

MINUTES OF REGULAR MEETING  
GRAND MISSION MUNICIPAL UTILITY DISTRICT NO. 1  
FORT BEND COUNTY, TEXAS

9 September 2019

THE STATE OF TEXAS  
COUNTY OF FORT BEND

The Board of Directors (the "Board") of Grand Mission Municipal Utility District No. 1 (the "District") of Fort Bend County, Texas, met in regular session, open to the public, on the 9th day of September, 2019, at the regular meeting place thereof, at the offices of Coats Rose, P.C., 9 Greenway Plaza, Suite 1000, Houston, Texas, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Maury J. Rubin	President
Darrell A. Hawthorne	Vice President
Milton E. (Bill) Blich	Secretary/Treasurer
Judson Brown	Assistant Secretary
Vicente M. Salazar III	Assistant Vice President and Assistant Secretary

and all of said persons were present, except Director Brown, thus constituting a quorum.

Also present were Lori Buckner of Myrtle Cruz, Inc. ("Cruz"), the District's Bookkeeper; Kristi Hebert, representing Tax Tech, Inc. ("Tax Tech"), the District's Tax Assessor/Collector; Lisa Bonham and Lindsay Evans of Jones & Carter, Inc. ("Jones & Carter"), the District's Engineer; Bryan Chapline of Municipal District Services, L.L.C. ("District Services"), the District's Operator; and Dick Yale, Cole Konopka, and Debbie Russell of Coats Rose, P.C. ("Coats Rose"), the District's Attorney.

First, the Board reviewed the minutes of the 12 August 2019 regular Board of Directors meeting. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of 12 August 2019 as written.

Then Ms. Hebert submitted the Tax Assessor/Collector's Report for the Board's review. She asked the Board's approval of three checks written on the tax account. Ms. Hebert noted that the District's 2018 levy was 99.39% collected. After further review, upon a motion duly made and seconded, the Board voted unanimously to accept the Tax Assessor/Collector's Report and to authorize disbursements out of the District's tax account as listed. A copy of the Tax Assessor/Collector's Report is attached to and shall be considered to be part of these minutes.

Next, Ms. Buckner reviewed the Bookkeeper's Report with the Board. She listed the balances and reviewed the activity for each of the accounts of the District and the accounts for the regional facilities administered by the District on behalf of the District, Grand Mission Municipal Utility District No. 2 ("MUD No. 2"), Fort Bend County Municipal Utility District No. 143 ("MUD No. 143"), and Fort Bend County Municipal Utility District No. 165 ("MUD No. 165"). She reviewed the comparison of budgeted to actual revenues and expenditures for each of the Operating Funds for two months of the fiscal year ending 30 June 2020. Ms. Buckner added that \$193,000 was transferred from the District's Collection Account to the District's Operating Account.

Director Rubin asked if there was anything unusual in the monthly bills and if all participants in the regional facilities were paying the District in a timely manner. Ms. Buckner assured the Board that there were no unusual bills, and she said that all payments were being made timely. The Board then completed the review of the bills to the District and to the regional facilities.

Ms. Buckner also reviewed the Investment Report and the Pledged Securities Report. A copy of each item is included in the Bookkeeper's Report. Upon a motion duly made and seconded, the Board voted unanimously to authorize payment of the bills to the District and to the regional facilities and to accept the Investment Report. A copy of the Bookkeeper's Report is attached to and shall be considered to be part of these minutes.

The Board then reviewed a Patrol Activity Report for August 2019 under the Fort Bend County Contract Deputy Program. Director Hawthorne said that he was not aware of any problems in the District. A copy of the Patrol Activity Report is attached as an exhibit to these minutes.

Ms. Russell informed the Board that there was no North Fort Bend Water Authority (the "Authority") Memorandum for the 28 August 2019 meeting at this time.

The Board next reviewed the Monthly Report from Off Cinco regarding activity on the District's website. A copy of the report is attached as an exhibit hereto.

