

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

**Minutes of Meeting of Board of Directors
October 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 Directors Burns and Ambrose, thus constituting a quorum.

Also present were Kristen Scott of Bob Leared Interests ("Leared"); Mark Swanson of LJA Engineering, Inc. ("LJA"); Diane Michaux and Dulce Molina of Municipal Accounts & Consulting, L.P. ("MA&C"); John Escamilla of Water District Management Company, Inc. ("WDM"); Steven Hamilton, who entered later in the meeting as noted herein, and Robert McFarland of Environmental Allies; Kirti Patel of Richfield Investment Corporation representing Primewood Investments, L.P. ("Primewood"); Jennifer Hanna of BKD, LLP ("BKD"); and Bryan Yeates and Kris Eddlemon of Schwartz, Page & Harding, L.L.P. ("SPH").

In the absence of the President, the Vice 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 September 13, 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.

BOOKKEEPING REPORT

Ms. Michaux next reviewed the Bookkeeping Report dated October 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, including check no. 5290 in the amount of \$229,750.00 payable to Gilleland Smith Construction, Inc., and with the exception of check nos. 5273 and 5277, which were voided. Director Braband seconded said motion, which carried unanimously.

STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265 RELATIVE TO ENERGY REPORTING

The Board considered the status of the District's compliance with Texas Government Code, Chapter 2265 relative to energy reporting requirements. Mr. Yeates advised that the District must report its annual electricity usage and cost and make said report accessible to the public. Ms. Michaux advised that MA&C will obtain a copy of same for review by the Board next month.

INVESTMENT POLICY

The Board next considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order"). Mr. Yeates presented for the Board's consideration an amended Order and a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"). Copies of the amended Order and Resolution are attached hereto as **Exhibit B**. Following discussion, Director Nicholson moved that the amended Order be adopted to reflect the proposed changes, and that the Board adopt the Resolution. Director Braband seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

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

Mr. Hamilton entered the meeting at this time.

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.

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 Braband 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) payment by Friendswood Development Company of Pay Estimate No. 5 submitted by Gilleland Smith Construction, Inc., in the amount of \$229,750.00, for Expansions of the Wastewater Treatment Plant and Lift Station No. 1 (the "Project"), (ii) execution by the Vice President of an easement from CenterPoint Energy in connection with the Project, (iii) approval of a proposal from Beyer Construction, LLC in the amount of \$3,108.00 to address roadway repairs in Wood Trace, Sections 13, 14, and 15, and (iv) authorization of LJA to approve various roadway and traffic control related work by Beyer Construction, LLC in an amount not to exceed \$5,000.

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 E**. No action was taken by the Board at this time.

OPERATION AND MAINTENANCE REPORT

Mr. Escamilla presented and reviewed the Operation and Maintenance Report for the month of August 2022, a copy of which is attached hereto as **Exhibit F**. He then presented a report regarding Builder Damage Deposit for Roads, a copy of which is included with **Exhibit F**, and recommended that the Board consider refunding builder damage deposits for street repairs. Following discussion, Director Nicholson moved that the District refund roadway damage deposits to the appropriate builders, as recommended by WDM. Director Braband seconded the motion, which unanimously carried.

RATE ORDER

The Board next considered amendment of the District's Rate Order to address an increase in the pumpage fees charged by the San Jacinto River Authority ("SJRA"). In that regard, Mr.

Yeates reported that effective September 1, 2022, the SJRA pumpage fee increased from \$2.88 per 1,000 gallons of water pumped to \$2.99 per 1,000 gallons of water pumped. He noted that the current pumpage fee in the District's Rate Order is \$3.02 per 1,000 gallons of water pumped. Following discussion, the Board concurred to defer amendment of the District's Rate Ordre 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. 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.

RECEIVE AND ACT UPON BIDS FOR THE PURCHASE OF THE DISTRICT'S \$2,420,000 UNLIMITED TAX BONDS, SERIES 2022

As the next order of business, it was announced that, pursuant to notice published as required by law, public bids for the sale of the District's \$2,420,000 Unlimited Tax Bonds, Series 2022 (the "Series 2022 Bonds") would be received at this time and place. In that regard, Mr. Yeates announced that seven (7) bids had been received for the purchase of the Series Bonds and presented a bid tabulation sheet to the Board, a copy of which is attached hereto as **Exhibit G**. He reported that Masterson Advisors LLC ("Masterson") had confirmed the accuracy of the bids and that the low bid was submitted by SAMCO Capital Markets, Inc. ("SAMCO"), at a net effective interest rate of 4.670702%. After a discussion of the bids received, Director Braband moved that the Board accept the low bid of SAMCO, for the purchase of the Series Bonds at a net effective interest rate of 4.670702%. Director Hinojosa seconded said motion, which unanimously carried.

