

MINUTES  
EMERALD FOREST UTILITY DISTRICT

March 14, 2022

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 14<sup>th</sup> day of March, 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 Brooks, thus constituting a quorum.

Also present at the meeting were Angie Hartwell of Touchstone District Services; 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

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the minutes of the February 14, 2022, regular meeting and the February 22, 2022, special meeting. Director Kimball noted a revision to the February 14, 2022, regular meeting. After discussion, Director Schmidt moved to approve the minutes of the February 14, 2022, regular meeting, as revised, and the February 22, 2022, special meeting, as submitted. Director Kimball seconded the motion, which passed unanimously.

2022 DIRECTORS ELECTION

Ms. Sherborne discussed procedures related to the 2022 Directors Election. She reviewed a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received three candidate applications for the three director positions for the May 7, 2022, Directors Election. Following review and discussion, Director Dillard moved to accept

the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors. Director Schmidt seconded the motion, which passed unanimously.

Ms. Sherborne presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 7, 2022, Directors Election is cancelled and that the unopposed candidates, William B. Schmidt, Donald F. Brooks, and DeWayne High, are declared elected to office to serve from the May 7, 2022, Directors Election until the May 2, 2026, Directors Election. Following review and discussion, Director Dillard moved to adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office. Director Schmidt seconded the motion, which passed unanimously.

Ms. Sherborne discussed that the Board had approved entering into a contract with Harris County to administer the District's 2022 Directors Election. The Board considered cancelling the contract. Following review and discussion, Director Dillard moved to cancel the contract with Harris County for election services for the 2022 Directors Election. 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 96.5% of the District's 2021 taxes were collected as of the end of February. Ms. Rodriguez then reviewed the District's delinquent tax roll.

The Board reviewed the delinquent tax report provided by Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue Brandon"), a copy of which is attached. The Board discussed the delinquent tax account for 11522 Lennington Lane. After discussion, the Board directed Perdue Brandon to file suit on the account.

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

#### APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME

The Board considered approving the Annual Report updating the District's financial and operating data in accordance with the continuing disclosure agreements contained in the resolutions authorizing issuance of the District's bonds and SEC Rule 15c2-12. After review and discussion, Director Schmidt moved to approve the Annual Report and to authorize filing with the information depositories in accordance with the District's agreements in the resolutions authorizing issuance of the District's bonds and pursuant to SEC Rule 15c2-12. Director High seconded the motion, which passed unanimously.

#### ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Sherborne reviewed the District's procedures for continuing disclosure compliance. She stated that no changes are required at this time.

#### ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

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 90.2%.

Mr. Lee reviewed a proposal to repair the damaged residential wooden fencing on either side of the entry to the wastewater treatment plant in the amount of \$2,270.00.

Mr. Lee reviewed a request from account no. 1-30-03765-00 requesting a payment arrangement for high water and sewer bills in January and February 2022.

Mr. Lee reviewed a request from account no. 1-30-01420-00 requesting an adjustment to a high water and sewer bill in February 2022 due to cracked water pipe in the front yard. He noted that the water from the leak did not enter the District's sanitary sewer system.

After review and discussion, Director Kimball moved to (1) approve the operator's report; (2) authorize a six-month payment plan for account no. 1-30-03765-00, plus the current month's bill as it becomes due; and (3) credit the excess sewer charge and authorize RWC to offer a three-month payment plan, plus the current month's bill as it

becomes due, for account no. 1-30-01420-00. Director Schmidt seconded the motion, which passed unanimously.

The Board discussed correspondence from the North Harris County Regional Water Authority (“NHCRWA”) regarding a surface water conversion workshop on March 22, 2022 at 6:30 p.m., a copy of which is attached.

ADOPT RESOLUTION APPROVING SUBMITTAL OF THE WATER SMART APPLICATION FOR INCLUSION IN THE AWBD WATER SMART PARTNERS PROGRAM

There was no discussion on this agenda item.

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.

ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Ms. Sherborne discussed the District’s Drought Contingency Plan and stated that no changes are recommended at this time.

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.

