

MINUTES
EMERALD FOREST UTILITY DISTRICT

November 11, 2024

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 November, 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 Schmidt, thus constituting a quorum.

Also present at the meeting were Grant Rexrode and Kent Carlson of Alliance Industrial Company ("Alliance"); Joe Flint of Langan Engineering; Danae Dehoyos of Touchstone District Services; Luly Stripling of District Data Services, Inc.; Robel Giackero of Baxter & Woodman, Inc. ("B&W"); Lonnie Lee of Regional Water Corporation ("RWC"); Debbie Arellano of Bob Leared Interests; and Katie Sherborne, Jennifer Ramirez, and Kathryn Easey of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

ENGINEERING MATTERS

Mr. Giackero presented the draft feasibility study report for the proposed warehouse development on the approximately 11.7-acre tract located near the southeast corner of Barely Lane and Rowood Lane, outside the boundaries of the District, a copy of which is attached. He estimated that the usage for the development is 7,920 gallons per day for water and 5,500 gallons per day for wastewater. Mr. Giackero noted that the District appears to have sufficient water and sanitary sewer capacity to serve the proposed development. He reported that the District does not have public utility lines in the vicinity of the tract so the construction of water and sanitary sewer lines will be necessary to serve the tract.

In response to an inquiry from the Board, Mr. Carlson stated that Alliance has discussed the acquisition of easements on the undeveloped tract owned by Montco Lots,

LLC and the owner of the tract is amenable to granting water line and sanitary sewer easements. Discussion ensued regarding the required width of the water line and sewer easements. Mr. Carlson inquired if the Board would be willing to request a variance from the City of Houston to allow a 10-foot water line easement instead of a 20-foot water line easement. Mr. Giackero stated that, due to the limited accessibility of the easement area, he would recommend that the Board require the full 20-foot water line easement. After discussion, the Board concurred to require the full 20-foot water line easement, as recommended.

After review and discussion, Director Dillard moved to approve the feasibility study, subject to finalization. Director High seconded the motion, which passed unanimously.

APPROVE MINUTES

The Board considered approving the minutes of the October 14, 2024, regular meeting, the October 22, 2024, special meeting, and the October 29, 2024, special meeting. After review and discussion, Director High moved to approve the minutes of the October 14, 2024, regular meeting, the October 22, 2024, special meeting, and the October 29, 2024, special meeting, as submitted. Director Brooks seconded the motion, which passed unanimously.

REORGANIZE THE BOARD AND ELECT OFFICERS

The Board tabled discussed on this agenda item.

AUTHORIZE FILING OF DISTRICT REGISTRATION FORM WITH TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ")

The Board tabled discussion on this agenda item.

WEBSITE AND COMMUNICATION MATTERS

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

GARBAGE COLLECTION MATTERS

The Board discussed garbage collection matters in the District. Ms. Sherborne stated that Best Trash provided a holiday schedule for garbage collection for distribution to the residents of Woodedge Village, a copy of which is attached. After discussion, the Board concurred to distribute the holiday schedule to the residents of Woodedge Village via text message.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Arellano presented the monthly tax report, a copy of which is attached. She stated that 0.1% of the District's 2024 taxes were collected as of October 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 Brooks 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 Kimball seconded the motion, which passed by a vote of 3-0 with Director Brooks temporarily absent from the meeting.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board reviewed the District's Investment Policy to determine if any amendments were necessary. After discussion, the Board determined to make no amendments at this time. After review and discussion, Director High moved to adopt a Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Kimball seconded the motion, which passed by a vote of 3-0 with Director Brooks temporarily absent from the meeting.

RESOLUTION ESTABLISHING AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board considered adopting the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. After review and discussion, Director High moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Dillard seconded the motion, which passed by a vote of 3-0 with Director Brooks temporarily absent from the meeting.

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 79.9%. Mr. Lee stated that Accurate Meter & Supply is conducting a leak survey and testing commercial water meters.

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

ENGINEERING MATTERS

Mr. Giackero reviewed the engineer's report, a copy of which is attached.

