

MINUTES
EMERALD FOREST UTILITY DISTRICT

January 10, 2022

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 10th day of January, 2022, 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
DeWayne High	Assistant Secretary

and all of the above were present except for Director Dillard, thus constituting a quorum. Director Dillard participated by telephone but was not part of the quorum.

Also present at the meeting were Deanna Brooks, resident of the District; Brian Toldan of McCall Gibson Swedlund Barfoot PLLC; Michael Willett and Angie Hartwell of Touchstone District Services ("Touchstone"); 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 Kathryn Easey of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the minutes of the December 13, 2021, regular meeting and the November 23, 2021, special meeting. After discussion, Director Brooks moved to approve the minutes of the December 13, 2021, regular meeting and the November 23, 2021, special meeting, as submitted. Director Schmidt seconded the motion, which passed unanimously.

2022 DIRECTORS ELECTION

Ms. Sherborne discussed procedures related to the 2022 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2022 Directors Election Period. Following review and discussion, Director Schmidt moved to adopt a Resolution Designating an Agent of the Secretary of the

Board during the 2022 Directors Election Period appointing Jennifer Ramirez as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election and to authorize the agent to post the related notice as required. Director Brooks seconded the motion, which passed unanimously.

Ms. Sherborne reported on requirements to file a Notice of Deadline to File Applications for Place on the Ballot for the 2022 Directors Election. Following discussion, Director Schmidt moved to authorize the Secretary's agent to post the notice as required. Director Brooks seconded the motion, which passed unanimously.

Ms. Sherborne stated that the District may contract with Harris County to conduct the District's 2022 Directors Election. After discussion, Director Schmidt moved to contract with Harris County to administer the District's election. Director Brooks seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2021

The Board considered approving the District's audit report for the fiscal year end September 30, 2021. Mr. Toldan reviewed a draft of the report with the Board. After review and discussion, Director Schmidt moved to approve the audit report, subject to final review. Director Brooks seconded the motion, which carried unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Viator reviewed the bookkeeper's report, including the District's investments and 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 High seconded the motion, which passed unanimously.

WEBSITE AND COMMUNICATION MATTERS

Ms. Hartwell reviewed the website and communication report, a copy of which is attached. The Board discussed including winterization information on the website.

Director Brooks left the meeting.

DISCUSSION REGARDING RESULTS OF 2021 BOND AND MAINTENANCE TAX ELECTION

The Board discussed the results of the 2021 bond and maintenance tax election, including the related election expenses and strategies for improved communication relating to a potential 2023 maintenance tax election campaign. The Board concurred to

designate Directors Kimball and Schmidt to coordinate with Touchstone on the 2023 maintenance tax election campaign.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented the monthly tax report, a copy of which is attached. She stated that 61.98% of the District's 2021 taxes were collected as of the end of December. Ms. Rodriguez then reviewed the District's delinquent tax roll. She also reported that an updated aerial photograph has been taken of the District.

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

ACCEPT ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

The Board considered accepting the disclosure statements from the District's bookkeeper and Investment Officer for filing with the Texas Ethics Commission as required by the Public Funds Investment Act. After review and discussion, Director Schmidt moved to accept the disclosure statements from the District's bookkeeper and Investment Officer and to authorize filing with the Texas Ethics Commission. Director High seconded the motion, which passed unanimously.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

Ms. Sherborne discussed the timing for adopting the Resolution Expressing Intent to Reimburse relative to issuing the next series of bonds and entering into a contract for the smart meter installation. The Board tabled 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 89.7%.

Mr. Lee reviewed a request from account no. 1-30-05340-02 requesting an adjustment to a high water and sewer bill in December 2021 due to high usage.

Mr. Lee updated the Board on the status of the smart meter replacement project.

Mr. Lee discussed E. coli monitoring and reviewed a Water Quality Noncompliance Notification to the Texas Commission on Environmental Quality ("TCEQ"), a copy of which is attached to the operator's report. He reviewed corrective actions taken.

After review and discussion, Director Schmidt moved to (1) approve the operator's report; and (2) deny the request for an adjustment for account no. 1-30-05340-02, but authorize RWC to offer a six-month payment plan, plus the current month's bill as it becomes due. Director High 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 Schmidt 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 High seconded the motion, which passed unanimously.

APPROVE INTERLOCAL AGREEMENT FOR ADDITIONAL LAW ENFORCEMENT SERVICES WITH HARRIS COUNTY

Ms. Sherborne stated that the District has not yet received the Interlocal Agreement with Harris County for law enforcement services but noted that the renewal period will be for only seven months due to a change in Harris County's fiscal year end.

ENGINEERING MATTERS

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. She reviewed the standard chloramine notice language from the TCEQ, a copy of which is attached to the engineer's report and stated that the notice must be distributed at least fourteen days before starting to distribute chloraminated water. Discussion ensued regarding methods and scheduling for notifying customers utilizing water in aquariums and for dialysis equipment.

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 AND LETTER AGREEMENT

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 AEI expects to provide a cost estimate and a preliminary project schedule for a potential water interconnect with Reid Road Municipal Utility District No. 1 at the commercial development on FM 1960 near Bobcat Road for the Board's review at the January special meeting.

Discussion ensued regarding the status of obtaining water line and sanitary sewer easements within the Ryan tract and receiving the construction fund deposits from project participants. The Board concurred to extend the deadline to receive construction fund deposits to January 31, 2022.

