

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

**Minutes of Meeting of Board of Directors  
September 13, 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.

Also present were Kristen Scott of Bob Leared Interests ("Leared"); Mark Swanson and Martin Palacios of LJA Engineering, Inc. ("LJA"); Diane Michaux 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; Christine Crotwell of Masterson Advisors LLC ("Masterson"); Justin Klump of Storm Water Solutions, LP ("SWS"); 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. 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 August 9, 2022. After discussion of the minutes presented, Director Ambrose moved that the minutes be approved, as written. Director Nicholson seconded said motion, which unanimously carried.

**BOOKKEEPING REPORT**

Ms. Michaux next reviewed the Bookkeeping Report dated September 13, 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. 5257, which was voided. Director Burns seconded said motion, which carried unanimously.

Mr. Hamilton entered the meeting at this time.

### **RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS AND INTEREST EARNED ON CONSTRUCTION FUNDS**

The Board next considered the adoption of a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds (the "Resolution") in connection with the payment of eligible costs associated with Expansion of the Wastewater Treatment Plant and Lift Station No. 1 (the "Expansion Project"). Following discussion, Director Ambrose moved that the Board adopt the Resolution, attached hereto as **Exhibit B**, and that the President be authorized to execute same on behalf of the Board and the District. Director Nicholson seconded the motion, which unanimously carried.

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

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

### **DELINQUENT TAX COLLECTIONS REPORT**

Mr. Yeates next presented the District's delinquent tax report dated September 13, 2022, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached as **Exhibit D**. He noted that no action was required on the matter at this time.

### **PUBLIC HEARING AND LEVY OF THE DISTRICT'S 2022 TAX RATE**

The Board conducted a hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2022. There being no comments presented from the public, on motion made by Director Burns, seconded by Director Nicholson, and unanimously carried, such hearing was closed.

The Board then discussed the setting of the 2022 tax rate. It was confirmed that the notice had been published in accordance with all legal requirements and as directed at the previous meeting. After discussion on the matter, Director Hinojosa moved that: (i) the Board levy a 2022 debt service tax rate of \$0.85 per \$100 of assessed valuation and a 2022 maintenance tax rate of \$0.37 per \$100 of assessed valuation, resulting in a total 2022 tax rate of \$1.22 per \$100 of assessed valuation, and (ii) the Order Levying Taxes attached hereto as **Exhibit E** be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Nicholson seconded said motion, which carried unanimously.

## AMENDMENT TO DISTRICT INFORMATION FORM

Mr. Yeates presented and discussed with the Board an Amendment to the Third Amended and Restated District Information Form relative to the District's 2022 tax rate. After discussion, Director Burns moved that the Amendment to the Third Amended and Restated District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Nicholson seconded the motion, which carried unanimously.

## 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 Hinojosa and unanimously carried, that all action items included in the Engineering Report be approved, as recommended by LJA, including the District's concurrence with the following: (i) award of a contract to Tidal Construction, Inc. in the amount of \$244,350.00 for the construction of Hydropneumatic Tank No. 2 at the Water Plant, (ii) payment by Friendswood Development Company of Pay Estimate No. 4, submitted by Gilleland Smith Construction, Inc., in the amount of \$291,303.00, for the Expansion Project, and (iii) authorization of WDM to perform lead and copper sampling as required by the Texas Commission on Environmental Quality ("TCEQ").

Mr. Swanson and Mr. Palacios next addressed the Board regarding the implementation of a proposed Geographic Information System ("GIS") to create a database for District facilities. A discussion ensued regarding the GIS system and the costs associated with same. Following discussion, the Board requested that LJA present a proposal for review at the next meeting.

## STATUS OF THE DISTRICT'S BOND APPLICATION REPORT IN CONNECTION WITH THE DISTRICT'S \$2,420,000 UNLIMITED TAX BONDS, SERIES 2022 AND \$5,830,000 UNLIMITED TAX PARK BONDS, SERIES 2022A (COLLECTIVELY, THE "BONDS")

The Board next considered the status of the District's Bond Application Report in connection with the Bonds. In that regard, Mr. Yeates advised that the District is awaiting receipt of the Order from the TCEQ.

## PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE PROPOSED ISSUANCE OF THE BONDS

As the next order of business, the Board reviewed the Preliminary Official Statement ("POS") and Official Notices of Sale (collectively, the "NOS") in connection with the proposed sale of the Bonds. In connection therewith, Ms. Crotwell reviewed with the Board various provisions of the POS and NOS, and stated that the sale of the Bonds is currently scheduled for Tuesday, October 11, 2022. After discussion, Director Burns moved that, subject to final review and approval by the District's consultants, such offering materials be approved, completed and distributed in anticipation of a sale of the Bonds, and that such POS be deemed to be final for all

purposes with the exception of any additional materials or information relating to subsequent material events, offering prices, interest rates, selling compensation, identity of the underwriters, aggregate principal amounts and other similar information, terms and provisions to be specified in the competitive bidding process. The motion was seconded by Director Hinojosa, and carried by unanimous vote.

