

GRAND LAKES MUNICIPAL UTILITY DISTRICT NO. 2

NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested members of the public that the Board of Directors of the above-captioned District (the "Board") will hold a regular public meeting at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, said address being an official meeting place of the District.

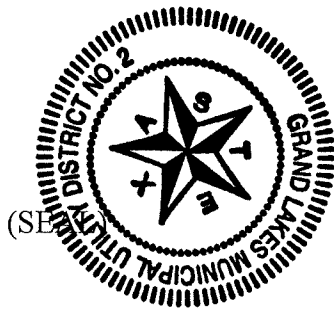
The meeting will be held on *Monday, August 17, 2026, at 11:00 a.m.*

The Board shall consider and discuss the following matters and take any action necessary or appropriate with respect to such matters:

1. Public comments;
2. Review and approval of the minutes of the Board meetings held on July 20, 2026, and August 3, 2026;
3. Review and discussion of law enforcement services within the District, including the monthly activity report prepared by Fort Bend County Precinct 1 Constable's Office;
4. Engagement of auditor to audit the District's financial statements and prepare the District's audit report for fiscal year ending August 31, 2026, and acceptance of Texas Ethics Commission Form 1295 (the "TEC Form 1295");
5. Receive the Financial Advisor's recommendation concerning the District's proposed 2026 tax rate, determine intended tax rate, and authorize:
 - A. the required notice that the Board will consider adoption of a tax rate; and
 - B. the means of providing such notice;
6. Bookkeeper's Report, including financial and investment reports; authorize the payment of invoices presented;
7. Adoption of operating budget for fiscal year ending August 31, 2027, pursuant to Exhibit A and B attached hereto;
8. Tax Assessor-Collector's Report, including status of delinquent taxes; authorize the payment of invoices presented, approval of tax refunds, and transfer of accounts to the uncollectible roll;
9. Review of Delinquent Tax Collection Attorneys' Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P.; authorize any action necessary and appropriate in connection therewith, including authorizing foreclosure proceedings, installment agreements, and the filing of proofs of claim;
10. Sales Tax Revenue Status Report;
11. Operation and Maintenance Report, including:
 - A. Monthly report;
 - B. Appeals of District charges and other customer billing matters;
 - C. Repair and maintenance of District facilities, including consideration of any

- contracts for same and authorize acceptance of TEC Form 1295;
 - D. Refer accounts for collection;
 - E. Approve write-off of uncollectible accounts;
 - F. Compliance with permits and regulatory requirements, including review of any notices of violations, responses to notices and remedial action taken, self-reporting forms as and if required, and correspondence to and from regulatory agencies regarding same;
 - G. Reclaimed water system and irrigation; and
 - H. Discussion of the annual maintenance of District facilities;
- 12. Consider review of an amendment to Rate Order, including Rate Analysis Report;
- 13. Approval of Joint Water Supply and Wastewater Treatment Agreement;
- 14. Engineer's Report, including:
 - A. Authorizing the design and/or advertisement for bids for construction of facilities within the District, and approving of related storm water plans;
 - B. Review and approval of any Storm Water Pollution Prevention Plans or Storm Water Quality Management Plans related to construction within or on behalf of the District, and the execution of any documentation in connection therewith, including wastewater treatment plant site permit;
 - C. Authorizing the award of construction contracts or concurrence of award of contracts for the construction of facilities within the District, and approval of any related storm water permits and authorize acceptance of TEC Form 1295;
 - D. Status of construction of facilities to serve land within the District, including the approval of any pay estimates and/or change orders and authorize acceptance of TEC Form 1295 related to same, including:
 - i. Lift Station No. 1 Rehabilitation Project, Design Phase;
 - E. Acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District, and acceptance of facilities for operation and maintenance purposes;
 - F. Review and approval of Capital Improvement Plan; and
 - G. Discussion of the Status of the SH 99 Northbound Frontage Road Improvement Project and status of possible reclaimed water line relocation;
- 15. Discussion regarding status of Lazy River Pool Rehabilitation Project, including matters related to contract with Petra Construction, LLC;
- 16. Adoption of Resolution Expressing Official Intent to Reimburse Operating Account for the Water and Sewer Line Repair Project at Peek and Fry Road;
- 17. Issuance of utility commitments and authorize acceptance of TEC Form 1295 related to same;
- 18. District's Communications Report;
- 19. Discuss compliance with the EPA Phase II Small MS4 General Permit;
- 20. Status of compliance with annual cybersecurity training as required by Chapters 2054 and 2063, Texas Government Code;
- 21. Authorize filing of Local Government Bond, Tax, and Project Database report with Texas Comptroller of Public Accounts pursuant to Section 403.702, Gov't Code;

22. Attorney's Report;
23. Discussion concerning George Wakileh allegations against the District, the Board and District Consultants, and status of Wakileh litigation;
24. Status of Grand Lakes Community Association litigation against the District;
25. Convene Closed Session for consultation with attorney regarding pending or threatened litigation or matters protected by attorney-client privilege pursuant to Section 551.071, Texas Government Code, as amended;
26. Reconvene in Open Session and authorize any actions related to matters discussed in Closed Session;
27. Take action on matters discussed during Closed Session; and
28. Matters for possible placement on future agendas.



