

MINUTES
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

January 24, 2023

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 24th day of January, 2023, 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 Inabnit and Hammond, thus constituting a quorum.

Also present at the meeting were Wendy Ramirez of FORVIS, LLP; Doug Jeffery of TNG Utility Corporation ("TNG"); Perry Miller of Champions Hydro-Lawn; Debbie Arellano of Bob Leared Interests; Diego Burgos of Quiddity Engineering, LLC; Brenda Garcia of Municipal Accounts & Consulting, L.P.; and David Oliver, 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 December 5, 2022. After consideration, Director Nommensen moved to approve the regular meeting minutes of December 5, 2022, as presented. Director Scott seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2022

Ms. Ramirez presented the draft audit for the fiscal year ended September 30, 2022. Following review and discussion, Director Scott moved to approve the audit for the fiscal year ended September 30, 2022. Director Nommensen seconded the motion, which passed unanimously.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Higgins reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia presented the bookkeeper's report, including the investment report and bills presented for payment, a copy of which is attached.

Ms. Higgins explained that the annual disclosure statements required by the Public Funds Investment Act disclose relationships between the District's Investment Officer and bookkeeper and entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. She also explained that the statements would be filed in the District's permanent records and with the Texas Ethics Commission.

After review and discussion, Director Buell moved to (1) approve the bookkeeper's report and payment of the bills; and (2) accept the disclosure statements from the District's bookkeeper and Investment Officer. Director Scott seconded the motion, which passed unanimously.

ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board reviewed a list of authorized Broker/Dealers provided by the District's bookkeeper. Ms. Higgins then reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.

After review and discussion, Director Buell moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Nommensen seconded the motion, which passed unanimously.

ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy, and Ms. Higgins stated that neither ABHR nor the bookkeeper have any recommended changes. After review and discussion, Director Buell made a motion to adopt the Resolution Regarding Annual Review of Investment Policy and to direct that a copy of the resolution be filed and retained in the District's records. Director Nommensen seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Arellano reviewed 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 2022 taxes were 73.51% collected as of December 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.

Ms. Higgins discussed rules adopted by the Public Utility Commission of Texas ("PUC") to implement legislation prohibiting certain retail water or sewer providers from imposing late fees or terminating service for nonpayment of water bills that are due during a period when the previous day's highest temperature and the predicted temperature for the next 24 hours is not higher than 28 degrees Fahrenheit. She reviewed and discussed the one-time notice of the requirements that must be sent to utility customers by January 31, 2023. Ms. Higgins then presented a proposed Amended Rate Order incorporating the provisions of the PUC rules, including terms for customers to request and receive a payment schedule for payment of bills due during such an extreme weather emergency, as well as an increase in base rates received from the City of Magnolia (the "City").

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 Buell moved to (1) approve the operator's report; (2) authorize TNG to send the one-time notice to District customers; (3) adopt the Amended Rate Order; (4) authorize termination of delinquent accounts, in accordance with the District's Rate Order; and (5) direct that the Amended Rate Order and 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 reviewed 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 reported on the remaining punch list items for Glen Oaks, Section 3, which include work related to concrete paving and sidewalk repairs, as detailed in the engineer's report.

Mr. Burgos updated the Board on the status of construction of the water, sewer, and drainage facilities to serve Glen Oaks, Section 5, and reviewed and recommended approval of Pay Estimate No. 4 and final in the amount of \$182,959.22, payable to Kenneth Lamb Construction Co. Ltd. ("Kenneth Lamb"), and signature of the Certificate of Substantial Completion.

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, and reviewed and recommended approval of Pay Estimate No. 6 in the amount of 43,349.71, payable to Daco Paving, Inc. ("Daco"). He further reviewed and recommended approval of Change Order No. 1 in the amount of \$17,305.00 as an increase to the contract. The Board concurred that the change order is beneficial to the District.

Mr. Burgos updated the Board on the Emergency Preparedness Plan, as detailed in the engineer's report.

Mr. Burgos reported on the water and wastewater impact fees payable to the City for Glen Oaks, Sections 3 and 5. He requested authorization from the Board for the payment of the impact fees in the amount of \$1,210,500.00 payable to the City, subject to the receipt of funds from the developer.

After review and discussion, Director Buell moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 4 and final in the amount of \$182,959.22 payable to Kenneth Lamb, and signature of the Certificate of Substantial Completion; (3) approve Pay Estimate No. 6 in the amount of 43,349.71 payable to Daco; (4) approve Change Order No. 1 in the amount of \$17,305.00 as an increase to the contract, based upon the Board's finding that it is beneficial to the District; and (5) authorize payment of the impact fees to the City in the amount of \$1,210,500.00, subject to the receipt of funds from the developer. Director Nommensen seconded the motion, which passed unanimously.

GARBAGE COLLECTION MATTERS

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

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Oliver provided an update regarding development in the District.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal for renewal of the District's insurance from McDonald & Wessendorff Insurance ("McDonald & Wessendorff") for an annual premium of \$8,148.00. After discussion, Director Nommensen moved to accept the proposal for the District's insurance from McDonald & Wessendorff, and direct that the proposal be filed appropriately and retained in the District's official records. Director Scott seconded the motion, which passed unanimously.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board convened in executive session at 12:59 p.m. pursuant to Section 551.071, Texas Government Code, in order to conduct a private consultation with the District's attorney. The Board determined that the attendance in this executive session of Mr. Burgos was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested his presence in the executive session. Mr. Oliver, Ms. Higgins, and Ms. Blanton were also present.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:17 p.m.

DISTRICT MEETING SCHEDULE

The Board concurred to hold the next regular meeting on February 28, 2023.

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

(SEAL)



Asst.

A handwritten signature in blue ink, appearing to be "J. M.", is written over a horizontal line.

Secretary, Board of Directors

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