

MINUTES  
EMERALD FOREST UTILITY DISTRICT

November 8, 2021

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 8th day of November, 2021, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Bobby G. Dillard	President
Robert M. Kimball	Vice President
William B. Schmidt	Secretary/Investment Officer
Donald F. Brooks	Asst. Vice President
Mark Smith	Assistant Secretary

and all of the above were present except for Directors Brooks and Smith, thus constituting a quorum.

Also present were Ross Owen of National Property Holdings ("NPH"); Angie Hartwell of Touchstone District Services; Greg Lentz of Masterson Advisors LLC; Stephanie Viator of District Data Services, Inc.; Lonnie Lee of Regional Water Corporation ("RWC"); Patty Rodriguez of Bob Leared Interests; Sherry Grant of AEI Engineering, a Baxter & Woodman Company ("AEI"); and Katie Sherborne and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Dillard stated that Director Smith has resigned from the Board. The Board discussed the procedures related to the appointment of a new director.

APPROVE MINUTES

The Board considered approving the minutes of the October 11, 2021, regular meeting and the October 26, 2021, special meeting. After discussion, Director Kimball moved to approve the minutes of the October 11, 2021, regular meeting and the October 26, 2021, special meeting, as submitted. Director Schmidt seconded the motion, which passed unanimously.

WEBSITE AND COMMUNICATION MATTERS

Ms. Hartwell reviewed the website and communication report, a copy of which is attached.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented the monthly tax report, a copy of which is attached. She stated that 98.8% of the District's 2020 taxes were collected as of the end of October. Ms. Rodriguez then reviewed the District's delinquent tax roll.

Ms. Rodriguez inquired if the Board would like an aerial photograph taken of the District. After discussion, the Board concurred to have an aerial photograph taken.

After review of the tax bills and corresponding checks, Director Kimball moved to approve the tax report and payment of the tax bills. Director Schmidt seconded the motion, which passed unanimously.

## ADOPT RESOLUTION CASTING BALLOT FOR THE ELECTION OF A PERSON TO THE BOARD OF DIRECTORS OF THE HARRIS COUNTY APPRAISAL DISTRICT ("HCAD")

The Board considered adopting a Resolution Casting Ballot for the Election of a Person to the Board of Directors for HCAD. After review and discussion, Director Kimball moved to adopt a Resolution Casting Ballot for the Election of a Person to the Board of Directors for HCAD, reflecting the District's vote for Jonathan Cowen and direct that the Resolution be filed appropriately and retained in the District's official records. Director Schmidt seconded the motion, which carried unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Viator reviewed the bookkeeper's report, reviewed the District's investments, reviewed the budget comparison, and submitted the bills for payment. A copy of the bookkeeper's report is attached.

After review and discussion, Director Schmidt moved to approve the bookkeeper's report, the District's investments, and payment of the bills. Director Kimball seconded the motion, which passed unanimously.

The Board discussed how to fund the cost of the rehabilitation of the sanitary sewer lines and manholes in the Cypress Glen, Green Creek Estates, and Woodedge Drive subdivisions. Mr. Lentz recommended that, based on the District's current financial status, the District fund the rehabilitation project out of excess operating funds. Discussion ensued.

## CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board reviewed the District's Investment Policy to determine if any amendments were necessary. After discussion, the Board determined to make no amendments at this time. After review and discussion, Director Schmidt moved to

adopt a Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Kimball seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board considered adopting the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. After review and discussion, Director Schmidt moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Kimball seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

The Board deferred discussion on this agenda item.

OPERATION OF DISTRICT FACILITIES

Mr. Lee presented the operations report from RWC, a copy of which is attached. He reported on routine maintenance and repair items in the District. He stated that water accountability for the prior billing cycle was 91.7%. The Board then discussed water accountability.

Mr. Lee updated the Board on the status of account no. 1-30-01950-01, which had previously requested an adjustment to high water and sewer bills from August and September 2021 due to high usage. He stated that RWC bench tested the resident's meter and reviewed the meter inspection report, which found no issues. After review and discussion, Director Kimball moved to deny the request for an adjustment, but authorize RWC to offer a six-month payment plan, plus the current month's bill as it becomes due. Director Schmidt seconded the motion, which passed unanimously.

