, at 0 Somerset Green, Houston, Texas 77055 (Pool/Amenity Center), a designated meeting place located inside the boundaries of the District. Whereupon, at 6:01 p.m., the meeting was called to order and the roll was called of the members of the Board, to wit:

Jim Balock	-	President
Nancy Turner	-	Vice President
Francine Stefan	-	Secretary
David Kahn	-	Assistant Secretary
William Sherwood	-	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 Loren Clark of L & S District Services (“L & S”), Bookkeeper for the District (via Zoom); Brenda McLaughlin of Bob Leared Interests, Tax Assessor/Collector for the District; James Lott and Ben Allen, P.E. of BGE, Engineers for the District; Trevor Konopka of The GMS Group (“GMS”), Financial Advisors for the District; Jaison Sanwald and Garrett Robertson of SiEnvironmental, LLC (“SiEnviro”), Operator for the District; Jenna Craig of Touchstone, Website Consultant for the District; Joshua J. Kahn and Deidra Daniels (Paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP (“SK Law”), Attorneys for the District; and Kimberly Spaw and Neville Henry, members of the public

Some Agenda Items were taken out of order.

PUBLIC HEARING ON PROPOSED 2025 TAX RATE

At 6:03 p.m., the Board opened the meeting to a public hearing on the proposed 2025 tax rate for the District. The Board recognized Mr. J. Kahn, who reminded the Board that, at the District's meeting on September 12, 2025, the Board discussed the District's tax rate for 2025. At such meeting, the Board authorized publication of its intent to set and levy a 2025 tax rate of \$0.49 per one hundred dollars (\$100) of assessed valuation. Several members of the public commented on the proposed tax rate and the impact of increased home values on the District's tax rate. Mr. Konopka explained the rationale behind his tax rate recommendation. The Board then discussed the proposed 2025 tax rate and debated as to whether or not the 2025 tax rate should be set at \$0.48 or \$0.49 per one hundred dollars (\$100) of assessed valuation. After further discussion, the Board closed the public hearing at 6:23 p.m. and resumed the regular meeting.

ORDER SETTING TAX RATE FOR 2025

Consideration was then given to the adoption of an Order Setting Tax Rate and Levying Tax for 2025.

Director Kahn moved, and Director Turner seconded, that the Board set and levy a 2025 tax rate of \$0.48 per one hundred dollars (\$100) of assessed valuation. After full discussion, Directors Kahn and Turner voted for the Motion. Directors Balock, Stefan, and Sherwood voted against the Motion. The Motion failed 2 to 3.

Director Stefan moved, and Director Balock seconded, that the Board set and levy a 2025 tax rate of \$0.49 per one hundred dollars (\$100) of assessed valuation. After full discussion, Directors Balock, Stefan, and Sherwood voted for the Motion. Directors Kahn and Turner voted against the Motion. The Motion passed 3 to 2. The Board noted that the 2025 tax rate of \$0.49 per one hundred dollars (\$100) of assessed valuation shall be allocated \$0.28 per \$100 assessed valuation for water, sewer, and drainage debt service purposes; \$0.04 per \$100 assessed valuation for road debt service purposes; and \$0.17 per \$100 assessed valuation for maintenance and operation purposes.

HEAR FROM PUBLIC

The Board recognized several members of the Public, who inquired about (1) the purchase of the TxDOT property by the District and the possible uses for that property if the water pressurization plant does not have to be built, and (2) the recent letter received regarding the municipal settings designation for a neighboring landowner.

HOA REPORT

The Board recognized the new HOA President, Mr. Reckles, who thanked the Board for continuing to work together with the HOA for the benefit of the residents of Somerset Green.

APPROVE MINUTES OF MEETING SEPTEMBER 12, 2025

The Board reviewed the proposed minutes of the meeting of the Board held September 12, 2025, copies of which were previously distributed to the Board.

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

FINANCIAL ADVISOR'S REPORT

No Report was offered.

GREEN FOR LIFE REPORT

Mr. J. Kahn noted that the GLF report was contained in the meeting packet previously distributed to the Board.

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

LAKE MANAGEMENT REPORT

The Board recognized Mr. J. Kahn, who reviewed with the Board the current status of the District's groundwater permit usage. Mr. J. Kahn also presented to and reviewed with the Board a proposal from Lake Management Services to run new electrical conduit to the fountain, in the amount of \$3,500.

Upon motion by Director Balock, seconded by Director Stefan, and after full discussion, the Board approved the proposal from Lake Management Services to run new electrical conduit to the fountain, in the amount of \$3,500.

WEBSITE REPORT

The Board recognized Ms. Craig, who presented to and reviewed with the Board the Website Report. The Board requested that Ms. Craig resend the information to the residents about the District's text alert system.

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

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, noting that the District's 2024 taxes are 99.3% collected.

Upon motion by Director Stefan, 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. Clark, 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. Clark also presented to and reviewed with the Board the amended budget for the fiscal year ending May 31, 2026.

Upon motion by Director Stefan, seconded by Director Balock, and after full discussion, the Board unanimously (1) approved the Bookkeeper's Report, as submitted; (2) approved the Investment Report; (3) authorized payment of the checks therein; and (3) approved the amended budget for the fiscal year ending May 31, 2026, as presented.

OPERATOR'S REPORT

The Board recognized Mr. Sanwald, who introduced Mr. Robertson as the new District representative for SiEnviro. Mr. Robertson then submitted to and reviewed with the Board the Operator's Report, a copy of which is attached hereto.

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

RATE ORDER

The Board took no action on this agenda item.

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 for the month of September, the District had an average psi of 45.9, with 43.5 being the lowest reading.

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

GENERAL MANAGER REPORT - WATER PRESSURE IN DISTRICT.

No Report was offered.

ATTORNEY'S REPORT

Amendment to Notice to Sellers and Purchasers

Consideration was then given to a proposed Amendment to Notice to Sellers and Purchasers. Mr. J. Kahn informed the Board that the Notice to Sellers and Purchasers must be revised to reflect the District's 2025 Tax Rate. Mr. J. Kahn also noted that the Notice will be filed in the Official Public Records of Harris County and with the Texas Commission on Environmental Quality ("TCEQ").

Upon a motion by Director Stefan, seconded by Director Balock, and after full discussion, the Board voted unanimously to approve the Amendment to Notice to Sellers and Purchasers of Real Estate Located Within the District and authorize SK Law to file said Notice in the Official Public Records of Harris County and with the TCEQ.

HEAR FROM PUBLIC

The Board then reopened the meeting for public comments. Mr. Bruce thanked the Board for their service to Somerset Green.

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 December, 2025.




Secretary, Board of Directors