## 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 reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$72,900.00, submitted by Persons Services Corporation. After review and discussion, Director High moved to approve Pay Estimate No. 2 in the amount of \$72,900.00, as recommended. Director Schmidt seconded the motion, which passed unanimously.

Ms. Grant updated the Board on the status of the force main extension project, as reflected in her report. She reviewed an updated project schedule from the contractor, a copy of which is attached to the engineer's report. Ms. Grant 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 that the engineer for Reid Road Municipal Utility District No. 1 ("Reid Road") intends to discuss the proposed second water interconnect at their meeting on March 16, 2022.

Ms. Grant stated that the District has received all six required deposits from the project participants.

## 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's investigation regarding the deficient segments of the sanitary sewer line is still on hold. Ms. Grant stated that the developer provided an as-built from their surveyor on March 7, 2022, which AEI provided to Aranda. She 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 did not have any Pay Estimates or Change Orders from T. Gray Utility & Rehab Co., LLC, for the Board's approval.

Ms. Grant reported that AEI met with the contractor on February 28, 2022, regarding the failure to achieve substantial completion by required deadline and to discuss the project schedule. She stated the contractor plans to re-mobilize at the end of the month to complete the remaining work.

## 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 stated that AEI is finalizing the draft feasibility study report 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 anticipates presenting it to the Board at the March special meeting.

Ms. Grant reported that AEI has not yet received revised plans for the proposed La Michoacana Meat Market at 10900 Cypress Creek Parkway, Suite A.

Ms. Grant stated that AEI received a request for water tap information from Jose Chavez on behalf of Gladis Transport LLC located at 10315 Woodedge Drive on March 2, 2022. She stated that AEI informed Mr. Chavez of the District's plan review process, including the required deposit.

Ms. Grant stated that AEI received a service request from John Chiang of Sueba USA for a proposed 13.18-acre multi-family development located at the southwest corner of FM 1960 and Gilder Road on February 28, 2022. She stated that AEI informed Mr. Chiang of the District's plan review process, including the required deposit.

## 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 BOND APPLICATION

Ms. Grant updated the Board on the status of the bond application, as reflected in her report.

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

The Board considered accepting a water line easement and a sanitary sewer line easement from Larry and Jeannie Ryan to the District. After review and discussion, Director High moved to accept the water line easement and the sanitary sewer line easement. Director Schmidt seconded the motion, which passed by unanimous vote.

### OTHER ENGINEERING MATTERS

Ms. Grant reported that Harris County issued the general operating permits for water plant no. 2, water plant no. 3, and the wastewater treatment plant to Harris County on March 11, 2022.

Ms. Grant stated that AEI reviewed the tenant improvement plumbing plans for Nexus Park, Building Nos. 1, 2, and 4, and provided plan review letters to the developer, copies of which are attached to the engineer's report.

### UPDATE ON STATUS OF PENDING ANNEXATIONS

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

### PETITION FOR ADDITION OF CERTAIN LAND AND PETITION FOR CITY CONSENT TO ANNEX LAND

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

There was no discussion on this agenda item.

### UPDATE ON CONDEMNATION PROCEEDINGS

Ms. Sherborne stated that the necessary water line and sanitary sewer easements required for the FM 1960 water and sanitary sewer extension project have been acquired and condemnation proceedings have been concluded.

SALE OF DISTRICT PROPERTY

Ms. Sherborne updated the Board on the status of the District's sale of the 2.424-acre tract of surplus land.

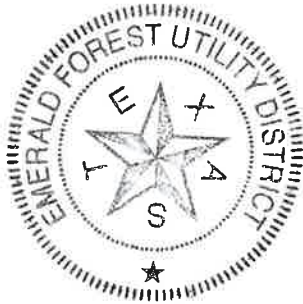
ATTORNEY'S REPORT, INCLUDING ANNUAL CYBERSECURITY TRAINING

Ms. Sherborne reminded the Board that the annual cybersecurity training should be completed by August 31st.

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.

(SEAL)



  
Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Website and communication report.....	2
Tax assessor/collector's report.....	2
Delinquent tax report provided by Perdue.....	2
Bookkeeper's report.....	2
Operations report.....	3
Engineer's report.....	4