

MINUTES
EMERALD FOREST UTILITY DISTRICT

September 11, 2023

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 September, 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 either in person or via telephone were Frank Donnelly and Henry Chapman of Kensinger Donnelly, Ltd.; Sean Humble of Sherrington-Humble, LLC; Greg Lentz and Jared Welsh of Masterson Advisors LLC; Angie Hartwell of Touchstone District Services; Stephanie Viator of District Data Services, Inc.; Sherry Grant of Baxter & Woodman, Inc. ("B&W"); Lonnie Lee of Regional Water Corporation ("RWC"); Patty Rodriguez of Bob Leared Interests; and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Donnelly inquired about the status of B&W's review of the revised site plan and building layouts for the three existing buildings on the 1.345-acre Kensinger Donnelly tract. Ms. Grant stated that B&W has no additional comments and should be issuing a letter of no objection that week. Mr. Lee stated that RWC will provide a tap fee letter in the next few days. He also noted that the electronic smart meters for the tract have been ordered, but there is a delay on the meters due to supply issues. Mr. Humble requested a thirty-day window to plug the private water wells once the connection to the District's water system has been made, and Ms. Grant and Mr. Lee had no objections.

APPROVE MINUTES

The Board considered approving the minutes of the August 14, 2023, regular meeting and the August 22, 2023, special meeting. After review and discussion, Director High moved to approve the minutes of the August 14, 2023, regular meeting, and the August 22, 2023, special meeting, as submitted. Director Kimball 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 the District's Drought Contingency Plan ("DCP") and water usage in the District. Ms. Hartwell noted that Stage 2 of the District's DCP has been initiated and reviewed the notice that was posted on the District's website, a copy of which is attached.

GARBAGE COLLECTION AND RECYCLING MATTERS

The Board discussed garbage collection and recycling matters in the District.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR THE FISCAL YEAR END SEPTEMBER 30, 2023

The Board considered authorizing the District's auditor to prepare the District's audit report for the fiscal year ending September 30, 2023. The Board reviewed a letter from McCall Gibson Swedlund Barfoot PLLC ("McCall"), a copy of which is attached, stating the approximate cost for preparation of the audit report is between \$14,500 and \$16,500, plus expenses. After discussion, Director High moved to authorize McCall to prepare the District's audit report for the fiscal year ending September 30, 2023. Director Kimball seconded the motion, which passed unanimously.

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Lentz reviewed a tax rate analysis, a copy of which is attached. He recommended that the Board levy a tax rate of \$0.365 per \$100 of assessed valuation to provide for the District's debt service requirements. The Board then discussed the District's operation and maintenance tax rate. Ms. Ramirez discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director High moved to (1) set the public hearing date for October 9, 2023 at 2:30 p.m.; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 9, 2023 at 2:30 p.m., to set the proposed 2023 total tax rate of \$0.615 per \$100 of assessed valuation, with \$0.365 allocated for debt service and \$0.25 allocated for operations and maintenance. Director Kimball 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 2022 taxes were collected as of August 31, 2023.

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, and reviewed a list of delinquent accounts eligible for water termination letters. After discussion, Director Schmidt moved to authorize Perdue to send letters to the District's delinquent taxpayers providing notice that the Board will consider terminating service to the delinquent taxpayers with water and sewer accounts if their respective taxes are not paid by the next regular meeting. Director Brooks seconded the motion, which passed by a vote of 4-0 with Director Kimball temporarily absent from the meeting.

After review and discussion, Director Schmidt moved to approve the tax report and payment of the tax bills. Director Brooks seconded the motion, which passed by a vote of 4-0 with Director Kimball temporarily absent from the meeting.

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

ADOPT BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2024

Ms. Viator reviewed the draft budget for the fiscal year ending September 30, 2024, a copy of which is attached to the bookkeeper's report. She noted a revision to the operation and maintenance tax revenue line item.

After review and discussion, Director Kimball moved to adopt the budget for the fiscal year ending September 30, 2024, revised as discussed. 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 92.6%.

Mr. Lee reviewed a request from account no. 1-30-07515-00 requesting an adjustment to high water and sewer bill in August, 2023 due to an irrigation system leak. He noted that the leak did not appear to pass through the District's sanitary sewer system.

After review and discussion, Director Schmidt moved to (1) approve the operator's report; and (2) credit the excess sewer charge for account no. 1-30-07515-00 and authorize a three-month payment plan, 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 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 High seconded the motion, which passed unanimously.

AUTHORIZE PREPARATION OF BOND APPLICATION

The Board considered authorizing B&W to prepare the District's next bond application. After discussion, Director Schmidt moved to authorize B&W to prepare the District's next bond application. Director High 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 DISINFECTIION CONVERSION

Ms. Grant stated there was no update on the status of the North Harris County Regional Water Authority's ("NHCRWA") construction at Water Plant No. 3.

Ms. Grant stated that RWC is continuing to conduct the preliminary water sampling in connection with the potential utilization of a phosphate treatment system at Water Plant No. 3.

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 stated that the delivery of the permanent automatic transfer switch was scheduled for September 1, 2023, but delivery has been delayed. Ms. Grant reviewed and recommended approval of Pay Estimate No. 12 in the amount of \$48,637.81, submitted by Persons Services Corporation (“Persons”).

After review and discussion, Director Schmidt moved to approve Pay Estimate No. 12 in the amount of \$48,637.81 to Persons, as recommended. Director High seconded the motion, which passed unanimously.

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

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, 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. Ms. Grant reviewed and recommended approval of the Certificate of Acceptance. After review and discussion, Director Schmidt moved to authorize execution of the Certificate of Acceptance. 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 the pending plan reviews, service requests, and feasibility studies, as reflected in her report.

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. She stated that she anticipates providing the draft updated EPP and ERP to the Board and consultants for review this month.

DEEDS, EASEMENTS, AND/OR CONSENTS TO ENCROACHMENT

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Ms. Grant stated that the District has not received a response from the Texas Commission on Environmental Quality to the District's response letter regarding the letter the District received regarding the failure to submit compliance documentation for a Notice of Violation Letter dated September 9, 2019.

Ms. Grant stated that B&W has begun work on the first step of the service line inventory for the Lead and Copper Rule compliance program.

Ms. Grant stated that the one-year warranty inspection for the public water line upsizing project to serve the Republic Business Center tract has been scheduled with the contractor, Aranda Industries, LLC, for September 12, 2023.

APPROVE ANNEXATION AGREEMENT

There was no discussion on this agenda item.

APPROVE DEVELOPMENT FINANCING AGREEMENT

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.

W B Schmitt
Secretary, Board of Directors

(SEAL)



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