### **AUTHORIZE FINANCIAL ADVISOR TO ADVERTISE FOR SALE OF BONDS**

The Board next considered authorizing Masterson to advertise for the sale of the Bonds. After discussion on the matter, Director Burns moved that Masterson be authorized to advertise for the sale of the Bonds. Director Hinojosa seconded said motion, which unanimously carried.

### **DESIGNATION OF PAYING AGENT/REGISTRAR**

The Board next considered the designation of a Paying Agent/Registrar in connection with the proposed sale of the Bonds. In connection therewith, Ms. Crotwell recommended that the Board designate The Bank of New York Mellon Trust Company, N.A. (the "Bank of New York") to serve in such capacity. After discussion, Director Burns moved that the Bank of New York be designated as the Paying Agent/Registrar for the Bonds. Director Hinojosa seconded the motion, which carried unanimously.

### **ATTORNEY GENERAL'S FEES**

The Board next considered authorizing the District's bookkeeper to prepare wire transfer authorizations for payment of the Attorney General's fees in connection with the review of the transcripts of proceedings relative to the proposed Bonds. After discussion on the matter, Director Burns moved that MA&C be authorized to prepare wire transfer authorizations payable to the Attorney General of Texas. Director Hinojosa seconded said motion, which unanimously carried.

### **STORMWATER MANAGEMENT PROGRAM**

The Board considered the status of the District's Stormwater Management Program ("SWMP"), including any training necessary under the SWMP and comments from the public. In that regard, Mr. Klump presented to and reviewed with the Board Year 4 Goals and Training, a copy of which is attached hereto as **Exhibit G**. No action was taken by the Board at this time.

### **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 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 H**. A discussion ensued regarding graffiti on District facilities. Following discussion, Director Ambrose moved that Environmental Allies be authorized to remove the graffiti. Director Burns seconded the motion, which unanimously carried.

## **OPERATION AND MAINTENANCE REPORT**

Mr. Escamilla presented and reviewed the Operation and Maintenance Report for the month of July 2022, a copy of which is attached hereto as **Exhibit I**. No action was taken by the Board at this time.

## **UTILITY COMMITMENTS**

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

## **ANNUAL MAINTENANCE FOR ARBITRAGE ANALYSIS REPORT**

Mr. Yeates next presented to and reviewed with the Board an Annual Maintenance for Arbitrage Analysis Report (the "Arbitrage Report") prepared by Municipal Risk Management Group, LLC ("MRMG"), a copy of which report is attached hereto as **Exhibit J**. In connection with the District's \$3,460,000 Unlimited Tax Bonds, Series 2017A ("Series 2017A Bonds"), he advised that a 5th Year Arbitrage Rebate Report is due no later than sixty (60) days after November 15, 2022, as reflected in the Arbitrage Report. In connection therewith, Mr. Yeates then presented for the Board's approval an engagement letter for arbitrage rebate services from Arbitrage Compliance Specialists, Inc. ("ACS") relative to the District's Series 2017A Bonds, a copy of which engagement letter is included with **Exhibit J**. He stated that the fee for said service is \$2,950, and that if additional services are necessary, they will be performed at the company's standard hourly rates as set forth in the engagement letter. After discussion of the matter, Director Hinojosa moved that the Board (i) approve the engagement letter from ACS for arbitrage rebate services, (ii) authorize the President to execute same on behalf of the Board and the District, and (iii) approve Texas Ethics Commission ("TEC") Form 1295 from ACS and authorize SPH to acknowledge receipt of same with the TEC. Director Burns seconded said motion, which unanimously carried.

## **ATTORNEY'S REPORT**

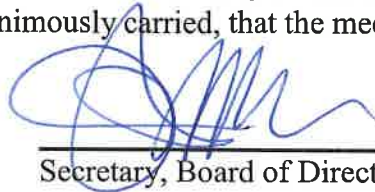
The Board next considered the Attorney's Report. In connection therewith, Mr. Yeates advised the Board that he had nothing additional to discuss with the Board of a legal nature which was not covered under specific agenda items.

**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 Hinojosa and unanimously carried, that the meeting be adjourned.



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Secretary, Board of Directors

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## LIST OF ATTACHMENTS

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds
<u>Exhibit C</u>	Tax Assessor/Collector's Report
<u>Exhibit D</u>	Delinquent Tax Report
<u>Exhibit E</u>	Order Levying Taxes
<u>Exhibit F</u>	Engineering Report
<u>Exhibit G</u>	Year 4 Goals and Training – Storm Water Solutions, LP
<u>Exhibit H</u>	Environmental Allies' Report
<u>Exhibit I</u>	Operations and Maintenance Report
<u>Exhibit J</u>	Annual Maintenance for Arbitrage Analysis Report prepared by Municipal Risk Management Group, LLC; Engagement Letter for arbitrage rebate services provided by Arbitrage Compliance Specialists, Inc.