

MINUTES
EMERALD FOREST UTILITY DISTRICT

February 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 February, 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 for Director Brooks, thus constituting a quorum.

Also present at the meeting were Grant Pearson of Jackson-Shaw Company ("Jackson-Shaw"); Diana Miller of Schwartz, Page & Harding, LLP; Greg Lentz of Masterson Advisors LLC; 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 were no comments from the public.

APPROVE MINUTES

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

2022 DIRECTORS ELECTION

Ms. Sherborne discussed procedures related to the 2022 Directors Election. She reviewed an Order Calling Directors Election. Following review and discussion, Director Schmidt moved to adopt the Order Calling Directors Election. Director Dillard seconded the motion, which was approved by unanimous vote.

Ms. Sherborne discussed that a Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Harris County. Following review and discussion, Director Schmidt moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar a Notice of Election, if required. Director Dillard 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 discussed items for inclusion on the District website, including an article on electricity.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented the monthly tax report, a copy of which is attached. She stated that 95.1% of the District's 2021 taxes were collected as of the end of January. Ms. Rodriguez then reviewed the District's delinquent tax roll.

After review of the tax bills and corresponding checks, Director Schmidt moved to approve the tax report and payment of the tax bills. Director Kimball 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.

ENGINEERING MATTERS

Ms. Sherborne stated that, during the plan approval process, Harris County would not accept an access easement dedicated to the District for access to the Industrial at FM 1960 detention pond. She stated that Harris County required the platting of a small 0.5084-acre access tract to provide access to the detention pond via FM 1960. Ms. Sherborne stated that Jackson-Shaw is requesting to convey that small access tract to the District and be reimbursed for the land. She noted that there is a private driveway that overlaps the access tract, which the District would not want to accept for maintenance, should the District agree to the conveyance of the access tract. Discussion ensued regarding the request. After discussion, the Board concurred to

proceed forward with conveyance of the access tract, subject to an amendment to the Maintenance Agreement with the property owners association which absolves the District of any and all maintenance responsibilities related to the private paved driveway located on the access tract.

Ms. Grant reviewed an updated reimbursement analysis for DRI/JS Nexus Park, LLC, a copy of which is attached, which is based on the estimate value of the tract as of January 1, 2021. Mr. Pearson requested the Board consider obtaining an updated estimate of value to capture the entire value of the development.

TAX ASSESSMENT AND COLLECTION MATTERS (CONT'D)

The Board discussed adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value as of February 1, 2022. After discussion, Director Dillard moved to adopt the Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value and direct that the Resolution be filed appropriately and retained in the District's official records. Director Schmidt seconded the motion, which passed unanimously.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT SUMMER CONFERENCE

The Board considered approving reimbursement to the directors for eligible expenses incurred in attending the AWBD winter conference and authorizing attendance at the AWBD summer conference. After review and discussion, Director Kimball moved to approve reimbursement of the AWBD winter conference expenses and to authorize attendance of Board members at the AWBD summer conference. Director Dillard seconded the motion, which passed unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board discussed the optional tax exemptions the District may offer its residents. After review and discussion, Director Schmidt moved to adopt the Resolution Concerning Exemptions From Taxation providing for the exemption from ad valorem taxation of \$25,000 of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older, but rejects a general homestead exemption, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Dillard seconded the motion, which passed unanimously.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

The Board tabled this agenda item.

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 88.6%.

Mr. Lee reviewed a proposal to repair the damaged residential wooden fencing on either side of the entry to the wastewater treatment plant in the amount of \$2,270.00.

Mr. Lee stated that there is a collapsed sanitary sewer manhole in the rear easement of the property located at 10003 Windriver Drive. He reviewed a proposal in the amount of \$4,500.00 to repair the collapsed manhole, submitted by Wright Solutions. Mr. Lee stated that the overall condition of the fence for the property is in poor condition, but since the manhole issue potentially affected three panels of the fence, the repair of those three panels was included in the proposal. After discussion, the Board tabled action on the proposal, pending AEI confirming that the manhole is not part of the Woodedge Village sanitary sewer and manhole rehabilitation project.

After review and discussion, Director Schmidt moved to approve the operator's report. Director Kimball seconded the motion, which passed unanimously.

