

MINUTES  
EMERALD FOREST UTILITY DISTRICT

October 11, 2021

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 11th day of October, 2021, 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
Mark Smith	Assistant Secretary

and all of the above were present except for Director Smith, thus constituting a quorum.

Also present were Deanna Brooks, resident of the District; Grant Pearson of Jackson-Shaw Company; Michael Willett 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 were no comments from the public.

APPROVE MINUTES

The Board considered approving the minutes of the September 13, 2021, regular meeting and the September 28, 2021, special meeting. After discussion, Director Kimball moved to approve the minutes of the September 13, 2021, regular meeting and the September 28, 2021, special meeting, as submitted. Director Schmidt seconded the motion, which passed unanimously.

WEBSITE AND COMMUNICATION MATTERS

Mr. Willett reviewed the website and communication report, a copy of which is attached.

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 \$0.645. 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 2021 reflecting a total tax rate of \$0.645, consisting of \$0.395 for debt service and \$0.25 for maintenance and operations. Ms. Sherborne then reviewed an Amendment to Information Form reflecting the 2021 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 Dillard 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 98.8% of the District's 2020 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 Schmidt seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Viator reviewed the bookkeeper's report, reviewed the District's investments, reviewed 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 85.5%.

The Board discussed replacing the commercial meters with electronic smart meters. The Board also discussed potential sources of funding for the same. The Board requested RWC to bring a cost estimate for the Board's review to the next meeting.

Mr. Lee reviewed a request from account no. 1-30-01950-01 requesting an adjustment to high water and sewer bills from August and September 2021 due to high usage. After review and discussion, the Board directed RWC to replace the resident's meter and have the original meter bench tested. The Board also concurred to direct the resident to pay an average water and sewer bill, based on the resident's average bill from May-July, pending the results of the meter testing.

Ms. Sherborne reviewed a memorandum with the Board regarding legislative changes to Section 182.052, Utilities Code, relating to confidentiality of certain personal and billing information of utility customers, a copy of which is attached.

After review and discussion, Director Kimball moved to approve the operator's report. 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 presented 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 stated that AEI conducted a site visit to Water Plant No. 3 and the contractors for the North Harris County Regional Water Authority ("NHCRWA") were working on the electrical items, the piping for the flow control and meter stations, and preparing the area for the foundation of the chlorine buildings.

Ms. Grant updated the Board on the proposed alignment of the proposed NHCRWA 16-inch surface water line along the District's western boundary, which completely overlaps the District's existing 20-foot water line easement. She stated that NHCRWA has requested a decision by the end of the month. Ms. Grant stated that AEI reiterated that the District is waiting for comments from the City of Houston prior to making a decision regarding usage of the District's easement.

## 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 stated that the Notice to Proceed was issued for October 11, 2021, with a final completion date of May 9, 2022. Ms. Grant did not have any Pay Estimates or Change Orders from Persons Services Corporation for the Board's approval.

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.

Ms. Sherborne updated the Board on the status of the acquisition of remaining residential easements required in connection with the force main extension project and the FM 1960 water and sanitary sewer extension project.

## 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 stated that the plans were resubmitted to the City of Houston on October 7, 2021. Ms. Grant did not have any Pay Estimates or Change Orders from D.L. Elliott Enterprises, Inc. for the Board's approval.

## DEVELOPMENT OF JACKSON-SHAW TRACT

Ms. Sherborne updated the Board on the finalization of the letter agreement with Jackson-Shaw Company for the temporary water service.

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 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 contractor was notified of the District's rejection of the contractor's proposed corrective actions and the District's requirement to replace the sanitary sewer line segment between manhole no. 1 and manhole no. 2 at the minimum required slope of 0.33% at no cost to the District.

DEVELOPMENT OF RBC TRACT

There was no discussion on this agenda item.

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. She reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$50,796.00, submitted by T. Gray Utility & Rehab Co., LLC. After review and discussion, Director Schmidt moved to approve Pay Estimate No. 5 in the amount of \$50,796.00, as recommended. Director Kimball seconded the motion, which passed unanimously.

Ms. Grant reported that the District contractor was granted access to the District facilities located at the remaining two houses in connection with the Woodedge Village sanitary sewer rehabilitation project.

FEASIBILITY STUDIES, PLAN REVIEWS, AND UTILITY AVAILABILITY REQUESTS

Ms. Grant updated the Board on the status of development of the 6.2-acre KK Global Enterprise tract and stated that the owner's engineer notified AEI on October 5, 2021, that they would like to proceed with the gravity sanitary sewer system. She stated that AEI is preparing updated costs for a looped water line and estimated engineering fees for the public utility extensions.

Ms. Grant reported that District has not yet received the required deposit for preparation of a feasibility study for the proposed development of a warehouse industrial development on a 9.67-acre tract located on the west side of FM 1960 between Bobcat Road and Falcon Road.

Ms. Grant reported that the AEI reviewed the plans for the proposed trucking yard on a 4.93-acre tract located at 10660 Woodedge Drive and provided a plan review letter on October 8, 2021, a copy of which is attached to the engineer's report.

#### CYPRESS GLEN SANITARY SEWER REPAIR RECOMMENDATIONS

Ms. Grant stated that she anticipates presenting the draft evaluation of the sanitary sewer lines and manholes to identify any potential repairs to the Board at the October special meeting.

#### UPDATE PREPARATION OF BOND APPLICATION

Ms. Grant updated the Board on the status of preparation of the bond application no. 10, as reflected in her report. She stated that AEI has received the required information from Jackson-Shaw Company and has not received any information yet from National Property Holdings.

#### STORMWATER MULTI-SECTOR GENERAL PERMIT ("MSGP") RENEWAL

Ms. Grant updated the Board on the preparation of the renewal application for the MSGP permit, which is due to the Texas Commission on Environmental Quality by November 12, 2021.

#### EMERGENCY RESPONSE PLAN

Ms. Grant updated the Board on the preparation of the Emergency Response Plan. She stated that AEI provided the operator with the hard drive containing the backup of the District's source code for the District's process control system.

#### DEEDS, EASEMENTS, AND/OR CONSENTS TO ENCROACHMENT

There was no discussion on this agenda item.

#### OTHER ENGINEERING MATTERS

Ms. Grant updated the Board on obtaining the general operating permits for water plant no. 2, water plant no. 3, and the wastewater treatment plant related to the storage of hazardous materials.

UPDATE ON STATUS OF PENDING ANNEXATIONS

There was no discussion on this matter.

ACCEPT WAIVER OF SPECIAL APPRAISAL

There was no discussion on this matter.

APPROVE THIRD ADDENDUM TO WATER SUPPLY AND WASTE DISPOSAL CONTRACT WITH CY-FAIR ISD

The Board tabled this agenda item.

CONSIDER USE OF EMINENT DOMAIN AUTHORITY

The Board tabled discussion on this agenda item.

ATTORNEY'S REPORT

There was no discussion on this agenda item.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board did not convene in Executive Session.

  
Secretary, Board of Directors

(SEAL)



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