

MINUTES  
EMERALD FOREST UTILITY DISTRICT

February 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 12<sup>th</sup> day of February, 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, thus constituting a quorum.

Also present at the meeting were Taylor Lobb of AIMS Company; Taylor Mitcham and Andy Wilder of Creation Equity; Lon Weaver of LGE Design Build; Greg Lentz of Masterson Advisors LLC; Angie Hartwell of Touchstone District Services ("Touchstone"); Luly Stripling of District Data Services, Inc. ("DDS"); 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").

PUBLIC COMMENTS

Mr. Lobb introduced himself and requested an update on the bank's investigation into the fraudulently endorsed and cashed check that was originally sent to T. Gray Utility & Rehab Co., LLC in September, 2022. Ms. Stripling stated that DDS has not received any additional information from the bank, but she will reach out again.

Mr. Mitcham updated the Board on the status of the Cypress Creek Distribution Center development and stated that he is requesting the Board construct three utility adjustments for the project. Mr. Weaver explained that two public water line adjustments are necessary to avoid an existing power pole and the proposed location of a private storm sewer tie-in and a private water line tie-in adjustment is necessary due to the proposed location of a private storm sewer tie-in.

ENGINEERING MATTERS

Ms. Grant stated that Creation Equity is requesting the Board construct additional water line adjustments required to facilitate the construction of the private

storm sewers for the Cypress Creek Distribution Center development, at Creation Equity's expense. She stated that B&W met with representatives of Creation Equity, LGE Design Build, and Linco Construction on February 8, 2024, to discuss the proposed adjustments. Ms. Grant stated that the contractor provided exhibits of the requested public water line adjustments and private water line adjustment, copies of which are attached to the engineer's report. She stated that, subject to the Board's approval, B&W will review the revised plans and coordinate with RWC to obtain a quote to complete the adjustments. Ms. Sherborne stated that ABHR would prepare a letter agreement with the property owner for the costs associated with the water line adjustments. After review and discussion, Director Schmidt moved to (1) authorize B&W and RWC to proceed with the plan review and obtaining quotes for the construction of the utility offsets; and (2) authorize ABHR to prepare a letter agreement with the property owner for the costs associated with the water line adjustments. Director High seconded the motion, which passed unanimously.

#### APPROVE MINUTES

The Board considered approving the minutes of the January 8, 2024, regular meeting and the January 23, 2024, special meeting. After review and discussion, Director Kimball moved to approve the minutes of the January 8, 2024, regular meeting and the January 23, 2024, special meeting, as submitted. Director Schmidt seconded the motion, which passed unanimously.

#### WEBSITE AND COMMUNICATION MATTERS

Ms. Hartwell 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.

#### RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Lentz reviewed an analysis of the optional tax rate exemptions the District may offer, a copy of which is attached. He noted that the District granted a homestead exemption of \$25,000 for disabled persons or persons over 65 years of age and a 10% residential homestead exemption for the previous tax year.

The Board discussed the optional tax rate exemptions. After review and discussion, Director Schmidt moved to adopt the Resolution Concerning Exemptions From Taxation providing for the exemption from ad valorem taxation of \$25,000 of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older and 15% of the total appraised value of residential homesteads and

direct that the Resolution be filed appropriately and retained in the District's official records. Director High seconded the motion, which passed unanimously.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Arellano presented the monthly tax report, a copy of which is attached. She stated that 92.7% of the District's 2023 taxes were collected as of January 31, 2024. Ms. Arellano then reviewed the District's delinquent tax roll.

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.

The Board reviewed correspondence from the Harris Central Appraisal District ("HCAD"), a copy of which is attached, regarding the results of HCAD's election.

#### DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT SUMMER CONFERENCE

The Board considered approving reimbursement to the directors for eligible expenses incurred in attending the AWBD winter conference and authorizing attendance at the AWBD summer conference. After review and discussion, Director Kimball moved to approve reimbursement of the AWBD winter conference expenses and to authorize attendance of Board members at the AWBD summer conference. Director High 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 the following checks: check no. 5150 in the amount of \$10,655.33, payable to ABHR, check no. 2024 in the amount of \$225.00, payable to ABHR, check no. 5151 in the amount of \$202.08, payable to Darla Smith, check no. 5152 in the amount of \$202.08, payable to Sterling Real Estate Group, check no. 5153 in the amount of \$175.60, payable to Just Energy, and holding check no. 5154, payable to Just Energy.

After review and discussion, Director Schmidt moved to approve the bookkeeper's report and payment of the bills, including check nos. 5150-5154 and 2024 as detailed above. Director Kimball seconded the motion, which passed by a vote of 4-0 with Director High 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 138.9%. Mr. Lee stated that the high water accountability was due to several smart meter endpoints serving the Amazon complex not registering for several previous billing cycles.

Mr. Lee reviewed a request from account no. 1-30-05235-06 requesting a bill adjustment for a high water and sewer bill from November, 2023, due to a leaking toilet.

Mr. Lee stated that the increased sewer rate for Woodedge Village residents was inadvertently not implemented when the District's Rate Order was amended in June, 2023. He stated that RWC has received the complete list of addresses for Woodedge Village from the homeowners association and the proper sewer rate will be included in the next billing cycle.

Mr. Lee reported that a contractor, MJ Sheridan, struck the District's sanitary sewer force main at FM 1960 and Bobcat Road on January 31, 2024. He stated that the force main was repaired by February 6, 2024. He stated that RWC will send an invoice to MJ Sheridan for the total cost of the repairs.

After review and discussion, Director Schmidt moved to (1) approve the operator's report; and (2) deny the request for a bill adjustment for account no. 1-30-05235-06, but authorize RWC to offer a six-month payment plan, plus the current month's bill as it becomes due. Director Kimball seconded the motion, which passed by a vote of 4-0 with Director Brooks temporarily absent from the meeting.

## 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 by a vote of 4-0 with Director Brooks temporarily absent from the meeting.

## 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.

## SURFACE WATER, CHLORAMINE CONVERSION, AND BLEACH DISINFECTION CONVERSION

Ms. Grant stated that the District received a revised payment request and most of the missing documentation from the North Harris County Regional Water Authority ("NHCRWA") and AECOM on January 24, 2024. She stated that B&W reviewed the revised payment request and provided minor comments to the cost breakdown, a copy of which is attached to the engineer's report. Ms. Grant stated that B&W also provided comments on the proposed Utility System Conveyance document which transfers ownership of the disinfection conversion and chloramination system to the District.

After review and discussion, Director Schmidt moved to (1) approve check no. 5155 in the amount of 349,517.71 for payment to the NHCRWA; and (2) authorize execution of the Utility System Conveyance document, subject to the revisions provided by B&W. Director High seconded the motion, which passed unanimously.

## 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 sent correspondence to the owner of the 1.345-acre Kensinger-Donnelly tract regarding the District's requirement of the installation of one large grease trap sized for all three existing buildings, a copy of which is attached to the engineer's report. She stated that there has been no response from the owner. Ms. Grant also noted that the private water wells on the site still need to be plugged. After discussion, the Board requested ABHR contact the owner of the tract to discuss the delay in the installation of the grease trap and the plugging of the private water wells.

Ms. Grant stated that B&W provided the draft feasibility study for the 6.2-acre 7C Jones LLC tract to the owner on February 9, 2024 and requested comments back by February 21, 2024. She stated that B&W is working on the annexation application for the City of Houston and expects to provide it to the District's attorney by March 15, 2024.

Ms. Grant stated that B&W is working on the draft feasibility study for the proposed fire department development on the approximately 10.7-acre tract located near the southeast corner of Barely Lane and Rowood Lane, outside the boundaries of the District. She stated that she anticipates presenting the draft feasibility study at the February special meeting.

