

MINUTES
EMERALD FOREST UTILITY DISTRICT

May 24, 2022

The Board of Directors (the “Board”) of Emerald Forest Utility District (the “District”) met in special session, open to the public, on the 24th day of May, 2022, at the offices of AEI Engineering, a Baxter & Woodman Company, 11450 Compaq Center West Drive, Suite 660, Houston, TX 77070, 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	Assistant Vice President
DeWayne High	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Deanna Brooks, resident of the District; Sergeant William Greer of the Harris County Sheriff’s Office; Micah Burson of Accurate Meter & Supply (“Accurate”); Lonnie Lee and Scott Barr of Regional Water Corporation (“RWC”); Sherry Grant and Robel E. Giachero 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.

SECURITY SERVICES REPORT

The Board reviewed the April 2022 security services report from the Harris County Sheriff’s Office, a copy of which is attached. Sergeant Greer updated the Board on the status of security in the District.

REVIEW AND APPROVE PROPOSAL FOR ELECTRONIC SMART METERS AND AUTHORIZE ANY ADDITIONAL ACTION, AS NECESSARY

Mr. Burson reviewed the proposal for the purchase and installation of electronic smart meters, a copy of which is attached, which was previously presented to the Board. The Board determined that the purchase and installation of electronic smart meters would not need to be competitively bid, pursuant to Sections 49.278(a)(4) and (5) of the Texas Water Code.

After review and discussion, Director Dillard moved to approve the proposal in the amount of \$857,265.00 for the purchase and installation of electronic smart meters. Director High seconded the motion, which passed unanimously.

Mr. Burson discussed the projected timeline for delivery and installation of the smart meters, noting that the first batch of meters should be received in early July and it will take approximately six months for Accurate to complete the installation.

ENGINEER'S REPORT

Ms. Grant reviewed the engineer's report, a copy of which is attached.

SURFACE WATER, CHLORAMINE CONVERSION, AND CHLORINE 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 received from the NHCRWA on May 16, 2022, a copy of which is attached to the engineer's report. She then reviewed the response sent by the District's attorney to the NHCRWA on May 18, 2022, a copy of which is attached to the engineer's report. Ms. Grant stated that AECOM informed AEI earlier that day that the previously proposed substantial modifications were meant to be temporary measures. She stated that the NHCRWA has requested to hold a meeting with all parties to discuss the matter. After discussion, the Board concurred to schedule a special meeting to meet with the NHCRWA.

Ms. Grant updated the Board on the request from the NHCRWA to overlap the District's existing 20-foot water line easement for the NHCRWA's proposed 16-inch surface water line along the District's western boundary. Discussion ensued. After discussion, the Board authorized ABHR to send correspondence to the NHCRWA regarding the request, as discussed.

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 reviewed and recommended approval of Change Order No. 1 to increase the contract in the amount of \$14,854.25, submitted by Scohil Construction Services, LLC ("Scohil"). Ms. Grant stated that Change Order No. 1 is for additional time, labor, and materials required to

remove an unforeseen abandoned 12-inch storm sewer manhole. The Board determined that Change Order No. 1 is beneficial to the District.

After review and discussion, Director Dillard moved to approve Change Order No. 1 to increase the contract in the amount of \$14,854.25 to Scohil, based on the engineer's recommendation and the Board's determination that the Change Order is beneficial to the District. Director Kimball seconded the motion, which passed unanimously.

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 will schedule a pre-construction meeting for the first week of June. She stated that construction is tentatively to be completed by early December.

Ms. Grant stated that there was no update regarding the proposed second water interconnect with Reid Road Municipal Utility District No. 1.

Ms. Sherborne reviewed a Letter Agreement with Kensinger Donnelly Limited related to the financing of the additional sanitary sewer line segment to serve the 11-acre Kensinger Donnelly tract. After review and discussion, Director Dillard moved to approve the Letter Agreement with Kensinger Donnelly Limited, subject to final review, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Kimball seconded the motion, which passed unanimously.

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 did not have any Pay Estimates or Change Orders from Aranda for the Board's approval. Ms. Grant reviewed correspondence from National Property Holdings, LLC, regarding the private sanitary sewer tie-in, received on May 9, 2022.

