

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

**Minutes of Meeting of Board of Directors  
March 8, 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 Braband, thus constituting a quorum. Director Braband entered later in the meeting as noted herein.

Also present were Kristen Scott of Bob Leared Interests ("Leared"); Mark Swanson of LJA Engineering, Inc. ("LJA"); Elizabeth Harris of Environmental Allies; Diane Michaux of Municipal Accounts & Consulting, L.P. ("MA&C"); John Escamilla of Water District Management Company, Inc. ("WDM"); Justin Klump of Storm Water Solutions, LP ("SWS"); Christine Crotwell and Austin Ficken 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 January 11, 2022. After discussion of the minutes presented, Director Nicholson moved that the minutes be approved, as written. Director Ambrose seconded said motion, which unanimously carried.

**BOOKKEEPING REPORT**

Ms. Michaux next reviewed the Bookkeeping Report dated March 8, 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. Director Ambrose seconded said motion, which carried unanimously.

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

### **UNCLAIMED PROPERTY REPORT**

As the next order of business, the Board considered authorizing the District's consultants to research unclaimed property and authorizing MA&C to prepare an Unclaimed Property Report as of March 1, 2022. After discussion, Director Ambrose moved that the District's consultants be authorized to research their records to determine whether there is any unclaimed property for the applicable reporting period and that MA&C be authorized to prepare an Unclaimed Property Report, if necessary, for the Board's consideration. Director Burns seconded said motion, which unanimously carried

Director Braband entered the meeting at this time.

### **TAX ASSESSOR-COLLECTOR REPORT**

Ms. Scott then presented the Tax Assessor-Collector Report for the month of February 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 that a taxpayer of the District has requested that penalty and interest charges on his or her delinquent tax bill be waived. In connection therewith, she reviewed correspondence from said taxpayer, a copy of which is included with **Exhibit B**. Ms. Scott noted that, unless there has been an error by the appraisal district, the District or the District's tax assessor-collector, the District has no authority to waive penalty and interest charges and that, based on the foregoing, she recommends that the Board deny the request. After discussion, Director Ambrose moved that the Board deny the taxpayer's request for waiver of penalty and interest charges. Director Nicholson seconded the motion, which unanimously carried.

### **DELINQUENT TAX COLLECTIONS REPORT**

Mr. Yeates next presented the District's delinquent tax report dated March 8, 2022, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached as **Exhibit C**. He noted that no action was required on the matter at this time.

### **ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2022 TAX YEAR**

Mr. Yeates reminded the Board that the taxing procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" pursuant to Texas Water Code Section 49.23602. He then reviewed with the Board a Resolution Concerning Developed District Status for the 2022 Tax Year, attached hereto as **Exhibit D**. Following

discussion, upon motion made by Director Burns, seconded by Director Ambrose, and unanimously carried, the attached Resolution was adopted by the Board.

### **ENGINEERING REPORT**

Mr. Swanson next presented and reviewed with the Board a written Engineering Report, a copy of which is attached hereto as **Exhibit E**. Following discussion, it was moved by Director Ambrose, seconded by Director Hinojosa 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) approval of Change Order No. 1 in the amount of \$4,230.80, submitted by TexaSite, LLC for water, sanitary sewer, and drainage facilities to serve Wood Trace, Section 10, (ii) approval of Change Order No. 1 in the amount of \$168,322.50, submitted by Gilleland Smith Construction, Inc. in connection with the expansion of the Wastewater Treatment Plant and Lift Station No. 1, (iii) approval of a proposal from Beyer Construction, LLC in the amount of \$9,490.00 for roadway repairs, and (iv) approval of payment to Beyer Construction, LLC in the amount of \$250 for repair of the sign pole located in Wood Trace, Section 3.

Mr. Swanson next advised that LJA is preparing bond application reports for water, sanitary sewer, and drainage facilities, and recreational facilities. He then reviewed draft summaries of costs with the Board, copies of which are attached to the Engineering Report. Ms. Crotwell then presented to and reviewed with the Board a cash flow analysis in connection with the proposed bond issues, a copy of which is attached hereto as **Exhibit F**. Mr. Yeates advised that an item will be included on the April agenda for the Board to consider the adoption of an order authorizing the submission of an application to the Texas Commission on Environmental Quality for approval of the bond issues.

### **EMERGENCY PREPAREDNESS PLAN**

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

### **RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS**

The Board considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Yeates advised the Board that, as required pursuant to Section 2258.022 of the Texas Government Code, the District has previously adopted the applicable United States Department of Labor ("DOL") wage rate scales as the general prevailing wage rates for construction projects by or on behalf of the District. He further advised that the DOL's applicable wage rate scales have been amended. After discussion on the matter, Director Burns moved that the new DOL wage rate scales be adopted as the District's prevailing wage rate scales for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects attached hereto as **Exhibit G** be adopted by the Board. Director Hinojosa seconded said motion, which unanimously carried.

## **STORMWATER MANAGEMENT PROGRAM**

The Board considered the status of the District's Stormwater Management Program ("SWMP"). In that regard, Mr. Klump presented to and reviewed with the Board the Year 3 Annual Report and Training Summary (the "Summary"), the Phase II (Small) MS4 Annual Report (the "Annual Report"), and a proposed utility bill insert. Copies of the Summary, Annual Report, and utility bill are attached hereto as **Exhibit H**. After discussion, Director Nicholson moved that the Annual Report (including the utility bill insert) be approved as presented, and that the President be authorized to execute the Annual Report on behalf of the Board and the District. Director Burns seconded said motion, which carried unanimously.

