

MINUTES  
EMERALD FOREST UTILITY DISTRICT

March 13, 2023

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 13<sup>th</sup> day of March, 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/Investment Officer
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 in person or on the telephone were Marcus Tamez of T. Gray Utility & Rehab Co., LLC ("T. Gray"); Simon VanDyk, Angie Hartwell, and Trisha Manning of Touchstone District Services; Stephanie Viator and Maria Stripling of District Data Services, Inc. ("DDS"); Lonnie Lee of Regional Water Corporation ("RWC"); Patty Rodriguez of Bob Leared Interests; Sherry Grant of AEI Engineering, a Baxter & Woodman Company ("AEI"); 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 February 13, 2023, regular meeting and the February 28, 2023, special meeting. Director Dillard noted a revision to page no. 3 of the February 13, 2023, regular meeting minutes. After review and discussion, Director Brooks moved to approve the minutes of the February 13, 2023, regular meeting, as revised, and the February 28, 2023, special meeting, as submitted. Director Dillard seconded the motion, which passed unanimously.

2023 OPERATION AND MAINTENANCE TAX ELECTION MATTERS

Ms. Hartwell and Mr. VanDyk updated the Board on the status of the 2023 Operation and Maintenance Tax Election. The Board discussed the schedule for the Town Hall meeting and concurred to schedule the Town Hall meeting on April 18, 2023 from 6 p.m. - 8 p.m.

## 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 96.9% of the District's 2022 taxes were collected as of the end of February. 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 Brandon"), a copy of which is attached. The Board discussed the delinquent tax account for 10410 Greencreek Drive. After discussion, the Board directed Perdue Brandon to file suit on the account.

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.

## REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2013 REFUNDING BONDS

The Board reviewed an Interim Excess Earnings Report on the District's Series 2013 Refunding Bonds prepared by OmniCap Group, LLC. Ms. Ramirez noted that the report states that no arbitrage payments are due to the Internal Revenue Service.

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

## APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME

The Board considered approving the Annual Report updating the District's financial and operating data in accordance with the continuing disclosure agreements contained in the resolutions authorizing issuance of the District's bonds and SEC Rule 15c2-12. After review and discussion, Director Schmidt moved to approve the Annual Report and to authorize filing with the information depositories in accordance with the District's agreements in the resolutions authorizing issuance of the District's bonds and pursuant to SEC Rule 15c2-12. Director High seconded the motion, which passed unanimously.

## ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Ramirez reviewed the District's procedures for continuing disclosure compliance. She stated that no changes are required at this time.

## 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 88.9%.

Mr. Lee reported that during the prior billing cycle there was one excursion at the wastewater treatment plant due to low ph levels. He stated that it was reported to the Texas Commission on Environmental Quality ("TCEQ") as required.

Mr. Lee reported that the alkalinity and ph levels at the District's wastewater treatment plant have improved since RWC began treating the plant with magnesium hydroxide. He stated that RWC is moving forward with the installation of the permanent magnesium hydroxide system, as approved by the Board at the previous special meeting.

Mr. Lee reviewed a request from account no. 1-30-01420-00 requesting a leak adjustment for a high water and sewer bills in January and February, 2023, due to a faucet leak.

Mr. Lee updated the Board on the status of installation of the District's smart meters.

After review and discussion, Director High moved to (1) approve the operator's report; and (2) deny the request for a bill adjustment, but authorize a three-month payment plan for account no. 1-30-01420-00, plus the current month's bill as it becomes due. Director Schmidt seconded the motion, which passed unanimously.

## ADOPT RESOLUTION APPROVING SUBMITTAL OF THE WATER SMART APPLICATION FOR INCLUSION IN THE ASSOCIATION OF WATER BOARD DIRECTORS WATER SMART PARTNERS PROGRAM

The Board tabled this agenda item.

## 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.

#### FINANCIAL AND BOOKKEEPING MATTERS (CONT'D)

Mr. Tamez introduced himself and reported that T. Gray never received payment for Pay Estimate No. 11, which was approved in September 2022. Ms. Viator stated that it appears someone intercepted the check and was able to cash it at a different bank than either the District's bank or T. Gray's bank. Mr. Tamez stated that he is the only authorized signatory for checks received by T. Gray, but the check that was cashed had been endorsed by an unknown person. He requested the Board reissue a check for Pay Estimate No. 11. Ms. Viator stated that since the check was not altered in any way, the District's bank will probably not take responsibility but DDS can file a fraud affidavit with the District's bank in order to start an investigation. In response to an inquiry from the Board, Ms. Sherborne stated that the bank that cashed the check is most likely the liable party. The Board concurred to table further discussion until Executive Session.

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

The Board convened in Executive Session at 3:51 p.m. pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with their attorney to discuss pending or contemplated litigation or a settlement offer. Ms. Sherborne and Ms. Ramirez also were present.

#### RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 3:58 p.m.

#### FINANCIAL AND BOOKKEEPING MATTERS (CONT'D)

After discussion, the Board directed DDS to file a fraud claim with the District's bank. The Board took no action on Mr. Tamez's request to reissue payment for Pay Estimate No. 11 at this time.

#### REVIEW CRITICAL LOAD SPREADSHEET

The Board reviewed the Critical Load Spreadsheet and considered authorizing the annual filing with all appropriate entities. After discussion, Director Schmidt moved to

authorize the annual filing of the Critical Load Spreadsheet. Director Kimball seconded the motion, which passed unanimously.

#### ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Ms. Ramirez discussed the District's Drought Contingency Plan and stated that no changes are recommended at this time.

#### REVIEW EMERGENCY PREPAREDNESS PLAN ("EPP") AND AUTHORIZE FILING OF UPDATES, IF NECESSARY

Ms. Ramirez discussed the District's EPP and requirements to file any updates with the TCEQ. She said the District is required to update the information listed in the EPP and submit the updated pages to the TCEQ and other required entities. After discussion, Director Schmidt moved to authorize AEI to update the necessary information and submit the updated EPP to all required entities. Director High seconded the motion, which passed unanimously.

#### ENGINEERING MATTERS

Ms. Grant reviewed the report regarding the status of engineering projects in the District, 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 ("NHCRWA") 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 alternate supplier for the automatic transfer switch ("ATS") did not meet project specifications, so the AEI did not approve the ATS for installation. She stated that AEI is waiting for an updated delivery date from the contractor for the original ATS supplier. She reminded the Board that the contractor previously provided a cost estimate for a rental generator in the amount of \$33,490.00 per month. Discussion ensued, and the Board took no action.

#### 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 then reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$17,222.32, submitted by D.L. Elliott Enterprises, Inc. ("D.L. Elliott").

After review and discussion, Director Kimball moved to approve Pay Estimate No. 5 in the amount of \$17,222.32 to D.L. Elliott, as recommended. Director Schmidt 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

There was no discussion on this matter.

#### 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 then reviewed and recommended approval of Pay Estimate No. 14 in the amount of \$31,671.00, submitted by T. Gray.

After review and discussion, Director Kimball moved to approve Pay Estimate No. 14 in the amount of \$31,671.00 to T. Gray, as recommended. Director Schmidt 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.

Ms. Grant stated that AEI received comments back from the property owner's engineer, Sean Humble of Sherrington-Humble, LLC, on AEI's plan review letter for the three existing buildings on the 1.345-acre Kensinger Donnelly tract. In response to AEI's request for plumbing plans, Mr. Humble stated that since the commercial property is existing, there are no plumbing plans available and inquired if an on-site inspection with RWC would be sufficient to satisfy the requirement. Ms. Grant stated that if Mr. Humble is able to provide a building layout/floor plan, an on-site inspection by RWC should be sufficient. After discussion, the Board concurred with Ms. Grant's recommendation.

Ms. Grant stated that the District has not yet received the required deposit for the proposed build-out of a Sleepy's Po-Boy located at 10922 Cypress Creek Parkway, Suite A, but she stated that AEI has received numerous communications from various representatives of the build-out regarding the District's plan review requirements. After discussion, the Board directed AEI to not complete any additional work regarding the plans for the proposed build-out until the required deposit has been received.

#### CYPRESS GLEN SANITARY SEWER REPAIR PROJECT

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

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

There was no discussion on this agenda item.

#### OTHER ENGINEERING MATTERS

Ms. Grant reported that AEI provided comments to the TCEQ on the draft wastewater treatment plant permit on February 10, 2023.

Ms. Grant reported that the District's general operating permits related to the storage of hazardous materials for water plant no. 2, water plant no. 3, and the wastewater treatment plant have been issued by Harris County on March 8, 2023. She stated that the new permits expire on March 8, 2024.

Ms. Grant requested the Board authorize AEI to update the District's Emergency Response Plan to reflect the changes in chemical treatment at the water plants, in addition to the updating of the District's EPP. After review and discussion, Director Kimball moved to authorize AEI to update the District's Emergency Response Plan. Director Schmidt seconded the motion, which passed unanimously.

#### APPROVE AGREEMENT FOR MAINTENANCE BOND AND WARRANTY

Ms. Ramirez reviewed an Agreement for Maintenance Bond and Warranty with Aranda, detailing the terms regarding the extended warranty for the deficient section of sanitary sewer line. After review and discussion, Director Schmidt moved to approve the Agreement for Maintenance Bond and Warranty with Aranda and direct that it be filed appropriately and retained in the District's official records. Director High seconded the motion, which passed unanimously.

APPROVE ANNEXATION LETTER AGREEMENT

There was no discussion on this agenda item.

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.

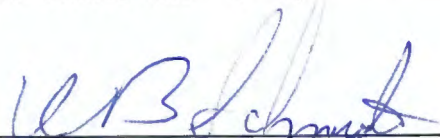
TEXAS PUBLIC INFORMATION ACT REQUESTS

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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