

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

APRIL 14, 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 regular session open to the public, to be held at 11:30 a.m., on Monday, April 14, 2025, at 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056, a designated meeting place located outside the boundaries of the District. Whereupon, at 11:32 a.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
Vacant	-	Assistant Secretary
William Sherwood	-	Assistant Secretary

Directors Balock, Stefan, and Sherwood attended in person, thus constituting a quorum. Director Turner monitored the meeting via Zoom. 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; Zach Smith of Lake Management Services ("LMS"); Corey Howell of The GMS Group ("GMS"), Financial Advisors 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; Allen Watson, General Manager for the District; and members of the public Kimberly Spaw, Neville Henry, and David Kahn.

Some Agenda Items were taken out of order.

HEAR FROM PUBLIC

The Board recognized David Kahn, who requested that the Board consent to an encroachment onto District property so that his generator could be placed in a location which complies with City of Houston Codes and Ordinances.

After discussion, it was the consensus of the Board to approve the request and add an item to the May meeting agenda to approve the Consent to Encroachment.

RESIGNATION OF DIRECTOR

The Board recognized Mr. J. Kahn, who advised that, as of April 7, 2025, Mr. Watson had become disqualified and had rendered his resignation as a Director, as he had sold his property within the District.

Upon motion by Director Stefan, seconded by Director Balock, and after full discussion, the Board voted unanimously to accept the resignation of Mr. Watson.

APPOINTMENT OF DIRECTOR

The Board recognized Director Balock, who introduced David Kahn to the Board and recommended Mr. D. Kahn as a replacement for Director Watson.

Upon motion by Director Balock, seconded by Director Sherwood, and after full discussion, the Board voted unanimously to appoint Mr. D. Kahn to the Board and accept his Oath of Office and Statement of Officer, thus qualifying Mr. D. Kahn to serve on the Board.

RECONSTITUTION OF BOARD

The Board next considered reconstituting the Board of Directors.

Upon motion by Director Stefan, seconded by Director Balock, and after full discussion, the Board voted unanimously to reconstitute the Board, as follows:

President	-	Jim Balock
Vice President	-	Nancy Turner
Secretary	-	Francine Stefan
Assistant Secretary	-	David Kahn
Assistant Secretary	-	William Sherwood

DISTRICT REGISTRATION FORM

The Board then considered the execution and filing of a District Registration Form.

Upon motion by Director Stefan, seconded by Director Balock, and after full discussion, the Board voted unanimously to authorize preparation of a revised District Registration Form and filing of same with the Texas Commission on Environmental Quality ("TCEQ").

HOA REPORT

The Board recognized Mr. Henry, who discussed with the Board the Community Center proposed for construction by the HOA, including various options for location and financing.

The Board took no action.

APPROVE MINUTES OF MEETING FEBRUARY 10, 2025

The Board reviewed the proposed minutes of the meeting of the Board held February 10, 2025, copies of which were previously distributed to the Board.

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

FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Howell, who reviewed with the Board different financial analyses based on the issuance of bonds for the proposed community center and/or for the water repressurization plant.

The Board took no action.

GREEN FOR LIFE REPORT

The Board 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. Smith, who, reviewed with the Board the weekly summary reports and groundwater use report.

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

WEBSITE REPORT

The Board recognized Ms. Craig, who presented to and reviewed with the Board the Website Report. Ms. Craig also presented to and reviewed with the Board a proposal for creation and mailing of a newsletter (1) \$810 - \$1,050 for a 4-page full color newsletter; and (2) \$690 - \$850 for a 1-page full color newsletter.

Upon motion by Director Balock, seconded by Director D. Kahn, and after full discussion, the Board voted unanimously to approve the proposal for creation and mailing of newsletters, as presented.

TAX ASSESSOR-COLLECTOR'S REPORT

The Board recognized Ms. Leon, who reviewed with the Board the Tax Assessor/Collector's Report and checks presented for payment, noting that the District's 2024 taxes are 96.4% collected.

Upon motion by Director Stefan, seconded by Director Balock, 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. 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 proposed draft budgets for fiscal year ending May 31, 2026. The Board recognized Mr. Howell who reviewed with the Board the impact on the District's tax rate if bonds are issued.

Upon motion by Director Stefan, 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 proposed budget for fiscal year ending May 31, 2026, as amended.

Ms. Carden also discussed with the Board the implementation of a Positive Pay program, noting that it is a service that helps banks detect fraud by matching the District's issued checks with checks presented for payment and that the dollar amount, check number, payee, and account number must all match, or the check is flagged and sent back to the District's bookkeeper for review and approval.

Upon motion by Director D. Kahn, seconded by Director Balock, and after full discussion, the Board voted unanimously to implement the Positive Pay program.

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. Mr. Sanwald also discussed with the Board using the District's well for Old Kay Road irrigation, noting that it would save the HOA approximately \$40,000 per year in reduced water bills.

Upon motion by Director Stefan, seconded by Director Balock, and after full discussion, the Board voted unanimously to approve the (1) use of the District's well for Old Katy Road irrigation; and (2) Operator's Report, as presented.

AMENDED RATE ORDER

The Board recognized Mr. J. Kahn, who advised that the City of Houston had increased its water rates, effective April 1, 2025.

Upon motion by Director Balock, seconded by Director D. Kahn, and after full discussion, the Board voted unanimously to amend the District's Rate Order to increase the District's water/sewer rates to match the current City of Houston rates.

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 March, average water pressure within the District was 48.0 PSI, with a minimum of 43.3 PSI and a maximum of 51.4 PSI.

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

WATER PRESSURE IN DISTRICT

The Board recognized GM Watson and Mr. J. Kahn, who updated the Board on the status of the purchase of property from TxDOT for the proposed water repressurization system.

The Board noted that no action was necessary.

ATTORNEY'S REPORT

Annual Review of Investment Policy

Consideration was then given to a Resolution Evidencing Review of Investment Policy and Investment Strategies. Mr. J. Kahn reminded the Board that the Public Funds Investment Act requires the Board to review the District's Investment Policy annually and consider making any changes thereto. Mr. J. Kahn recommended that no changes be made to the Investment Policy at this time other than to update the list of authorized brokers for the District.

Upon motion by Director D. Kahn, seconded by Director Stefan, and after full discussion, the Board by unanimous vote agreed not to make any changes to the District's Investment Policy, other than to update the list of authorized brokers for the District, and to adopt the Resolution Evidencing Review of Investment Policy and Investment Strategies.

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"), noting that SiEnviro had recommended no changes to the Policy at this time.

Upon motion by Director D. Kahn, 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.

Emergency Preparedness Plan

The Board recognized Mr. J. Kahn, who noted that the District is required to review and update the Emergency Preparedness Plan (EPP) on an annual basis. He stated that a review of the District's files reflected that the District's EPP was last updated in April 2024 and that no changes were needed except that it would need to be updated with the appropriate Board of Director contact information.

Upon motion by Director D. Kahn, seconded by Director Stefan, and after full discussion, the Board voted unanimously to approve the Resolution Providing for Annual Review of the Emergency Preparedness Plan.

FYE 2025 Audit

Mr. J. Kahn advised that the District had an evergreen contract with McCall Gibson Swedlund Barfoot Ellis, PLLC ("McCall"), to prepare the District's annual financial reports.

Upon motion by Director D. Kahn, seconded by Director Stefan, the Board voted unanimously to authorize to prepare the District's FYE 2025 Audit.

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 12th day of May, 2025.




Secretary, Board of Directors