

MINUTES  
EMERALD FOREST UTILITY DISTRICT

February 13, 2023

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 13<sup>th</sup> day of February, 2023, 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 Directors Schmidt and High, thus constituting a quorum.

Also present at the meeting were Greg Lentz of Masterson Advisors LLC; Angie Hartwell of Touchstone District Services; Maria Stripling 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 9, 2023, regular meeting and the January 24, 2023, special meeting. After review and discussion, Director Brooks moved to approve the minutes of the January 9, 2023, regular meeting and the January 24, 2023, special meeting, as submitted. Director Kimball seconded the motion, which passed unanimously.

2023 OPERATION AND MAINTENANCE TAX ELECTION MATTERS

Ms. Sherborne updated the Board on the status of the 2023 Operation and Maintenance Tax Election. The Board discussed scheduling a Town Hall meeting.

ATTORNEY'S REPORT

In response to an inquiry from the Board, Ms. Sherborne discussed public facility corporations and the potential tax implications for municipal utility districts.

WEBSITE AND COMMUNICATION MATTERS

Ms. Hartwell reviewed the website and communication report, a copy of which is attached.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Lentz reviewed an analysis of the optional tax rate exemptions the District may offer, a copy of which is attached. He noted that the District granted a homestead exemption of \$25,000 for disabled persons or persons over 65 years of age for the previous tax year.

The Board tabled discussion on this agenda item.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented the monthly tax report, a copy of which is attached. She stated that 94.1% of the District's 2022 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 Kimball moved to approve the tax report and payment of the tax bills. Director Brooks seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Stripling 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 Brooks moved to approve the bookkeeper's report, the District's investments, and payment of the bills. Director Kimball 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 Dillard moved to approve reimbursement of the AWBD winter conference expenses and to authorize

attendance of Board members at the AWBD summer conference. Director Kimball seconded the motion, which passed unanimously.

APPROVE RESIDENTIAL SOLID WASTE COLLECTION CONTRACT WITH BEST TRASH, LLC

The Board deferred discussion on this agenda item.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION (CONT'D)

The Board discussed the optional tax rate exemptions. After review and discussion, Director Dillard 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 and 10% of the total appraised value of residential homesteads and direct that the Resolution be filed appropriately and retained in the District's official records. 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 91.8%.

Mr. Lee reported that lift pump no. 2 at the wastewater treatment plant requires replacement. He stated that RWC has filed an insurance claim.

Mr. Lee stated that the main building at water plant no. 3 requires painting in an amount not to exceed \$15,000.00.

Mr. Lee updated the Board on the status of installation of the District's smart meters.

After review and discussion, Director Kimball moved to (1) approve the operator's report; and (2) authorize the painting of the main building at water plant no. 3 in an amount not to exceed \$15,000.00. Director Brooks 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 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 Brooks 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.

Ms. Sherborne reviewed a Consent of Easement Holder in connection with NHCRWA's acquisition of an easement from the adjacent landowner that crosses the District's easement in two locations. After review and discussion, Director Brooks moved to authorize execution of the Consent of Easement Holder, subject to Director Dillard's final approval. Director Kimball seconded the motion, which passed unanimously.

#### FM 1960 LIFT STATION NO. 5

Ms. Grant updated the Board on the status of the FM 1960 lift station no. 5 project, as reflected in her report. She did not have any Pay Estimates or Change Orders from Persons Services Corporation 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 then reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$155,175.53, submitted by D.L. Elliott Enterprises, Inc. ("D.L. Elliott").

After review and discussion, Director Kimball moved to approve Pay

Estimate No. 4 in the amount of \$155,175.53 to D.L. Elliott, as recommended. Director Brooks seconded the motion, which passed unanimously.

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. 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, 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 updated the Board on the status of the pending plan reviews, service requests, and feasibility studies, as reflected in her report.

Ms. Grant stated that AEI completed review of the revised offsite private sanitary sewer plans for the development on the 9.67-acre tract located on the west side of FM 1960 between Bobcat Road and Falcon Road and provided a letter of no objection, a copy of which is attached to the engineer's report.

Ms. Grant stated that AEI completed review of the plans for the three existing buildings on the 1.345-acre Kensinger Donnelly tract and issued a plan review letter, a copy of which is attached to the engineer's report.

Ms. Grant stated that AEI received updated site and floor plans for the 6.2-acre KK Global Enterprise tract on January 8, 2023, copies of which are attached to the engineer's report. She noted that the updated plans show an increase in the number of multi-family units from 110 units to 196 units. Ms. Grant requested the

Board authorize AEI to update the feasibility study to reflect the total number of apartment units and adjust the engineering cost for the design of the public water and sanitary sewer extension, subject to receipt of development information and the required deposit. Ms. Ramirez noted that the development appears to be proceeding under a different entity and ABHR is coordinating with the new owners on a new annexation letter agreement and annexation deposit. After review and discussion, Director Kimball moved to authorize AEI to update the feasibility study, subject to receipt of the required development and entity information and deposit. Director Brooks seconded the motion, which passed unanimously.

Ms. Grant reported that the District received an inquiry from Patrick Carrigan of ALJ Engineering, on January 13, 2023, regarding potential utility service for possible development located on the 21-acre tract at the southwest corner of FB 1960 and Mills Road. She stated that AEI informed Mr. Carrigan of the District's feasibility study process, including the required deposit. Ms. Grant also noted that AEI is currently preparing a feasibility study for the same tract for another developer.

#### 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 reported that AEI received the draft wastewater treatment plant permit from the Texas Commission on Environmental Quality ("TCEQ") on February 3, 2023.

Ms. Grant updated the Board regarding the preparation of the renewal applications for the District's general operating permits related to the storage of hazardous materials for water plant no. 2, water plant no. 3, and the wastewater treatment plant.

#### APPROVE ANNEXATION LETTER AGREEMENT

There was no discussion 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

There was no discussion on this agenda item.

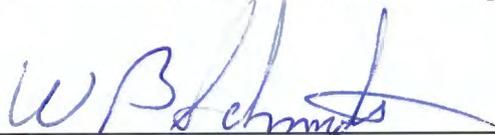
TEXAS PUBLIC INFORMATION ACT REQUESTS

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 did not convene in Executive Session.

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

  
Secretary, Board of Directors

(SEAL)



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