

MINUTES
EMERALD FOREST UTILITY DISTRICT

August 8, 2022

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 8th day of August, 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 Greg Lentz of Masterson Advisors LLC; Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC ("McCall"); 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; 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 July 11, 2022, regular meeting and the June 28, 2022 and July 26, 2022, special meetings. After discussion, Director Kimball moved to approve the minutes of the July 11, 2022, regular meeting and the June 28, 2022 and July 26, 2022, special meeting, as submitted. Director Schmidt seconded the motion, which passed unanimously.

SERIES 2022 UNLIMITED TAX BONDS

Mr. Lentz discussed the procedures and proposed schedule for the issuance of the District's \$4,830,000 Unlimited Tax Bonds, Series 2022 (the "Series 2022 Bonds").

APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Mr. Lentz reviewed a draft Preliminary Official Statement and Official Notice of Sale for the District's issuance and sale of its Series 2022 Bonds. Following review and discussion, Director Schmidt moved to approve the Preliminary Official Statement and Official Notice of Sale, subject to final review. Director Kimball seconded the motion, which passed unanimously.

ENGAGE RATING COMPANY TO PERFORM CREDIT RATING ANALYSIS

The Board considered engaging Moody's Investors Service to perform a credit rating analysis for the Series 2022 Bonds. After review and discussion, Director Schmidt moved to engage Moody's Investors Service to perform a credit rating analysis. Director Kimball seconded the motion, which passed unanimously.

CONSIDER MATTERS REGARDING ENTERING INTO A CONTRACT FOR DISCLOSURE COUNSEL LEGAL SERVICES AND ADOPT RESOLUTION REGARDING APPROVAL OF LEGAL SERVICES CONTRACT

The Board considered selecting an attorney to provide disclosure counsel legal services for the District. The Board reviewed a proposed contract submitted by McCall Parkhurst & Horton LLP ("MPH") to serve as disclosure counsel for the District. Ms. Sherborne discussed requirements related to contracts for legal services entered into by governmental entities, including contingent fee contracts for disclosure counsel legal services by the District. The Board reviewed the public notice that was provided regarding consideration of MPH's contract for today's meeting, pursuant to Section 2254.1036, Texas Government Code. Ms. Sherborne presented a written Resolution Regarding Approval of Legal Services Contract (the "Legal Services Resolution"). After review and consideration of matters related thereto, including the matters listed in Section 2254.1036(a)(1), Texas Government Code, Director Schmidt moved to (1) adopt the Legal Services Resolution reflecting: (i) approval of the public notice provided pursuant to Section 2254.1036, Texas Government Code; (ii) adoption of the findings and determinations provided in the public notice as the findings and determinations of the Board; (iii) the Board's findings that the contents of the public notice and the timing and manner of the provision of the notice are in full compliance with Subchapter C, Chapter 2254, Texas Government Code; (iv) the Board's finding that MPH is a well-qualified law firm on the basis of demonstrated competence, qualifications, and experience; and (v) approval of the contract with MPH for disclosure counsel legal services; and (2) direct that the Legal Services Resolution and the contract be filed appropriately and retained in the District's official records. Director Kimball seconded the motion, which passed unanimously.

APPOINT PAYING AGENT/REGISTRAR

The Board discussed appointing The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar for the Series 2022 Bonds. Director Schmidt moved to appoint The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar for the District's Series 2022 Bonds. Director Kimball seconded the motion, which passed unanimously.

AUTHORIZE ADVERTISEMENT FOR SALE OF THE SERIES 2022 BONDS AND SCHEDULE BOND SALE

The Board considered authorizing the District's financial advisor to advertise the sale of the District's Series 2022 Bonds. After discussion, Director Schmidt moved to authorize the District's financial advisor to advertise the sale of the District's Series 2022 Bonds and schedule the bond sale for September 12, 2022. Director Kimball seconded the motion, which passed unanimously.

ENGAGE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

Mr. Jenkins described procedures for McCall's preparation of the developer reimbursement report. The Board considered engaging McCall to prepare the developer reimbursement report in connection with the bond sale. After discussion, Director Schmidt moved to engage McCall to prepare the developer reimbursement report. Director Kimball seconded the motion, which passed unanimously.

AUTHORIZE DISTRICT ENGINEER TO REQUEST TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") INSPECTION OF FACILITIES

The Board considered authorizing the District engineer to request the TCEQ pre-purchase inspection of facilities for the projects included in the bond application. After review and discussion, Director Schmidt moved to authorize the District engineer to request the TCEQ pre-purchase inspection of facilities. Director Kimball seconded the motion, which passed unanimously.

AUTHORIZE TAX ASSESSOR/COLLECTOR TO REQUEST CERTIFICATE OF ASSESSED VALUE AS OF JANUARY 1 FROM THE APPRAISAL DISTRICT

The Board considered authorizing the District's tax assessor/collector to request a Certificate of Assessed Value as of January 1, 2021, from the Harris Appraisal District ("HCAD") in connection with the Series 2022 Bonds. After discussion, Director Schmidt moved to authorize the tax assessor/collector to request a Certificate of Assessed Value as of January 1, 2021, from the HCAD. Director Kimball 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 inquired if the Board would be interested in considering the implementation of an emergency text alert system. After discussion, the Board concurred to consider a proposal for an emergency text alert system at the next regular meeting.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented the monthly tax report, a copy of which is attached. She stated that 98.6% of the District's 2021 taxes were collected as of the end of July. Ms. Rodriguez then reviewed the District's delinquent tax roll. She stated that the District's 2022 estimated certified assessed value is approximately \$590 million.

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

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2022 TAX YEAR

The Board discussed the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2022 tax year.

