

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

**Minutes of Meeting of Board of Directors
April 11, 2023**

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 who entered later in the meeting as noted herein, thus constituting a quorum.

Also present were Kristen Scott of Bob Leared Interests ("Leared"); Mark Swanson of LJA Engineering, Inc. ("LJA"); Diane Michaux and Dulcé Molina of Municipal Accounts & Consulting, L.P. ("MA&C"); John Escamilla of Water District Management Company, Inc. ("WDM"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Bradley Hinkle of Environmental Allies; Dane Turner of Best Trash, LLC ("Best Trash"); 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 March 21, 2023. After discussion of the minutes presented, Director Ambrose moved that the minutes be approved, as written. Director Hinojosa seconded said motion, which unanimously carried.

Director Braband entered the meeting at this time.

BOOKKEEPING REPORT

Ms. Molina next reviewed the Bookkeeping Report dated April 11, 2023, 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 Braband seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of March 2023, a copy of which is attached hereto as **Exhibit B**. 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 Burns 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.

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 Ambrose, seconded by Director Burns 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, 2023, 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 Burns, seconded by Director Nicholson 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. 10 submitted by Gilleland Smith Construction, Inc. in the amount of \$63,540 for Expansions of the Wastewater Treatment Plant and Lift Station No. 1, (ii) acceptance of a Special Warranty Deed for Road Facilities located within Wood Trace, Sections 8 through 15, (iii) approval and payment

of an invoice from Beyer Construction in the amount of \$1,970 to repair or replace traffic signs and repaint a pedestrian crossing, and (iv) authorization of LJA to perform an inspection of the District's roadways.

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. Hinkle 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 February 2023, a copy of which is attached hereto as **Exhibit F**.

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 Texas Commission on Environmental Quality ("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, 2023. After discussion on the matter, it was moved by Director Nicholson, seconded by Director Hinojoa 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 2023 template.

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.

AMENDMENT OF AMENDED AND RESTATED RESIDENTIAL SOLID WASTE COLLECTION, DISPOSAL AND RECYCLING AGREEMENT

The Board next considered approval of an Amendment of Amended and Restated Residential Solid Waste Collection, Disposal and Recycling Agreement (the "Amendment") between the District and Best Trash. Mr. Turner addressed the Board at this time regarding the contract price adjustments and a CPI increase. Following discussion, Director Burns moved that the Board (i) approve the Amendment, a copy of which is attached hereto as **Exhibit G**, (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 Texas Ethics Commission Form 1295. Director Nicholson seconded the motion, which unanimously carried.

AMENDMENT OF RATE ORDER

Mr. Yeates then advised that the District will need to amend the Rate Order to increase the monthly sanitary sewer fee to account for the District's increased fees from Best Trash. In connection therewith, the Board concurred to amend the Rate Order to increase the District's monthly residential sanitary sewer fee from \$41.43 to \$43.54. After discussion on the matter, Director Ambrose 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 H**, effective as of May 1, 2023, be passed and adopted. Director Nicholson 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.

ESTABLISHMENT OF REGULAR MEETING DATE AND TIME

A discussion ensued regarding changing the District's regular meeting date and time. Following discussion, Director Hinojosa moved that the District's regular meeting date be established as the second Wednesday of each month at 1:00 p.m., effective May 2023. Director Burns seconded the 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 Hinojosa and unanimously carried, that the meeting be adjourned.



Secretary, Board of Directors

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LIST OF ATTACHMENTS

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Tax Assessor/Collector's 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>	Environmental Allies' Report
<u>Exhibit F</u>	Operations and Maintenance Report
<u>Exhibit G</u>	Amendment of Amended and Restated Residential Solid Waste Collection, Disposal and Recycling Agreement between the District and Best Trash, LLC
<u>Exhibit H</u>	Rate Order