

**WOOD TRACE MUNICIPAL UTILITY DISTRICT NO. 1,
OF MONTGOMERY COUNTY, TEXAS**

**Minutes of Meeting of Board of Directors
January 11, 2022**

The Board of Directors of Wood Trace Municipal Utility District No. 1, of Montgomery County, Texas met in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of the Board of Directors, to-wit:

Mercedes C. Burns, President
Elias L. Hinojosa, Vice President
James Art Nicholson, Secretary
Dexter Braband, Assistant Secretary
David Ambrose, Assistant Secretary

all of whom were present, with the exception of Director Ambrose, thus constituting a quorum.

Also present were Kristen Scott of Bob Leared Interests ("Leared"); Mark Swanson of LJA Engineering, Inc. ("LJA"); Steven Hamilton of Environmental Allies; Diane Michaux of Municipal Accounts & Consulting, L.P. ("MA&C"); John Escamilla of Water District Management Company, Inc. ("WDM"); and Bryan Yeates and Kris Eddlemon of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before it.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. There were no comments from the public at this time.

APPROVAL OF MINUTES

As the next order of business, the Board considered approval of the minutes of the Board of Directors meeting held on December 14, 2021. After discussion of the minutes presented, Director Nicholson moved that the minutes be approved, as written. Director Burns seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Michaux next reviewed the Bookkeeping Report dated January 11, 2022, a copy of which is attached as **Exhibit A**, including the disbursements presented for payment from the District's various accounts. After discussion on the matter, it was moved by Director Nicholson that said Bookkeeping Report be approved and that the disbursements identified therein be approved for payment, with the exception of check no. 5060, which was voided. Director Hinojosa seconded said motion, which carried unanimously.

The Board deferred discussion of enhanced bookkeeping reports until the next meeting.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board next considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Yeates advised that pursuant to the Public Funds Investment Act, the Board is required to review, and revise as necessary, such list at least annually. He presented to and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit B**. Mr. Yeates further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officers, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Burns moved that the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and the President and Secretary be authorized to execute same. Director Nicholson seconded said motion, which unanimously carried.

CONTINUING DISCLOSURE REPORT

Mr. Yeates next presented and reviewed with the Board an Annual Financial and Operating Report prepared by McCall, Parkhurst & Horton L.L.P. ("MPH"), the District's Disclosure Counsel, a copy of which is attached hereto as **Exhibit C**. After discussion, Director Braband moved that (i) the Annual Financial and Operating Report be approved by the Board, and (ii) MPH be authorized to file same with the appropriate repositories prior to the deadline. Director Nicholson seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of December 2021, a copy of which is attached hereto as **Exhibit D**. After discussion concerning the Tax Assessor-Collector Report, Director Nicholson moved that said Report be approved and that the disbursements identified in the Report be approved for payment from the District's tax account. Director Braband seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS REPORT

The Board deferred action relative to the review of a delinquent tax report from the District's delinquent tax collections attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P., as one had not been received.

EXEMPTIONS FROM TAXATION

Mr. Yeates outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by the Texas Constitution and the Texas Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up

to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2022, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2022, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Braband moved that the District (i) not grant the residential homestead exemption, (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$10,000 from ad valorem taxes levied by the District during the calendar year 2022, and (iii) approve the Resolution relative to same, attached hereto as **Exhibit E**. Director Nicholson seconded said motion, which carried unanimously.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Mr. Yeates advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent sixty (60) days after the date on which they become delinquent, which will be February 1, 2022, as more fully described in said Resolution. After discussion, it was moved by Director Burns, seconded by Director Braband and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit F**, be passed and adopted by the Board.

ENGINEERING REPORT

Mr. Swanson next presented and reviewed with the Board an Engineering Report, a copy of which is attached hereto as **Exhibit G**. No action was taken by the Board at this time.

STORMWATER MANAGEMENT PROGRAM

The Board considered the status of the District's Stormwater Management Program. The Board noted that a representative of Storm Water Solutions, LP was not present at the meeting, and deferred further discussion regarding the matter.

DEVELOPERS' REPORTS

The Board deferred consideration of the Developers' Reports upon noting that no developer representatives were present at the meeting.

