

MINUTES
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

June 25, 2024

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 June, 2024, 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 Inabnit, thus constituting a quorum.

Also present at the meeting were Misael Flores of Post Oak Municipal Advisors LLC; Barbara Nussa of Republic Services, Inc.; Doug Jeffery of TNG Utility Corporation; Debbie Arellano of Bob Leared Interests; Diego Burgos of Quiddity Engineering, LLC ("Quiddity"); Perry Miller of Champions Hydro-Lawn ("Champions"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; and Whitney Higgins and Danielle Hudson of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

There were no comments from the public.

MINUTES

The Board considered approving the minutes of the April 23, 2024, regular meeting. After consideration, Director Scott moved to approve the minutes of the April 23, 2024, regular meeting, as presented. Director Hammond seconded the motion, which passed unanimously.

GARBAGE SERVICE MATTERS

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

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. Following review and

discussion, Director Buell moved to approve the bookkeeper's report and payment of the bills. Director Scott 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 Hammond 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, copies of which are attached. She stated that the District's 2023 taxes were 98.4% collected as of May 31, 2024.

Ms. Arellano stated that the 2024 preliminary assessed value for the District is \$145,540,364.

Following 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.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Ms. Higgins stated the District's delinquent tax attorney can begin collection of delinquent 2023 real property taxes as of July 1, 2024. After discussion, Director Buell moved to authorize the delinquent tax attorney to proceed with the collection of delinquent 2023 real property taxes. 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. Discussion ensued regarding water accountability in the District.

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.

Messrs. Burgos and Jeffery discussed the Notice of Enforcement for Comprehensive Compliance Violation with the Texas Commission on Environmental Quality ("TCEQ"), as noted in the engineer's report. Mr. Burgos reported that Quiddity met with the TCEQ on June 18, 2024, to discuss the alleged violation and compliance with the TCEQ's requests. He noted that he awaits additional guidance from the TCEQ and will continue to provide updates to the Board as he works towards a resolution to the matter.

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 Hammond seconded the motion, which passed unanimously.

CONSUMER CONFIDENCE REPORT ("CCR")

Mr. Jeffrey reviewed the District's proposed 2023 CCR, a copy of which is attached. He stated that a link to the CCR will be added to this month's water bill and distributed to District customers and filed with the TCEQ by July 1, 2024.

Following review and discussion, Director Buell moved to approve the CCR, authorize distribution of the CCR to District customers, and filing of the certificate of delivery with the TCEQ. Director Hammond 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, following inspection, Champions found five dead trees located behind the vinyl fencing along the right of way.

Following review and discussion, Director Buell moved to approve removal of the five dead trees in an amount not to exceed \$6,000.00. 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 updated the Board on the status of work in Glen Oaks, Section 3, including an update on work related to pavement damage along Butternut Oak Lane. He reported that the developer is coordinating with the homebuilder to repair punch list items, including the removal and replacement of several curbs damaged throughout the section. He stated that the developer has not authorized Choctaw Construction Services to proceed with their proposal to repair the remaining Montgomery County (the "County") punch list items.

Mr. Burgos updated the Board on the status of development of Glen Oaks, Section 6.

Mr. Burgos updated the Board on the District's bond application report no. 4, stating that the TCEQ declared the application administratively complete on March 19, 2024. He reported that Quiddity is working on scheduling the pre-purchase inspection with the TCEQ.

Mr. Burgos stated that Quiddity is finalizing the Lead Service Line Inventory and will submit it to the TCEQ.

Mr. Burgos updated the Board on the status of development of Glen Oaks, Section 5, stating that the County issued a punch list item to de-silt the roadside ditch, as detailed in the report. Messrs. Burgos and Miller presented a proposal in the amount of \$10,400.00, submitted by Champions to de-silt the roadside ditch.

Following review and discussion, Director Buell moved to approve the proposal in the amount of \$10,400.00, submitted by Champions to de-silt the roadside ditch. Director Scott seconded the motion, which passed unanimously.

DEVELOPMENT MATTERS, INCLUDING APPROVE CONSENT TO PARTIAL ASSIGNMENT OF DEVELOPMENT FINANCING AGREEMENT

Ms. Higgins presented a Partial Assignment of Reimbursement Proceeds between Grand Oaks I, L.P. and K. Hovnanian Homes. Following review and discussion, Director Scott moved to authorize execution of the Partial Assignment of Reimbursement Proceeds. Director Buell seconded the motion, which passed unanimously.

SERIES 2024, UNLIMITED TAX BONDS (SUPPLEMENTAL AGENDA)

Mr. Flores discussed the timeline and process for the sale of the District's Series 2024, Unlimited Tax Bonds (the "Bonds").

The Board considered adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value from Montgomery County as of June 15, 2024.

The District considered authorizing the engineer to request the TCEQ inspect the facilities included in the bond application.

Mr. Flores presented and reviewed a Preliminary Official Statement and Official Notice of Sale for the Bonds.

Mr. Flores recommended appointing the Bank of New York Mellon Trust Company, N.A. ("BONY"), as the Paying Agent/Registrar for the Bonds.

The Board considered authorizing advertisement for the sale of the Bonds on July 23, 2024.

The Board considered engaging the District's auditor to prepare a developer reimbursement report for the Bonds.

After review and discussion, Director Scott moved to (1) adopt a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value from Montgomery County as of June 15, 2024; (2) authorize the engineer to request the TCEQ inspection for facilities included in the bond application; (3) approve the Preliminary Official Statement and Official Notice of Sale; (4) appoint BONY, as the Paying Agent/Registrar; (5) authorize advertisement for the sale of the Bonds for July 23, 2024, at 12:00 p.m.; and (6) engage the District's auditor to prepare a developer reimbursement report for the Bond sale. Director Buell seconded the motion, which passed unanimously.

2024 DIRECTORS ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Joel R. Scott, Rick Nommensen, and Jeff Inabnit to the Board of the District for a four-year term. After review and discussion, Director Bruell moved to approve the Certificate of Election and the distribution of same to Directors Scott, Nommensen, and Inabnit and direct that the Certificate be filed appropriately and retained in the District's official records. Director Scott seconded the motion, which passed unanimously.

The Board considered approving the Sworn Statement and Oath of Office for Directors Scott, Nommensen, and Inabnit. After review and discussion, Director Nommensen moved to approve the Sworn Statement and Oath of Office, and direct that the documents be filed appropriately and retained in the District's official records, and that the Oath of Office be filed with the Secretary of State as required by law. Director Scott seconded the motion, which passed unanimously.

REORGANIZE THE BOARD

The Board concurred to take no action on this agenda item.

DISTRICT REGISTRATION FORM

Ms. Higgins stated the District Registration Form must be filed with the TCEQ to show the new slate of officers. After discussion, Director Nommensen moved to authorize filing the District Registration Form with the TCEQ. Director Scott seconded the motion, which passed unanimously.

Ms. Higgins reviewed a memorandum regarding the Texas Open Meetings Act and Texas Public Information Act prepared by ABHR, a copy of which is attached.

Ms. Higgins then reviewed the legislation enacting Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts

of interest. She reviewed with the Board the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District.

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 July 23, 2024.

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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