

MINUTES
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

August 22, 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 22nd day of August, 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:

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| 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 Hammond, thus constituting a quorum.

Also present at the meeting were Terrell Palmer of Post Oak Municipal Advisors; 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, Carli Trojcak, 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 July 25, 2023. After consideration, Director Nommensen moved to approve the regular meeting minutes of July 25, 2023, as presented. Director Buell seconded the motion, which passed unanimously.

GARBAGE COLLECTION MATTERS

The Board reviewed a proposed Second Amendment to Service Agreement (the "Second Amendment") with Republic Services, Inc., which specifies the provision of a 96-gallon cart to each resident, collection services twice a week, and a three-year contract term. After review and discussion, Director Buell moved to approve the Second Amendment, and direct that the Amendment be filed appropriately and retained in the

District's official records. Director Nommensen 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.

After review and discussion, Director Nommensen moved to approve the bookkeeper's report and payment of the bills. Director Scott seconded the motion, which passed unanimously.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2024

Ms. Grimes reviewed a proposed budget for fiscal year end September 30, 2024, a copy of which is attached to the bookkeeper's report. She requested input from the Board and consultants on the draft budget prior to the September Board meeting.

JOINT MAINTENANCE AGREEMENT WITH THE GLEN OAKS GRAND OAKS HOMEOWNERS ASSOCIATION (THE "HOA")

The Board reviewed correspondence from the HOA requesting an increase in the annual contribution pursuant to the Joint Maintenance Agreement (the "Agreement"). After review and discussion, Director Nommensen moved to (1) approve a \$32,700.00 contribution to the HOA for 2023; (2) approve a First Amendment to the Agreement (the "Amendment"), and direct that the Amendment be filed appropriately and retained in the District's official records. Director Buell 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 98.87% collected as of July 31, 2023.

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

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE PUBLIC NOTICE REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2023 tax rate. Mr. Palmer distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2023 water, sewer, and drainage debt service tax rate of \$0.45 per \$100 of assessed valuation, based on the District's initial 2023 certified value of \$115,110,888, plus

\$6,196,433 representing 75% 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, 2023; and (2) authorize the tax assessor/collector to publish notice in the Tomball Potpourri of the District's meeting on September 26, 2023, to set the proposed 2023 total tax rate of \$0.80 per \$100 of assessed valuation, with \$0.45 allocated for debt service on water, sewer, and drainage bonds and \$0.35 allocated for operations and maintenance. Director Inabnit 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. 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; 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.

DRAINAGE AND DETENTION FACILITY MAINTENANCE MATTERS

Mr. Miller reviewed the drainage and detention facility report, a copy of which is attached. He stated that Champions will present a proposal for rehabilitation and maintenance of the Glen Oaks, Section 4 drainage swale at the September meeting.

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 Daco Paving, Inc. is preparing a revised proposal for the repairs.

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 requested authorization for Quiddity to prepare the District's bond application report no. 4 to finance water, sewer, and drainage facilities. He then reviewed a draft Summary of Costs, a copy of which is attached to the engineer's report.

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

Following review and discussion, Director Nommensen moved to (1) approve the engineer's report; and (2) authorize Quiddity to prepare bond application no. 4 to finance water, sewer, and drainage facilities. Director Buell seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

There was no additional discussion on this matter.

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 September 26, 2023.

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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