LANDSCAPE ARCHITECT REPORT

The Board deferred consideration of the Landscape Architect Report upon noting that a representative of Kudela & Weinheimer was not present at the meeting.

REPORT FROM ENVIRONMENTAL ALLIES

Mr. Hamilton next presented and reviewed a report with regard to mowing and maintenance of District drainage and detention areas, a copy of which report is attached hereto as **Exhibit H**. It was noted that no action was required by the Board at this time.

OPERATION AND MAINTENANCE REPORT

Mr. Escamilla presented and reviewed the Operation and Maintenance Report for the month of November 2021, a copy of which is attached hereto as **Exhibit I**. He advised that the District is in receipt of a check from the insurance carrier in the amount of \$8,734.00 in connection with the repair of well motor no. 2. It was noted that no action was required by the Board at this time.

UTILITY COMMITMENTS

Mr. Yeates reported that the District has not received any requests for utility commitments.

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board next considered authorizing solicitation of proposals for renewal of the District's insurance policies. In that regard, Mr. Yeates advised the Board that the District's current insurance policies are provided through HARCO/Texas Municipal League Intergovernmental Risk Pool ("TML") and that such policies will expire on March 31, 2022. He inquired whether the Board desired to have SPH request written proposals from other insurance providers. After discussion, Director Burns moved that SPH be authorized to solicit a renewal proposal from TML for the Board's review at the next meeting. Director Nicholson seconded the motion, which unanimously carried.

AUTHORIZE PREPARATION AND SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS FOR INCLUSION IN THE SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Yeates next informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Following discussion, Director Burns moved that the District's auditor, BKD, LLP, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database. Director Nicholson seconded the motion, which unanimously carried.

SUPPLEMENTAL AGENDA

The Board then considered the calling of a Directors Election in accordance with the requirements of the Texas Water Code. There was presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit J** calling such election to be held on May 7, 2022. It was noted that the terms of office of Directors Ambrose and Nicholson expire in May of this year. In reviewing the Order with the Board, Mr. Yeates advised that the Order provides for the conduct of

the Directors Election by Montgomery County, Texas (the "County"), jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at a shared expense. Although the County will conduct the Directors Election, he advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Directors Election, and that the Order named Kris Eddlemon as such agent (the "Election Agent"). Mr. Yeates further advised the Board that notice of the Directors Election must be given in accordance with the requirements of the Texas Election Code. Mr. Yeates advised the Board that notice of the Directors Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Directors Election be given by posting same at a public place in each County election precinct that overlaps the District. After discussion on the matter, Director Burns moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Directors Election in accordance with the Order. Director Braband seconded said motion, which unanimously carried. Mr. Yeates advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 22, 2022, the Board may thereafter cancel the Directors Election in accordance with the Texas Election Code.

ATTORNEY'S REPORT

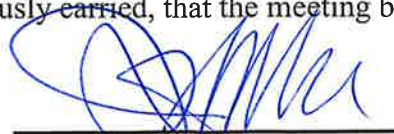
The Board next considered the Attorney's Report. In connection therewith, Mr. Yeates advised the Board that he had nothing additional to discuss with the Board of a legal nature which was not covered under specific agenda items.

FUTURE AGENDA ITEMS

The Board next considered matters for possible placement on future agendas. There were no other future agenda items to be discussed other than matters previously noted during the meeting.

ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Braband, seconded by Director Burns and unanimously carried, that the meeting be adjourned.



Secretary, Board of Directors

LIST OF ATTACHMENTS

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
<u>Exhibit C</u>	Annual Financial and Operating Report prepared by McCall, Parkhurst & Horton L.L.P.
<u>Exhibit D</u>	Tax Assessor-Collector Report
<u>Exhibit E</u>	Resolution Concerning Exemptions From Taxation
<u>Exhibit F</u>	Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
<u>Exhibit G</u>	Engineering Report
<u>Exhibit H</u>	Environmental Allies' Report
<u>Exhibit I</u>	Operation and Maintenance Report
<u>Exhibit J</u>	Order Calling Directors Election