

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

**Minutes of Meeting of Board of Directors
April 12, 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 Hinojosa, 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, who entered later in the meeting as noted herein; Diane Michaux of Municipal Accounts & Consulting, L.P. ("MA&C"); John Escamilla of Water District Management Company, Inc. ("WDM"); Christine Croftwell of Masters Advisors LLC ("Masterson"); 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 March 8, 2022. After discussion of the minutes presented, Director Nicholson moved that the minutes be approved, as written. Director Braband seconded said motion, which unanimously carried.

PROPOSED REFUNDING TRANSACTION

Ms. Croftwell addressed the Board regarding the proposed issuance of refunding bonds by the District. She reminded the Board that, at the previous meeting, it approved a plan of financing for a proposed refunding transaction and authorized Masterson to proceed with same. She advised

that the refunding transaction is not feasible at this time, and that Masterson will continue to monitor market conditions for a potential future refunding.

Mr. Hamilton entered the meeting at this time.

BOOKKEEPING REPORT

Ms. Michaux next reviewed the Bookkeeping Report dated April 12, 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. 5138, which was voided. Director Burns seconded said motion, which carried unanimously.

Ms. Michaux additionally presented and reviewed with the Board a Quarterly Investment Inventory Report (the "Report") for the reporting period ended February 28, 2022, a copy of which is attached to the Bookkeeping Report. After further discussion of the Report and upon motion duly made by Director Nicholson, seconded by Director Burns and unanimously carried, the Report was approved and the District's Investment Officers were authorized to execute same on behalf of the Board and the District.

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

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of March 2022, a copy of which is attached hereto as **Exhibit B**. After discussion concerning the Tax Assessor-Collector Report, Director Ambrose 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 Nicholson seconded said motion, which carried unanimously.

Ms. Scott next advised the Board that Leared is recommending that the District's tax account be moved from Central Bank to Allegiance Bank. Mr. Yeates advised that an item related to this matter will be included on the May agenda.

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.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Yeates advised that the District is authorized pursuant to the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent, as more fully described in the Resolution. After discussion, it was moved by Director Nicholson, seconded by Director Braband and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes attached hereto as **Exhibit C** be adopted by the Board, and that the District's delinquent tax attorney be authorized to collect delinquent real property taxes beginning July 1, 2022, including the filing of lawsuits, if necessary.

ENGINEERING REPORT

Mr. Swanson next presented and reviewed with the Board a written Engineering Report, a copy of which is attached hereto as **Exhibit D**. Following discussion, it was moved by Director Nicholson, seconded by Director Ambrose and unanimously carried, that all action items in the Engineering Report be approved, as recommended by LJA, including the District's concurrence with the following: (i) revised Change Order No. 1 in the amount of \$5,430.80, submitted by TexaSite, LLC for water, sanitary sewer, and drainage facilities to serve Wood Trace, Section 10 (the "Section 10 Project"), and (ii) payment by Friendswood Development Company of Pay Estimate No. 2 and Pay Estimate No. 3 and Final, submitted by TexaSite, LLC, in the amounts of \$85,593.29 and \$27,209.51, respectively, for the Section 10 Project. Director Ambrose seconded the motion, which unanimously carried.

BOND APPLICATION REPORT

The Board next discussed the status of preparation of a Bond Application Report for the District's Unlimited Tax Bonds, Series 2022 and Unlimited Tax Park Bonds, Series 2022A (collectively, the "Bonds"), and the adoption of an Order Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for Approval of Project and Bonds. Following further discussion on the matter, Director Nicholson moved that the Board adopt an Order Authorizing Application to the TCEQ for Approval of Project and Bonds, attached hereto as **Exhibit E**, and that SPH and LJA be authorized to submit same as part of the District's application to the TCEQ for approval of the proposed Bonds. Director Ambrose seconded said motion, which unanimously carried.

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 F**. 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 February 2022, a copy of which is attached hereto as **Exhibit G**. No action was taken by the Board at this time.

The Board considered the status of the District's Emergency Preparedness Plan ("EPP"). In that regard, Mr. Escamilla advised that the EPP has been completed and filed with the appropriate entities.

The Board next considered authorizing WDM to prepare a draft Consumer Confidence Report ("CCR") for review by the Board. Mr. Yeates advised that pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the TCEQ, the District is required to provide a report containing various information regarding the District's water supply to all District customers by July 1, 2022. After discussion on the matter, it was moved by Director Braband, seconded by Director Ambrose and unanimously carried, that WDM be authorized to prepare a draft CCR and SPH be authorized to review same for compliance with the TCEQ's regulatory requirements and its 2022 template.

A discussion ensued regarding the status of filing of the District's Water Conservation Plan Annual Implementation Report (the "Report") with the Texas Water Development Board. In that regard, Mr. Escamilla advised that WDM is in the process of preparing the Report for filing with the TWDB prior to the deadline.

The Board then considered the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Escamilla presented WDM's annual report and advised the Board regarding the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the District's business arrangements with other entities. He recommended that no changes be made to the District's

Program. After discussion on the matter, the Board concurred that no changes were necessary to the District's Program at this time.

UTILITY COMMITMENTS

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

ATTORNEY'S REPORT

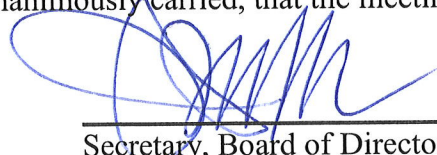
The Board next considered the Attorney's Report. Mr. Yeates advised that the District is in receipt of a proposal from Acclaim Energy Advisors, a copy of which is attached hereto as **Exhibit H**, regarding participation in an aggregation pool. Following discussion, the Board concurred that no action be taken at this time.

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 Nicholson, 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>	Tax Assessor-Collector Report
<u>Exhibit C</u>	Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
<u>Exhibit D</u>	Engineering Report
<u>Exhibit E</u>	Order Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds
<u>Exhibit F</u>	Environmental Allies' Report
<u>Exhibit G</u>	Operation and Maintenance Report
<u>Exhibit H</u>	Proposal from Acclaim Energy Advisors