

MINUTES
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

July 25, 2023

The Board of Directors (the "Board") of Grand Oaks Municipal Utility District of Montgomery County, Texas (the "District"), met in regular session, open to the public, on the 25th day of July, 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 Nommensen and Hammond, thus constituting a quorum.

Also present at the meeting were Barbara Nussa of Republic Services, Inc. ("Republic"); Doug Jeffery of TNG Utility Corporation; Perry Miller of Champions Hydro-Lawn; Debbie Arellano of Bob Leared Interests; Diego Burgos of Quiddity Engineering, LLC ("Quiddity"); Cindy Grimes of Municipal Accounts & Consulting, L.P.; 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 June 27, 2023. After consideration, Director Buell moved to approve the regular meeting minutes of June 27, 2023, as presented. Director Inabnit seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

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

Ms. Higgins stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation.

After review and discussion, Director Buell moved to (1) approve the bookkeeper's report and payment of the bills; and (2) approve payment of directors' fees of office at the new maximum amount allowed by law, effective as of June 18, 2023. Director Inabnit seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT WINTER CONFERENCE

It was noted that no directors attended the AWBD summer conference. The Board considered authorizing attendance at the winter conference. After discussion, Director Buell moved to authorize attendance of any interested Directors at the winter conference. Director Inabnit 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 98.4% collected as of June 30, 2023.

After review and discussion, Director Inabnit moved to approve the tax assessor/collector's report and the checks presented for payment. Director Buell seconded the motion, which passed unanimously.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Higgins reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Higgins explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Montgomery County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Buell moved to authorize execution of the Amendment to Information Form and to authorize filing with Montgomery County and the TCEQ. Director Inabnit seconded the motion, which passed unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

The Board discussed the District's development status. Ms. Higgins discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts in Chapter 49, Texas Water Code. She stated that such legislation established three main categories for water districts, based on a district's development status and/or tax rate.

Ms. Higgins reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a developing district for the 2023 tax year.

After review and discussion, Director Buell moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a developing district for the 2023 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. 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.

Mr. Jeffery reviewed a proposal in the amount of \$39,000.00, submitted by Accurate Meter & Backflow, LLC ("Accurate Meter") to replace the District's master meter. He noted that this proposal would be in lieu of the proposal approved at the June 27, 2023, meeting in the amount of \$29,000.00, submitted by Accurate Meter. Discussion ensued.

The Board considered amending its Rate Order to account for and pass through the appropriate fee provided for in the Rate Order pursuant to the annual Consumer Price Index increase approved at the June 27, 2023, Board meeting.

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) approve the revised proposal in the amount of \$39,000.00, submitted by Accurate Meter to replace the District's master meter; (3) adopt an Amended Rate Order; 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 Inabnit 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 updated the Board on the status of Glen Oaks, Section 3, which includes work related to pavement damage along Butternut Oak Lane. He reported that Quiddity received a revised proposal from Daco Paving, Inc. regarding the punch list items and is currently reviewing the proposal amount and scope of work.

Mr. Burgos updated the Board on the status of construction of the paving facilities to serve Glen Oaks, Section 5, stating that Quiddity submitted a revised plan for the roundabout to Montgomery County which is currently under review.

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

Following review and discussion, Director Buell moved to approve the engineer's report. Director Scott seconded the motion, which passed unanimously.

GARBAGE COLLECTION MATTERS

Ms. Nussa reported that the District has not received any inquiries or calls regarding garbage collection.

Ms. Nussa stated that she will bring a proposal for an increase in garbage collection service from one day to two days, to provide a 96-gallon cart to each resident, and a three-year extension to the current contract to the August meeting.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Ms. Higgins updated the Board on development in the District.

REPORT ON LEGISLATIVE MATTERS

Ms. Higgins reviewed a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature.

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

The Board did not convene in executive session.

DISTRICT MEETING SCHEDULE

The Board concurred to hold the next regular meeting on August 22, 2023.

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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