FEASIBILITY STUDIES, PLAN REVIEWS, AND SERVICE REQUESTS

Mr. Giackero updated the Board on the status of the pending plan reviews and service requests, as reflected in his report.

Mr. Giackero stated that B&W completed review of the second set of revised plans for the individual grease traps for the two individual buildings on the 1.345-acre Kensinger-Donnelly tract and provided letters of no objection on October 30, 2024, copies of which are attached to the engineer's report.

Mr. Giackero stated that District's operator reported activity on the third building located on the 1.345-acre Kensinger-Donnelly tract on November 7, 2024, and it appears to be a tire shop.

Mr. Giackero stated that the District received a request for a will-serve letter

for a proposed tenant space in Woodedge Plaza located at 11902 Jones Road on October 23, 2024. He stated that no plumbing improvements are being proposed as the use of the tenant space is not changing. Mr. Giackero requested the Board authorize B&W to issue the will-serve letter, subject to a passing inspection by RWC. After review and discussion, the Board concurred to authorize B&W to issue a will-serve letter, subject to a passing inspection by RWC.

Mr. Giackero stated that the District received a request from Ava Byrd with Dunaway Company for a will-serve letter for a proposed expansion of Cypress Creek Fire Station No. 24 ("Station 24") on October 28, 2024. He stated that B&W informed Ms. Byrd of the District's plan review process, including the required deposit. Mr. Giackero stated that the deposit was submitted, so B&W is commencing with the plan review.

Director Dillard stated that he observed fire trucks at Station 24 using a fire hydrant to fill the fire trucks. Ms. Sherborne stated that, if the fire hydrant is the District's, such usage is a violation of the District's Rate Order. After discussion, the Board directed ABHR to send correspondence to Cypress Creek Fire Department regarding the fire hydrant usage. The Board also directed B&W to hold the will-serve letter until the matter has been resolved.

CYPRESS GLEN SANITARY SEWER REPAIR PROJECT

Mr. Giackero updated the Board on the status of the sanitary sewer and manhole rehabilitation project for Cypress Glen, as reflected in his report. He did not have any Pay Estimates or Change Orders from Texas Pride Utilities, LLC for the Board's approval.

UPDATE REGARDING REQUEST FOR EXCEPTION FROM TCEQ AND COMPLIANCE WITH ENFORCEMENT ORDER

Mr. Giackero 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. The Board also discussed the TCEQ enforcement order and the requirements the District must complete.

Ms. Sherborne stated that the District did not receive a response from the adjacent two landowners regarding the acquisition of the sanitary control easements. Mr. Giackero stated that B&W will proceed with preparing the exception request for the sanitary control easements.

DEEDS, EASEMENTS, AND/OR CONSENTS TO ENCROACHMENT

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Mr. Giackero reviewed a breakeven analysis for diesel and natural gas generator options for the District's facilities, a copy of which is attached to the engineer's report. After discussion, the Board directed B&W to include natural gas generators for the wastewater treatment plant and the Green Creek lift station in the bond application.

Mr. Giackero stated that B&W is updating the plans and preparing the required documents to resubmit the variance request to the City of Houston for the waterline loop requirement for the FM 1960 water and sanitary sewer extension project.

Mr. Giackero stated that B&W received surveys and sketches for the existing WHM Leasing and Mechanical 360 Air Conditioning and Heating businesses at 9960 and 9940 FM 1960. He stated that, once the owners have paid the plan review deposits, B&W will work with the owners on the steps necessary to connect to the District's water and sewer system.

UPDATE ON PREPARATION OF BOND APPLICATION

Mr. Giackero updated the Board on the preparation of the District's bond application, as reflected in his report.

ATTORNEY'S REPORT

There was no discussion on this agenda item.

DISCUSS CONTRACT FOR ENGINEERING SERVICES AND PROPOSALS FOR SAME, AND AUTHORIZE APPROPRIATE ACTION

There was no discussion on this agenda item.

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

(SEAL)




Secretary, Board of Directors

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