

MINUTES  
EMERALD FOREST UTILITY DISTRICT

May 8, 2023

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 8<sup>th</sup> day of May, 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
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; Angie Hartwell of Touchstone District Services ("Touchstone"); Maria Stripling of District Data Services, Inc. ("DDS"); Sherry Grant of Baxter & Woodman, Inc. ("B&W"); Lonnie Lee of Regional Water Corporation ("RWC"); Patty Rodriguez of Bob Leared Interests; 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 April 10, 2023, regular meeting and the April 18, 2023, and April 25, 2023, special meetings. After review and discussion, Director Kimball moved to approve the minutes of the April 10, 2023, regular meeting and the April 18, 2023, and April 25, 2023, special meetings, as submitted. Director High seconded the motion, which passed unanimously.

2023 OPERATION AND MAINTENANCE TAX ELECTION

The Board discussed the unofficial results of the 2023 Operation and Maintenance Tax Election.

## WEBSITE AND COMMUNICATION MATTERS

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

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented the monthly tax report, a copy of which is attached. She stated that 97.8% of the District's 2022 taxes were collected as of April 30, 2023. Ms. Rodriguez then reviewed the District's delinquent tax roll.

After review and discussion, 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. 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.

Ms. Sherborne reported that the new owner of the 9410 FM 1960 Road West property did not return the executed Out-of-District Service Agreement within the stated deadline. After discussion, the Board directed ABHR to notify the owner that the District will consider terminating the property's utility service on June 12, 2023, if the executed agreement is not returned prior to that date.

After review and discussion, Director High moved to approve the bookkeeper's report, the District's investments, and payment of the bills. Director Schmidt seconded the motion, which passed unanimously.

## INVESTMENT OFFICER MATTERS

### ADOPT RESOLUTION CHANGING AND APPOINTING INVESTMENT OFFICER

The Board considered adopting a Resolution Changing and Appointing Investment Officer, which designates Stephanie Viator as the District's Investment Officer. After review and discussion, Director Kimball moved to adopt the Resolution Changing and Appointing Investment Officer and direct that the Resolution be filed appropriately and filed in the District's official records. Director Schmidt seconded the motion, which passed unanimously.

APPROVE AMENDED EXHIBIT A TO DEPOSITORY PLEDGE AGREEMENTS  
("DPA")

The Board reviewed Amended Exhibits A to the District's DPAs with Stellar Bank and Central Bank, which reflect Ms. Viator as the District's Investment Officer.

After review and discussion, Director Kimball moved to approve the Amended Exhibits A to the District's DPAs with Stellar Bank and Central Bank. Director Schmidt seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") MATTERS

The Board generally discussed the Travel Reimbursement Guidelines and Director Expenses for the AWBD summer conference.

AUTHORIZE FILING OF UPDATED CRITICAL LOAD LIST

The Board considered authorizing the filing of an updated Critical Load List, which reflects the District's new retail electricity provider.

After review and discussion, Director Schmidt moved to authorize the filing of the updated Critical Load List. Director High 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 79.5%.

Mr. Lee reviewed a request from account no. 1-30-03960-03 requesting a payment plan for a high water and sewer bill in April, 2023.

After review and discussion, Director Kimball moved to (1) approve the operator's report; and (2) authorize a six-month payment plan for account no. 1-30-03960-03, plus the current month's bill as it becomes due. Director High 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 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 High seconded the motion, which passed unanimously.

#### APPROVE CONSUMER CONFIDENCE REPORT ("CCR")

The Board considered approving the 2022 CCR and authorizing RWC to distribute the CCR to District customers and file with the Texas Commission on Environmental Quality ("TCEQ"). After discussion, Director High moved to approve the CCR and authorize distribution of the CCR to District customers and filing of the certificate of delivery with the TCEQ. Director Kimball seconded the motion, which passed unanimously.

#### ENGINEERING MATTERS

Ms. Grant reviewed the engineer's report, 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 construction at Water Plant No. 3, as reflected in her report.

#### 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.

Ms. Grant stated that the temporary rental automatic transfer switch ("ATS") arrived on May 4, 2023, so the contractor remobilized to work on the remaining items that can be completed prior to the installation of the power poles. She stated that CenterPoint Energy is scheduled to install the power poles on May 29, 2023. Ms. Grant also reported that CenterPoint Energy obtained the required permit from the Texas Department of Transportation right-of-way division.

