

MINUTES
EMERALD FOREST UTILITY DISTRICT

August 12, 2024

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 12th day of August, 2024, 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 except Director Brooks, thus constituting a quorum.

Also present at the meeting either in person or on the telephone were Danny Way, member of the public; Greg Lentz of Masterson Advisors LLC; Jack Baber of Lexington Associates; Danae Dehoyos of Touchstone District Services; Luly Stripling of District Data Services, Inc.; Sherry Grant of Baxter & Woodman, Inc. ("B&W"); Lonnie Lee of Regional Water Corporation ("RWC"); Debbie Arellano of Bob Leared Interests; and Katie Sherborne and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the July 23, 2024, regular meeting. After review and discussion, Director Schmidt moved to approve the minutes of the July 23, 2024, regular meeting, as submitted. Director Kimball seconded the motion, which passed unanimously.

WEBSITE AND COMMUNICATION MATTERS

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

PUBLIC COMMENTS

Mr. Way stated that he has not yet received instructions on how to connect to the District's system and inquired when he would be receiving the information from B&W.

ENGINEERING MATTERS

Ms. Grant addressed the delay in sending the instructions and stated that she will send communication to the remaining participants regarding the steps necessary to connect to the District's water and sanitary sewer system no later than the following morning.

GARBAGE COLLECTION AND RECYCLING MATTERS

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

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Arellano presented the monthly tax report, a copy of which is attached. She stated that 98.5% of the District's 2023 taxes were collected as of July 31, 2024. Ms. Arellano 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 High seconded the motion, which passed unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

The Board discussed the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2024 tax year.

After review and discussion, Director Schmidt moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developing District for the 2024 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Kimball 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 High moved to approve the bookkeeper's report and payment of the bills. Director Dillard seconded the motion, which passed unanimously.

The Board discussed the request to reimburse Montco Lots, LLC out of surplus water and sewer revenue in exchange for foregoing developer interest. After review and discussion, Director High moved to proceed with the reimbursement from surplus water and sewer revenue and authorize the District's auditor, McCall Gibson Swedlund

Barfoot PLLC, to prepare a developer reimbursement report. Director Kimball seconded the motion, which passed unanimously.

BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2025

Ms. Stripling reviewed the draft budget for the fiscal year ending September 30, 2025, a copy of which is attached to the bookkeeper's report. After review and discussion, the Board deferred approval of the draft budget, pending additional review by the Board.

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 91.1%.

The Board reviewed correspondence from customer regarding late fees, a copy of which is attached. The Board reviewed RWC's response and discussed RWC's procedures for processing payments received through the mail.

In response to an inquiry from the Board, Mr. Lee reported that the service line inventory for Lead and Copper Rule Compliance has been completed and will be submitted to the Texas Commission on Environmental Quality ("TCEQ") ahead of the October deadline.

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

UPDATE ON PREPARATION OF BOND APPLICATION

Ms. Grant updated the Board on the preparation of the District's bond application, as reflected in her report.

ENGINEERING MATTERS (CONT'D)

Ms. Grant reviewed the engineer's report, a copy of which is attached.

CYPRESS NORTH HOUSTON ROAD (LOUEDD ROAD) WIDENING

There was no discussion on this agenda item.

FEASIBILITY STUDIES, PLAN REVIEWS, AND SERVICE REQUESTS

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

Ms. Grant stated that B&W is preparing plan review letters for the revised plans for the individual grease traps for the two individual buildings on the 1.345-acre Kensinger-Donnelly tract.

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. She reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$56,089.44, submitted by Texas Pride Utilities, LLC ("TPU").

After review and discussion, Director High moved to approve Pay Estimate No. 4 in the amount of \$56,089.44 to TPU, as recommended. Director Schmidt seconded the motion, which passed unanimously.

UPDATE REGARDING REQUEST FOR EXCEPTION FROM THE TCEQ

Ms. Grant updated the Board on the preparation of the items requested in the TCEQ response letter regarding the District's exception request for the missing documentation for water well no. 2.

DEEDS, EASEMENTS, AND/OR CONSENTS TO ENCROACHMENT

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Ms. Grant updated the Board on the status of the District's variance request from the City of Houston regarding the waterline loop requirement for the FM 1960 water and sanitary sewer extension project.

Ms. Grant stated that the contractor completed all of the punchlist items noted during the one-year warranty inspection for the lift station no. 5 project, and B&W issued an acceptance certificate, a copy of which is attached to the engineer's report.

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

Ms. Sherborne stated that the proposed Third Addendum to Water Supply and Waste Disposal Contract with Cy-Fair ISD was provided to B&W for review that morning.

THIRD AMENDMENT TO EMERGENCY WATER SUPPLY AGREEMENT WITH REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

The Board concurred to remove this item from the agenda.

ATTORNEY'S REPORT

Ms. Sherborne stated that she informed the developer of 7C Jones, LLC that the District would be unable to provide service to the 7C Jones tract. She stated that the developer has requested the District reimbursement the annexation deposit in the amount of \$20,000. After discussion, Director Dillard moved to reimburse the annexation deposit in the amount of \$20,000. Director High seconded the motion, which passed unanimously.

Ms. Sherborne updated the Board on the status of the replacement check for T. Gray Utility & Rehab Co., LLC ("T. Gray"), noting that ABHR has had difficulty verifying an eligible employee of T. Gray to receive the check.

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

(SEAL)




Secretary, Board of Directors

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