

MINUTES  
EMERALD FOREST UTILITY DISTRICT

July 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 July, 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 Frank Donnelly of Kensinger Donnelly; Ibrahim Swaydan of Langan Engineering; Angie Hartwell of Touchstone District Services ("Touchstone"); Stephanie Viator 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. Donnelly addressed the Board regarding future utility service to serve the 10.98-acre tract that was annexed into the District, which currently has an on-site septic system. He stated that Kensinger Donnelly is in the process of selling a portion of the tract to Creation Equity ("Creation"). Mr. Donnelly stated that one of the plan review comments from AEI on Creation's plans for the site is that the District's Rate Order prohibits on-site septic, but Creation will need sanitary sewer service prior to the completion of the FM 1960 utility extension project, which will ultimately provide water and sanitary sewer service to the tract. He stated that a proposed solution is to allow Creation to utilize the on-site septic system that is periodically pumped out through a manhole that is constructed on the tract. Ms. Grant stated that AEI has no objections to the proposed solution, provided that Creation's plans also include the future abandonment of the on-site septic system. After review and discussion, Director Schmidt moved to authorize Creation to temporarily utilize the on-site septic system until sanitary sewer service is available from the District, subject to the on-site septic system being abandoned. Director Kimball seconded the motion, which passed unanimously.

## APPROVE MINUTES

The Board considered approving the minutes of the June 13, 2022, regular meeting and the June 8, 2022, special meeting. After discussion, Director Brooks moved to approve the minutes of the June 13, 2022, regular meeting and the June 8, 2022, special meeting, as submitted. 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. The Board requested Touchstone post an article to the District's website regarding the District's Drought Contingency Plan.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented the monthly tax report, a copy of which is attached. She stated that 98.4% of the District's 2021 taxes were collected as of the end of June. 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.

## ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") CONFERENCES

The Board discussed the AWBD summer conference and reviewed the conference expenses submitted by directors for reimbursement. The Board also considered authorizing attendance at the AWBD winter conference. After discussion, Director Kimball moved to approve reimbursement of eligible directors' expenses from the summer AWBD conference, which the bookkeeper confirmed are in compliance with the District's Travel Reimbursement Guidelines, and authorize any interested directors to attend the winter AWBD conference. Director High seconded the motion, which passed unanimously.

## RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board deferred this agenda item, pending receipt of an insurance renewal proposal from Arthur J. Gallagher & Co.

## 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 76.4%.

Mr. Lee reviewed a request from account no. 1-30-00745-00 requesting a payment arrangement for high water and sewer bills in May and June, 2022.

Mr. Lee reviewed a request from account no. 1-30-01540-00 requesting an adjustment to the sewer portion of the water and sewer bills in May and June, 2022 due to filling a pool.

The Board discussed the maintenance of the detention pond serving the Nexus Park business park, including the proposed maintenance schedule. Mr. Lee stated that the pond will need to be mowed one time in order to evaluate the pond for any necessary repairs. The Board then reviewed a Service Agreement with Growth Services, Inc. ("GSI").

Ms. Sherborne discussed recently enacted legislation prohibiting certain retail water or sewer providers from imposing late fees or terminating service for nonpayment of water bills that become 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 a proposed Amended Rate Order incorporating such provisions.

After review and discussion, Director Kimball moved to (1) approve the operator's report; (2) authorize a three-month payment plan for account no. 1-30-00745-00, plus the current month's bill as it becomes due; (3) credit the excess sewer charge for account no. 1-30-01540-00; (4) approve the Service Agreement with GSI and the proposed maintenance schedule and direct that the Agreement be filed appropriately and retained in the District's official records; and (5) adopt the Amended Rate Order and direct that the document be filed appropriately and retained in the District's official records. Director Brooks 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. She stated that the NHCRWA is still coordinating with the District's operator regarding the construction of a taller building to house the bleach tank and equipment and a larger building to house the liquid ammonium sulfate tank and equipment.

Ms. Grant stated that AEI is working on a response on the NHCRWA regarding 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 and to route the surface water lines through the Water Plant No. 3 site.

#### 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 reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$20,250.00, submitted by Persons Services Corporation ("Persons"). After review and discussion, Director Schmidt moved to approve Pay Estimate No. 5 in the amount of \$20,250.00, submitted by Persons, as recommended. Director Kimball seconded the motion, which passed unanimously.

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. She stated that AEI is still waiting for supporting documentation from the contractor for the requested additional compensation in order to finalize the request before presenting it to the Board for consideration.

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

## 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 the developer responded to the request for the developer to provide the flowline elevation for the private portion of the sanitary sewer line by stating that AEI should have the requested information. She stated that AEI is preparing a response.

## 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 is reviewing the revised plans for the proposed development of a warehouse industrial development on the 9.67-acre Creation tract and anticipates providing comments this week.

Ms. Grant stated that AEI is reviewing the revised plans for the proposed La Michoacana Meat Market at 10900 Cypress Creek Parkway, Suite A, and anticipates providing comments this week.

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.

#### 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 District received a staff memo and draft order approving the bond application from the Texas Commission on Environmental Quality on June 29, 2022. She stated that AEI provided comments to the District's attorney on July 5, 2022.

#### 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.

#### ATTORNEY'S REPORT

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 convened in Executive Session at 3:54 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 4:04 p.m. No action was taken by the Board.

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.....	2
Tax assessor/collector's report.....	2
Bookkeeper's report.....	2
Operations report.....	3
Engineer's report.....	4