## **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**

Ms. Harris 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 I**. 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 January 2022, a copy of which is attached hereto as **Exhibit J**. No action was taken by the Board at this time.

## **WATER CONSERVATION PLAN ANNUAL IMPLEMENTATION REPORT**

Mr. Yeates next advised the Board that, because the District is located within the San Jacinto River Authority, the District will need to prepare and file with the Texas Water Development Board ("TWDB") an Annual Implementation Report regarding the District's Water Conservation Plan. Following discussion, Director Braband moved that WDM be authorized to prepare and file the report with the TWDB prior to the applicable deadline. Director Ambrose seconded the motion, which unanimously carried.

## **AMENDMENT OF RATE ORDER**

Mr. Yeates then presented a notice from Best Trash, LLC's ("Best Trash") regarding its annual Consumer Price Index ("CPI") rate adjustment. In connection therewith, he advised that the District's residential collection fee will increase by \$1.10, effective May 1, 2022. The Board concurred to amend the Rate Order to increase the District's monthly residential sanitary sewer fee

from \$40.33 to \$41.43 to account for Best Trash's annual consumer pride index rate increase. After discussion on the matter, Director Nicholson moved that the District's Rate Order be amended, as discussed, that any and all Rate Orders heretofore adopted be revoked, and that the Rate Order, a copy of which is attached hereto as Exhibit K, effective as of May 1, 2022, be passed and adopted. Director Braband seconded the motion, which unanimously carried.

### UTILITY COMMITMENTS

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

### RENEWAL OF DISTRICT INSURANCE POLICIES

In connection with the renewal of the District's insurance coverages, Mr. Yeates reminded the Board that SPH obtained a renewal proposal from HARCO/Texas Municipal League Intergovernmental Risk Pool ("TML"), a copy of which is attached hereto as Exhibit L. Following discussion, Director Hinojosa moved that the Board accept TML's insurance proposal and that the President be authorized to execute same on behalf of the Board and the District. Director Ambrose seconded the motion, which unanimously carried.

### MEETING TIME CHANGE

The Board considered changing its regular meeting time. Mr. Yeates reminded the Board that it currently meets at 10:30 a.m. on the second Tuesday of each month. In connection therewith, Mr. Yeates proposed changing the meeting time to 9:00 a.m. After discussion on the matter, on motion made by Director Ambrose, seconded by Director Braband, and carried by unanimous vote, the Board established the second Tuesday of each month at 9:00 a.m. as the new time for its regular meetings.

### 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.

### PLAN OF FINANCING FOR PROPOSED REFUNDING TRANSACTION

Ms. Crotwell addressed the Board regarding the proposed issuance of refunding bonds for the District. In connection therewith, she presented and reviewed with the Board a Plan of Financing in connection with the District's proposed Unlimited Tax Refunding Bonds, Series 2022 ("Refunding Bonds"), a copy of which is attached hereto as Exhibit M. She reported that the proposed refunding bond issue would refund a portion of the District's Series 2016 Bonds, and that the size of the refunding issue was subject to change depending on the market conditions and other factors at the time of sale. After a detailed discussion on the current refunding proposal outlined by Ms. Crotwell, the Board approved the proposed plan of financing and concurred that Masterson be authorized to proceed with same.

## APPROVAL OF UNDERWRITER

The Board next considered the designation of an Underwriter relative to the District's proposed Refunding Bonds, and the designation of an officer to receive and acknowledge the receipt of a MSRB Rule G-17 disclosure of role, compensation, material conflicts of interest and material financial characteristics and risks of the financial structure provided by the proposed Underwriter in connection with the Refunding Bonds. Ms. Crotwell advised the Board that since Masterson would continue to serve as Financial Advisor in connection with the Refunding Bonds, a separate Underwriter would be designated. She reviewed a list of Underwriters with the Board and advised that Masterson recommends Robert W. Baird & Co. Incorporated ("Baird") to serve as the Underwriter relative to the Refunding Bonds. After discussion on the matter, Director Nicholson moved that the Board approve Baird as the Underwriter relative to the Refunding Bonds, or SAMCO Capital Markets, Inc. as an alternate, and that Director Burns be designated as the officer to receive and acknowledge the MSRB Rule G-17 disclosure, as discussed. Director Ambrose seconded said motion, which unanimously carried.

## SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 7, 2022. Mr. Yeates advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 22, 2022. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Mr. Yeates then presented and reviewed the Order Declaring Candidates Elected, attached hereto as **Exhibit N**. After discussion, Director Braband moved that the Order be adopted by the Board declaring James Art Nicholson and David Ambrose elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 7, 2022, be cancelled. Director Ambrose seconded said motion, which unanimously carried.

## 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>	Delinquent Tax Report
<u>Exhibit D</u>	Resolution Concerning Developed District Status for the 2022 Tax Year
<u>Exhibit E</u>	Engineering Report
<u>Exhibit F</u>	Cash Flow Analysis
<u>Exhibit G</u>	Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
<u>Exhibit H</u>	Year 3 Annual Report and Training Summary, Phase II (Small) MS4 Annual Report, and proposed utility bill insert
<u>Exhibit I</u>	Environmental Allies' Report
<u>Exhibit J</u>	Operation and Maintenance Report
<u>Exhibit K</u>	Rate Order
<u>Exhibit L</u>	Proposal provided by HARCO/Texas Municipal League Intergovernmental Risk Pool
<u>Exhibit M</u>	Plan of Financing
<u>Exhibit N</u>	Order Declaring Candidates Elected