

MINUTES
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

April 26, 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 26th day of April, 2022, and the roll was called of the members of the Board:

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

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

Also present at the meeting were Debbie Arellano of Bob Leared Interests; Doug Jeffrey of TNG Utility Corporation ("TNG"); Diego Burgos of Quiddity Engineering, LLC ("Quiddity"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; Perry Miller of Champions Hydro-Lawn, Inc. ("Champions"); Terrell Palmer of Post Oak Municipal Advisors ("Post Oak"); Barbara Nussa of Republic Services, Inc.; and David Oliver, Whitney Higgins, and Jennifer Ramirez 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 March 22, 2022. After review and discussion, Director Nommensen moved to approve the regular meeting minutes of March 22, 2022, as presented. Director Buell seconded the motion, which passed by unanimous vote.

APPOINTMENT OF NEW DIRECTOR

The Board tabled this agenda item.

SERIES 2022 UNLIMITED TAX BONDS

CONTRACT FOR DISCLOSURE COUNSEL LEGAL SERVICES AND ADOPT RESOLUTION REGARDING APPROVAL OF LEGAL SERVICES CONTRACT

The Board considered selecting an attorney to provide disclosure counsel

legal services for the District. The Board reviewed a proposed contract submitted by McCall Parkhurst & Horton LLP (“MPH”) to serve as disclosure counsel for the District. Ms. Higgins discussed requirements related to contracts for legal services entered into by governmental entities, including contingent fee contracts for disclosure counsel legal services by the District. The Board reviewed the public notice that was provided regarding consideration of MPH’s contract for today’s meeting, pursuant to Section 2254.1036, Texas Government Code. Ms. Higgins presented a written Resolution Regarding Approval of Legal Services Contract (the “Legal Services Resolution”). After review and consideration of matters related thereto, including the matters listed in Section 2254.1036(a)(1), Texas Government Code, Director Buell moved to (1) adopt the Legal Services Resolution reflecting: (i) approval of the public notice provided pursuant to Section 2254.1036, Texas Government Code; (ii) adoption of the findings and determinations provided in the public notice as the findings and determinations of the Board; (iii) the Board’s findings that the contents of the public notice and the timing and manner of the provision of the notice are in full compliance with Subchapter C, Chapter 2254, Texas Government Code; (iv) the Board’s finding that MPH is a well-qualified law firm on the basis of demonstrated competence, qualifications, and experience; and (v) approval of the contract with MPH for disclosure counsel legal services; and (2) direct that the Legal Services Resolution and the contract be filed appropriately and retained in the District’s official records. Director Nommensen seconded the motion, which passed unanimously.

REVIEW BIDS AND AWARD SALE OF THE DISTRICT’S \$3,000,000 UNLIMITED TAX BONDS, SERIES 2022 (THE “SERIES 2022 BONDS”)

The Board considered review of the bids and award of the sale of the District’s Series 2022 Bonds. Mr. Palmer reviewed a bid summary, a copy of which is attached, and read the bids received:

- (1) SAMCO Capital Markets (“SAMCO”), with a net effective interest rate of 4.225781%;
- (2) Huntington Securities, Inc., with a net effective interest rate of 4.226029%;
- (3) FMSbonds, Inc., with a net effective interest rate of 4.234031%;
- (4) BOK Financial Securities, Inc., with a net effective interest rate of 4.238404%;
- (5) Robert W. Baird & Co., Inc., with a net effective interest rate of 4.294605%;
- (6) RBC Capital Markets, with a net effective interest rate of 4.372611%; and
- (7) Hilltop Securities, with a net effective interest rate of 4.534580%.

The Board next considered award of the sale of the Series 2022 Bonds. Mr. Palmer stated that the low bid submitted by SAMCO, with a net effective interest rate of 4.225781%, had been reviewed and all numbers checked and confirmed. He recommended that the District accept the bid of SAMCO, as submitted. After review and discussion, Director Buell moved to award the sale of the Series 2022 Bonds to SAMCO, with a net effective interest rate of 4.225781%, as recommended. Director Nommensen seconded the motion, which passed unanimously.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE SERIES 2022 BONDS

The Board next considered adopting a Resolution Authorizing the Issuance of the District's Series 2022 Bonds ("Resolution"). Ms. Higgins reviewed the Resolution with the Board and explained that the document sets forth, among other items, the terms and provisions of issuance and delivery of the Series 2022 Bonds, the payment of principal and interest over the life of the Series 2022 Bonds, and certain District covenants regarding the tax-exempt status of the Series 2022 Bonds. After review and discussion, Director Buell moved to adopt the Resolution and direct that it be filed appropriately and retained in the District's official records. Director Nommensen seconded the motion, which passed unanimously.

PAYING AGENT/REGISTRAR AGREEMENT

The Board next considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Ms. Higgins stated that the Paying Agent/Registrar Agreement sets forth the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Series 2022 Bonds. After review and discussion, Director Buell moved to approve the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. and direct that the Agreement be filed appropriately and retained in the District's official records. Director Nommensen seconded the motion, which passed unanimously.

OFFICIAL STATEMENT

The Board next considered approving the Official Statement. Ms. Higgins explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates, and debt service requirements. After review and discussion, Director Buell moved to approve the Official Statement and direct that it be filed appropriately and retained in the District's official records. Director Nommensen seconded the motion, which passed unanimously.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Higgins reviewed with the Board a Certificate Regarding Provision of

Financial Advice (the "Certificate"). After review and discussion, Director Buell moved to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records. Director Nommensen seconded the motion, which passed unanimously.