CYPRESS NORTH HOUSTON ROAD (LOUEDD ROAD) WIDENING

There was no discussion on this agenda item.

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 AEI sent a letter to T. Gray Utility & Rehab Co., LLC ("T. Gray") to formally notify the contractor that the contract period of performance has expired, a copy of which is attached to the engineer's report.

Ms. Grant then reviewed and recommended approval of Change Order No. 2 to increase the contract in the amount of \$30,082.50, submitted by T. Gray. Ms. Grant stated that Change Order No. 2 is for removal and replacement of 82 square yards of concrete payment to complete a point repair. The Board determined that Change Order No. 2 is beneficial to the District.

After review and discussion, Director Dillard moved to approve Change Order No. 2 to increase the contract in the amount of \$30,082.50, submitted by T. Gray, based on the engineer's recommendation and the Board's determination that the Change Order is beneficial to the District. Director Kimball seconded the motion, which passed unanimously.

FEASIBILITY STUDIES, PLAN REVIEWS, AND UTILITY AVAILABILITY REQUESTS

Ms. Grant stated that the District received the required plan review deposit, so AEI is proceeding with plan review 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 updated the Board on the service request from Mr. Chiang of Sueba for a proposed 51.8-acre multi-family development located at the southwest corner of FM 1960 and Gilder Road. She stated that AEI received a site ownership exhibit, preliminary overall site development layout and capacity calculations for the proposed development, copies of which are attached to the engineer's report. She stated that AEI has not yet received the required deposit in order to begin the feasibility study.

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 reported that the bond application was submitted to the Texas Commission on Environmental Quality (“TCEQ”) and declared administratively complete on May 12, 2022.

UPDATE ON PREPARATION OF WASTE DISCHARGE PERMIT RENEWAL APPLICATION

Ms. Grant updated the Board on the status of the preparation of the wastewater treatment plant permit renewal application.

DEEDS, EASEMENTS, AND/OR CONSENTS TO ENCROACHMENT

There was no discussion on this agenda item.

FIVE-YEAR CAPITAL IMPROVEMENT PLAN (“CIP”)

Ms. Grant stated that the next quarterly update to the CIP will be presented at the July special meeting.

OTHER ENGINEERING MATTERS

Ms. Grant stated that AEI received a request from the District’s insurance agent to prepare updated estimated replacement values for the District’s facilities related to preparation of the 2022 insurance renewal proposal, which AEI provided on May 19, 2022.

OUT-OF-DISTRICT SERVICE AGREEMENT

Ms. Sherborne reported that the owner of the 4.93-acre tract at 10660 Woodedge Drive, JAG Real Investments (“JAG”), has stated that he no longer is seeking to obtain utility service from the District and has requested a refund of any remaining deposit. After review and discussion, Director Dillard moved to rescind approval of the Out-of-District Service Agreement with JAG. Director Kimball seconded the motion, which passed unanimously.

ANNEXATION MATTERS

ADOPT ORDER ADDING LAND AND

The Board considered adopting an Order Adding Land providing for the addition of land to the District. After review and discussion, Director Dillard moved to adopt the Order Adding Land and direct that the Order be filed appropriately and retained in the District’s official records. Director Schmidt seconded the motion, which passed unanimously.

AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

The Board then considered approving an Amendment to the District's Information Form reflecting the revised boundaries of the District. After discussion, Director Dillard moved to approve the Amendment to Information Form, to be filed with the Harris County Deed Records and the TCEQ. Director Schmidt seconded the motion, which passed unanimously.

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

There was no discussion on this agenda item.

OPERATIONS REPORT, INCLUDING CUSTOMER CORRESPONDENCE

Mr. Lee reviewed the Greens Bayou E. coli report acknowledging samples taken in May, 2021, a copy of which is attached.

Mr. Lee stated that RWC received correspondence from the management company for the Nexus Park business park regarding maintenance of the detention ponds. Discussion ensued.

There being no further matters to come before the Board, the meeting was adjourned.

Secretary, Board of Directors

(SEAL)

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