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 reviewed and recommended approval of Pay Estimate No. 7 in the amount of \$106,304.40 and Change Order No. 4 to increase the contract in the amount of \$10,285.00, submitted by Aranda Industries LLC ("Aranda"). She stated that Change Order No. 4 is for concrete pavement removal and replacement at the intersection of Early Mist Court and Turtle Lake Drive. The Board determined that Change Order No. 4 is beneficial to the District.

After review and discussion, Director Schmidt moved to approve Pay Estimate No. 7 in the amount of \$106,304.40 and Change Order No. 4 to increase the contract in the amount of \$10,285.00, based on the engineer's recommendation and the Board's determination that the Change Order is beneficial to the District. Director High seconded the motion, which passed unanimously.

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 reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$12,510.00, submitted by Aranda. After review and discussion, Director Schmidt moved to approve Pay Estimate No. 4 in the amount of \$12,510.00, as recommended. Director High seconded the motion, which passed unanimously.

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 Change Order No. 1 to increase the contract in the amount of \$1,500.00, submitted by T. Gray Utility & Rehab Co., LLC. She stated that Change Order No. 1 is for the removal of severely degraded epoxy coating for Manhole No. 336. The Board determined that Change Order No. 1 is beneficial to the District.

After review and discussion, Director Schmidt moved to approve Change Order No. 1 to increase the contract in the amount of \$1,500.00, based on the engineer's recommendation and the Board's determination that the Change Order is beneficial to the District. Director High 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 the District has not yet received the required deposit for the design of the public water and sanitary sewer extension.

Ms. Grant reported that District 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 and AEI is beginning preparation of the feasibility study, as previously authorized by the Board.

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.

Ms. Grant reported that the District has received the required deposit for plan review for the service request at 10900 Cypress Creek Parkway, Suite A and AEI is beginning the plan review.

CYPRESS GLEN SANITARY SEWER REPAIR PROJECT

Ms. Grant updated the Board on the status of the design of the sanitary sewer and manhole rehabilitation project for Cypress Glen.

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 reviewed an updated summary of costs, a copy of which is attached to the engineer's report.

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

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Ms. Grant stated that AEI submitted the Emergency Response Plan certification to the Environmental Protection Agency on December 21, 2021.

Ms. Grant updated the Board on the status of 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.

UPDATE ON STATUS OF PENDING ANNEXATIONS

Ms. Sherborne reported there was no update on this agenda item.

DEVELOPMENT OF THE JACKSON-SHAW TRACT

There was no discussion on this agenda item.

ACCEPT WAIVER OF SPECIAL APPRAISAL

There was no discussion on this agenda item.

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

The Board tabled discussion on this agenda item.

CONSIDER USE OF EMINENT DOMAIN AUTHORITY

Ms. Sherborne gave an update on the acquisition of necessary water line and sanitary sewer easements required for the FM 1960 water and sanitary sewer extension project. She stated negotiations with the landowners of the Ryan tract have stalled. Ms. Sherborne then requested approval of a Resolution Authorizing Acquisition of Real

Property and Initiation of Condemnation Proceedings (the "Resolution"). Following review and discussion, Director Schmidt moved that the Board of Directors of Emerald Forest Utility District, in a record vote, adopt the proposed Resolution and authorize the use of the power of eminent domain to acquire property interests necessary for the construction, operation, maintenance, repair, and replacement of water and sanitary sewer lines and appurtenances to serve residents and property within the District across, along, under, over, upon, and through the property described and depicted in Exhibit A attached to the Resolution. Director High seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Sherborne reported that ABHR has no recommendations to revise the District's existing post-issuance compliance policy.

RESOLUTION ESTABLISHING ADDRESSES AND METHODS FOR TEXAS PUBLIC INFORMATION ACT REQUESTS

Ms. Sherborne reviewed with the Board a memorandum regarding designating addresses and methods for receipt of requests for public information under the Texas Public Information Act ("TPIA Requests"), a copy of which is attached. The Board considered designating a mailing address and an email address and approving other methods for receipt of TPIA Requests, pursuant to Section 552.234 of the Texas Government Code.

After review and discussion, Director Schmidt moved to: (1) adopt a Resolution Establishing Addresses and Methods for Texas Public Information Act Requests ("Resolution") to designate the address of the District's official office as the mailing address and emeud000@txdistricts.info as the email address as methods for submittal of TPIA Requests to the District, and direct that the designated addresses and methods be printed on the sign displayed by the District under Section 552.205, Texas Government Code, and posted continuously on the District's Internet website; and (2) direct that the Resolution be filed appropriately and retained in the District's official records. Director High seconded the motion, which passed unanimously.

ANNUAL CYBERSECURITY TRAINING

Ms. Sherborne reviewed the annual cybersecurity training requirements for certain local government employees and elected officials pursuant to Chapter 2054, Texas Government Code. She stated that Board members must select a training program that is certified by the Texas Department of Information Resources. Ms.

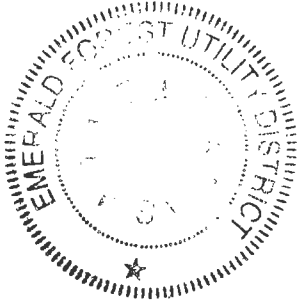
Sherborne added that according to the Texas Department of Information Resources the training should be completed by August 31st of each year.

CONVENE IN EXECUTIVE SESSION PURSUANT TO (i) SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY, AND/OR (ii) SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board did not convene in Executive Session.


Secretary, Board of Directors

(SEAL)



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