

MINUTES  
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

March 22, 2022

The Board of Directors (the "Board") of Grand Oaks Municipal Utility District of Montgomery County (the "District"), met in person, open to the public, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, on the 22<sup>nd</sup> day of March, 2022, and the roll was called of the members of the Board:

Joel R. Scott	President
Daniel K. Signorelli	Vice President
Rick Nommensen	Secretary
Mark Nini	Assistant Vice President
Brandon Buell	Assistant Secretary

and all of the above were present except Directors Signorelli and Nini, thus constituting a quorum.

Also present at the meeting were John Hammond, a member of the public; Debbie Arellano of Bob Leared Interests ("BLI"); Doug Jeffrey of TNG Utility Corporation ("TNG"); Diego Burgos of Quiddity; Ezekiel Banda of Municipal Accounts & Consulting, L.P. ("MAC"); Perry Miller of Champions Hydro-Lawn, Inc. ("Champions"); Michelle Wong of BKD, LLP ("BKD"); Terrell Palmer of Post Oak Municipal Advisors; Barbara Nussa of Republic Services, Inc. ("Republic"); and Whitney Higgins and Veronica Seguin of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

There were no comments from the public.

MINUTES

The Board considered approving the regular meeting minutes of January 25, 2022. After review and discussion, Director Nommensen moved to approve the regular meeting minutes of January 25, 2022, as presented. Director Buell seconded the motion, which passed by unanimous vote.

APPOINTMENT OF NEW DIRECTOR

Ms. Higgins stated Director Nini has submitted his resignation from the Board of Directors. She then introduced John Hammond to the Board and stated he is interested in serving on the Board of Directors. Following discussion, Director Buell made a motion to accept the resignation of Director Nini and appoint John Hammond to the Board of Directors. Director Nommensen seconded the motion, which carried unanimously.

Ms. Higgins stated that Director Hammond must execute a Sworn Statement, Official Bond, and Oath of Office as required by the Texas Constitution and Texas Water Code. After discussion, Director Buell moved that the Board of Directors approve Director Hammond's Sworn Statement, Official Bond, and Oath of Office, and direct that they be filed and retained in the District's official records and that the Oath of Office be filed with the Secretary of State of the State of Texas. The motion was seconded by Director Nommensen, which carried unanimously.

The Board then considered reorganizing the Board. After discussion, the Board concurred to reorganize the Board as follows:

Joel R. Scott	President
Daniel K. Signorelli	Vice President
Rick Nommensen	Secretary
John Hammond	Assistant Vice President
Brandon Buell	Assistant Secretary

Ms. Higgins stated the District Registration Form must be filed with the Texas Commission on Environmental Quality ("TCEQ") to show the new slate of officers. After discussion, Director Buell made a motion to authorize ABHR to file the District Registration Form with the TCEQ. Director Nommensen seconded the motion, which carried unanimously.

Ms. Higgins next distributed and reviewed a memorandum regarding Texas Open Meetings Act and Public Information Act training requirements for Directors and encouraged Director Hammond to receive his training as soon as possible and forward his certificate of completion to ABHR for inclusion in the District's permanent records.

Ms. Higgins next reviewed with the Board legislation enacting Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. She reviewed with the Board the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District. Ms. Higgins encouraged Director Hammond to contact ABHR if assistance is needed in determining whether a conflict requires disclosure or in making a required disclosure.

#### GARBAGE COLLECTION MATTERS

Ms. Musa reported that the District has not received any inquiries or calls regarding garbage collections.

#### BOOKKEEPER'S REPORT

Mr. Banda presented the bookkeeper's report, including the investment report and bills presented for payment. A copy of the bookkeeper's report is attached. After review and discussion, Director Buell moved to approve the bookkeeper's report and payment of the bills. Director Scott seconded the motion, which passed unanimously.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Arellano distributed the tax assessor/collector's monthly report, a copy of which is attached. After review and discussion, Director Buell moved to approve the tax assessor/collector's report and the checks presented for payment. Director Scott seconded the motion, which passed unanimously.

