

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

**Minutes of Meeting of Board of Directors
August 9, 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 Directors Hinojosa and Nicholson, thus constituting a quorum.

Also present were Kristen Scott of Bob Leared Interests ("Leared"); Mark Swanson of LJA Engineering, Inc. ("LJA"); Diane Michaux and Cory Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); John Escamilla of Water District Management Company, Inc. ("WDM"); Steven Hamilton of Environmental Allies, who entered later in the meeting as noted herein; Kirti Patel of Richfield Investment Corporation representing Primewood Investments, L.P. ("Primewood"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Melissa Vasquez of FORVIS, LLP ("Forvis"); David Berenger, resident of the District; 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. Mr. Berenger addressed the Board 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 July 12, 2022. After discussion of the minutes presented, Director Burns moved that the minutes be approved, as written. Director Ambrose seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR

Ms. Vasquez next addressed the Board relative to the engagement of Forvis to conduct an audit of the District's records for its fiscal year ending August 31, 2022. She advised the Board that the cost for the preparation of such audit is estimated to be \$17,900, plus expenses. After discussion on the matter, Director Burns moved that (i) Forvis be engaged to conduct the District's audit for the fiscal year ending August 31, 2022, in accordance with the terms outlined in Forvis' engagement letter, a copy of which is attached hereto as **Exhibit A**, (ii) the President be authorized to execute such engagement letter on behalf of the Board and the District, and (iii) Texas Ethics Commission Form ("TEC") 1295 provided by Forvis be approved and SPH be authorized to acknowledge receipt of same with the TEC. Director Braband seconded said motion, which carried unanimously.

BOOKKEEPING REPORT

Ms. Michaux next reviewed the Bookkeeping Report dated August 9, 2022, a copy of which is attached as **Exhibit B**, including the disbursements presented for payment from the District's various accounts. After discussion on the matter, it was moved by Director Ambrose that said Bookkeeping Report be approved and that the disbursements identified therein be approved for payment, with the exception of check nos. 5231 and 5232, which were voided, and including check no. 2023 payable to Gilleland Smith Construction, Inc. ("Gilleland"), in the amount of \$730,755.00. Director Braband seconded said motion, which carried unanimously.

Mr. Hamilton entered the meeting during the presentation of the Bookkeeping Report.

THIRD AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES

The Board next considered the approval of a Third Amended and Restated Agreement for Bookkeeping Services between the District and MA&C (the "Agreement"). In that regard, Mr. Burton reviewed the terms of the proposed Agreement, a copy of which is attached hereto as **Exhibit C**, and responded to questions regarding same. Following discussion, it was moved by Director Braband that the Board (i) approve the Agreement and authorize execution of same by the President on behalf of the Board and the District, and (ii) authorize SPH to accept and acknowledge the associated TEC Form 1295 provided by MA&C. Director Ambrose seconded the motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of July 2022, a copy of which is attached hereto as **Exhibit D**. 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 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.

Mr. Burton exited the meeting at this time.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2022 TAX RATE

Ms. Crotwell presented the Board with Masterson's recommendation regarding the proposed 2022 debt service tax rate, a copy of which is attached hereto as **Exhibit E**. In connection therewith, she advised that Masterson is recommending a proposed 2022 debt service tax rate of \$0.85. The Board then discussed the proposed 2022 maintenance tax rate. Discussion ensued regarding the requirements for notice of the District's intention to adopt a 2022 tax rate. Mr. Yeates advised that, pursuant to Section 49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. He further advised that the information to be included in the notice is set forth in the Texas Water Code and includes the proposed tax rate to be adopted. Mr. Yeates advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven (7) days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten (10) days before the date of the meeting. After further discussion on the matter, Director Burns moved that the Board accept the financial advisor's recommendation of a proposed 2022 debt service tax rate of \$0.85, that a proposed maintenance tax rate of \$0.37 be established, and that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2022 tax rate of \$1.22 at its next meeting in the form and at the time required by law. Director Braband seconded said motion which unanimously carried. The Board concurred that the notice should be published by the tax assessor-collector in *The Tomball Potpourri*.