SCHWARTZ, PAGE & HARDING, L.L.P.

By: 
Christopher J. Skinner,
Attorney for the District

The Board of Directors reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Real Property), 551.073 (Prospective Gifts), 551.074 (Personnel Matters), and 551.076 (Security Devices).

Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact the District's attorney at (713) 623-4531 at least three business days prior to the meeting so that appropriate arrangements can be made.

Proposed Budget

Exhibit A

Grand Lakes MUD No. 2 - Fiscal Year Ending 08/2027

	Nine Months Actuals	Twelve Months Annualized	Adopted	Proposed
	09/25 - 05/26	FYE 08/26	2026 Budget	2027 Budget
Revenues				
14101 · Water - Customer Service Revenue	216,376	297,619	392,161	461,862
14102 · NFBWA Revenue	468,090	700,016	773,370	700,008
14108 · Transfer Fee	1,160	1,547	1,500	1,500
14201 · Wastewater - Customer Service Revenue	132,630	176,840	422,097	489,060
14203 · Grease Trap Inspection Fees	6,300	8,400	7,500	8,400
14301 · Maintenance Tax Collections**	470,000	577,300	579,300	576,300
14401 · Sales Tax Revenue	235,258	344,128	300,000	350,000
14702 · Penalties & Interest	8,035	10,714	10,800	10,700
14801 · Interest Earned on Checking	193	257	300	300
14802 · Interest Earned on Temp. Invest	176,155	234,874	246,000	182,800
15801 · Miscellaneous Income	1	1	0	0
Total Revenues	\$1,714,198	\$2,351,695	\$2,733,028	\$2,780,930
Expenditures				
16101 · Billing Service Fees - Water	2,704	3,605	3,500	3,700
16102 · Operations - Water	22,680	30,240	31,600	31,300
16105 · Maintenance & Repairs - Water	56,865	75,820	106,700	78,500
16108 · Laboratory Expense - Water	7,143	9,524	9,700	9,900
16113 · Transfer Expense	1,286	1,714	1,700	1,800
16116 · Permit Expense - Water	1,695	1,695	1,800	1,800
16117 · TCEQ Regulatory Expense - Water	415	1,186	2,036	2,377
16118 · NFBWA Expense	506,430	700,016	773,370	700,008
16119 · NFBWA Expense - Irrigation (RWDS)	183,461	232,206	248,483	232,206
16120 · Purchased Water Services - GL 4	96,459	124,557	205,813	129,557
16122 · Smart Meters	6,384	8,512	8,900	8,800
16123 · Irrigation Evaluations - NFBWA	65	65	400	400
16201 · Billing Service Fees-Wastewater	2,704	3,605	2,800	3,700
16202 · Operations - Wastewater	5,837	7,783	7,660	8,100
16203 · Grease Trap Inspections	6,206	8,274	7,600	8,600
16205 · Maintenance & Repairs - Wastewater	79,133	105,511	114,400	109,200
16209 · Mowing - Wastewater	2,340	3,120	3,000	3,200
16211 · Utilities - Lift Station	3,985	5,313	7,500	5,500
16214 · Telephone Expense - Wastewater	2,608	3,478	3,400	3,600

