

MINUTES  
EMERALD FOREST UTILITY DISTRICT

November 23, 2021

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in special session, open to the public, on the 23rd day of November, 2021, at the offices of AEI Engineering, a Baxter & Woodman Company, 11450 Compaq Center West Drive, Suite 660, Houston, TX 77070, 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
Vacant	Assistant Secretary

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

Also present at the meeting were DeWayne High, resident of the District; Sergeant William Greer of the Harris County Sheriff's Office; Jennifer Smith and Micah Burson of Accurate Meter & Supply ("Accurate"); Lonnie Lee of Regional Water Corporation ("RWC"); Sherry Grant and Robel E. Giachero of AEI Engineering, a Baxter & Woodman Company ("AEI"); and Katie Sherborne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

SECURITY SERVICES REPORT

Sergeant Greer updated the Board on the status of security in the District and reported on an increase in contract rates for the next renewal period.

ENGINEER'S REPORT

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 CHLORINE 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. The Board reviewed a letter from the NHCRWA, a copy

of which is attached to the engineer's report, regarding the anticipated conversion to surface water in May 2022. Discussion ensued regarding the notification requirements related to the conversion.

Ms. Grant stated that AEI continues to coordinate with the NHCRWA's project engineer regarding the proposed alignment of the NHCRWA 16-inch surface water line along the District's western boundary, which would completely overlap the District's existing 20-foot water line 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 contractor provided a project schedule, a copy of which is attached to the engineer's report. 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.

#### 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 did not have any Pay Estimates or Change Orders from D.L. Elliott Enterprises, Inc. for the Board's approval.

Ms. Grant stated that AEI provided the updated summary of the pro-rata shares to the project participants and stated the second required deposit is due from each participant is due by January 10, 2022.

#### DEVELOPMENT OF JACKSON-SHAW TRACT

Ms. Sherborne stated that Jackson-Shaw is selling the tract to a third party and reviewed various contract assignments related to the same.

#### 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 stated that AEI is awaiting the results of the contractor's investigation regarding the deficient segments of the sanitary sewer line. She stated that the contractor requested access to the adjacent property owned by National Property Holdings ("NPH") to investigate the sanitary sewer tie-in location. Ms. Grant stated that NPH has requested a meeting with AEI regarding the deficiency and necessary corrective actions.

#### CYPRESS NORTH HOUSTON ROAD (LOUEDD ROAD) WIDENING

There was no discussion on this agenda item.

#### WOODEDGE VILLAGE SANITARY SEWER REHABILITATION

Ms. Grant updated the Board on the status of the Woodedge Village sanitary sewer and manhole rehabilitation project. 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 updated the Board on the status of development of the 6.2-acre KK Global Enterprise tract. She stated that AEI provided the updated costs for a looped water line and estimated engineering fees for the public utility extensions to the developer on November 9, 2021, and requested the required deposit, which has not yet been received.

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 has not yet received revised plans for the proposed trucking yard on a 4.93-acre tract located at 10660 Woodedge Drive.

Ms. Grant stated that the District has not received the required deposit for the plan review for a proposed La Michoacana Meat Market located at 10900 Cypress Creek Parkway, Suite A.

#### CYPRESS GLEN SANITARY SEWER REPAIR RECOMMENDATIONS

Ms. Grant requested the Board authorize design of the Cypress Glen sanitary sewer and manhole rehabilitation project. After review and discussion, Director Dillard moved to authorize design of the Cypress Glen sanitary sewer

and manhole rehabilitation project. Director Kimball seconded the motion, which passed unanimously.

#### UPDATE ON 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.

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

Ms. Grant stated that AEI is finalizing the Storm Water Pollution Prevention Plan for the wastewater treatment plant site pursuant to the MSGP permit. She stated that AEI submitted the Notice of Intent application to the Texas Commission on Environmental Quality ("TCEQ") on November 11, 2021, and received a letter from the TCEQ acknowledging receipt, a copy of which is attached to the engineer's report.

#### EMERGENCY RESPONSE PLAN

Ms. Grant stated that AEI is finalizing the District's Emergency Response Plan, which is due to the Environmental Protection Agency by December 25, 2021.

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

The Board reviewed a Consent to Encroachment with RBC Building 1, LLC, for certain encroachments within the District's storm sewer and detention pond easements. After review and discussion, Director Dillard moved to approve the Consent to Encroachment. Director Kimball seconded the motion, which passed unanimously.

#### FIVE-YEAR CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Grant stated that the next quarterly update to the CIP will be presented at the January special meeting.

#### OTHER ENGINEERING MATTERS

Ms. Grant reviewed a proposed Second Amendment to the Agreement for Engineering Services, which updates the hourly rate fee schedule and adds an automatic rate increase each year in an amount not to exceed 3%. After review and discussion, Director Dillard moved to approve the Second Amendment to the Agreement for Engineering Services and direct that the Amendment be filed appropriately and retained in the District's official records. Director Kimball seconded the motion, which passed by unanimous vote.

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.

Ms. Smith and Mr. Burson reviewed a presentation from Accurate on smart electronic meters and reviewed proposals for the purchase and installation of the same, copies of which are attached, and answered questions from the Board.

#### OUT-OF-DISTRICT SERVICE AGREEMENT

The Board considered approving an Out-of-District Service Agreement with JAG Real Investments, LLC. After review and discussion, Director Dillard moved to approve the Out-of-District Service Agreement with JAG Real Investments, LLC and direct that the Agreement be filed appropriately and retained in the District's official records. Director Kimball seconded the motion, which passed unanimously.

#### UPDATE ON STATUS OF PENDING ANNEXATIONS

Ms. Sherborne updated the Board on the status of the pending annexations.

#### OPERATIONS REPORT, INCLUDING CUSTOMER CORRESPONDENCE

Mr. Lee updated the Board on the status of account no. 1-30-5008-00, requesting an adjustment to high water and sewer bills in October, 2021, due to high usage as a result of a leak. After review and discussion, Director Dillard moved to adjust the sewer portion of the bill down to \$22.00, adjust the water portion of the bill down by 50% (excluding the GRP fee), and authorize RWC to offer up to a six-month payment plan, plus the current month's bill as it becomes due. Director Kimball seconded the motion, which passed unanimously.

#### 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 convened in Executive Session at 5:12 p.m. pursuant to Section 551.072 of the Texas Water Code to deliberate the purchase, exchange, lease, or value of real property. Ms. Sherborne was also present.

#### RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 5:19 p.m. After discussion, Director Schmidt moved to authorize Avison Young to proceed with the counteroffer for the sale of the approximately 2.4-acre surplus park tract. Director Kimball seconded the motion, which passed unanimously.

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

WB Schmidt  
Secretary, Board of Directors

(SEAL)



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