

MINUTES  
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

August 23, 2022

The Board of Directors (the "Board") of Grand Oaks Municipal Utility District of Montgomery County (the "District"), met in regular session, open to the public, on the 23rd day of August, 2022, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Joel R. Scott	President
Brandon Buell	Vice President
Rick Nommensen	Secretary
John Hammond	Assistant Vice President
Jeff Inabnit	Assistant Secretary

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

Also present at the meeting were Perry Miller of Champions Hydro-Lawn, Inc.; Doug Jeffery of TNG Utility Corporation; Debbie Arellano of Bob Leared Interests; Diego Burgos of Quiddity Engineering, LLC ("Quiddity"); Cory Burton of Municipal Accounts & Consulting, L.P.; Terrell Palmer of Post Oak Municipal Advisors; and Whitney Higgins and Kathryn Blanton of Allen Boone Humphries Robinson LLP.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

MINUTES

The Board considered approving the regular meeting minutes of July 26, 2022. After review and discussion, Director Inabnit moved to approve the regular meeting minutes of July 26, 2022, as presented. Director Hammond seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Burton 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 Hammond seconded the motion, which passed unanimously.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2023

Mr. Burton reviewed a proposed budget for fiscal year end September 30, 2023, a copy of which is attached to the bookkeeper's report. He requested input from the Board and consultants on the draft budget prior to the September Board meeting.

DISCUSS 2022 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE PUBLIC NOTICE REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2022 tax rate. Mr. Palmer distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2022 water, sewer, and drainage debt service tax rate of \$0.53 per \$100 of assessed valuation, based on the District's initial 2022 certified value of \$99,178,540, plus \$5,916,655 representing 85% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Palmer discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Buell moved to (1) set the public hearing date for September 26, 2022; and (2) authorize the tax assessor/collector to publish notice in the Tomball Potpourri of the District's meeting on September 26, 2022, to set the proposed 2022 total tax rate of \$0.89 per \$100 of assessed valuation, with \$0.53 allocated for debt service on water, sewer, and drainage bonds and \$0.36 allocated for operations and maintenance. Director Hammond seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Arellano distributed the tax assessor/collector's monthly report for the previous month, including bills presented for payment and a list of delinquent tax accounts, copies of which are attached. She stated that the District's 2021 taxes were 99.043% collected as of July 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. Jeffery reviewed the operator's report, a copy of which is attached. He reported that water accountability for the previous month was 104.67%.

Mr. Jeffery 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 Inabnit 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.

#### REVIEW AND DISCUSS DROUGHT CONTINGENCY PLAN ("DCP")

Mr. Jeffery discussed the District's DCP, which follows the City of Magnolia's (the "City") DCP. He reported that the City has triggered the Stage 3 water restrictions of their DCP. He stated that he met with the City and is awaiting further guidance before triggering the District's DCP.

#### DRAINAGE AND DETENTION FACILITY MAINTENANCE MATTERS

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

Mr. Miller reported that there is graffiti on a drainage pipe and the surrounding slope paving in the District. He presented a proposal to remove the graffiti on the drainage pipe and the surrounding slope paving in the amount of \$560.00. Following review and discussion, Director Buell moved to approve the proposal to remove the graffiti from the drainage pipe and the surrounding slope paving in the amount of \$560.00, and direct that the proposal be filed appropriately and retained in the District's official records. Director Hammond seconded, the motion which passed unanimously.

#### ENGINEER'S REPORT

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

Mr. Burgos reported on the remaining punch list items for Glen Oaks, Section 3, which include work related to concrete paving and sidewalk repairs.

Mr. Burgos updated the Board on the status of construction of the water, sewer, and drainage facilities to serve Glen Oaks, Section 5, as detailed in the engineer's report. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$133,552.11, submitted by Kenneth Lamb Construction Co. Ltd. ("Kenneth Lamb").

Mr. Burgos updated the Board on the status of construction of the paving facilities to serve Glen Oaks, Section 5, as detailed in the engineer's report.

Mr. Burgos updated the Board on the Emergency Preparedness Plan ("EPP"). He stated that Quiddity originally submitted the District's EPP to the Texas Commission on

Environmental Quality ("TCEQ") on February 24, 2022, and submitted a revised EPP on July 20, 2022.

Following review and discussion, Director Buell moved to approve (1) the engineer's report; and (2) Pay Estimate No. 3 in the amount of \$133,552.11 to Kenneth Lamb, as recommended. Director Inabnit seconded the motion, which passed unanimously.

#### ENGINEERING SERVICES CONTRACT MATTERS

Mr. Burgos discussed his engineering firm's name change from Jones & Carter, Inc. ("J&C") to Quiddity Engineering, LLC. He presented a Professional Services Agreement with Quiddity. The Board considered terminating the Professional Services Agreement with J&C and entering into a Professional Services Agreement with Quiddity.

The Board also considered submitting letters to the TCEQ and the Environmental Protection Agency ("EPA") designating Quiddity as the District's agent and adopting an Amended and Restated Resolution Changing District Office reflecting Quiddity's new name for the office for the purposes of receiving bids on certain public works projects, administering construction contracts, receiving correspondence related to such contracts, and for the storage of plans and specifications.

After review and discussion, Director Inabnit moved to (1) terminate the Professional Services Agreement with J&C, subject to completion of any outstanding work under the Professional Services Agreement, if any, and approve the Professional Services Agreement with Quiddity, and direct that the Agreement be filed appropriately and retained in the District's official records; (2) authorize execution of letters to the TCEQ and the EPA designating Quiddity to be the District's agent in dealing with the agencies; and (3) adopt the Amended and Restated Resolution Changing District Office, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Buell seconded the motion, which passed unanimously.

#### GARBAGE COLLECTION MATTERS

There was no discussion on this agenda item.

#### JOINT MAINTENANCE AGREEMENT WITH THE GRAND OAKS HOMEOWNERS ASSOCIATION

There was no discussion on this item.

#### REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Burgos discussed ongoing development in the District.

DISTRICT MEETING SCHEDULE

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

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

(SEAL)



Asst.  Secretary Board of Directors

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