After review and discussion, Director Kimball moved to approve the operator's report. Director Schmidt seconded the motion, which passed unanimously.

HEARING REGARDING TERMINATION OF WATER AND SEWER SERVICE

The Board conducted a hearing on the termination of water and sewer service to delinquent accounts. Mr. Lee stated that the residents on the list were delinquent in payment of their water and sewer bills and had been given written notification prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bills and to show reason for nonpayment, all in

accordance with the District's Rate Order. After discussion, Director Kimball moved that, because the customers on the list were neither present at the meeting nor had presented any written statement on the matter, water and sewer service for accounts totaling \$10 or more would be terminated the following week in accordance with the District's Rate Order, except (i) accounts in compliance with payment agreements, and (ii) commercial accounts, which are to be contacted first by RWC and then terminated the following Monday if payment has not been received. Director Schmidt seconded the motion, which passed unanimously.

## ENGINEERING MATTERS

### DEEDS, EASEMENTS, AND/OR CONSENTS TO ENCROACHMENT

Mr. Ross reviewed a revised request for certain encroachments within the District's western detention pond easement and storm sewer easement, which includes including power lines and poles, fencing, landscaping, and CenterPoint gas line, light and poles. Ms. Grant stated that AEI has no objections. After review and discussion, Director Kimball moved to approve the consent to encroachment, subject to final review. Director Schmidt seconded the motion, which passed unanimously.

The Board discussed the District's special projects fund and the proposed projects for funding from the same.

Ms. Grant presented the report regarding the status of engineering projects in the District, a copy of which is attached.

### SURFACE WATER, CHLORAMINE CONVERSION, AND BLEACH DISINFECTION CONVERSION

Ms. Grant updated the Board on the status of the North Harris County Regional Water Authority's ("NHCRWA") construction at Water Plant No. 3, as reflected in her report.

Ms. Grant updated the Board on the proposed alignment of the proposed NHCRWA 16-inch surface water line along the District's western boundary, which completely overlaps the District's existing 20-foot water line easement.

### FM 1960 LIFT STATION NO. 5 AND FORCE MAIN EXTENSION

Ms. Grant updated the Board on the status of the FM 1960 lift station no. 5 project, as reflected in her report. She did not have any Pay Estimates or Change Orders from Persons Services Corporation for the Board's approval.

Ms. Grant updated the Board on the status of the force main extension project, as reflected in her report. She did not have any Pay Estimates or Change Orders from Scohil Construction Services, LLC for the Board's approval.

#### FM 1960 WATER AND SANITARY SEWER EXTENSION

Ms. Grant updated the Board on the status of the FM 1960 water and sanitary sewer extension project, as reflected in her report. She did not have any Pay Estimates or Change Orders from D.L. Elliott Enterprises, Inc. for the Board's approval.

Ms. Grant stated that AEI prepared an updated summary of the pro-rata shares of the projects, a copy of which is attached to the engineer's report. She stated that AEI will distribute the updated summary to the project participants and request the second required deposit.

#### DEVELOPMENT OF JACKSON-SHAW TRACT

Ms. Grant stated that the development is receiving temporary water service.

#### WATER AND SANITARY SEWER EXTENSION TO SERVE REPUBLIC BUSINESS CENTER ("RBC") TRACT

Ms. Grant updated the Board on the status of the public water line upsizing project to serve the RBC tract, as reflected in her report. She did not have any Pay Estimates or Change Orders from Aranda Industries LLC ("Aranda") for the Board's approval.

Ms. Grant updated the Board on the status of the public sanitary sewer extension at the wastewater treatment plant site, as reflected in her report. She stated that the contractor is still conducting additional investigation regarding the deficient sanitary sewer segment, including identifying exactly which portions of the line do not meet the required minimum slope and the exact depth of the tie-in location between the District's sanitary sewer line and the adjacent private sanitary sewer line. Ms. Grant did not have any Pay Estimates or Change Orders from Aranda for the Board's approval.

