

MINUTES
EMERALD FOREST UTILITY DISTRICT

November 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 14th day of November, 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 Director Brooks, thus constituting a quorum.

Also present at the meeting were Dave Ciarella of Enhanced Energy Services of America; 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

There was no discussion on this agenda item.

APPROVE MINUTES

The Board considered approving the minutes of the October 10, 2022, regular meeting and the October 25, 2022, special meeting. After discussion, Director Schmidt moved to approve the minutes of the October 10, 2022, regular meeting and the October 25, 2022, special meeting, as submitted. Director High seconded the motion, which passed unanimously.

WEBSITE AND COMMUNICATION MATTERS

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

Ms. Hartwell reviewed a sample of the proposed postcard for a mailout promoting the District's text alert system and stated she would have pricing available at the next regular meeting.

DISCUSS ELECTRICITY CONTRACT MATTERS AND AUTHORIZE APPROPRIATE ACTION, IF NECESSARY

Mr. Ciarella reviewed a report on the electricity market, a copy of which is attached, and reviewed options for renewal of the District's current electricity contract, which expires in April, 2023. After review and discussion, Director Schmidt moved to have the Board appoint him as the designated person responsible to authorize and execute a contract with Direct Energy for up to an 85-month term for District electricity service at a rate of \$0.06596 per kilowatt hour or the best rate available on the day of pricing, subject to final review. Director Kimball seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented the monthly tax report, a copy of which is attached. She stated that 0.4% of the District's 2022 taxes were collected as of the end of October. 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 Schmidt 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.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board reviewed the District's Investment Policy to determine if any amendments were necessary. After discussion, the Board determined to make no amendments at this time. After review and discussion, Director Schmidt moved to adopt a Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director High seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board considered adopting the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. After review and discussion, Director Schmidt moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director High 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 125.3%.

Mr. Lee stated that Home Depot reported on a sanitary sewer overflow. After investigation, RWC determined that the overflow was a result of a blockage at the sanitary sewer manhole going into the on-site lift station, which has since been removed. The Board requested that ABHR send a letter to the Home Depot and Amazon regarding the blockage and reminding the occupants of materials that should not be disposed of in the sanitary sewer system.

After review and discussion, Director High moved to approve the operator's report. Director Kimball 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 High 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 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.

Ms. Grant stated that AEI sent a 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, a copy of which is attached to the engineer's report.

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. 9 in the amount of \$15,230.70, submitted by Persons Services Corporation ("Persons").

After review and discussion, Director Schmidt moved to approve Pay Estimate No. 9 in the amount of \$15,230.70, 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. Ms. Grant stated that the contractor submitted a request for information, a copy of which is attached, regarding a fence that is in conflict with the proposed water line construction path. She stated that the contractor recommends installing the water line via a trenchless construction method in lieu of removing and replacing the fence. Ms. Grant stated that the cost is approximately \$6,980.00, based on the contractor's existing bid for trenchless construction. She stated that AEI concurs with the recommendation and requested the Board authorize AEI to proceed with preparation of a change order. After review and discussion, the Board concurred to authorize AEI to prepare a change order and proceed as discussed.

Ms. Grant then reviewed and recommended approval of Pay Estimate No.

1 in the amount of \$255,885.30, submitted by D.L. Elliott Enterprises, Inc. ("D.L. Elliott").

After review and discussion, Director Schmidt moved to approve Pay Estimate No. 1 in the amount of \$255,885.30, submitted by D.L. Elliott, as recommended. 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.

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 reviewed and recommended approval of Pay Estimate No. 12 in the amount of \$20,270.25, submitted by T. Gray Utility & Rehab Co., LLC ("T. Gray").

After review and discussion, Director Schmidt moved to approve Pay Estimate No. 12 in the amount of \$20,270.25, submitted by T. Gray, as recommended. Director Kimball seconded the motion, which passed unanimously.

FEASIBILITY STUDIES, PLAN REVIEWS, AND UTILITY AVAILABILITY REQUESTS

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 and ABHR is preparing 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 Hector Gonzalez of Pioneer Engineering, LLC, that the Board will require the annexation of the portion of the 2.74-acre tract at 10514 Woodedge Drive tract that is currently outside the boundaries of 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.

Ms. Grant stated that the Texas Commission on Environmental Quality pre-purchase inspection is scheduled for November 15, 2022, at 9:30 a.m.

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

LIST OF ATTACHMENTS TO MINUTES

	<u>Minutes</u>
	<u>Page</u>
Website and communication report.....	1
Electricity report.....	2
Tax assessor/collector's report.....	2
Bookkeeper's report.....	2
Operations report.....	3
Engineer's report.....	4