The Board deferred action on the annual review of the Capital Improvement Plan until the 14 October 2019 meeting.

Next, Mr. Yale reminded the Board that Section 2256.005 of the Public Funds Investment Act required the District to conduct an annual review of the District's investment strategies and investment policy and to adopt a resolution confirming that the review had been conducted and listing any changes made. The Board reviewed the investment strategies for each of the funds of the District and the List of Authorized Brokers for the District. Mr. Yale said that changes were generally not recommended for the investment strategies or procedures unless requested by the District's Bookkeeper or Financial Advisor. After consideration, the Board agreed that no changes were required for the investment policy and strategies of the District. Upon

a motion duly made and seconded, the Board voted unanimously to adopt the RESOLUTION EVIDENCING REVIEW OF INVESTMENT POLICY AND INVESTMENT STRATEGIES, including the updated List of Authorized Brokers attached as an exhibit thereto. A copy of the resolution thus adopted is attached to and shall be considered to be part of these minutes.

Next, Director Rubin convened a hearing on the matter of the 2019 tax levy to be assessed by the District. He observed that there were no persons present who wished to address the Board regarding the proposed 2019 tax rate for the District. Upon a motion duly made and seconded, the Board voted unanimously to set the tax rate for debt service at \$0.55 per \$100 of assessed valuation; to set the tax rate for maintenance and operations at \$0.21 per \$100 of assessed valuation; and to adopt the ORDER LEVYING TAXES for 2019 at a total tax rate of \$0.76 per \$100 of assessed valuation, a copy of which is attached to and shall be considered to be part of these minutes.

Next, Mr. Yale called the Board's attention to Amendment No. Forty-Eight to the District's Information Form. He explained that the District was required under Sections 49.452 and 49.455 of the Water Code to file an amendment whenever any information in the Information Form was changed, including the annual setting of the District's tax rate. He noted that the amendment included the Notice to Purchaser form that was required whenever property was sold in a municipal utility district. Mr. Yale added that the amendment would be filed with the Texas Commission on Environmental Quality (the "TCEQ") and in the Real Property Records of Fort Bend County. After review, upon a motion duly made and seconded, the Board voted unanimously to approve Amendment No. Forty-Eight to the District's Information Form and to authorize filing of same as required. A copy of the amendment thus approved is attached to and shall be considered to be part of these minutes.

Ms. Hebert then supplied a copy of the Notice of Public Hearing on Tax Rate (the "Notice") that was published in the Fort Bend Herald on 19 August 2019. A copy of the Notice is attached hereto as an exhibit.

Mr. Chapline then reviewed the Operations Report with the Board. He summarized information about the number of connections in the District and in the regional system. He reported 97.28% accountability of water purchased from the Authority and pumped from the wells in the regional water distribution system. He stated that the regional wastewater treatment plant (the "Plant") had operated within the limits of the parameters in the Permit to Dispose of Wastes (the "Permit") for the reporting period.

Then Mr. Chapline called the Board's attention to the Delinquent Letter Accounts Listing of the accounts that were delinquent in the payment of amounts due to the District for water and sewer services, as included in the Operations Report. He assured the Board that all notifications had been provided to the customers, as required pursuant to the District's Consolidated Rate Order. The Board observed that there were

no persons present to protest their billing from the District. After review, upon a motion duly made and seconded, the Board voted unanimously to authorize termination of services to the accounts that remained unpaid on the deadline date.

Mr. Chapline also called attention to the Collection Accounts Detail Listing, as included in the Operations Report. He said that the account listed was scheduled to be written off the books and records of the District and turned over to a collection agency. Upon a motion duly made and seconded, the Board voted unanimously to authorize District Services to write off the account listed and turn it over for collection.

Upon a motion duly made and seconded, the Board voted unanimously to accept the Operations Report. A copy of the Operations Report is attached to and shall be considered to be part of these minutes.