After review and discussion, Director Schmidt moved to adopt a Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developing District for the 2022 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. 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 Kimball moved to approve the bookkeeper's report, the District's investments, and payment of the bills. Director Schmidt seconded the motion, which passed unanimously.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2023

Ms. Viator reviewed a draft budget for the fiscal year ending September 30, 2023,

a copy of which is attached to the bookkeeper's report. After review and discussion, the Board deferred approval of the draft budget, pending additional review by the Board.

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 87.8%.

Mr. Lee reviewed a request related to account no. 1-30-03565-03 requesting the refund check be issued in the property owner's name instead of the account holder's name. He stated that the property owner made a utility bill payment on behalf of the account holder for a delinquent account.

Mr. Lee reviewed a request from account no. 1-30-01930-02 requesting a payment arrangement for high water and sewer bills in June and July, 2022, due to a 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. 1-30-09275-01 requesting a payment arrangement for high water and sewer bills in June and July, 2022.

After review and discussion, Director Kimball moved to (1) approve the operator's report; (2) deny the request regarding the deposit refund check for account no. 1-30-03565-03; (3) credit the excess sewer charge and authorize a three-month payment plan for account no. 1-30-01930-02, plus the current month's bill as it becomes due; and (4) authorize a three-month payment plan for account no. 1-30-09275-01, plus the current month's bill as it becomes due. Director Schmidt 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 Schmidt 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 District received an email from the NHCRWA's engineer on July 28, 2022, a copy of which is attached to the engineer's report, detailing the proposed solutions for the chemical buildings at Water Plant Nos. 2 and 3. She stated that the proposed solutions are to utilize the existing 10'x10' buildings to house the liquid ammonium sulfate tank and equipment and construct new 10'x12' buildings to house the bleach tank and equipment. After review and discussion, Director Schmidt moved to approve the proposed solutions, subject to receipt of the plans for the new buildings. Director Kimball seconded the motion, which passed unanimously.

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. 6 in the amount of \$49,527.00, submitted by Persons Services Corporation ("Persons"). After review and discussion, Director Schmidt moved to approve Pay Estimate No. 6 in the amount of \$49,527.00, 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 reviewed and recommended approval of Pay Estimate No. 3 and Final in the amount of \$35,527.10, submitted by Scohil Construction Services, LLC ("Scohil"). Ms. Grant also recommended the Board accept the project. After review and discussion, Director Schmidt moved to approve Pay Estimate No. 3 and Final in the amount of \$35,527.10, submitted by Scohil, and accept the project, 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. She stated that AEI received the supporting documentation from the contractor for the requested additional compensation and is finalizing 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 provided a response to ABHR on July 28, 2022.

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. 10 in the amount of \$140,246.10, submitted by T. Gray Utility & Rehab Co., LLC ("T. Gray"). After review and discussion, Director Schmidt moved to approve Pay Estimate No. 10 in the amount of \$140,246.10 to T. Gray, as recommended. Director Kimball seconded the motion, which passed unanimously.

FEASIBILITY STUDIES, PLAN REVIEWS, AND UTILITY AVAILABILITY REQUESTS

Ms. Grant stated that AEI received revised tenant improvement plumbing plans for Nexus Park, Building Nos. 1, 2, and 4, but she noted that most of the comments from the first two plan review letters have not been addressed. She stated that AEI reached out to the developer regarding the plans.

Ms. Grant updated the Board on the proposed development of a warehouse industrial development on the 9.67-acre Creation Equity tract. She reported that AEI responded to the developer's engineer regarding the variance requests related AEI's plan review comments and the developer's engineer has requested a meeting with AEI to discuss the comments further.

Ms. Grant reported that Frank Donnelly with Kensinger Donnelly, LLC requested a capacity availability letter in order for the Creation 1960 Industrial Park Section 1 plat to be recorded. She requested the Board authorize AEI to provide the letter, subject to receipt of the plat and estimated capacity. After review and discussion, Director Schmidt moved to authorize AEI to provide the requested capacity availability letter. Director Kimball seconded the motion, which passed unanimously.

Ms. Grant stated that AEI completed review of revised plans for the proposed La Michoacana Meat Market at 10900 Cypress Creek Parkway, Suite A, and confirmed that the requested capacity is within the limits of the District's water service agreement with Harris County Fresh Water Supply District No. 61. She stated that AEI issued a letter of no objection on August 4, 2022, a copy of which is attached to the engineer's report.

Ms. Grant updated the Board on the service request from 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 has received the required deposits, so AEI will begin preparation of the feasibility studies for the two phases depicted in the overall site development plan.

Ms. Grant stated that AEI received a request from Mercedes Carbajal with Texas Quality Plumbing LLC on August 1, 2022 for a feasibility study to provide to the Harris-Galveston Subsidence District in order to renew a water well permit for a 2.954-acre tract located at 10814 Woodedge Drive. She also reviewed a letter from Ms. Carbajal, a copy of which is attached to the engineer's report, regarding plumbing for the property. Ms. Grant stated that the prior owner of the facility had an out-of-district service agreement for wastewater services that would need to be recreated with the new owners.

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.

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

Ms. Sherborne reported that the North Harris County Regional Water Authority has triggered Stage 1 of their Drought Contingency Plan. Discussion ensued regarding water usage in the District.

OPERATION OF DISTRICT FACILITIES (CONT'D)

Mr. Lee reviewed a proposal in the amount of \$41,600.00, submitted by Growth Services, Inc. ("GSI"), for repairs required for the detention pond serving the Nexus Park business park. After review and discussion, Director Dillard moved to approve the proposal in the amount of \$41,600.00, submitted by GSI. Director Brooks seconded the motion, which passed unanimously.

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


Secretary, Board of Directors

(SEAL)



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