RECEIVE AND ACT UPON BIDS FOR THE PURCHASE OF THE DISTRICT'S \$5,830,000 UNLIMITED TAX PARK BONDS, SERIES 2022A

As the next order of business, it was announced that, pursuant to notice published as required by law, public bids for the sale of the District's \$5,830,000 Unlimited Tax Park Bonds, Series 2022A (the "Series 2022A Park Bonds") would be received at this time and place. In that regard, Mr. Yeates announced that six (6) bids had been received for the purchase of the Series 2022A Park Bonds and presented a bid tabulation sheet to the Board, a copy of which is attached hereto as **Exhibit H**. He reported that Masterson had confirmed the accuracy of the bids and that the low bid was submitted by SAMCO, at a net effective interest rate of 4.654035%. After a discussion of the bids received, Director Braband moved that the Board accept the low bid of SAMCO, for the purchase of the Series 2022A Park Bonds at a net effective interest rate of 4.654035%. Director Hinojosa seconded said motion, which unanimously carried.

ORDERS AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2022 BONDS AND SERIES 2022A PARK BONDS

There was next presented to the Board for consideration Bond Orders authorizing the issuance, sale and delivery of the Series 2022 Bonds and Series 2022A Park Bonds, and prescribing the terms thereof. Mr. Yeates reviewed various provisions of the Bond Orders with the Board, which Bond Orders are attached hereto as **Exhibit I**. After discussion, it was duly moved by Director Braband, seconded by Director Hinojosa and unanimously carried, that the attached Bond Orders be passed and adopted and that the Vice President be authorized to execute the Bond Orders and the Secretary to attest same on behalf of the Board and the District.

FINAL OFFICIAL STATEMENT

As the next order of business, there was a discussion regarding the completion of the Final Official Statement to be prepared by Masterson, as the District's financial advisor, in connection with the sale of the Series 2022 Bonds and Series 2022A Park Bonds. After further discussion of the matter, Director Braband moved that Masterson be authorized to complete the Final Official Statement, dated as of the meeting date, that said Final Official Statement be approved by the Board and the District, and that distribution of same by Masterson be authorized. Director Hinojosa seconded said motion, which carried unanimously.

PAYING AGENT/REGISTRAR AGREEMENTS

The Board next considered and reviewed Paying Agent/Registrar Agreements (the "Agreements") between the District and The Bank of New York Mellon Trust Company, N.A., relative to the Series 2022 Bonds and Series 2022A Park Bonds. Mr. Yeates reviewed the various provisions of the Agreements with the Board. After discussion, Director Braband moved that the Agreements be approved and that the Vice President be authorized to execute the Agreement on behalf of the Board and the District. Director Hinojosa seconded said motion, which carried unanimously.

OTHER MATTERS CONCERNING THE SERIES 2022 BONDS AND SERIES 2022A PARK BONDS

As the next order of business, the Board considered acting upon any other matters relative to the sale of the Series 2022 Bonds and Series 2022A Park Bonds, including authorizing the execution of various documents by the Vice President and Secretary in connection therewith. In connection therewith, Mr. Yeates presented to and reviewed with the Board the General Certificate, the Signature Identification and No-Litigation Certificate, the letters of instruction to the Attorney General, the Initial Bonds, and other documents relating to the sale of and closing on the Series 2022 Bonds and Series 2022A Park Bonds. After further discussion of the matter, Director Braband moved that the Vice President and Secretary be authorized to execute said documents and that SPH be authorized to handle all matters in connection with the sale of the Series 2022 Bonds and Series 2022A Park Bonds and filings of transcripts with the Attorney General of the State of Texas. Director Hinojosa seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR FOR PREPARATION OF AUDIT OF PAYMENTS FROM BOND PROCEEDS

As the next order of business, the Board considered the engagement of an auditor for preparation of audits of payments to the developers and other parties out of the proceeds of the Series 2022 Bonds and Series 2022A Park Bonds. In connection therewith, Ms. Hanna presented and reviewed with the Board engagement letters for said reimbursement audits. After discussion, Director Braband moved that (i) BKD be engaged to prepare audits of the payments proposed to be made out of the proceeds of the Series 2022 Bonds and Series 2022A Park Bonds, in accordance with the terms outlined in BKD's engagement letters, copies of which are attached hereto as **Exhibit J**, (ii) the Vice President be authorized to execute such engagement letters on behalf of the Board and the District, and (iii) Texas Ethics Commission ("TEC") Form 1295s provided by BKD be approved and SPH be authorized to acknowledge receipt of same with the TEC. Director Hinojosa 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 Braband 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 Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
<u>Exhibit C</u>	Tax Assessor/Collector's Report
<u>Exhibit D</u>	Engineering Report
<u>Exhibit E</u>	Environmental Allies' Report
<u>Exhibit F</u>	Operations and Maintenance Report
<u>Exhibit G</u>	Bid Tabulation – Series 2022 Bonds
<u>Exhibit H</u>	Bid Tabulation - Series 2022A Park Bonds
<u>Exhibit I</u>	Order Authorizing the Issuance of the District's Series 2022 Bonds; Order Authorizing the Issuance of the District's Series 2022A Park Bonds
<u>Exhibit J</u>	Engagement Letters – BKD, LLP