

MINUTES
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

September 26, 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 26th day of September, 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 Director Nommensen, thus constituting a quorum.

Also present at the meeting were Wendy Ramirez of FORVIS, LLP ("FORVIS"); 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. ("MAC"); and Whitney Higgins and Kathryn Blanton 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 August 23, 2022. After consideration, Director Buell moved to approve the regular meeting minutes of August 23, 2022, as presented. Director Hammond seconded the motion, which passed by a vote of 3-0, with Director Scott absent from the meeting.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2022

The Board considered authorizing FORVIS to proceed with preparation of the District's audit report for the fiscal year ending September 30, 2022. Ms. Ramirez reviewed an engagement letter and stated the estimated cost for the audit is \$17,400, plus \$1,000 for administrative expenses, a copy of the engagement letter is attached. Following discussion, Director Buell moved to engage FORVIS to conduct the audit for the fiscal year ending September 30, 2022, authorize execution of the engagement letter, and direct that the letter be filed appropriately and retained in the District's official

records. Director Hammond seconded the motion, which passed by a vote of 3-0, with Director Scott absent from the meeting.

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. Mr. Burton stated that check no. 6269 in the amount of \$25,000, payable to Glen Oaks/Grand Oaks Homeowners Association, will be held until the Joint Maintenance Agreement has been approved by the Board and executed by the Grand Oaks Homeowners Association (the "Grand Oaks HOA").

Director Scott entered the meeting.

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.

Mr. Burton then reviewed and requested approval of an Amended and Restated Agreement for Bookkeeping Services with MAC (the "Amended Agreement"). He stated the Amended Agreement changes the billing structure from a monthly base fee to an hourly rate structure. He reviewed the terms of the Amended Agreement and responded to questions from the Board. After review and discussion, Director Buell moved to approve the Amended Agreement and direct that the document be filed appropriately and retained in the District's official records. Director Scott seconded the motion, which passed unanimously.

ADOPT 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. After review and discussion, Director Buell moved to adopt the budget for the fiscal year end September 30, 2023. Director Hammond seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Arrellano stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2022 total tax rate of \$0.89.

The Board concurred to open the public hearing. There being no comments from the public, the Board concurred to close the public hearing.

Ms. Higgins presented an Order Levying Taxes reflecting the proposed 2022 tax rate. She then presented an Amendment to Information Form reflecting the proposed tax rate and stated that the Amendment will be filed with the Texas Commission on

Environmental Quality ("TCEQ") and recorded in the Official Public Records of Montgomery County.

After review and discussion, Director Buell moved to: (1) adopt the Order Levying Taxes reflecting a total 2022 tax rate of \$0.89 per \$100 of assessed valuation, comprised of \$0.53 to pay debt service on water, sewer, and drainage bonds, and \$0.36 for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Scott seconded the motion, which passed by unanimous vote.

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% collected as of August 31, 2022.

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

Mr. Jeffery reviewed the operator's report, a copy of which is attached. He reported that water accountability for the previous month was 104.99%.

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 Buell 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 Scott seconded the motion, which passed unanimously.

REVIEW AND DISCUSS DROUGHT CONTINGENCY PLAN ("DCP")

Mr. Jeffery reported that the City of Magnolia has rescinded the Stage 3 water restrictions of their DCP.

DRAINAGE AND DETENTION FACILITY MAINTENANCE MATTERS

The Board reviewed the drainage and detention facility maintenance report provided by Champions Hydro-Lawn, Inc., a copy of which is attached.

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.

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. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$426,070.42, submitted by Daco Paving, Inc. ("Daco").

Mr. Burgos updated the Board on the Emergency Preparedness Plan ("EPP"). He stated that Quiddity originally submitted the District's EPP to the TCEQ on February 24, 2022 and submitted a revised EPP on July 20, 2022.

Mr. Burgos reported on the water and wastewater impact fees payable to the City of Magnolia (the "Impact Fees") for Glen Oaks, Sections 3 and 5. He recommended the Board consider authorizing ABHR, MAC, and Quiddity to coordinate payment of the Impact Fees to the City of Magnolia upon receipt of funds from the developer in the amount of \$1,010,240.

Following review and discussion, Director Scott moved to approve (1) the engineer's report; (2) approve Pay Estimate No. 3 in the amount of \$426,070.42 to Daco, as recommended; and (3) authorize AHBR, MAC, and Quiddity to coordinate payment of the Impact Fees to the City of Magnolia upon receipt of funds from the developer. Director Inabnit seconded the motion, which passed unanimously.

GARBAGE COLLECTION MATTERS

There was no discussion on this agenda item.

JOINT MAINTENANCE AGREEMENT WITH THE GRAND OAKS HOA

Ms. Higgins presented and reviewed a Joint Maintenance Agreement with the Grand Oaks HOA (the "Agreement"). After review and discussion and upon the Board's concurrence that the Agreement is beneficial to the District and is a public benefit, Director Buell move to approve the Agreement, and direct that the Agreement be filed

appropriately and retained in the District's official records. Director Inabnit seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

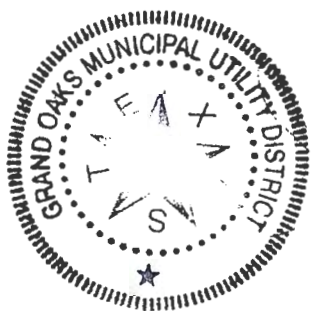
Mr. Burgos discussed ongoing development in the District.

DISTRICT MEETING SCHEDULE

The Board concurred to hold the next regular meeting on October 25, 2022.

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

(SEAL)



Assistant Secretary, Board of Directors



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