ADOPT RESOLUTION APPROVING SUBMITTAL OF THE WATER SMART APPLICATION FOR INCLUSION IN THE AWBD WATER SMART PARTNERS PROGRAM

The Board tabled this agenda item.

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 Schmidt 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 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 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.

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. 1 in the amount of \$102,611.25, submitted by Persons Services Corporation. After review and discussion, Director Kimball moved to approve Pay Estimate No. 1 in the amount of \$102,611.25, as recommended. Director High 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 stated that a Notice to Proceed was issued on February 14, 2022. Ms. Grant 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.

Ms. Grant stated that AEI coordinated with the engineer for Reid Road Municipal Utility District No. 1 ("Reid Road") regarding the proposed second water interconnect. She stated that the engineer will discuss the request with the Board of Reid Road at their meeting on February 16, 2022.

Ms. Grant stated that the District is still waiting on two out of the six required deposits from the project participants.

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 the contractor's investigation regarding the deficient segments of the sanitary sewer line is still on hold pending a response from the developer of the adjacent property for access in order to investigate the sanitary sewer tie-in location. Ms. Grant 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. She reviewed and recommended approval of Pay Estimate No. 8 in the amount of \$16,449.39, submitted by T. Gray Utility & Rehab Co., LLC.

After review and discussion, Director Kimball moved to approve Pay Estimate No. 8 in the amount of \$16,449.39, as recommended. Director High seconded the motion, which passed unanimously.

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 the District has not yet received the required deposit for the design of the public water and sanitary sewer extension.

Ms. Grant reported that AEI is preparing the 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 and anticipates presenting the feasibility study at the February special meeting.

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 reported that AEI has not yet received revised plans for the proposed La Michoacana Meat Market at 10900 Cypress Creek Parkway, Suite A.

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.

UPDATE ON PREPARATION OF BOND APPLICATION

Ms. Grant stated that AEI provided the draft bond application to the District's financial advisor and attorney for review. The Board then considered adopting a Resolution Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for Approval of Projects and Bonds.

After review and discussion, Director Kimball moved to adopt the Resolution Authorizing Application to the TCEQ for Approval of Projects and Bonds and direct that the Resolution be filed appropriately and retained in the District's official records. Director High seconded the motion, which passed unanimously.

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

There was no discussion on this agenda item.

DEEDS, EASEMENTS, AND/OR CONSENTS TO ENCROACHMENT

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Ms. Grant stated that the District received correspondence from the City of Houston (the "City") on January 26, 2022 requesting an update on the removal of the physical interconnect between the City and the NHCRWA. She stated that ABHR informed the City that the NHCRWA owns the interconnect and the District is coordinating with the NHCRWA on the removal.

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. She stated AEI expects to submit the applications to Harris County this week.

Ms. Grant stated that the one-year warranty period for the Cypress Glen sanitary sewer televising and evaluation expires on March 1, 2022. She reported that AEI conducted an inspection on February 3, 2022 and found no deficiencies, so an acceptance certificate was issued to the contractor, a copy of which is attached to the engineer's report.

UPDATE ON STATUS OF PENDING ANNEXATIONS

Ms. Sherborne reported there was no update on this agenda item.

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

The Board tabled discussion on this agenda item.

UPDATE ON CONDEMNATION PROCEEDINGS

Ms. Sherborne updated the Board on the status of the condemnation proceedings related to the acquisition of necessary water line and sanitary sewer easements required for the FM 1960 water and sanitary sewer extension project.

SALE OF DISTRICT PROPERTY

Ms. Sherborne updated the Board on the status of the District's sale of a 2.424-acre tract of surplus land.

ATTORNEY'S REPORT, INCLUDING ANNUAL CYBERSECURITY TRAINING

Ms. Sherborne reminded the Board that the annual cybersecurity training should be completed by August 31st.

CONVENE IN EXECUTIVE SESSION PURSUANT TO (i) SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY, AND/OR (ii) SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board did not convene in Executive Session.

(SEAL)



1003326


Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Website and communication report.....	2
Tax assessor/collector's report	2
Bookkeeper's report.....	2
Reimbursement analysis for DRI/JS Nexus Park, LLC	3
Operations report.....	4
Engineer's report.....	5