#### 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 reviewed and recommended approval of Change Order No. 3 to increase the contract in the

amount of \$28,825.00, submitted by D.L. Elliott Enterprises, Inc. Ms. Grant stated that Change Order No. 3 is for the offset of the District's proposed water line to meet the clearance requirement with the proposed storm sewer line for the Cypress Creek Distribution Center development and the installation of a 12x12-inch tapping sleeve and valve in lieu of the proposed 12-inch wet connection at Water Plant No. 3. The Board determined that Change Order No. 3 is beneficial to the District.

After review and discussion, Director Schmidt moved to approve Change Order No. 3 to increase the contract in the amount of \$28,825.00, based on the engineer's recommendation and the Board's determination that the Change Order is beneficial to the District. Director Kimball seconded the motion, which passed unanimously.

#### WATER 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.

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

Ms. Grant stated that B&W is working on providing the utility plans for Cypress North Houston Road to Kuo & Associates, as requested.

#### 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.

The Board discussed the significant delay by the contractor in completing the contract and the possible issuance of liquidated damages against the contractor. After discussion, the Board concurred to direct B&W to prepare the estimated amount of liquidated damages for the Board's review at the May 23, 2023, special meeting.

#### 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 reported that B&W is finalizing the feasibility study reports for Sueba USA Phases I and II of the multi-family and town home development located at the northwest corner of FM 1960 and Mills Road and anticipates presenting the final reports at the May special meeting.

Ms. Grant reported that B&W is finalizing the draft feasibility study report for the proposed multi-family development located at 10514 Woodedge Drive and anticipates presenting the draft report at the May special meeting.

#### CYPRESS GLEN SANITARY SEWER REPAIR PROJECT

Ms. Grant updated the Board on the status of the sanitary sewer and manhole rehabilitation project for Cypress Glen, as reflected in her report.

#### UPDATES TO EMERGENCY PREPAREDNESS PLAN ("EPP") AND EMERGENCY RESPONSE PLAN ("ERP")

Ms. Grant stated that B&W is working on updates to the District's EPP and ERP to reflect the changes in chemical treatment at the water plants.

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

There was no discussion on this agenda item.

#### OTHER ENGINEERING MATTERS

Ms. Grant reviewed the status of the draft wastewater treatment plant permit, as reflected in her report.

Ms. Grant stated that B&W completed the one-year warranty inspection for the 4-inch force main to serve lift station no. 5 project with the contractor, Scohil Construction Services, LLC, on April 26, 2023, and found no deficiencies. She stated that B&W issued a Certificate of Acceptance, a copy of which was attached to the engineer's report.

Ms. Grant stated that B&W received a request from the District's insurance agent to prepare updated estimated replacement values for the District's facilities related to preparation of the 2023 insurance renewal proposal, which B&W is preparing. Discussion ensued.

#### ENGINEERING SERVICES MATTERS

Ms. Sherborne stated that the District's engineer is now operating under their new name, Baxter & Woodman, Inc., and the District needs to update certain documents to reflect the new name.

AUTHORIZE EXECUTION OF LETTERS TO THE TCEQ AND THE ENVIRONMENTAL PROTECTION AGENCY ("EPA")

The Board considered submitting letters to the TCEQ and the EPA designating B&W as the District's agent in dealing with the TCEQ and EPA.

After review and discussion, Director Schmidt moved to authorize execution of letters to the TCEQ and the EPA designating B&W to be the District's agent in dealing with the agencies. Director High seconded the motion, which passed unanimously.

ADOPT RESOLUTION CHANGING DISTRICT OFFICE

The Board considered adopting a Resolution Changing District Office and Establishing Additional Out-of-District Meeting Place to add B&W as an additional meeting place and as an office of the District for the purposes of receiving bids on certain public works projects, administering construction contracts for such projects, receiving correspondence related to such contracts, and for the storage of the plans and specifications.

After review and discussion, Director Schmidt moved to adopt Resolution Changing District Office and Establishing Additional Out-of-District Meeting Place and direct that the Resolution be filed appropriately and retained in the District's official records. Director High seconded the motion, which passed unanimously.

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

There was no discussion on this agenda item.

TEXAS PUBLIC INFORMATION ACT REQUESTS

There was no discussion on this agenda item.

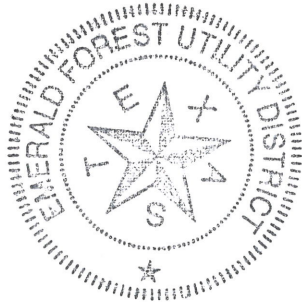
CONVENE IN EXECUTIVE SESSION TO CONSULT WITH ATTORNEY, PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

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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