

MINUTES
EMERALD FOREST UTILITY DISTRICT

October 14, 2024

The Board of Directors (the "Board") of Emerald Forest Utility District (the "District") met in regular session, open to the public, on the 14th day of October, 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 Dillard, thus constituting a quorum.

Also present at the meeting were 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 ("BLI"); 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 August 27, 2024, special meeting, the September 9, 2024, regular meeting, and the September 24, 2024, special meeting. After review and discussion, Director High moved to approve the minutes of the August 27, 2024, special meeting, the September 9, 2024, regular meeting, and the September 24, 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 discussed on this agenda item.

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.

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 Kimball opened the public hearing. No members of the public came forward to make comments. Director Kimball then closed the public hearing.

Ms. Sherborne reviewed an Order Levying Taxes for 2024 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.

After review and discussion, Director High moved to adopt the Order Levying Taxes and direct that the Order be filed appropriately and retained in the District's official records. Director Schmidt seconded the motion, which passed unanimously. Ms. Sherborne noted that the District does not need to authorize execution of an Amendment to Information Form as the tax rate did not change from the previously approved Amendment to Information Form.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Arellano presented the monthly tax report, a copy of which is attached. She stated that 98.78% of the District's 2023 taxes were collected as of September 30, 2024. Ms. Arellano 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 High 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 High seconded the motion, which passed unanimously.

ADOPT RESOLUTION REQUESTING APPRAISAL OF PROPERTY AND CERTIFICATE OF ESTIMATED APPRAISED VALUE

The Board discussed adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value as of October 1, 2024. After discussion, Director High moved to adopt the Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value and direct that the Resolution be filed appropriately and retained in the District's official records. Director Schmidt 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 Schmidt seconded the motion, which passed unanimously.

AUTHORIZE CASH REDEMPTION OF BONDS AND APPROVE NOTICE OF CASH REDEMPTION OF BONDS

Ms. Sherborne discussed the steps that are involved in making a cash defeasance payment, including giving notice of cash redemption of a portion of the District's Series 2016 Unlimited Tax Refunding Bonds (the "Bonds") to the paying agent. Following review and discussion, Director High moved to authorize the financial advisor and ABHR to take all steps necessary to schedule the cash defeasance payment of the Bonds in the amount of \$2,875,000 from the debt service fund and approve the related notice of cash redemption. Director Schmidt 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 91.7%.

Mr. Lee requested the Board authorize RWC to conduct additional televising on the sanitary sewer line on Ridge Run Road.

Mr. Lee reported that the SCADA systems for water well nos. 2 and 3 require replacement in the total amount of \$35,000.00.

After review and discussion, Director Schmidt moved to (1) approve the operator's report; (2) authorize RWC to conduct additional televising on the sanitary sewer line on Ridge Run Road; and (3) approve the replacement of the SCADA systems for water well nos. 2 and 3 in the total amount of \$35,000.00. 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 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.

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.

ENGINEERING MATTERS

Mr. Giackero 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 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 received a second set of revised plans for the individual grease traps for the two individual buildings on the 1.345-acre Kensinger-Donnelly tract on October 11, 2024, which B&W is reviewing.

Mr. Giackero stated that the District received the required deposit from Alliance Industrial Company and B&W is proceeding with preparation of the feasibility study for the proposed 11.7-acre proposed warehouse development, as previously authorized.

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 updated the Board on the status of acquisition of the sanitary control easements from the adjacent two landowners.

DEEDS, EASEMENTS, AND/OR CONSENTS TO ENCROACHMENT

There was no discussion on this agenda item.

OTHER ENGINEERING MATTERS

Mr. Giackero reviewed preliminary cost estimates for generator replacements at Green Creek lift station, water plant no. 3, and the wastewater treatment plants, including options for diesel and natural gas. The Board requested that B&W provide additional information regarding the diesel and natural gas generator options. Ms. Sherborne stated that Fort Bend County Municipal Utility District No. 58 ("FB 58") is selling a surplus natural gas generator that might be suitable for the Green Creek lift station. The Board requested B&W obtain additional information from FB 58 regarding the generator.

The Board discussed the to discuss the variance request to City of Houston ("City") regarding the waterline loop requirement for the FM 1960 water and sanitary sewer extension project. Mr. Giackero reminded the Board that in order to receive an approval for the variance, the City requested that the plans be revised to reflect a shortened, 8-inch line with an automatic flushing device be installed at the end of the line. Mr. Giackero also stated that the City is requiring a letter from the District accepting responsibility for the maintenance of the automatic flushing device. Discussion ensued. After discussion, the Board concurred to authorize

B&W to proceed with the plan revisions and authorize execution of a maintenance responsibility letter.

Mr. Giackero stated that B&W reviewed the plans for the renovations to Old Windfern High School and provided a plan review letter to Cy-Fair Independent School District, a copy of which is attached to the engineer's report. He also stated that the B&W provided the requested "will serve" letter, a copy of which is attached to the engineer's report.

ADOPT RESOLUTION CHANGING DISTRICT OFFICE AND ESTABLISHING ADDITIONAL OUT-OF-DISTRICT MEETING PLACE

The Board considered adopting a Resolution Changing District Office and Establishing Additional Out-of-District Meeting Place to add B&W's Katy offices as an additional meeting place and as an office of the District for the purposes of receiving bids on certain public works projects, administering construction contracts for such projects, receiving correspondence related to such contracts, and for the storage of the plans and specifications.

After review and discussion, Director Schmidt moved to adopt Resolution Changing District Office and Establishing Additional Out-of-District Meeting Place and direct that the Resolution be filed appropriately and retained in the District's official records. Director High seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

The Board discussed scheduling a special meeting to interview engineering firms. After discussion, the Board concurred to schedule a special meeting on October 29, 2024 at 10:00 a.m.

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

(SEAL)



A handwritten signature in black ink, appearing to be 'Ri', is written above a horizontal line.

Secretary, Board of Directors

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