

MINUTES
EMERALD FOREST UTILITY DISTRICT

January 9, 2023

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 9th day of January, 2023, 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, thus constituting a quorum.

Also present at the meeting either in person or on the telephone were Robert Camp, resident of the District; Elizabeth Young and Christopher Manocchio of Cabot Properties; Tally Jenkins of Woodedge Village Homeowners Association ("Woodedge HOA"); Angie Hartwell of Touchstone District Services; Stephanie Viator and Maria Stripling 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

Mr. Camp introduced himself and addressed the Board regarding the garbage collection service in Woodedge Village. He requested the Board consider taking over responsibility for contracting for garbage collection service within Woodedge Village. Mr. Camp stated that the Woodedge HOA is having difficulty funding the cost of the service.

Ms. Jenkins introduced herself and addressed the Board regarding the request on behalf of the Woodedge HOA for the District to take over the garbage collection service in Woodedge Village. Discussion ensued. The Board concurred to add an agenda item to the next special meeting agenda to discuss the matter further.

Ms. Young inquired about the status of the projects to extend utilities to the Nexus Park development, including the lift station no. 5 and the force main extension projects. Ms. Grant updated the Board on the status of the construction of the projects. She stated that the limiting factor is the delivery and installation of the automatic

transfer switch to power the lift station. The Board requested that AEI investigate the possibility of the contractor utilizing a temporary generator to power the lift station until the permanent power is available.

APPROVE MINUTES

The Board considered approving the minutes of the December 12, 2022, regular meeting and the December 6, 2022, special meeting. After discussion, Director Schmidt moved to approve the minutes of the December 12, 2022, regular meeting and the December 6, 2022, special meeting, as submitted. Director High seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2022

The Board tabled this agenda item until the next special meeting.

TAX ELECTION MATTERS

The Board discussed potentially holding a maintenance and operations tax election in May 2023. After discussion, the Board concurred to proceed with a maintenance and operations tax election in May 2023.

WEBSITE AND COMMUNICATION MATTERS

Ms. Hartwell reviewed the website and communication report, a copy of which is attached. She reported on updates made to the District's website.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented the monthly tax report, a copy of which is attached. She stated that 36.5% of the District's 2022 taxes were collected as of the end of December. Ms. Rodriguez then reviewed the District's delinquent tax roll.

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

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Stripling 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 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 High moved to accept the disclosure statements from the District’s bookkeeper and Investment Officer and to authorize filing with the Texas Ethics Commission. Director Kimball seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS (“AWBD”) WINTER CONFERENCE

The Board generally discussed the Board’s Travel Reimbursement Guidelines and Director expenses for the AWBD winter conference.

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 90.7%.

Mr. Lee reviewed a request from account no. 1-30-03955-02 requesting a leak adjustment for high water and sewer bill in November, 2022, due to an irrigation leak. He noted that the leak did not appear to pass through the District’s sanitary sewer system.

Mr. Lee reviewed a request from account no. 1-30-02280-03 requesting a leak adjustment for a high water and sewer bills in September and October, 2022, due to a running toilet.

Mr. Lee updated the Board on the status of installation of the District’s smart meters.

After review and discussion, Director Kimball moved to (1) approve the operator’s report; (2) credit the excess sewer charge and authorize a three-month payment plan for account no. 1-30-03955-02, plus the current month’s bill as it becomes due; and (3) deny the request for a bill adjustment, but authorize a six-month payment plan for account no. 1-30-02280-03, 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 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.

AMEND DISTRICT RATE ORDER

Ms. Sherborne discussed rules adopted by the Public Utility Commission of Texas ("PUC") to implement legislation prohibiting certain retail water or sewer providers from imposing late fees or terminating service for nonpayment of water bills that are due during a period when the previous day's highest temperature and the predicted temperature for the next 24 hours is not higher than 28 degrees Fahrenheit. She reviewed and discussed the one-time notice of the requirements that must be sent to utility customers by January 31, 2023.

Ms. Sherborne then presented a proposed Amended Rate Order incorporating the provisions of the PUC rules, including terms for customers to request and receive a payment schedule for payment of bills due during such an extreme weather emergency. She also noted that the Rate Order language regarding the fees charged by the North Harris Regional Water Authority has been updated to reflect the delivery of surface water to the District. The Board also considered increasing certain plan review deposits required by the District, as recommended by AEI.

After review and discussion, Director High moved to (1) authorize the operator to send the one-time notice to District customers; and (2) adopt the Amended Rate Order and direct that it be filed appropriately and retained in the District's official records. Director Kimball seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Ms. Grant reviewed 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 stated that the NHCRWA provided a revised exhibit of the proposed route for the NHCRWA surface water line, a copy of which is

attached to the engineer's report, depicting no easement overlap except for the two locations of easement crossing. Ms. Grant stated that AEI has no objection to the revised exhibit.

FM 1960 LIFT STATION NO. 5

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.

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 then reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$317,154.89, submitted by D.L. Elliott Enterprises, Inc. ("D.L. Elliott").

After review and discussion, Director Kimball moved to approve Pay Estimate No. 3 in the amount of \$317,154.89, submitted by D.L. Elliott, as recommended. Director Schmidt 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 stated that the final inspection was conducted on December 13, 2023, and the contractor is addressing the punchlist, a copy of which is attached to the engineer's report. 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, as reflected in her report. 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 status of the pending plan reviews, service requests, and feasibility studies, as reflected in her report.

Ms. Grant stated that AEI received the revised plans for the proposed building replacement of the existing Popeyes located at 11820 Jones Road and issued a letter of no objection, a copy of which is attached to the engineer's report.

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.

DEEDS, EASEMENTS, AND/OR CONSENTS TO ENCROACHMENT

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Ms. Grant reported that the wastewater treatment plant permit renewal application was submitted to the Texas Commission on Environmental Quality ("TCEQ") and declared administratively complete on December 7, 2022. She stated that AEI is working on the required public notice.

Ms. Grant updated the Board regarding the preparation of the renewal applications for the District's general operating permits related to the storage of hazardous materials for water plant no. 2, water plant no. 3, and the wastewater treatment plant.

Ms. Sherborne reviewed an Out-of-District Service Agreement with Carbajal Empire for the 2.954-acre Texas Quality Plumbing tract. After review and discussion, Director Kimball moved to approve the Out-of-District Service Agreement with Carbajal Empire and direct that it be filed appropriately and retained in the District's official records. 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.

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.

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.

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.

TEXAS PUBLIC INFORMATION ACT REQUESTS

There was no discussion on this agenda item.


CONVENE IN EXECUTIVE SESSION TO CONSULT WITH ATTORNEY, PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board did not convene in Executive Session.

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

(SEAL)




Secretary, Board of Directors
Vice President

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