

MINUTES  
EMERALD FOREST UTILITY DISTRICT

April 11, 2022

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 11<sup>th</sup> day of April, 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 Diana Miller of Schwartz, Page & Harding, LLP; John Chiang, D.J. Blanchard, and Stephen Ritchey of Sueba Investments ("Sueba"); Greg Lentz of Masterson Advisors LLC; Angie Hartwell of Touchstone District Services ("Touchstone"); Stephanie Viator of District Data Services, Inc.; Scott Barr 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.

ANNEXATION MATTERS, INCLUDING STATUS OF PENDING ANNEXATIONS

Mr. Chiang introduced himself and stated that Sueba is under contract to purchase a 20.9-acre tract, which is inside the boundaries of the District, and a 25.5-acre tract, which is outside the boundaries of the District. He stated that Sueba intends to develop the tracts as a multi-family development with a retail commercial center. Mr. Chiang reviewed an exhibit of the tracts, a copy of which is attached, and examples of other Sueba developments. Ms. Sherborne stated that, if the Board is amenable to the project, the next step would be for the Board to authorize AEI to proceed with a feasibility study, subject to receipt of the required deposit. After review and discussion, Director Kimball moved to authorize AEI to prepare the feasibility study, subject to receipt of the required deposit. Director High seconded the motion, which passed unanimously.

## APPROVE MINUTES

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

## WEBSITE AND COMMUNICATION MATTERS

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

Director High provided an example of a district information sheet that could be posted to the District's website.

The Board discussed posting articles to the District's website related to upcoming projects, including the conversion to surface water. The Board directed Touchstone to publish the required public notice regarding the conversion to surface water to the District's website once RWC has mailed out the notice to District customers.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented the monthly tax report, a copy of which is attached. She stated that 97.4% of the District's 2021 taxes were collected as of the end of March. Ms. Rodriguez then reviewed the District's delinquent tax roll.

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 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.

## ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

The Board tabled this agenda item.

## OPERATION OF DISTRICT FACILITIES

Mr. Barr 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 87%.

Director Dillard reported that there was a van blocking the water meter at a property located on Emerald Creek Drive and RWC and the Harris County Sheriff's Office coordinated with the residents to have the van moved. He said that it was subsequently discovered that the utility service is in the name of someone who doesn't reside at the property, which could be a potential red flag issue. The Board requested RWC investigate the account and provide the Board with additional information at the next meeting.

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

## ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

Mr. Barr stated that RWC is completing the annual report on implementation of the Water Conservation Plan. After review and discussion, Director Dillard moved to approve the annual report on implementation of the Water Conservation Plan, subject to final review. Director Schmidt seconded the motion, which passed unanimously.

## CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM AND ADOPT IDENTITY THEFT PREVENTION PROGRAM AMENDMENT, IF NECESSARY

Mr. Barr reviewed the annual report on the Identity Theft Prevention Program. He stated that no problems have been identified and no changes to the Identity Theft

Prevention Program are recommended.

#### REVIEW CRITICAL LOAD SPREADSHEET

The Board reviewed the Critical Load Spreadsheet and considered authorizing the annual filing with all appropriate entities. After discussion, Director Schmidt moved to move to authorize the annual filing of the Critical Load Spreadsheet. Director Kimball seconded the motion, which passed unanimously.

#### 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 correspondence from Quiddity Engineering ("Quiddity"), fka as Jones & Carter, Inc., the District's design engineer for the chloramine and bleach disinfection conversion portion of the project, a copy of which is attached to the engineer's report, stating that the contractor-supplied chemical tanks cannot fit into the new buildings at the water plant sites and Quiddity is exploring potential solutions with the contractor. Discussion ensued regarding the District's options under the terms of the Interlocal Agreement with the NHCRWA.

#### 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 that AEI received an update from the engineer for Reid Road Municipal Utility District No. 1 ("Reid Road") indicating that the Board of Reid Road is amenable to a proposed second water interconnect with the District.

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 reported that AEI received an e-mail from the contractor stating that correcting the deficient segments of the sanitary sewer line would cause additional problems with the lines constructed on the developer's property, based on the as-builts provided by the developer, in addition to requiring the removal of a portion of a newly constructed screen wall. Ms. Grant stated that both the contractor and the developer have requested to leave the sanitary sewer line as-is. Discussion ensued. After discussion, the Board directed ABHR to send correspondence to the contractor and the developer stating that the District will not accept leaving the deficient segments of the sanitary sewer line as-is.

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, as reflected in her report. She stated that the contractor re-mobilized to complete the remaining work but was further delayed by an equipment breakdown. Ms. Grant stated that AEI has requested an updated construction schedule from the contractor. She did not have any Pay Estimates or Change Orders from T. Gray Utility & Rehab Co., LLC, for the Board's approval.

FEASIBILITY STUDIES, PLAN REVIEWS, AND UTILITY AVAILABILITY REQUESTS

Ms. Grant updated the Board on the service request from Mr. Chiang of Sueba for a proposed multi-family development located at the southwest corner of FM 1960 and Gilder Road. She stated that AEI met with Mr. Chiang on March 29, 2022, to discuss service for the proposed development.

Ms. Grant stated that AEI received a service request from Rene Washington for a proposed Sleepy's Po-Boys located 10922 Cypress Creek Parkway, Suite A on April 7, 2022. She stated that AEI informed Mr. Washington 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, as reflected in her report.

UPDATE ON BOND APPLICATION

Ms. Grant updated the Board on the status of the bond application, as reflected in her report. She reviewed a revised summary of costs, a copy of which is attached to the engineer's report.

Mr. Lentz reviewed an updated reimbursement analysis for DRI/JS Nexus Park, LLC, a copy of which is attached, which is based on the estimated value of the tract as of February 1, 2022.

DEEDS, EASEMENTS, AND/OR CONSENTS TO ENCROACHMENT

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Ms. Grant stated that AEI has not yet received revised tenant improvement plumbing plans for Nexus Park, Building Nos. 1, 2, and 4.

Ms. Grant reported that the engineer for the RBC development reached out regarding the requirements for conveyance of the four detention ponds serving the RBC tract to the District.

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.

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. After review and discussion, Director Dillard moved to authorize execution of closing documents for the sale of the 2.424-acre tract, subject to final review. Director Kimball seconded the motion, which passed unanimously.

ATTORNEY'S REPORT, INCLUDING ANNUAL CYBERSECURITY TRAINING

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

(SEAL)



  
Secretary, Board of Directors

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