

MINUTES
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

September 24, 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 24th day of September, 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 Hammond, thus constituting a quorum.

Also present at the meeting were Jennifer Hanna of Forvis Mazars, LLP ("Forvis"); 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"); Cheyenne Evans of Champions Hydro-Lawn ("Champions"); Brenda Garcia of Municipal Accounts & Consulting, L.P.; and David Oliver, 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 minutes of the August 27, 2024, regular meeting. After consideration, Director Inabnit moved to approve the minutes of the August 27, 2024, regular meeting, as presented. Director Buell seconded the motion, which passed unanimously.

GARBAGE SERVICE MATTERS

The Board received the garbage report noting that the District received no inquiries or calls regarding garbage collection during the preceding month.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2024

The Board considered authorizing Forvis to proceed with preparation of the District's audit report for the fiscal year ending September 30, 2024. Ms. Hanna reviewed an engagement letter and stated that the estimated cost for the audit is \$20,200.00, plus \$1,100.00 for administrative expenses. A copy of the engagement letter is attached. Following discussion, Director Buell moved to engage Forvis to conduct the audit for the fiscal year ending September 30, 2024, authorize execution of the engagement letter, and direct that the letter be filed appropriately and retained in the District's official records. Director Scott seconded the motion, which passed unanimously.

APPROVE DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2024 BONDS AND AUTHORIZE DISBURSEMENT OF BOND FUNDS

Ms. Higgins provided an update on the District's \$4,500,000 Unlimited Tax Bonds, Series 2024 (the "Bonds") and stated the Bonds are scheduled to close on September 25, 2024.

Ms. Hanna reviewed a developer reimbursement report in connection with the Bonds. After review and discussion, Director Inabnit moved to approve the developer reimbursement report. Director Buell seconded the motion, which passed unanimously.

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 (1) approve the bookkeeper's report and payment of the bills; and (2) authorize disbursement of the bond proceeds in accordance with the developer reimbursement report, contingent upon the District's receipt of an executed receipt from the developer. 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. After review and discussion, Director Buell moved to adopt the budget for fiscal year end September 30, 2025. Director Inabnit seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Higgins stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2024 total tax rate of \$0.80.

The Board concurred to open the public hearing. There being no comments from the public, the Board concurred to close the public hearing.

Ms. Higgins presented an Order Levying Taxes reflecting the proposed 2024 tax rate. She then presented an Amendment to Information Form reflecting the proposed tax rate and stated that the Amendment to Information Form will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Montgomery County.

After review and discussion, Director Scott moved to (1) adopt the Order Levying Taxes reflecting a total 2024 tax rate of \$0.80 per \$100 of assessed valuation, comprised of \$0.53 to pay debt service on water, sewer, and drainage bonds, and \$0.27 for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order Levying Taxes and Amendment to Information Form be filed appropriately and retained in the District's official records. Director Inabnit seconded the motion, which passed unanimously.

JOINT MAINTENANCE AGREEMENT WITH THE GLEN OAKS GRAND OAKS HOMEOWNERS ASSOCIATION

There was no discussion on this agenda item.

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 99.079% collected as of August 31, 2024.

The Board considered adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value from Montgomery County as of October 1, 2024.

Following review and discussion, Director Scott moved to (1) approve the tax assessor/collector's report and the checks presented for payment; and (2) adopt a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value from Montgomery County as of October 1, 2024. Director Buell 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.

The Board considered amending its Rate Order to account for and pass through the annual Consumer Price Index increase approved at the August 27, 2024, Board meeting.

Following review and discussion, Director Buell 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) adopt an Amended Rate Order. Director Scott 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.

Ms. Evans presented a proposal in the amount of \$1,000.00, submitted by Champions for the mowing along the fence line near the outfall.

Ms. Evans presented a proposal in the amount of \$3,000.00, submitted by Champions for the removal of three trees located at the front entrance of Grand Oaks subdivision.

Ms. Evans presented a proposal in the amount of \$4,500.00, submitted by Champions to clear shrubs within three feet of the eastern property line against the residential fences adjacent Nichols Sawmill Reserve. She noted that this proposal does not include removal of the trees.

Ms. Evans then presented a proposal in the amount of \$24,951.00, also submitted by Champions for repair of as outfall washout and swale regrade with pipe protection and the detention pond with the sports fields.

Following discussion, Director Inabnit moved to (1) approve the drainage and detention facility report; and (2) approve all of the proposals detailed above that are for work on District-owned property, as verified by Mr. Burgos. Director Scott 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. He reported that the homebuilders have completed their share of the punch list, and Choctaw Construction Services is to complete the remaining developer 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 2024.

Mr. Burgos reviewed Quiddity's 2024 Schedule of Hourly Rates and Reimbursable Expenses. He requested that an item be added to the October agenda for consideration of approval.

Mr. Burgos requested authorization for Quiddity to prepare bond application no. 5 and prepare a surplus funds application to the TCEQ.

Mr. Burgos 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 is awaiting the TCEQ's response.

Following review and discussion, Director Buell moved to (1) approve the engineering report; (2) authorize Quiddity to prepare bond application no. 5; and (3) authorize Quiddity to prepare the surplus funds application. Director Inabnit seconded the motion, which passed unanimously.

DEVELOPMENT MATTERS

There was no 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 October 22, 2024.

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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