## OPERATOR'S REPORT; HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE AND AMEND RATE ORDER

Mr. Jeffrey reviewed the operator's report, a copy of which is attached. He reported that water accountability for the previous month was 98.31%.

Mr. Jeffrey presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting, of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment.

Mr. Jeffery presented an Amendment to Contract between the District and TNG providing for an amended fee schedule for operating expenses, a copy of which is attached. The Board considered amending its Rate Order to account for and pass through the appropriate fees provided for in the Rate Order pursuant to the amended fee schedule increases.

Following review and discussion, Director Buell moved to (1) approve the operator's report; (2) adopt an Amended Rate Order, as discussed; (3) approve the Amended to Contract, as discussed; and (4) authorize termination of delinquent accounts, in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Scott seconded the motion, which passed unanimously.

## DRAINAGE AND DETENTION FACILITY MAINTENANCE MATTERS

Mr. Miller distributed the drainage and detention facility report, a copy of which is attached.

## ENGINEER'S REPORT

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

Mr. Burgos updated the Board on Glen Oaks Section 5, as detailed in the engineer's report, and recommended approval of Pay Estimate No. 2 in the amount of \$757,592.10, submitted by Kenneth Lamb Construction Co., Ltd. He also presented and recommended approval of Change Order No. 1 to increase the contract in the amount of

\$38,972.24 for additional ditch grading and inlet installation. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Burgos updated the Board on the Emergency Preparedness Plan.

Mr. Burgos updated the Board on the status of bond application no. 3, noting a draft consent order has been received from the TCEQ.

Mr. Burgos reported the Grand Oaks Homeowners Association (“HOA”) has requested the District finance certain streetlight electricity costs within the boundaries of the District as well as lift station electricity costs. He stated he is coordinating with the HOA and developer to determine the District’s appropriate pro-rata share of the costs. He stated he will bring a recommendation to the next meeting.

Following review and discussion, and based on the engineer’s recommendation, Director Scott moved to approve (1) the engineer’s report; and (2) approve the Pay Estimate and Change Order, as presented. Director Nommensen seconded the motion, which passed unanimously.

#### REPORT REGARDING DEVELOPMENT IN THE DISTRICT

There was no discussion on this item.

#### RENEWAL OF DISTRICT’S INSURANCE POLICIES

Ms. Higgins requested ratification of renewal of the District’s insurance with McDonald & Wessendorff Insurance for an annual premium of \$7,892.00. After discussion, Director Buell moved to ratify approval of renewal of the District’s insurance, as discussed. Director Scott seconded the motion, which passed unanimously.

#### SERIES 2022, UNLIMITED TAX BONDS (SUPPLEMENTAL AGENDA)

Mr. Palmer discussed the timeline and process for the sale of the District’s Series 2022, Unlimited Tax Bonds (the “Bonds”).

The Board considered adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value from Montgomery County.

The District considered authorizing the engineer to request the TCEQ inspect the facilities included in the bond application.

Mr. Palmer presented and reviewed a Preliminary Official Statement and Official Notice of Sale for the Bonds.

The Board considered engaging a rating company to preform a credit rating analysis for the Bonds, if necessary.

Mr. Palmer recommended appointing the Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the Bonds.

The Board considered authorizing advertisement for the sale of the Bonds.

The Board considered engaging the District's auditor to prepare a developer reimbursement report for the Bonds.

After review and discussion, Director Buell moved to (1) adopt a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value from Montgomery County as of April 1, 2022; (2) authorize the engineer to request the TCEQ inspection for facilities included in the bond application; (3) approve the Preliminary Official Statement and Official Notice of Sale; (4) engage a rating company to perform a credit rating analysis for the Bonds, if necessary; (5) appoint the Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar; (6) authorize advertisement for the sale of the Bonds for April 26, 2022, at 12:00 p.m.; and (7) engage the District's auditor to prepare a developer reimbursement report for the Bond sale. Director Scott seconded the motion, which passed unanimously.

DISTRICT MEETING SCHEDULE

The Board concurred to hold the next regular meeting on April 26, 2022.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)



  
Secretary, Board of Directors

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