Proposed Budget

Grand Lakes MUD No. 2 - Fiscal Year Ending 08/2027

	Nine Months Actuals	Twelve Months Annualized	Adopted	Proposed
	09/25 - 05/26	FYE 08/26	2026 Budget	2027 Budget
16216 · Permit Expense - Wastewater	0	0	100	0
16217 · TCEQ Regulatory - Wastewater	415	1,186	2,036	2,377
16220 · Purchased Sewer Services - GL 4	177,387	229,808	252,339	246,876
16221 · Purchased RWDS Services - GL 4	137,631	180,607	263,137	187,906
16301 · Garbage Expense	218,188	290,917	300,400	301,400
16401 · Stormwater Management	5,625	7,475	15,300	7,700
16402 · Storm Water Quality	4,067	4,467	600	4,600
16406 · Permit Expense - Stormwater	100	100	0	100
16502 · Inspection Expense	0	0	1,500	0
16610 · Utilities - Street Lights	102,872	137,163	124,700	142,000
16611 · Pest Control	3,060	4,080	4,900	4,200
16612 · Community Event	701	701	0	0
16703 · Legal Fees	220,057	293,409	150,000	150,000
16704 · Legal Fees - Construction	126	126	2,500	2,500
16705 · Auditing Fees	23,800	23,800	23,000	23,000
16706 · Legal Fees - Litigation	0	0	25,000	25,000
16709 · Election Expense	30,967	30,967	10,000	30,000
16710 · Website Hosting	5,160	6,879	11,500	7,100
16711 · Sales Tax Consultant	2,250	3,000	3,000	3,000
16712 · Bookkeeping Fees	52,070	69,426	74,000	74,000
16714 · Printing & Office Supplies	4,486	5,981	9,000	6,200
16715 · Filing Fees	500	666	200	700
16716 · Delivery Expense	381	507	500	500
16717 · Postage	4,065	5,420	5,700	5,600
16718 · Insurance & Surety Bond	13,962	13,962	13,800	14,500
16719 · AWBD Expense	3,380	4,360	4,500	4,500
16721 · Meeting Expense	3,109	4,145	4,400	4,300
16722 · Bank Service Charge	445	593	200	600
16723 · Travel Expense	283	377	500	400
16724 · SB 622 - Public Notice Expenditures	0	0	600	600
16728 · Record Storage Fees	1,333	1,778	1,400	1,800

Proposed Budget

Grand Lakes MUD No. 2 - Fiscal Year Ending 08/2027

	Nine Months Actuals 09/25 - 05/26	Twelve Months Annualized FYE 08/26	Adopted 2026 Budget	Proposed 2027 Budget
16730 · Consumer Confidence Report	0	1,400	1,400	1,400
16735 · EVO Reporting	19,500	19,500	0	9,500
16737 · Eng. Fees-Bond Authorization	24,228	24,228	0	0
16738 · Engineering Fees	84,593	112,791	125,000	125,000
16740 · Engineering Fees - GIS	789	1,085	0	0
16745 · PUC Appeal	6,019	6,019	150,000	150,000
16746 · SB 625 Filing	700	700	600	700
16801 · Patrol Expense - Sheriff	10,333	10,333	0	0
16803 · Patrol Expense - Constable	213,754	267,267	300,000	308,040
17101 · Payroll Expenses	12,376	16,501	17,300	17,100
17102 · Payroll Administration	400	600	600	600
17103 · Payroll Tax Expense	947	1,262	1,300	1,300
17802 · Miscellaneous Expense	390	390	0	0
Total Expenditures	\$2,378,845	\$3,110,202	\$3,441,372	3,207,348
Other Revenues				
15904 · Transfer from SPA Reserves	0	1,067,428	1,365,286	952,232
Total Other Revenues	\$0	\$1,067,428	\$1,365,286	\$952,232
Capital Outlay				
17901 · Capital Outlay - GOF	56,984	56,984	50,000	50,000
17907 · Capital Outlay - JWP	8,780	11,313	16,163	118,525
17908 · Capital Outlay - WWTP	0	0	10,540	10,540
17909 · Capital Outlay - RWDS	7,095	114,334	15,208	9,749
17959 · Lift Station Generators	0	0	100,000	0
17961 · Storm Manhole/Inlet Repairs	108,705	100,000	315,031	0
17962 · Waterline Replacement Fry & Peek Rd.	26,291	26,291	150,000	150,000
17963 · Jason's Deli Reimbursement	0	0	0	187,000
Total Capital Outlay	207,855	308,921	656,942	525,814
Net Excess Revenues <Expenditures>	(\$872,501)	\$0	\$0	\$0

* Those appendix items required by Texas Water Code Section 49.057(b) are filed in the District's official records and are available upon request. Any person wishing to obtain a copy of such documents may submit a request under the Texas Public Information Act to the following address: Grand Lakes MUD No. 2, c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Blvd., Suite 2400, Houston, TX. 77056, (713) 623-4531.

** Maintenance Tax Collections = \$459,413,419/ 100 x \$.128 Tax Rate x 98% Collection Rate

Exhibit B
Taxpayer Impact Statement

	Current Budget Fiscal Year Ending** <i>08/26</i>	Proposed Budget Fiscal Year Ending** <i>08/27</i>	No-New-Revenue Tax Rate Budget***
Estimated District Operations and Maintenance Tax Bill on Average Homestead*	\$989.78	\$989.78	\$989.78

*The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to \$0.128 per \$100 of assessed value. Average homestead values are determined by the county appraisal district. All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth in Taxation worksheet was prepared in accordance with the Texas Water Code.

**Average tax bill estimates for the current and proposed budgets reflect those taxes necessary to fund the operation and maintenance tax revenues stated in the applicable budget.

***This column estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget generates the same amount of operations and maintenance tax revenues as the current budget.