

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

**Minutes of Meeting of Board of Directors
September 13, 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 Hinojosa, 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"); Justin Klump of Storm Water Solutions, LP ("SWS"); Julie Peak of Masterson Advisors LLC ("Masterson"), who entered later in the meeting as noted herein; Bradley Hinkle of Environmental Allies; David Berenger, a 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 commented on resident interest in serving on the Board of Directors.

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, 2023. 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. Molina next reviewed the Bookkeeping Report dated September 13, 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, with the exception of check no. 5534, which was voided. Director Burns seconded said motion, which carried unanimously.

Ms. Peak entered the meeting at this time.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of August 2023, a copy of which is attached hereto as **Exhibit B**. After discussion concerning the Tax Assessor-Collector Report, Director Braband 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.

PUBLIC HEARING AND LEVY OF THE DISTRICT'S 2023 TAX RATE

The Board conducted a hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2023. There being no comments presented from the public, on motion made by Director Nicholson, seconded by Director Braband, and unanimously carried, such hearing was closed.

The Board then discussed the setting of the 2023 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 Nicholson moved that: (i) the Board levy a 2023 debt service tax rate of \$0.80 per \$100 of assessed valuation and a 2023 maintenance tax rate of \$0.35 per \$100 of assessed valuation, resulting in a total 2023 tax rate of \$1.15 per \$100 of assessed valuation, and (ii) the Order Levying Taxes attached hereto as **Exhibit C** 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 Braband 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 2023 tax rate. After discussion, Director Ambrose 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.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Yeates next presented the District's delinquent tax report dated September 12, 2023, 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.

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 Ambrose, 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) authorization of LJA to design and advertise for bids for Water Supply Plant No. 1 Phase 4, and the Coe and Wright Roads Waterline Extension, (ii) authorization of LJA to solicit bids for certain roadway repairs, and (iii) payment by Friendswood Development Company of Pay Estimate No. 3 and Pay Estimate No. 4 submitted by Tidal Construction, Inc. in the amounts of \$48,150 and \$13,049.10, respectively, for Hydropneumatic Tank No. 2 at Water Plant.

\$4,495,000 UNLIMITED TAX BONDS, SERIES 2023 (THE "SERIES 2023 BONDS")

The Board next considered the status of the District's Bond Application Report in connection with the Series 2023 Bonds. In that regard, Mr. Yeates advised that the District is in receipt of the Order approving the Series 2023 Bonds from the Texas Commission on Environmental Quality (the "TCEQ").

PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE PROPOSED ISSUANCE OF THE SERIES 2023 BONDS

As the next order of business, the Board reviewed the Preliminary Official Statement ("POS") and Official Notice of Sale ("NOS") in connection with the proposed sale of the Series 2023 Bonds. In connection therewith, Ms. Peak reviewed with the Board various provisions of the POS and NOS, and stated that the sale of the Series 2023 Bonds is currently scheduled for Wednesday, October 11, 2023. 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 Braband, and carried by unanimous vote.

AUTHORIZE FINANCIAL ADVISOR TO ADVERTISE FOR SALE OF SERIES 2023 BONDS

The Board next considered authorizing Masterson to advertise for the sale of the Series 2023 Bonds. After discussion on the matter, Director Burns moved that Masterson be authorized to advertise for the sale of the Series 2023 Bonds. Director Braband 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 Series 2023 Bonds. In connection therewith, Ms. Peak 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 Series 2023 Bonds. Director Braband seconded the motion, which carried unanimously.

ATTORNEY GENERAL'S FEES

The Board next considered authorizing the District's bookkeeper to prepare a wire transfer authorization for payment of the Attorney General's fees in connection with the review of the transcript of proceedings relative to the proposed Series 2023 Bonds. After discussion on the matter, Director Burns moved that MA&C be authorized to prepare a wire transfer authorization payable to the Attorney General of Texas. Director Braband seconded said motion, which unanimously carried.

\$3,460,000 UNLIMITED TAX PARK BONDS, SERIES 2023A (THE "SERIES 2023A PARK BONDS")

Mr. Swanson next discussed the status of the Bond Application Report ("BAR") for the District's Series 2023A Park Bonds, and advised that the BAR is under review by the TCEQ.

STORMWATER MANAGEMENT PROGRAM; APPROVAL OF STORMWATER GUIDANCE MANUAL; AMENDMENT OF RATE ORDER

The Board next considered the status of the District's Stormwater Management Program ("SWMP"), including any training necessary under the SWMP and comments from the public concerning same. In connection therewith, Mr. Klump addressed the Board and presented and reviewed the Stormwater Management Program Year 5 goals, a copy of which is attached hereto as **Exhibit F**, and the District's Stormwater Guidance Manual. He noted that the District will need to amend its Rate Order by December 31, 2023, to incorporate the new provisions of its SWMP. Following discussion, Director Ambrose moved that the Board approve the Stormwater Guidance Manual, as presented. Director Braband seconded the motion, which unanimously carried. The Board deferred amendment of the District's Rate Order until the next meeting.

Mr. Berenger exited the meeting at this time.

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.

OPERATION AND MAINTENANCE REPORT

Mr. Escamilla presented and reviewed the Operation and Maintenance Report for the month of July 2023, a copy of which is attached hereto as **Exhibit G**. He advised that the District entered Stage 3 of its Drought Contingency Plan ("DCP") on August 28, 2023. A discussion ensued regarding a request received from a resident of the District to irrigate certain sections of their yard during restricted hours pursuant to the DCP. Following discussion, Director Braband moved that the Board approve the customer's request. Director Burns seconded the motion, which unanimously carried.

Director Nicholson exited the meeting 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 advised that the District received two (2) requests from residents of the District to hold meetings within the District. Following discussion, no action was taken 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.



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>	Order Levying Taxes
<u>Exhibit D</u>	Delinquent Tax Report
<u>Exhibit E</u>	Engineering Report
<u>Exhibit F</u>	Stormwater Management Program Year 5 goals
<u>Exhibit G</u>	Environmental Allies' Report
<u>Exhibit H</u>	Operations and Maintenance Report