

MINUTES
EMERALD FOREST UTILITY DISTRICT

June 10, 2024

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 10th day of June, 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 were Jack Baber of Lexington Associates; Christie Leighton of Best Trash LLC; Danae Dehoyos 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"); Debbie Arellano of Bob Leared Interests; 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 May 13, 2024, regular meeting and the May 28, 2024, special meeting. After review and discussion, Director High moved to approve the minutes of the May 13, 2024, regular meeting and the May 28, 2024, special meeting, as submitted. Director Schmidt seconded the motion, which passed unanimously.

WEBSITE AND COMMUNICATION MATTERS

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

GARBAGE COLLECTION AND RECYCLING MATTERS

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

Ms. Leighton reviewed a letter from Best Trash reflecting the annual Consumer Price Index (“CPI”) adjustment in the District’s monthly rate for garbage and recycling services, a copy of which is attached. She stated that the CPI price adjustment will increase the District’s garbage and recycling rate to \$18.21 per month per residence, effective as of the June billing cycle.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Arellano presented the monthly tax report, a copy of which is attached. She stated that 98.0% of the District’s 2023 taxes were collected as of May 31, 2024. Ms. Arellano then reviewed the District’s delinquent tax roll. She also reported that the District’s 2024 preliminary assessed value is approximately \$765 million.

The Board reviewed the delinquent tax report provided by Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached.

After review and discussion, Director Schmidt moved to approve the tax report and payment of the tax bills. Director High seconded the motion, which passed unanimously.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing the District’s delinquent tax attorney to proceed with the collection of the 2023 delinquent tax accounts as of July 1, 2024. After review and discussion, Director Schmidt moved to authorize the delinquent tax attorney to proceed with collection of the 2023 delinquent taxes. Director High seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT’S INSURANCE POLICIES

The Board deferred this agenda item, pending receipt of an insurance renewal proposal from Arthur J. Gallagher & Co.

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.

Ms. Viator reported that the 2023 annual payment in lieu of taxes was paid for the property located at 9410 FM 1960 West.

Ms. Viator reported that the District was refunded the full amount of the fraudulently endorsed and cashed check that was originally sent to T. Gray Utility &

Rehab Co., LLC in September, 2022. Ms. Ramirez stated that ABHR is confirming the correct payee for the replacement check.

After review and discussion, Director High moved to approve the bookkeeper's report and payment of the bills. 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 87.6%.

Mr. Lee discussed the upcoming lead and copper sampling, including challenges with getting resident cooperation on returning the samples. After discussion, Director Dillard moved to authorize RWC to offer residents a \$20 credit on their utility bill for successfully completing the lead and copper sampling. Director Schmidt seconded the motion, which passed unanimously.

After review and discussion, Director High moved to approve the operator's report. Director Kimball 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 Kimball 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.

Ms. Ramirez stated that National Property Holdings has requested that the District survey the detention ponds serving the Republic Business Center tract in order

to convey the land to the District for future reimbursement. After discussion, the Board concurred to survey of the detention ponds that are determined by the engineer to be public and eligible for reimbursement pursuant to the financing agreement.

ENGINEERING MATTERS

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 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 B&W completed review of the plans for the individual grease traps for the two individual buildings on the 1.345-acre Kensinger-Donnelly tract and provided plan review letters, copies of which are attached to the engineer's report.

Ms. Grant stated that B&W received a request from the owner of 7 Day Tire & Wheel located at 12026 Jones Road for a tap for a fire sprinkler line. She stated that she informed the owner about the District's plan review process, including the required deposit.

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. 2 in the amount of \$65,900.52, submitted by Texas Pride Utilities, LLC ("TPU").

After review and discussion, Director High moved to approve Pay Estimate No. 2 in the amount of \$65,900.52 to TPU, as recommended. Director Schmidt seconded the motion, which passed unanimously.

UPDATE REGARDING REQUEST FOR EXCEPTION FROM THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ")

Ms. Grant stated that the District has not received a response from the TCEQ 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 one-year warranty inspection for the FM 1960 water and sanitary sewer extension project was conducted on May 28, 2024, and B&W prepared a punchlist, a copy of which is attached to the engineer's report. She noted that one manhole was inaccessible due to a vehicle parked on the manhole cover.

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. Ramirez updated the Board on the preparation of the proposed Third Addendum to Water Supply and Waste Disposal Contract with Cy-Fair ISD, which will include a provision to change the billing rates from single-family residential rates to the District's nontaxable user fee rates.

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

There was no discussion on this agenda item.

ATTORNEY'S REPORT

The Board reviewed correspondence from the Harris County Public Health Department ("HCPH"), a copy of which is attached, requesting to present to the Board regarding participation in a wastewater surveillance program. After discussion, the Board declined to receive a presentation from HCPH.

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Website and communication report.....	1
CPI letter from Best Trash, LLC	2
Tax assessor/collector's report.....	2
Delinquent tax report provided by Perdue.....	2
Bookkeeper's report.....	2
Operations report.....	3
Engineer's report.....	4
Correspondence from the Harris County Public Health Department	5