

AGENDA
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537

Notice is hereby given that, pursuant to V.T.C.A. Government Code, Chapter 551, the Board of Directors of **Harris County Municipal Utility District No. 537** will meet in **special session**, open to the public, at **6:00 p.m.**, on **Monday, October 5, 2026**, at **0 Somerset Green (Pool/Amenity Center), Houston, Texas 77057**, at which meeting the following items will be considered and acted on:

1. **PUBLIC HEARING ON PROPOSED 2026 TAX RATE;**
2. Consider approving Order Setting 2026 Tax Rate;
3. Consider approving Amendment to Notice to Sellers and Purchasers;
4. Hear from Public, including:
 - a. consider approving request for Consent to Encroachment (generator);
5. Hear HOA Report and take any action thereon;
6. Consent Agenda
 - a. consider approving Minutes of meetings held September 11, 15, and 23, 2026;
 - b. review Tax Assessor's Report and take any action thereon, including approving checks presented for payment;
 - c. review Lake Management Services Report and take any action thereon, including proposals for maintenance and repairs;
 - d. review Website Report and take any action thereon;
 - e. review GFL Report and take any action thereon;
 - f. review Bookkeeper's Report and take any action thereon, including:
 - (i) consider approving payment of bills;
 - (ii) consider approving investment report; and
 - (iii) consider approving amended budget for fiscal year ending May 31, 2027;
7. Hear Operator's Report and take any action thereon;
8. Hear Engineer's Report and take any action thereon;
9. Hear Committee Reports and take any action thereon;
10. Hear Attorney's Report and take any action thereon, including:
 - a. consider approving Amended and Restated Payment and Indemnity Agreement for Landscaping Services;
 - b. consider approving Amended and Restated Payment and Indemnity Agreement for Peace Officers; and
 - c. review Arbitrage Report.

Pursuant to V.T.C.A. Government Code §551, the Board of Directors may convene in closed session in relation to any agenda item included in this Notice with such closed session to be held at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by V.T.C.A Government Code Chapter 551, including but not limited to, private consultation with the District's Attorneys on any or all matters or subjects authorized by law, pending or contemplated litigation, personnel matters, real estate transactions, security devices, economic development negotiations and/or gifts and donations.

EXECUTED this 28th day of September, 2026.

(SEAL)



HARRIS COUNTY MUNICIPAL
UTILITY DISTRICT NO. 537

By: _____

Joshua J. Kahn
Sanford Kuhl Hagan Kugle Parker Kahn, LLP

Harris County MUD 537

	Budget FYE 5/31/27	Proposed Amended Budget FYE 5/31/27
<u>DISTRICT REVENUES</u>		
Customer Service Fees - Water	\$ 258,000.00	\$ 258,000.00
Customer Service Fees - Sewer	370,000.00	370,000.00
Security Revenue (HOA)	240,000.00	240,000.00
Landscape Revenue (HOA)	269,400.00	269,400.00
HOA Administrative Revenue	0.00	5,400.00
Maintenance Tax	651,400.00	651,400.00
Penalties and Interest	11,000.00	11,000.00
Termination/Reconnection Fees	11,000.00	11,000.00
Transfer/Connection Fees	2,500.00	2,500.00
Builder Inspection Fees	250.00	250.00
Customer Service Inspections	500.00	500.00
Miscellaneous Income	500.00	500.00
Interest Income	43,000.00	43,000.00
TOTAL DISTRICT REVENUE	\$ 1,857,550.00	\$ 1,862,950.00
<u>DISTRICT EXPENSES</u>		
<u>Water Expenses</u>		
Bulk Water Purchases	\$ 140,000.00	\$ 140,000.00
Laboratory Fees	10,000.00	10,000.00
Permit Fees	1,400.00	1,400.00
Maintenance and Repair	100,000.00	100,000.00
<u>Sewer Expenses</u>		
Purchased Sewer Service	\$ 225,000.00	\$ 225,000.00
Maintenance and Repair	45,000.00	45,000.00
Utilities	3,200.00	3,200.00
Sewer Inspection Expense	1,000.00	1,000.00
<u>Other Expenses</u>		
Consulting Engineer	\$ 1,000.00	\$ 1,000.00
Payroll Taxes	1,600.00	0.00
Legal Fees	75,000.00	75,000.00
Legal - legislation expenses	0.00	60,000.00
Audit Fees	19,000.00	19,000.00
Engineering Fees	45,000.00	45,000.00
Financial Advisor Fees	1,800.00	1,800.00
Election Expenses	0.00	2,000.00
TCEQ Assessment Fees	3,140.00	3,140.00
Operator Expense	35,000.00	35,000.00
Bookkeeping Fees	15,600.00	15,600.00
Maintenance and Repair - Drainage Facilities	12,000.00	12,000.00
Maintenance and Repair - Other	20,000.00	20,000.00
Landscape Maintenance (Somerset Green HOA)	300,000.00	300,000.00
Lake Maintenance	30,000.00	30,000.00
Website Expense	17,500.00	17,500.00
Postage	1,000.00	1,000.00
Insurance	9,650.00	9,650.00
Travel Expenses	6,000.00	6,000.00
Travel Expenses - General Manager	2,500.00	2,500.00
Registration Fees	3,250.00	3,250.00
Other Expenses	13,500.00	13,500.00
CSI/Builder Inspections	3,500.00	3,500.00
Termination/Reconnect/NSF Fee	2,500.00	2,500.00
Lease Payments - Railroad	1,000.00	1,000.00
Security Services	252,000.00	252,000.00
Garbage Expense	197,000.00	197,000.00
TOTAL DISTRICT EXPENSE	\$ 1,594,140.00	\$ 1,654,540.00
NET GAIN(LOSS)	\$ 263,410.00	\$ 208,410.00

TAXPAYER IMPACT STATEMENT

	Current Budget Fiscal Year Ending May 31, 2027**	Proposed Amended Budget Fiscal Year Ending May 31, 2027**	No-New-Revenue Tax Rate Budget***
Estimated District Operations and Maintenance Tax Bill on Average Homestead*	\$1,420.81	\$1,334.02	\$1,1420.81

*Harris County Municipal Utility District No. 537 (the "District") levies taxes in accordance with the Texas Water Code. The District's proposed operations and maintenance tax rate is equal to \$0.166 per \$100 of assessed value. Average homestead values are determined by the Harris Central Appraisal District. All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth in Taxation worksheet was prepared in accordance with the Texas Water Code.

**Average tax bill estimates for the current and proposed budgets reflect those taxes necessary to fund the operations and maintenance tax revenues stated in the applicable budget.

***This column estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget generates the same amount of operations and maintenance tax revenues as the current budget.