EXECUTION OF DOCUMENTS RELATED TO DISTRICT'S SERIES 2022 BONDS

Ms. Higgins next explained that there will be various documents related to delivery of the Series 2022 Bonds requiring execution by the directors prior to closing. She requested that the Board authorize directors to execute documents necessary in connection with the transaction and authorize ABHR and Post Oak to take all necessary action to deliver the Series 2022 Bonds to the purchaser. After discussion, Director Buell moved to authorize execution of documents related to the sale and delivery of the Series 2022 Bonds and authorize ABHR and Post Oak to take all necessary action to deliver the Series 2022 Bonds. Director Nommensen seconded the motion, which passed unanimously.

APPROVE PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

Ms. Higgins discussed payment to the Attorney General relating to bond issue transcript review. Following discussion, Director Buell moved to approve payment to the Attorney General related to the bond issue transcript review. Director Nommensen seconded the motion, which passed unanimously.

EXECUTION OF AMENDMENT TO INFORMATION FORM

The Board considered approving the Amendment to Information Form to reflect the total amount of bonds sold by the District. After review and discussion, Director Buell moved that the Amendment to Information Form be approved and filed with the Texas Commission on Environmental Quality ("TCEQ") and with Montgomery County as required by law. Director Nommensen seconded the motion, which passed unanimously.

UPDATE FROM DISTRICT ENGINEER ON TCEQ INSPECTION OF FACILITIES

Mr. Burgos reported that Quiddity is working on scheduling the pre-purchase inspection for the necessary projects.

GARBAGE COLLECTION MATTERS

Ms. Nussa reported that the District has not received any inquiries or calls regarding garbage collections. She stated that the District's contract is up for renewal in July and the current contract provides for an annual CPI increase without a specified index. Ms. Nussa stated that she will bring a contract amendment for the Board's

consideration at the next meeting that would extend the term of the contract and specify the use of the water, sewer, and trash index for the annual CPI increase.

BOOKKEEPER'S REPORT

Ms. Garcia 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 Nommensen 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. She stated that the District's 2021 taxes were 96.3% collected as of March 31, 2022.

After review and discussion, Director Buell moved to approve the tax assessor/collector's report and the checks presented for payment. Director Hammond 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

Mr. Jeffrey reviewed the operator's report, a copy of which is attached. He reported that water accountability for the previous month was 104.76%.

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.

Following review and discussion, Director Nommensen moved to (1) approve the operator's report; and (2) 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 Hammond seconded the motion, which passed unanimously.

Mr. Jeffrey stated that the District's Identity Theft Prevention Program (the "Program") requires TNG to provide an annual report evaluating the effectiveness of the Program, significant instances of identity theft detection, and any recommendations regarding changes to the Program. He stated that the Program has been implemented, no serious incidents of identity theft or fraud have been detected, and there are no

recommendations for material changes to the Program. The Board concurred that it was not necessary to adopt a Program amendment based on TNG's report.

CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Mr. Jeffrey discussed the District's current Drought Contingency Plan. The Board concurred no changes were necessary to the current Drought Contingency Plan and took no further action.

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 construction of the water, sewer, and drainage facilities to serve Glen Oaks Section 5, as detailed in the engineer's report.

Mr. Burgos updated the Board on construction of the paving facilities to serve Glen Oaks Section 5, as detailed in the engineer's report, and recommended approval of Pay Estimates Nos. 1 and 2 in the amount of \$123,170.40 and \$588,769.88, respectively, submitted by Daco Paving, Inc. ("Daco").

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

Mr. Burgos updated the Board on the request from the Grand Oaks Homeowners Association ("HOA") that the District consider a financial contribution to cover certain streetlight electricity costs within the boundaries of the District. He stated that one of the accounts is for the District's lift station and Quiddity recommends transferring that account to the District's name. The Board concurred to transfer the lift station account to the District's name. Discussion ensued regarding the other two accounts. The Board discussed potentially contributing a set amount each year to be utilized for certain common area expenses such as the streetlights, as approved by the Board and for the public benefit. After discussion, the Board concurred to direct ABHR to begin preparation of a Joint Maintenance Agreement for consideration by the HOA and the Board.

Following review and discussion, and based on the engineer's recommendation, Director Nommensen moved to approve (1) the engineer's report; (2) approve Pay Estimates Nos. 1 and 2 in the amount of \$123,170.40 and \$588,769.88, respectively, submitted by Daco; (3) authorize ABHR and Quiddity to coordinate on the transfer of the lift station electricity account to the District's name; and (4) authorize ABHR to prepare a draft Joint Maintenance Agreement with the HOA. Director Buell seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

There was no discussion on this item.

DISTRICT MEETING SCHEDULE

The Board concurred to hold the next regular meeting on May 19, 2022.

2022 DIRECTORS ELECTION

Ms. Higgins discussed procedures related to the District's 2022 Directors Election. She reviewed an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 7, 2022, Directors Election is cancelled and that the unopposed candidate, Brandon Buell, is declared elected to office to serve from the May 7, 2022, election until the May 2, 2026, Directors Election. Following review and discussion, Director Buell moved to approve the execution of the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office, effective March 22, 2022, and direct that the Order be filed appropriately and retained in the District's official records. Director Nommensen seconded the motion, which passed unanimously.

Ms. Higgins discussed that the Board had approved entering into a contract with Montgomery County to administer the District's 2022 Directors Election. The Board considered cancelling the contract. Following review and discussion, Director Buell moved to cancel the contract with Montgomery County for election services for the 2022 Directors Election, effective as of March 22, 2022. Director Nommensen seconded the motion, which passed unanimously.

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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