

MINUTES  
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

August 27, 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 27th day of August, 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 Scott and Buell, thus constituting a quorum.

Also present at the meeting were Misael Flores of Post Oak Municipal Advisors LLC ("Post Oak"); 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"); Cheyenne Evans and Luis Cebrian 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 July 23, 2024, regular meeting. After consideration, Director Nommensen moved to approve the minutes of the July 23, 2024, regular meeting, as presented. Director Inabnit seconded the motion, which passed unanimously.

GARBAGE SERVICE MATTERS

Ms. Nussa reviewed the annual Consumer Price Index ("CPI") increase, a copy of which is attached.

## 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 Nommensen moved to approve the bookkeeper's report and payment of the bills. Director Inabnit seconded the motion, which passed unanimously.

## BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2025

Ms. Garcia reviewed a proposed budget for fiscal year end September 30, 2025, 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

There was no discussion on this matter

## 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 98.983% collected as of July 31, 2024.

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

## DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE PUBLIC NOTICE REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2024 tax rate. Mr. Flores distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 water, sewer, and drainage debt service tax rate of \$0.60 per \$100 of assessed valuation, based on the District's initial 2024 certified value of \$138,352,121, plus \$3,401,660 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. Flores discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Nommensen moved to (1) set the public hearing date for September 24, 2024; and (2) authorize the tax assessor/collector to publish notice in the Tomball Potpourri of the District's meeting on September 24, 2024, to set the proposed 2024 total tax rate of \$0.80 per \$100 of assessed valuation, with \$0.60 allocated for debt service on water, sewer, and drainage bonds and \$0.20 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. 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.

Mr. Jeffrey presented a proposal in the amount of \$7,858.00, submitted by NTS to repair the lift station pump, a copy of which is attached to the operator's report.

Following review and discussion, Director Nommensen moved to (1) approve the operator's report; (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; and (3) approve the proposal in the amount of \$7,858.00, submitted by NTS to repair the lift station pump. Director Inabnit seconded the motion, which passed unanimously.

DROUGHT CONTINGENCY PLAN

Ms. Higgins stated that the Texas Commission on Environmental Quality ("TCEQ") rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2024. She reviewed an Amended and Restated Drought Contingency Plan with the Board. After review and discussion, Director Nommensen moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order 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

Ms. Evans 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 work in Glen Oaks, Section 3. He reported that Quiddity is coordinating with the homebuilders and Choctaw Construction Services to complete the remaining punch list items.

Mr. Burgos updated the Board on the status of the development of Glen Oaks, Section 6. He reported that Quiddity will submit plans to regulatory agencies for review by October.

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 submitted a response letter to the TCEQ and are awaiting response.

#### DEVELOPMENT MATTERS

There was no discussion on this matter.

#### SERIES 2024 UNLIMITED TAX BONDS

##### REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S \$4,500,000 UNLIMITED TAX BONDS, SERIES 2024 (THE "SERIES 2024 BONDS")

The Board considered review of the bids and award of the sale of the District's Series 2024 Bonds. Mr. Flores reviewed a bid summary, a copy of which is attached, and read the bids received:

- (1) HilltopSecurities ("Hilltop") with a net effective interest rate of 4.259628%;
- (2) SAMCO Capital Markets, with a net effective interest rate of 4.267690%;
- (3) Raymond James & Associates, Inc., with a net effective interest rate of 4.270779%;
- (4) Robert W. Baird & Co., Inc., with a net effective interest rate of 4.274406%;
- (5) Loop Capital Markets, LLC, with a net effective interest rate of 4.297296%;  
and
- (6) Crews & Associates, Inc., with a net effective interest rate of 4.346699%.

The Board next considered award of the sale of the Series 2024 Bonds. Mr. Flores stated that the low bid submitted by Hilltop, with a net effective interest rate of 4.259628%, had been reviewed and all numbers checked and confirmed. He recommended that the District accept the bid of Hilltop, as submitted. After review and discussion, Director Nommensen moved to award the sale of the Series 2024 Bonds to Hilltop, with a net effective interest rate of 4.259628%, as

recommended. Director Hammond seconded the motion, which passed unanimously.

#### RESOLUTION AUTHORIZING THE ISSUANCE OF THE SERIES 2024 BONDS

The Board next considered adopting a Resolution Authorizing the Issuance of the District's Series 2024 Bonds ("Resolution"). Ms. Higgins reviewed the Resolution with the Board and explained that the document sets forth, among other items, the terms and provisions of issuance and delivery of the Series 2024 Bonds, the payment of principal and interest over the life of the Series 2024 Bonds, and certain District covenants regarding the tax-exempt status of the Series 2024 Bonds. After review and discussion, Director Nommensen moved to adopt the Resolution and direct that it be filed appropriately and retained in the District's official records. Director Hammond seconded the motion, which passed unanimously.

#### PAYING AGENT/REGISTRAR AGREEMENT

The Board next considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. ("BONY"). Ms. Higgins stated that the Paying Agent/Registrar Agreement sets forth the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Series 2024 Bonds. After review and discussion, Director Nommensen moved to approve the Paying Agent/Registrar Agreement with BONY and direct that the Agreement be filed appropriately and retained in the District's official records. Director Hammond seconded the motion, which passed unanimously.

#### OFFICIAL STATEMENT

The Board next considered approving the Official Statement. Ms. Higgins explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates, and debt service requirements. After review and discussion, Director Nommensen moved to approve the Official Statement and direct that it be filed appropriately and retained in the District's official records. Director Hammond seconded the motion, which passed unanimously.

#### EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Higgins reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate"). After review and discussion, Director Nommensen moved to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records. Director Hammond seconded the motion, which passed unanimously.

EXECUTION OF DOCUMENTS RELATED TO DISTRICT'S SERIES 2024 BONDS

Ms. Higgins next explained that there will be various documents related to delivery of the Series 2024 Bonds requiring execution by the directors prior to closing. She requested that the Board authorize directors to execute documents necessary in connection with the transaction and authorize ABHR and Post Oak to take all necessary action to deliver the Series 2024 Bonds to the purchaser. After discussion, Director Nommensen moved to authorize execution of documents related to the sale and delivery of the Series 2024 Bonds and authorize ABHR and Post Oak to take all necessary action to deliver the Series 2024 Bonds. Director Hammond seconded the motion, which passed unanimously.

APPROVE PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

Ms. Higgins discussed payment to the Attorney General relating to bond issue transcript review. Following discussion, Director Nommensen moved to approve payment to the Attorney General related to the bond issue transcript review. Director Hammond seconded the motion, which passed unanimously.

EXECUTION OF AMENDMENT TO INFORMATION FORM

The Board considered approving the Amendment to Information Form to reflect the total amount of bonds sold by the District. After review and discussion, Director Nommensen moved that the Amendment to Information Form be approved and filed with the TCEQ and with Montgomery County as required by law. Director Hammond 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 September 24, 2024.

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

(SEAL)



*[Handwritten Signature]*  
Asst. Secretary, Board of Directors

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