

MINUTES
EMERALD FOREST UTILITY DISTRICT

October 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 October, 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, thus constituting a quorum.

Also present at the meeting were Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC; Diana Miller of Schwartz, Page & Harding, LLP; Greg Lentz of Masterson Advisors, LLC; 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 ("BLI"); 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 was no discussion on this agenda item.

APPROVE DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2022 BONDS AND AUTHORIZE DISBURSEMENT OF BOND PROCEEDS

Mr. Jenkins reviewed a draft developer reimbursement report reflecting the amounts reimbursable by the District to DRI/JS Nexus Park, LLC for construction of the projects funded by the \$4,830,000 Unlimited Tax Bonds, Series 2022.

After review and discussion, Director Dillard moved to (1) approve the developer reimbursement report, subject to final review; and (2) authorize the disbursement of bond proceeds, subject to receipt of an executed receipt from the developer, receipt of a pre-purchase inspection approval letter from the TCEQ, and final approval from Director Dillard, or Director Kimball as an alternate. Director Schmidt seconded the motion, which carried unanimously.

APPROVE MINUTES

The Board considered approving the minutes of the September 12, 2022, regular meeting and the September 27, 2022, special meeting. After discussion, Director Schmidt moved to approve the minutes of the September 12, 2022, regular meeting and the September 27, special meeting, as submitted. Director Kimball seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Rodriguez stated that BLI published a Notice of Public Hearing stating that the District anticipates levying a total tax rate of \$0.615. Director Dillard opened the public hearing. No members of the public came forward to make comments. Director Dillard then closed the public hearing.

Ms. Sherborne reviewed an Order Levying Taxes for 2022 reflecting a total tax rate of \$0.615, consisting of \$0.365 for debt service and \$0.25 for maintenance and operations. Ms. Sherborne then reviewed an Amendment to Information Form reflecting the 2022 tax rate. After review and discussion, Director Kimball moved to adopt the Order Levying Taxes, authorize execution of the Amendment to Information Form, and direct that the Order and the Amendment be filed appropriately and retained in the District's official records. 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 98.92% of the District's 2021 taxes were collected as of the end of September. 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"), a copy of which is attached. The Board then conducted a hearing on the termination of water and sewer service to delinquent tax accounts receiving written notice of possible service termination. After discussion, Director Kimball moved that because the taxpayers on the list were neither present at the meeting nor had presented any written statement on the matter nor had presented adequate documentation to Perdue justifying non-payment of taxes, water and sewer service for said accounts would be terminated in accordance with the District's Rate Order. Director Schmidt seconded the motion, which carried unanimously.

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

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 99.3%.

Mr. Lee reviewed a request from account no. 1-30-04105-01 requesting a bill adjustment and/or a payment plan for a high water and sewer bill in August, 2022 due to a leak at the meter and in the sprinkler system. He noted that the leaks did not appear to pass through the District's sanitary sewer system.

Mr. Lee reviewed a third request from account no. 1-30-01830-00 requesting an adjustment to high water and sewer bills. He noted that RWC replaced the resident's meter with a smart meter on October 6, 2022, as directed by the Board.

Mr. Lee reviewed a request from account no. 1-30-07545-02 requesting a bill adjustment for high water and sewer bills in July and August, 2022 due to a leak in the front yard. He noted that the leak did not appear to pass through the District's sanitary sewer system.

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. 1-30-04105-01, plus the current month's bill as it becomes due; (3) deny the request for a bill adjustment for account no. 1-30-01830-00; and (4) credit the excess sewer charge for account no. 1-30-07545-02. 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.

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.

Ms. Grant stated that AEI prepared a draft response to the NHCRWA regarding the request 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 and to route the surface water lines through the Water Plant No. 3 site and submitted it to the attorney for review.

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 reviewed and recommended approval of Pay Estimate No. 8 in the amount of \$146,956.76, submitted by Persons Services Corporation ("Persons"). After review and discussion, Director Schmidt moved to approve Pay Estimate No. 8 in the amount of \$146,956.76, submitted by Persons, as recommended. Director Kimball seconded the motion, which passed unanimously.

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.

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 stated that AEI reviewed the televising video from the deficient sanitary sewer line segment. She stated that the line appears to be flowing smoothly and is not holding any sediment, but she did note that there is a minor sag in the line. Discussion ensued. The Board requested that a representative of Aranda attend the Board's special meeting on October 25, 2022, to discuss a final resolution.

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 stated that AEI completed the review of the revised plans for the proposed warehouse industrial development on the 9.67-acre Creation Equity tract and provided a letter of no objection related to the development plans and a plan review letter related to the offsite private sanitary sewer plans on October 7, 2022, copies of which are attached to the engineer's report.

Ms. Grant stated that AEI prepared the capacity availability letter for the Creation 1960 Industrial Park Section 1 plat and provided it to the developer on October 8, 2022.

Ms. Grant reported that AEI is working on preparation of the feasibility studies for the proposed 51.8-acre multi-family development located at the southwest corner of FM 1960 and Gilder Road.

Ms. Grant stated that, as requested by the owner of the Texas Quality Plumbing LLC located at 10814 Woodedge Drive, AEI is preparing a letter to the Harris-Galveston Subsidence District in support of the owner's water well permit renewal. She also stated that AEI provided the owner's information to ABHR for the preparation of a new out-of-district service agreement for sanitary sewer service.

Ms. Grant stated that AEI is still working on the true-up of the balance of the deposit for the 4.93-acre site at 10660 Woodedge Drive for both the current owner, JAG Real Investments, LLC, and the prior owner, STVA Scaffold, Inc.

Ms. Grant reported that AEI informed the owner of the existing business located at 11729 Jones Road of the District's feasibility study process, including the required deposit, and the District's requirement that customers receive both water and wastewater service from the District.

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

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.

DISCUSS SECURITY DEVICES AT DISTRICT FACILITIES

The Board deferred discussion on this agenda item until Executive Session.

ATTORNEY'S REPORT, INCLUDING TEXAS PUBLIC INFORMATION ACT REQUESTS

The Board deferred discussion on this agenda item until Executive Session.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES, OR A SECURITY AUDIT

The Board convened in Executive Session at 4:30 p.m. pursuant to Section 551.076 of the Texas Government Code to deliberate the deployment, or specific occasions for implementation of security personnel or devices, or a security audit. Ms. Sherborne, Ms. Ramirez, Ms. Grant, and Mr. Lee also were present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 4:55 p.m. No action was taken by the Board.

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

The Board convened in Executive Session at 5:00 p.m. pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with their attorney. Ms. Sherborne and Ms. Ramirez also were present.


RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 5:10 p.m. After discussion, Director Dillard moved to authorize execution of an engagement letter with Feldman & Feldman, P.C. and direct that it be filed appropriately and retained in the District's official records. Director Kimball seconded the motion, which passed unanimously.

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

(SEAL)




Secretary, Board of Directors

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