

MINUTES  
GRAND OAKS MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

February 25, 2025

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 February, 2025, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, 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 Director Hammond, thus constituting a quorum.

Also present at the meeting were Jennifer Hanna of Forvis Mazars LLP; 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; Brenda Garcia of Municipal Accounts & Consulting, L.P.; and David Oliver, Rachel Beeton, and Kathryn Mercado of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

There were no public comments.

MINUTES

The Board considered approving the minutes of the December 16, 2024, regular meeting. After consideration, Director Buell moved to approve the minutes of the December 16, 2024, regular meeting, as presented. Director Nommensen seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2024

Ms. Hanna presented the draft audit for the fiscal year ended September 30, 2024. Following review and discussion, Director Buell moved to approve the audit for the fiscal year ended September 30, 2024, as presented. Director Inabnit seconded the motion, which passed unanimously.

## APPROVE ANNUAL REPORT IN ACCORDANCE WITH CONTINUING DISCLOSURE OF INFORMATION REQUIREMENTS

Mr. Oliver stated that, as part of the District's continuing disclosure obligations, the District is required to file its annual report with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System ("EMMA") pursuant to SEC Rule 15c2-12. Following review and discussion, Director Buell moved to approve the Annual Report, authorize ABHR to file the Report through EMMA, and direct that the Report be filed appropriately and retained in the District's official records. Director Inabnit seconded the motion, which passed unanimously.

## ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Oliver reported on the District's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

## ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Mr. Oliver stated that no changes are recommended at this time.

## GARBAGE SERVICE MATTERS

Mr. Oliver reported that the District received no inquiries or calls regarding garbage collection during the preceding months.

## RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal for renewal of the District's insurance from McDonald & Wessendorff Insurance ("M & W") for an annual premium of \$8,604.00. Following review and discussion, Director Buell moved to accept the proposal for the District's insurance from M & W, and direct that the proposal be filed appropriately and retained in the District's official records. Director Nommensen 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. She noted that check no. 6795 was voided and requested Board authorization for additional holding check no. 6798 payable to the City of Magnolia.

Ms. Garcia discussed the District's current investment funds and interest rates. The Board considered transferring the current investment funds from TexPool to Texas Class due to higher interest rates.

Mr. Oliver explained that the annual disclosure statements required by the Public Funds Investment Act disclose relationships between the District's Investment Officer and bookkeeper and entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. He also explained that the statements would be filed in the District's permanent records and with the Texas Ethics Commission.

Following review and discussion, Director Nommensen moved to (1) approve the bookkeeper's report and payment of the bills, including the additional check, as detailed above; (2) authorize the bookkeeper to transfer the District's investment funds from TexPool to Texas Class; and (3) accept the disclosure statements presented and to authorize they be filed appropriately. Director Inabnit seconded the motion, which passed unanimously.

#### ASSOCIATION OF WATER BOARD DIRECTORS CONFERENCE

The Board considered authorizing attendance at the summer conference. After discussion, Director Buell moved to authorize attendance of any interested Directors at the summer conference. Director Nommensen seconded the motion, which passed unanimously.

#### ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board reviewed a list of authorized Broker/Dealers provided by the District's bookkeeper. Mr. Oliver then reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.

Following review and discussion, Director Buell moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Nommensen seconded the motion, which passed unanimously.

#### ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy, and Mr. Oliver stated that neither ABHR nor the bookkeeper have any recommended changes. Following review and discussion, Director Buell made a motion to adopt the Resolution Regarding Annual Review of Investment Policy and to direct that a copy of the Resolution be filed and retained in the District's records. Director Nommensen 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 2024 taxes were 95.59% collected as of January 31, 2025. Following review and discussion, Director Inabnit moved to approve the tax assessor/collector's report and the checks presented for payment. Director Scott seconded the motion, which passed unanimously.

## ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board discussed optional tax exemptions the District may offer its residents, including a general residential homestead exemption and a homestead exemption for disabled persons or persons over 65 years of age. Mr. Oliver then reviewed a Resolution Concerning Exemptions from Taxation for the 2025 tax year. Following review and discussion, Director Buell moved to adopt the Resolution Concerning Exemptions from Taxation reflecting that the Board rejects any exemption of residential homesteads from ad valorem taxation. 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. Jeffery discussed the results of the fire hydrant and valve survey. He presented a proposal in an amount not to exceed \$4,500.00 to blast and repaint sixty fire hydrants in Glen Oaks Sections 1, 2, and 4 and all Grand Oaks sections. A copy of the proposal is attached to the operator's report.

Mr. Jeffery discussed the following requests: (1) a resident request for a payment plan for a high water bill due to a leak; (2) a resident request for a leak adjustment due to a houseline leak, which was repaired twice by the lease maintenance department; and (3) a resident request for a leak adjustment for a high water bill, which was not reported for three months. Mr. Jeffery stated that after investigating, TNG did not identify any issues on the District side regarding the requests. Following discussion, Director Buell moved to reduce the high water bills for residents one and two by 50%, and to deny resident three's request. Director Nommensen seconded the motion, which passed unanimously.

Director Buell left the meeting.

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 Nommensen moved to (1) approve the operator's report; (2) approve the proposal in an amount not to exceed \$4,500.00 to blast and repaint 60 fire hydrants, as detailed above; and (3) 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

Ms. Evans reviewed the drainage and detention facility report, a copy of which is attached.

Ms. Evans reviewed a revised maintenance budget, a copy of which is attached to the drainage and detention facility report.

#### 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 paving work in Glen Oaks, Section 3. He reported Quiddity received two proposals to complete the remaining punchlist items. Mr. Burgos stated that Quiddity is reviewing the proposals and will provide comments.

Mr. Burgos updated the Board on the status of the development of Glen Oaks, Section 6. He reported that Quiddity submitted the plans for agency review and is awaiting comments.

Mr. Burgos reported on bids received for Glen Oaks, Section 6 clearing and grubbing. He recommended award of the contract to the lowest bidder, DL Glover Clearing, LLC ("DL") for the contract amount of \$367,350.00. The Board concurred that, in its judgment, DL was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Burgos updated the Board on the preparation of bond application no. 5.

Messrs. Burgos and Oliver discussed the Notice of Enforcement for Comprehensive Compliance Violation from the Texas Commission on Environmental Quality ("TCEQ") related to the District's water interconnect with the City, as noted in the engineer's report. Mr. Burgos noted that the TCEQ has requested an updated water supply agreement between the City and the District to include the specificity regarding the water and sanitary sewer allocations. He then requested Board authorization to approve the Agreed Order with the TCEQ.

Mr. Burgos reviewed a scope memo submitted by Quiddity, for engineering services related to the lift station inspection in the amount of \$11,500.00, a copy of which is attached to the engineering report.

Following review and discussion, Director Scott moved to (1) approve the engineering report; (2) award the contract for Glen Oaks, Section 6 clearing and grubbing to DL, in the amount of \$367,350.00, subject to receipt of payment and performance bonds, and the certificate(s) of insurance and endorsements, if any, provided by the contractor; (3) approve the Agreed Order with the TCEQ; and (4) approve the scope memo submitted by Quiddity for engineering services related to the lift station inspection in the amount of \$11,500.00. Director Nommensen seconded the motion, which passed unanimously.

#### ADOPTION OF COVERED APPLICATIONS POLICY

Mr. Oliver discussed legislation enacted by the Texas Legislature that requires all governmental entities to adopt a policy prohibiting the use of certain social media applications and services on government-owned or -leased devices. He stated that a model policy was developed by the Texas Departments of Public Safety and Information Resources for use by governmental entities. Mr. Oliver reviewed the proposed Covered Applications Policy with the Board. Following review and discussion, Director Nommensen moved to adopt a Resolution Adopting Covered Applications Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Inabnit 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 March 25, 2025.

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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