

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

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

Also present were Kristen Scott of Bob Leared Interests ("Leared"); Mark Swanson of LJA Engineering, Inc. ("LJA"); Dulcé Molina and Diane Michaux of Municipal Accounts & Consulting, L.P. ("MA&C"); John Escamilla of Water District Management Company, Inc. ("WDM"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Jennifer Hanna of FORVIS, LLP ("Forvis"); Bradley Hinkle of Environmental Allies; David Berenger and Elizabeth Berenger, residents of the District; Sesaleyna Michaux, a member of the public; 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. Mrs. Berenger inquired about the District's Drought Contingency Plan, watering restrictions, and communications between the District and its residents. The Board responded to said questions.

**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, 2023. After discussion of the minutes presented, Director Ambrose moved that the minutes be approved, as written. Director Braband seconded said motion, which unanimously carried.

## **BOOKKEEPING REPORT**

Ms. Molina next reviewed the Bookkeeping Report dated August 9, 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 Hinojosa seconded said motion, which carried unanimously.

## **OPERATING BUDGET**

Ms. Michaux presented to and reviewed with the Board a proposed operating budget for the District's fiscal year ending August 31, 2024, a copy of which is included with **Exhibit A**. The Board requested various revisions to said operating budget. Following further discussion, Director Ambrose moved that the proposed budget for the District's fiscal year ending August 31, 2024, be adopted, as revised. Director Nicholson seconded said motion which unanimously carried.

## **ENGAGEMENT OF AUDITOR**

Ms. Hanna next presented and discussed with the Board an engagement letter for the District's audit report for its fiscal year ending August 31, 2023, a copy of which is attached hereto as **Exhibit B**. She advised the Board that the cost for the preparation of such audit is estimated to be \$20,200 plus expenses. After discussion on the matter, Director Braband moved that (i) Forvis be engaged to conduct the District's audit for its fiscal year ending August 31, 2023, (ii) Forvis' engagement letter be approved and the President be authorized to execute same 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 Ambrose seconded said motion, which carried unanimously.

## **TAX ASSESSOR-COLLECTOR REPORT**

Ms. Scott then presented the Tax Assessor-Collector Report for the month of July 2023, 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 Braband seconded said motion, which carried unanimously.

## **FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2023 TAX RATE**

Ms. Crotwell presented Masterson's tax rate recommendation for the District's proposed 2023 debt service tax rate, a copy of which is attached hereto as **Exhibit D**. In connection therewith, she advised that Masterson is recommending a proposed 2023 debt service tax rate of \$0.80. The Board then discussed the proposed 2023 maintenance tax rate. Discussion ensued regarding the requirements for notice of the District's intention to adopt a 2023 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 Masterson's recommendation of a proposed 2023 debt service tax rate of \$0.80, that a proposed maintenance tax rate of \$0.35 be adopted, and that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a total 2023 tax rate of \$1.15 at its next meeting in the form and at the time required by law. Director Ambrose seconded said motion which unanimously carried. The Board concurred that the notice should be published by the tax assessor-collector in *The Tomball Potpourri*.

### **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 E**. Following discussion, it was moved by Director Braband, 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) authorization of LJA to design and advertise for bids for (a) Water Supply Plant No. 1 Phase 4, and (b) Coe and Wright Roads Waterline Extension, (ii) payment by Friendswood Development Company of Pay Estimate No. 14 submitted by Gilliland Smith Construction, Inc. in the amount of \$87,134.40 for Expansion of the Wastewater Treatment Plant and Lift Station No. 1, (iii) payment by Friendswood Development Company of Pay Estimate No. 2 submitted by Tidal Construction, Inc. in the amount of \$95,706.90 for Hydropneumatic Tank No. 2 at Water Plant, and (iv) authorization of LJA to solicit bids for roadway repairs in an amount not to exceed \$150,000.

### **BOND APPLICATION REPORTS**

Mr. Swanson next discussed the status of the Bond Application Reports for the District's Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds") and the Unlimited Tax Park Bonds, Series 2023A (the "Series 2023A Park Bonds"). He advised that the Bond Application Reports were filed with the Texas Commission on Environmental Quality ("TCEQ"), and that the Report for the Series 2023 Bonds was declared administratively complete on May 2, 2023, and the Report for the Series 2023A Park Bonds was declared administratively complete on June 20, 2023. Following discussion, Director Nicholson moved that Masterson be authorized to prepare the

Preliminary Official Statement and Official Notice of Sale for the Series 2023 Bonds. Director Braband seconded said motion, which unanimously carried.

### **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.

### **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 F**. It was noted that no Board action was required at this time.

Diane Michaux and Sesaleyna Michaux exited the meeting at this time.

### **DROUGHT CONTINGENCY PLAN**

The Board next considered review of the District's Drought Contingency Plan ("DCP") and amendments, as appropriate, including the adoption of a Resolution Regarding Review of the Drought Contingency Plan, consideration of comments and input from the public, and authorization of publication of a notice, as required. It was noted that Stage 2 of the District's DCP has been implemented. A discussion ensued regarding proposed amendments to the DCP. After discussion, Director Ambrose moved that the Board (i) approve the amended DCP, (ii) adopt the Resolution Regarding Review of Drought Contingency Plan, attached hereto as **Exhibit G**, and (iii) authorize SPH to publish the Notice of Adoption of Drought Contingency Plan, as required. Director Braband seconded such motion, which passed unanimously. Mr. Yeates advised that a brief summary of the applicable conditions and restrictions of the DCP will be included in customer utility bills and will be provided to the homeowners association.

Director Nicholson exited the meeting at this time.

### **OPERATION AND MAINTENANCE REPORT**

Mr. Escamilla presented and reviewed the Operation and Maintenance Report for the month of June 2023, a copy of which is attached hereto as **Exhibit H**. 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.

## **ATTORNEY'S REPORT**

The Board next considered the attorney's report. In that regard, Mr. Yeates presented to and reviewed with the Board an Annual Maintenance for Arbitrage Analysis Report prepared by Municipal Risk Management Group, LLC, a copy of which report is attached hereto as **Exhibit I**. It was noted that no action is required by the Board at this time.

## **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 Braband, seconded by Director Ambrose and unanimously carried, that the meeting be adjourned.

  
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Secretary, Board of Directors

## LIST OF ATTACHMENTS

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Engagement Letter - Forvis
<u>Exhibit C</u>	Tax Assessor/Collector's Report
<u>Exhibit D</u>	2023 Tax Rate Recommendation
<u>Exhibit E</u>	Engineering Report
<u>Exhibit F</u>	Environmental Allies' Report
<u>Exhibit G</u>	Resolution Regarding Review of Drought Contingency Plan
<u>Exhibit H</u>	Operations and Maintenance Report
<u>Exhibit I</u>	Annual Maintenance for Arbitrage Analysis Report prepared by Municipal Risk Management Group, LLC