Ms. Grant stated that B&W received a request for information to complete a Harris County fire code review sheet for a proposed dental office build-out within the existing Jones Plaza shopping center located at 10860 FM 1960 Road, Suites 12 and 13. She stated that she informed the engineer for the build-out of the District's plan review process and the required deposit.

Ms. Grant stated that B&W received an inquiry from Axis Builders regarding the District's plan review process for renovations being constructed to Cypress Creek Fire Station No. 22 ("FS 22"). She stated that B&W requested Axis Builders confirm the location of the renovations, as the District does not provide service to FS 22, but B&W has not received a response.

#### 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 stated that a preconstruction meeting with the contractor was held on February 6, 2024. Ms. Grant did not have any Pay Estimates or Change Orders from Texas Pride Utilities, LLC for the Board's approval.

#### UPDATES TO EMERGENCY PREPAREDNESS PLAN ("EPP") AND EMERGENCY RESPONSE PLAN ("ERP")

Ms. Grant stated that B&W is still finalizing the ERP and EPP for filing with the appropriate entities.

#### SERVICE LINE INVENTORY FOR LEAD AND COPPER RULE COMPLIANCE

Ms. Grant updated the Board on the preparation of the service line inventory for the Lead and Copper Rule compliance program which is being prepared by RWC.

UPDATE REGARDING REQUEST FOR EXCEPTION FROM TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Ms. Grant updated the Board on the status of preparation of the 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 stated that the new Environmental Protection Agency representative assigned to the Jones Road Superfund site, Lauren Guidry-Leach, stated that she could potentially attend the District's April or May special meeting to discuss the District potentially providing water service to properties located within the Jones Road ground water plume boundary. She also stated that Ms. Guidry-Leach could attend a virtual meeting or call sooner. After discussion, the Board concurred to authorize ABHR and B&W to schedule a virtual meeting with Ms. Guidry-Leach outside of a Board meeting.

Ms. Grant updated the Board on the preparation of the general operating permit renewals related to the storage of hazardous materials for water plant no. 2, water plant no. 3, and the wastewater treatment plant.

APPROVE ANNEXATION AGREEMENT

The Board reviewed a proposed annexation letter agreement with Kopke Estates LLC. After review and discussion, Director Dillard moved to approve the annexation letter agreement with Kopke Estates LLC. Director Schmidt seconded the motion, which passed unanimously.

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

Ms. Sherborne discussed required notifications to out-of-district customers when there are changes to the utility rates in the District's Rate Order.

2024 DIRECTORS ELECTION

Ms. Sherborne explained that the Harris County Clerk notified the District that Harris County will not contract with political subdivisions, such as the District, to administer the District's May 2024 Directors Election. She stated that, as a result, the District will not contract with Harris County, as previously authorized, but instead the District will administer its own election, if required.

Ms. Sherborne discussed the option of approving exemptions from using electronic voting systems during the 2024 Directors Election. After review and discussion, Director Kimball moved to approve an exemption from the electronic voting machine requirement and to authorize ABHR to publish the required notice. Director High seconded the motion, which passed unanimously.

The Board discussed pay for election officials during the 2024 Directors Election. Following discussion, Director Kimball moved to set the pay for election officials at \$18.00 per hour. Director High seconded the motion, which passed unanimously.

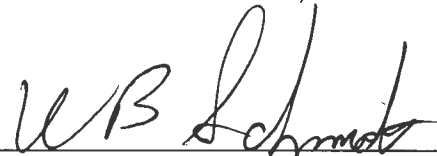
Ms. Sherborne discussed procedures related to the 2024 Directors Election. The Board considered a proposed Order Calling Directors Election for the May 4, 2024 election. Following review and discussion, Director Kimball moved to adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records. Director High seconded the motion, which passed unanimously.

Ms. Sherborne discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Harris County. After review and discussion, Director Kimball moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director High seconded the motion, which passed unanimously.

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

(SEAL)



  
Secretary, Board of Directors



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