Next, Ms. Bonham reviewed the Engineer's Monthly Status Report with the Board. She said that G&A Boring Directional, the contractor for the construction of the extension of underground utilities to serve the 8.378-acre tract, has completed the installation and testing of the facilities. Ms. Bonham noted that Jones & Carter will receive a report on the results of the testing and advise the Board of same.

Ms. Bonham informed the Board that the Storm Water Management Plan was submitted to the TCEQ on 16 July 2019. She explained that the District should receive the TCEQ approval in October 2019.

Ms. Bonham reported that a pre-construction meeting among Blackline LLC; Rodriguez Construction Group, LLC; and Jones & Carter was held on 13 August 2019 in connection with completion of the construction management of the commercial utility and paving extension for the Grand Mission Commercial Development. She went on to explain that construction of the project has commenced and should be complete in October 2019.

Reviewing the Engineer's Monthly Status Report for the regional facilities, Ms. Bonham called attention to the CDC Unlimited, LLC ("CDC") invoice for maintenance of the detention facilities, including mowing and debris removal. She reminded the Board that Jones & Carter re-advertised for bids for the detention pond rehabilitation (the "Rehab Project") and received four bids for the Rehab Project. Ms. Bonham explained that the low bidder for the Rehab Project is Aranda Industries, LLC ("Aranda") with a bid in the amount of \$606,620.20. She recommended award of the contract for the Rehab Project to Aranda in the amount of \$606,620.20.

Ms. Bonham informed the Board that Jones & Carter will inspect the interior of the ground storage tanks in October 2019. She requested the Board's authorization to complete the annual water plant inspections (the "Inspections") for a budget of \$3,500.00 for the TCEQ report, \$8,400.00 for the Jones & Carter report, or \$11,600.00 for a Jones & Carter report that includes a review of the electrical components at the regional water plants.

As to the expansion of the Water Plant No. 3 (the "Expansion"), Ms. Bonham told the Board that Jones & Carter has addressed all of the comments on the plans for the Expansion from the City of Houston. The plans will now be submitted to Fort Bend County for approval. Ms. Bonham informed the Board that Jones & Carter advertised for bids for construction of the Expansion on 5 September 2019 and the low bidder was W.W. Payton Corporation ("Payton") with a bid in the amount of \$1,296,000.00. She then recommended award of the contract for the Expansion to Payton in the amount of \$1,296,000.00

Regarding the expansion of the Plant, Ms. Bonham reported that Jones & Carter had received Pay Estimate No. 9 in the total amount of \$313,524.00 from T&C Construction, Ltd. ("T&C"). A copy of the payment request is attached as an exhibit to the minutes. Ms. Bonham informed the Board of the work performed by T&C in recent months.

Ms. Bonham told the Board that Jones & Carter published public notice for the Permit renewal for the Plant as required. She explained that she expects to receive the renewal Permit this month.

Ms. Bonham then requested approval to begin preparation of the plans and a bid package for the construction of a new eight-foot concrete fence around the Plant. The Board asked that Jones & Carter present a rendering of the type of fence that the participants in the Plant are proposing for review at the next meeting. Director Rubin opined that once the rendering is approved by the Board, it should be submitted to the residents for review and comments before proceeding.

After review, upon a motion duly made and seconded, the Board voted unanimously to award the contract for the Rehab Project to Aranda as recommended by Jones & Carter, authorize the Inspections without the report on the electrical components, to award the contract for the Expansion to Payton as recommended by Jones & Carter, authorize preparation of a rendering of the proposed fence at the Plant, approve the payment to CDC, approve the payment to T&C for the Plant expansion, and accept the Monthly Status Report. A copy of the Monthly Status Report is attached to and shall be considered to be part of these minutes.

There being no further business to come before the Board, upon a motion duly made and seconded, the Board voted unanimously to adjourn.

(SEAL)



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Secretary, Board of Directors