

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

8 July 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 8th day of July, 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) Blitch	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 Salazar, 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 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 10 June 2019 regular Board of Directors meeting. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of 10 June 2019 as written.

Then Ms. Hebert submitted the Tax Assessor/Collector's Report for the Board's review. She listed the amounts wired out of the District's tax account, including \$15,000 in revenues from the tax for bonded debt to the District's Debt Service Fund and \$4,073.84 in revenues from the tax for maintenance and operations to the Operating Fund, and she asked the Board's approval of five checks written on the tax account. She reported that 32 delinquent accounts were turned over to Perdue, Brandon, Fielder, Collins & Mott LLP for collection.

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 twelve months of the fiscal year ending 30 June 2019. Ms. Buckner added that \$180,000 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.

Ms. Russell reported that the District did not receive a Patrol Activity Report for June 2019 under the Fort Bend County Contract Deputy Program. Director Hawthorne said that he was not aware of any problems in the District.

Ms. Russell informed the Board that there was no North Fort Bend Water Authority (the "Authority") Memorandum for the 26 June 2019 meeting at this time.

Director Brown had received the Monthly Report from Off Cinco regarding activity on the District's website. A copy of the report is attached as an exhibit hereto.

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 94.4% 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 for the reporting period. Mr. Chapline informed the Board that the repair of the manhole located within the Plant

site is complete. In response to question from Director Rubin regarding the total cost of the manhole repair, Mr. Chapline stated that District Services has not received all of the invoices related to the repair. He noted that he will bring a cost summary of the repairs to the Board once all of the invoices are received.

Mr. Yale then reviewed correspondence from Coats Rose to District Services dated 8 July 2019. He explained that Senate Bill 239 of the 86th Texas Legislature – Regular Session (2019), requires that a statement be included on all billing to customers of a district that states: "For more information about the district, including information about the district's board and board meetings, please go to the Comptroller's Special Purpose District Public Information Database or (district's website if the district maintains a website)." Mr. Yale commented that the statement mailed to residents of the District would include a link to the District's website. A copy of the letter from Coats Rose is attached hereto as an exhibit to these minutes.

Mr. Yale also suggested that the names and addresses of customers should be omitted from the delinquent letter listing provided to the District's consultants, including Coats Rose, at the monthly Board of Directors meeting. He said that certain utility districts had received numerous Public Information Act requests from real estate investment groups requesting the delinquent letter lists, including the names and addresses of the districts' delinquent customer accounts. Mr. Chapline stated that the delinquent list that is distributed to the Board and District consultants will omit the names of customers with delinquent accounts.

Then Mr. Chapline called the Board's attention to the Delinquent Letter Accounts Listing of customers who 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.

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 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 installed the waterline and is currently installing the force main and manhole.

Ms. Bonham informed the Board that representatives from Jones & Carter and District Services attended the annual Municipal Separate Storm Sewer System Operator Training on Wednesday, 19 June 2019. She presented the Storm Water Permit application (the "Application") for the District and the proposed Notice of Intent

(the "NOI") for Small Municipal Separate Storm Sewer Systems to be submitted to the Texas Commission on Environmental Quality (the "Commission").

Ms. Bonham reported that Blackline LLC ("Blackline") will arrange to have the contract with Rodriguez Construction Group, LLC ("RCG") executed in connection with completion of the construction management of the commercial utility and paving extension for the Grand Mission Commercial Development. She stated that Jones & Carter will coordinate a pre-construction meeting for the project during the month of July 2019 with Blackline and RCG for the project.

Reviewing the 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 told the Board that Jones & Carter will re-advertise for bids for the detention pond rehabilitation during the week of 15 July 2019. Ms. Bonham noted that she will call potential contractors for the project so that they will be aware of the pending notice in the newspaper.

As to the expansion of the water plant no. 3, Ms. Bonham explained that Jones & Carter sent the plans for the expansion to District Services, the Commission, the engineers for MUD No. 2, MUD No. 143, and MUD No. 165, and all governmental agencies to review.

Regarding the expansion of the Plant, Ms. Bonham reported that Jones & Carter had received Pay Estimate No. 7 in the total amount of \$221,064.30 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. Director Rubin questioned whether the other participants in the Plant had paid their share of the costs of the pay estimate related to the expansion. Ms. Buckner stated that MUD No.2 has paid its portion of the invoice but noted that MUD No. 143 and MUD No. 165 have not had board meetings to approve the payments.

Ms. Bonham stated that the manhole within the Plant site was installed and the manhole is being backfilled this week. She noted that the bypass pumping operations at the Plant are complete and the pumps have been removed from the site.

Ms. Bonham reported that she had responded to the residents who had complained regarding poor air quality and dust around the Plant. She stated that the residents have now requested that the District construct a wall or fence around the Plant. Ms. Bonham distributed a list of the different types of barriers that the District could choose to use to surround the Plant, a copy of which is attached as an exhibit to these minutes. She explained that the least costly option is a wooden fence at a cost of \$151,000. In response to a question from the Board regarding the life of a wooden fence, Ms. Bonham replied that the life would be approximately ten years. Director Brown opined that a wooden fence would cost more over time as it would have to be replaced or repaired. The Board also discussed the use of a berm to obstruct the view of the Plant. Ms. Bonham explained that a berm is not possible because of the location

of the running trail near the Plant site. Director Rubin stated that in his opinion the ten-foot concrete fence at a cost of \$356,000 is the best option for obstructing the view of the Plant. The Board directed Jones & Carter to propose the concrete fence option to the other participants in the Plant and request that each district participate in funding a portion of the cost of the fence. Director Rubin requested that Ms. Bonham notify the residents who had complained about the odor that the Board must contact the other participants in the Plant regarding participation in funding the cost of the fence before a final decision can be made. Director Rubin stated that the Board should proceed with this project as soon as possible. Ms. Bonham recommended that the actual construction of the fence be delayed until completion of the Plant expansion to prevent damage to the fence. She indicated her intent to notify the residents of the Board's decision as soon as possible. She added that she will copy the Board and Coats Rose on her communication with the residents. As to the dust on the road into the Plant, Director Brown questioned whether it could be watered down. Ms. Bonham noted that the concern with wetting the road is that the dust would turn into mud.

After review, upon a motion duly made and seconded, the Board voted unanimously to approve the Application, the NOI, the payment to CDC, the payment to T&C for the Plant expansion, and the Monthly Status Report. A copy of the Monthly Status Report is attached to and shall be considered to be part of these minutes.

Mr. Yale then submitted to and reviewed with the Board a memorandum prepared by Coats Rose that summarizes certain bills approved by the 86th Texas Legislature – Regular Session (2019) that could affect water districts. A copy of the memorandum is attached to and shall be considered to be part of these minutes. He reviewed the memorandum in detail with the Board, including issues concerning property tax rates, the District's elections, and information required to be posted on the websites of water districts that have websites. Mr. Yale pointed out that Senate Bill 239 requires that the District make an audio recording of the public hearing to adopt the District's tax rate if a resident makes a written request to the District at least three days before the public hearing.

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



Secretary, Board of Directors