#### CYPRESS NORTH HOUSTON ROAD (LOUEDD ROAD) WIDENING

There was no discussion on this matter.

#### WOODEDGE VILLAGE SANITARY SEWER REHABILITATION

Ms. Grant updated the Board on the status of the Woodedge Village sanitary sewer and manhole rehabilitation project. She reviewed and

recommended approval of Pay Estimate No. 6 in the amount of \$53,322.66, submitted by T. Gray Utility & Rehab Co., LLC. After review and discussion, Director Schmidt moved to approve Pay Estimate No. 6 in the amount of \$53,322.66, as recommended. Director Kimball seconded the motion, which passed unanimously.

#### FEASIBILITY STUDIES, PLAN REVIEWS, AND UTILITY AVAILABILITY REQUESTS

Ms. Grant updated the Board on the status of development of the 6.2-acre KK Global Enterprise tract. She stated that AEI is preparing updated costs for a looped water line and estimated engineering fees for the public utility extensions. Ms. Grant stated that AEI expects to provide the updated costs and estimated engineering fees to the developer this week.

Ms. Grant reported that District has not yet received the required deposit for preparation of a feasibility study for the proposed development of a warehouse industrial development on a 9.67-acre tract located on the west side of FM 1960 between Bobcat Road and Falcon Road.

Ms. Grant reported that the AEI has not yet received revised plans for the proposed trucking yard on a 4.93-acre tract located at 10660 Woodedge Drive.

#### CYPRESS GLEN SANITARY SEWER REPAIR RECOMMENDATIONS

Ms. Grant reviewed a preliminary opinion of probable costs for rehabilitation of all sanitary sewer lines and manholes in the Cypress Glen, Green Creek Estates, and Woodedge Drive subdivisions, a copy of which is attached to the engineer's report.

#### UPDATE ON PREPARATION OF BOND APPLICATION

Ms. Grant updated the Board on the status of preparation of the bond application no. 10, as reflected in her report. She stated that AEI has not received any information yet from NPH. The Board concurred to set a deadline of November 19, 2021, to receive the documents from NPH for inclusion on the bond application.

#### STORMWATER MULTI-SECTOR GENERAL PERMIT ("MSGP") RENEWAL

Ms. Grant updated the Board on the preparation of the renewal application for the MSGP permit, which is due to the Texas Commission on Environmental Quality by November 12, 2021.

### EMERGENCY RESPONSE PLAN

Ms. Grant updated the Board on the preparation of the Emergency Response Plan. She stated that AEI has provided a draft of the Emergency Response Plan for review and requests any comments by November 12, 2021.

### OTHER ENGINEERING MATTERS

Ms. Grant updated the Board on obtaining the general operating permits for water plant no. 2, water plant no. 3, and the wastewater treatment plant related to the storage of hazardous materials.

### REVIEW ENGINEERING SERVICE CONTRACT AND RATES

Ms. Grant requested the Board consider amending the engineering service contract to update the hourly rate fee schedule and add an automatic rate increase each year in an amount not to exceed 3%. The Board concurred to discuss a possible contract amendment at the next regular meeting.

### UPDATE ON STATUS OF PENDING ANNEXATIONS

Ms. Sherborne updated the Board on the status of the pending annexations.

### ACCEPT WAIVER OF SPECIAL APPRAISAL

There was no discussion on this matter.

### APPROVE THIRD ADDENDUM TO WATER SUPPLY AND WASTE DISPOSAL CONTRACT WITH CY-FAIR ISD

The Board tabled this agenda item.

### CONSIDER USE OF EMINENT DOMAIN AUTHORITY

The Board tabled discussion on this agenda item.

### ATTORNEY'S REPORT

There was no discussion on this agenda item.

### CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board did not convene in Executive Session.

DISCUSSION REGARDING RESULTS OF 2021 BOND AND MAINTENANCE TAX ELECTION

The Board deferred discussion on this agenda item.

  
Secretary, Board of Directors

(SEAL)





LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Website and communication report.....	1
Tax assessor/collector's report.....	2
Bookkeeper's report.....	2
Operations report.....	3
Engineer's report.....	4