OPERATING BUDGET

Ms. Michaux presented to and reviewed with the Board a proposed operating budget for the fiscal year ending August 31, 2023, a copy of which is included with **Exhibit B**. After discussion concerning the proposed budget, Director Ambrose moved that the budget for the District's fiscal year ending August 31, 2023, be adopted, as revised. Director Braband seconded said motion which unanimously carried.

ENGINEERING REPORT

Mr. Swanson next presented and reviewed with the Board a written Engineering Report, a copy of which is attached hereto as **Exhibit F**. Following discussion, it was moved by Director Ambrose, seconded by Director Braband 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) payment by Friendswood Development Company of Pay Estimate No. 3, submitted by Gilleland, in the amount of \$730,755.00, for Expansion of the Wastewater Treatment Plant and Lift Station No. 1, and (ii) authorization of LJA to proceed with lead and copper sampling as required by the Texas Commission on Environmental Quality ("TCEQ").

BOND APPLICATION REPORT

The Board next discussed the status of the Bond Application Report ("BAR") for the District's Unlimited Tax Bonds, Series 2022 and Unlimited Tax Park Bonds, Series 2022A. Mr. Yeates advised that the BAR was filed with the TCEQ and was declared administratively complete by the TCEQ on July 6, 2022.

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 next considered the Developers' Reports. Mr. Patel advised that he had nothing new to report to the Board at this time.

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 provided by Environmental Allies with regard to mowing and maintenance of District drainage and detention areas, a copy of which report is attached hereto as **Exhibit G**. He then presented and reviewed a proposal in the amount of \$1,350 to remove the silt fence and dead tree located at Castlewood Outfall, a copy of which proposal is included with **Exhibit G**. Following discussion, Director Burns moved that the Board (i) approve the proposal, (ii) authorize the President to execute same on behalf of the Board and the District, and (iii) authorize SPH to accept and acknowledge the associated TEC 1295 Form provided by Environmental Allies. Director Ambrose seconded the motion, which unanimously carried.

Mr. Hamilton next addressed the Board regarding a Second Amendment to Contract ("Second Amendment") between the District and Environmental Allies. In connection therewith, he presented and reviewed an updated maintenance budget, a copy of which is included within **Exhibit G**. Following discussion, Director Burns moved that the Board (i) approve the Second Amendment, (ii) authorize the President to execute same on behalf of the Board and the District,

and (iii) authorize SPH to accept and acknowledge the associated TEC 1295 Form provided by Environmental Allies. Director Ambrose seconded the motion, which unanimously carried.

OPERATION AND MAINTENANCE REPORT

Mr. Escamilla presented and reviewed the Operation and Maintenance Report for the month of June 2022, a copy of which is attached hereto as **Exhibit H**. He presented a proposal provided by Modern System Concepts, Inc. ("MSC"), in the amount of \$1,724.22 for the installation of security equipment at Lift Station No. 2, a copy of which is included with **Exhibit H**. Following discussion, Director Ambrose moved that the Board approve the proposal provided by MSC. Director Burns seconded the motion, which unanimously carried.

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. 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 Ambrose seconded by Director Burns and unanimously carried, that the meeting be adjourned.



Secretary, Board of Directors

LIST OF ATTACHMENTS

<u>Exhibit A</u>	Engagement Letter – FORVIS, LLP
<u>Exhibit B</u>	Bookkeeper's Report
<u>Exhibit C</u>	Third Amended and Restated Agreement for Bookkeeping Services between the District and Municipal Accounts & Consulting, L.P.
<u>Exhibit D</u>	Tax Assessor/Collector's Report
<u>Exhibit E</u>	2022 Tax Rate Recommendation
<u>Exhibit F</u>	Engineering Report
<u>Exhibit G</u>	Environmental Allies' Report; Proposal; Second Amendment to Contract
<u>Exhibit H</u>	Operations and Maintenance Report