

MINUTES
EMERALD FOREST UTILITY DISTRICT

October 9, 2023

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 9th day of October, 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 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 and Scott Barr of Regional Water Corporation ("RWC"); Patty Rodriguez of Bob Leared Interests ("BLI"); and Katie Sherborne and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There was no discussion on this agenda item.

APPROVE MINUTES

The Board considered approving the minutes of the September 11, 2023, regular meeting and the September 26, 2023, special meeting. After review and discussion, Director High moved to approve the minutes of the September 11, 2023, regular meeting and the September 26, 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 requested that the Stage 2 drought conditions website notice be updated to reflect that the District has returned to Stage 1 drought conditions. The Board also directed Touchstone to post a website article regarding items that should not be flushed into the District's sanitary sewer system.

GARBAGE COLLECTION AND RECYCLING MATTERS

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

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Sherborne stated that BLI published a Notice of Public Hearing stating that the District anticipates levying a total tax rate of \$0.615 per \$100 of assessed valuation. Director Dillard opened the public hearing. No members of the public came forward to make comments. Director Dillard then closed the public hearing.

Ms. Sherborne reviewed an Order Levying Taxes for 2023 reflecting a total tax rate of \$0.615 per \$100 of assessed valuation, consisting of \$0.365 for debt service and \$0.25 for maintenance and operations. She then reviewed an Amendment to Information Form reflecting the 2023 tax rate.

After review and discussion, Director Kimball moved to adopt the Order Levying Taxes, authorize execution of the Amendment to Information Form, and direct that the Order and the Amendment be filed appropriately and retained in the District's official records. Director Schmidt 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 99.02% of the District's 2022 taxes were collected as of September 30, 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. The Board then conducted a hearing on the termination of water and sewer service to delinquent tax accounts receiving written notice of possible service termination. After discussion, Director Schmidt moved that because the taxpayers on the list were neither present at the meeting nor had presented any written statement on the matter nor had presented adequate documentation to Perdue justifying non-payment of taxes, water and sewer service for said accounts would be terminated in accordance with the District's Rate Order. Director Kimball seconded the motion, which passed unanimously.

After review and discussion, 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. 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. She also requested the Board approve check no. 5009 in the amount of \$2,500.00, payable to OmniCap Group, LLC, check no. 5010 in the amount of \$2,256.78, payable to Republic Services, and check no. 5011 in the amount of \$40,297.09, payable to T. Gray Utility & Rehab Co., LLC ("T. Gray").

After review and discussion, Director Schmidt moved to approve the bookkeeper's report and payment of the bills, including check nos. 5009-5011 as detailed above. 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 91.2%.

Mr. Lee stated that due to the success of the pilot program for the pulsed-hydraulics mixing ("PHM") system, he is requesting the Board approve the purchase and installation of a permanent PHM system for the onsite lift well at the wastewater treatment plant in the amount of \$23,800.00.

After review and discussion, Director Schmidt moved to (1) approve the operator's report; and (2) authorize the purchase and installation of a permanent PHM system at the onsite lift well in the amount of \$23,800.00. Director High seconded the motion, which passed unanimously.

Mr. Lee reviewed correspondence between RWC and the property manager of The Abbey at Jones Road located at 10802 Green Creek Drive, a copy of which is attached. He stated that the account is currently on the delinquent list and there is an outstanding balance in the amount of \$37,157.07. After review and discussion, Director Dillard moved to authorize RWC to offer up to a six-month payment plan, plus the current month's bill as it becomes due. Director Brooks seconded the motion, which passed by a vote of 4-1 with Director High opposed.

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.

ADOPT RESOLUTION APPROVING SUBMITTAL OF THE WATER SMART APPLICATION FOR INCLUSION IN THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WATER SMART PARTNERS PROGRAM

Mr. Lee stated that, after further review, it appears that the District does not qualify for the AWBD Water Smart Program at this time.

UPDATE ON PREPARATION OF BOND APPLICATION

Ms. Grant updated the Board on the preparation of the District's bond application.

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 reported that the one-year warranty period for the work conducted inside the District's water plants will end on October 26, 2023 and the one-year warranty inspection is scheduled for the following week.

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 contractor is still working on the punch list items. Ms. Grant 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. 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 reviewed and recommended approval of Pay Estimate No. 15 and Final in the amount of \$40,297.09, submitted by T. Gray. She noted that the pay estimate includes liquidated damages, as previously authorized by the Board.

After review and discussion, Director High moved to approve Pay Estimate No. 15 and Final in the amount of \$40,297.09 to T. Gray, as recommended. Director Kimball seconded the motion, which passed unanimously.

The Board directed DDS to hold the check to T. Gray, pending T. Gray's written acceptance of the total amount of the pay estimate.

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 Cypress Glen sanitary sewer and manhole rehabilitation project, as reflected in her report. She requested the Board authorize advertisement for bids for the project.

After review and discussion, Director High moved to authorize advertisement for bids for the Cypress Glen sanitary sewer and manhole rehabilitation project. Director Kimball seconded the motion, which passed unanimously.

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 during the week of October 16, 2023.

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 met with RWC on September 27, 2023, to discuss preparation of the service line inventory for the Lead and Copper Rule compliance program.

Ms. Grant stated that after the last meeting, Director High provided additional information related to the Jones Road SuperFund site. She reviewed an exhibit of the Jones Road ground water plume boundary generated from the Environmental Protection Agency ("EPA") website, a copy of which is attached to the engineer's report. Ms. Grant noted that the 7C Jones LLC tract and the Texas Quality Plumbing tract are both located within that boundary. She stated that B&W discussed the situation with Robert Appelt of the EPA on October 3, 2023, and Mr. Appelt confirmed that those properties fall within the boundary of the EPA's water supply agreement with White Oak Bend Municipal Utility District. Ms. Grant stated that the EPA expressed interest in attending a future Board meeting to discuss the District providing water service to the area and potentially partially funding the costs associated with such service. Discussion ensued. The Board requested that B&W invite Mr. Appelt to attend the Board's October 24, 2023, special meeting, if possible.

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.


Secretary, Board of Directors

(SEAL)



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