

MINUTES
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

July 23, 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 23rd day of July, 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, 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 ("TNG"); Debbie Arellano of Bob Leared Interests; Diego Burgos of Quiddity Engineering, LLC ("Quiddity"); Kim Cosco of Champions Hydro-Lawn ("Champions"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; 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 minutes of the June 25, 2024, regular meeting. After consideration, Director Nommensen moved to approve the minutes of the June 25, 2024, regular meeting, as presented. Director Buell seconded the motion, which passed unanimously.

GARBAGE SERVICE MATTERS

Ms. Nussa discussed garbage collection following Hurricane Beryl. She stated that collection has resumed throughout the District.

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 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 98.79% collected as of June 30, 2024.

Director Scott joined the meeting.

Following 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.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 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 2024 tax year.

After review and discussion, Director Buell moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a developing district for the 2024 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 Nommensen 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.

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.

DRAINAGE AND DETENTION FACILITY MAINTENANCE MATTERS

Mr. Cosco 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.

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. He reported that the developer has not authorized Choctaw Construction Services to proceed with their proposal to repair the remaining punch list items, including the homebuilder items.

Mr. Burgos updated the Board on the status of the development of Glen Oaks, Section 6. He reported that as of July 23, 2024, K. Hovanian has authorized Quiddity to proceed with design.

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 the pre-purchase inspection has occurred and a letter indicating no deficiencies was received from the Texas Commission on Environmental Quality ("TCEQ") on July 12, 2024.

Messrs. Burgos and Jeffery discussed the Notice of Enforcement for Comprehensive Compliance Violation with the TCEQ, as noted in the engineer's report. Mr. Burgos reported that Quiddity is coordinating with TNG and ABHR to prepare a letter response with the requested information and will continue to provide updates to the Board as he works towards a resolution to the matter.

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

DEVELOPMENT MATTERS

There was no discussion on this matter.

SERIES 2024 UNLIMITED TAX BONDS (SUPPLEMENTAL AGENDA)

Mr. Flores explained that the previously scheduled bond sale was postponed when it was determined that the District may qualify for an investment grade rating, which would reduce the District's borrowing cost.

Mr. Flores discussed the updated 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.

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

Mr. Flores discussed engaging a rating agency to perform a credit rating analysis 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 August 27, 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) approve the Preliminary Official Statement and Official Notice of Sale; (3) engage Moody's Investor Service to perform a credit rating analysis for the bond issue; (4) appoint BONY, as the Paying Agent/Registrar; (5) authorize advertisement for the sale of the Bonds for August 27, 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.

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

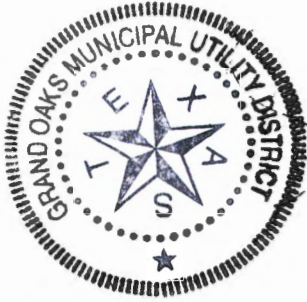
The Board did not convene in executive session.

DISTRICT MEETING SCHEDULE

The Board concurred to hold the next regular meeting on August 27, 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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