

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

**Minutes of Meeting of Board of Directors
November 8, 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 Nicholson, 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"); Jennifer Hanna of FORVIS, LLP ("FORVIS"); Bear Oakley of Acclaim Energy Advisors ("Acclaim"); Ryan Haynes and Murrah Mayberry of Environmental Allies ("EA"); 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 expressed concern regarding the use of motorized dirt bikes along the District's detention basin. No action was taken by the Board 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 October 11, 2023. After discussion of the minutes presented, Director Burns moved that the minutes be approved, as written. Director Hinojosa seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Molina next reviewed the Bookkeeping Report dated November 8, 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 Braband that said Bookkeeping Report be approved and that the disbursements identified therein be approved for payment. Director Ambrsoe seconded said motion, which carried unanimously.

Director Nicholson entered the meeting at this time.

ENERGY MANAGEMENT AGREEMENT

Mr. Oakley next presented to and reviewed with the Board the Energy Management Agreement (the "Agreement") between the District and Acclaim, a copy of which is attached hereto as **Exhibit B**. Following discussion, Director Ambrose moved that the Board (i) approve the Agreement and authorize the President to execute same on behalf of the Board and the District; and (ii) authorize SPH to accept and acknowledge the Texas Ethics Commission ("TEC") Form 1295 submitted by Acclaim in connection with the Agreement, as required. Director Braband seconded the motion, which unanimously carried.

Mr. Oakley exited the meeting at this time.

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

The Board next considered the status of compliance by the District with Texas Government Code, Chapter 2265, as codified, relative to energy reporting requirements. In connection therewith, it was noted that a copy of the Energy Report was included with the Bookkeeping Report, and that no further action is necessary at this time.

TAX ASSESSOR-COLLECTOR REPORT

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

Ms. Scott next inquired as to whether the Board desired to have an aerial photograph taken of the District. After discussion, the Board determined that an aerial photograph would not be necessary at this time.

The Board next considered adopting a resolution casting votes for the Montgomery Central Appraisal District ("MCAD") Special District candidate to be placed on a county-wide ballot for the Board of Directors of MCAD. Following discussion, Director Hinojosa moved that the District's nine (9) votes be cast in favor of Mr. Arthur J. Bredehoft and that the President be

authorized to execute a Resolution, a copy of which is attached hereto as **Exhibit D**, regarding same. The motion was seconded by Director Braband and 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.

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 Burns, 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 payment by Friendswood Development Company of Pay Estimate No. 5 and Pay Estimate No. 6 and Final submitted by Tidal Construction, Inc. in the amounts of \$16,650 and \$21,598, respectively, for Hydropneumatic Tank No. 2 at the Water Plant.

STATUS OF THE DISTRICT'S \$4,495,000 UNLIMITED TAX BONDS, SERIES 2023; APPROVAL OF AUDIT REPORT RELATIVE TO PAYMENT OF PROCEEDS FROM SAID BONDS

The Board next considered the status of the District's \$4,495,000 Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds"), and the review and approval of an audit report relative to the payment of the proceeds of the Series 2023 Bonds. Mr. Yeates reported that the District received preliminary approval of the transcript of proceedings relative to the sale of the Series 2023 Bonds from the Attorney General of the State of Texas, and that he anticipates the closing of the sale of the Series 2023 Bonds to occur on Tuesday, November 14, 2023, at 10:00 a.m., Houston, Texas time.

The Board next considered the approval of an audit report prepared by FORVIS in connection with the issuance of the Series 2023 Bonds and the disbursement of bond proceeds in accordance with same. In that regard, Ms. Hanna reviewed in detail with the Board a draft of said audit report, a copy of which is attached hereto as **Exhibit F**. She advised the Board of the procedures performed by FORVIS in connection with the preparation of the audit report and of the various documents reviewed in connection therewith. After review and discussion of the audit report, it was moved by Director Ambrose that the audit report be approved, and that the Board authorize the disbursement of the bond proceeds in accordance with and as set forth in the audit report, subject to the closing of the sale of the Series 2023 Bonds, and receipt of a Receipt and Indemnity from Friendswood Development Company. Director Burns seconded the motion, which unanimously carried.

INTERNAL REVENUE SERVICE FORM 8038-G

The Board next considered authorizing the execution and filing of an Internal Revenue Service Reporting Form 8038-G (the "Form") relative to the issuance of the Series 2023 Bonds. After discussion on the matter, it was moved by Director Ambrose that the President be authorized to execute said Form on behalf of the Board and the District and that the Form be filed as required. Director Burns seconded the motion, which unanimously carried.

CORRESPONDENCE FROM BOND COUNSEL REGARDING EXPENDITURE AND INVESTMENT OF BOND PROCEEDS

Mr. Yeates next presented correspondence from SPH, as Bond Counsel for the issuance of the Series 2023 Bonds, addressed to the Board regarding certain provisions of the federal tax law and regulations of the Internal Revenue Service pertaining to the expenditure and investment of proceeds of the Series 2023 Bonds and reviewed same in detail, a copy of which is attached hereto as **Exhibit G**. He advised the Board that certain periodic reviews and reports would be required to monitor compliance with the requirements set forth therein and that arbitrage rebate or yield reduction payments could be required to be made based on said review and reports. Mr. Yeates also advised the Board that the District's Bookkeeper would monitor investment rates and that the District's Financial Advisor would review the debt service fund balance and coverage in connection with the annual tax rate recommendation. He advised the Board, however, that compliance with the requirements is ultimately the responsibility of the Board.

AMENDMENT TO THE DISTRICT'S FIRST AMENDED AND RESTATED DISTRICT INFORMATION FORM

Mr. Yeates presented and discussed with the Board an Amendment to the District's Third Amended and Restated District Information Form relative to the issuance of the Series 2023 Bonds. After discussion regarding said form, 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 Burns seconded said motion, which carried unanimously.

OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2023 BONDS

A discussion ensued regarding the approval of various documents to be utilized for the closings of the Series 2023 Bonds. In that regard, Mr. Yeates reviewed the various closing documents with the Board. After discussion on the matter, Director Ambrose moved that such closing documents be approved and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Burns seconded said motion, which unanimously carried.

RECEIVE AND ACT UPON BIDS FOR THE PURCHASE OF THE DISTRICT'S \$3,460,000 UNLIMITED TAX PARK BONDS, SERIES 2023A

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 \$3,460,000 Unlimited Tax Park Bonds, Series 2023A (the "Series 2023A Park Bonds") would be received at this time and place. In that regard, Ms. Crotwell announced that five (5) bids had been received for the purchase of the Series 2023A Park Bonds and presented a bid tabulation sheet to the Board, a copy of which is attached hereto as **Exhibit H**. She reported that Masterson had confirmed the accuracy of the bids and that the low bid was submitted by BOK Financial Securities, Inc. ("BOK"), at a net effective interest rate of 4.674308%. After a discussion of the bids received, Director Ambrose moved that the Board accept BOK's low bid for the purchase of the Series 2023A Park Bonds at a net effective interest rate of 4.674308%. Director Braband seconded said motion, which unanimously carried.

ORDER AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2023A PARK BONDS

There was next presented to the Board for consideration a Bond Order authorizing the issuance, sale and delivery of the Series 2023A Park Bonds, and prescribing the terms thereof. Mr. Yeates reviewed various provisions of the Bond Order with the Board, a copy of which is attached hereto as **Exhibit I**. After discussion, it was duly moved by Director Nicholson, seconded by Director Ambrose and unanimously carried, that the attached Bond Order be passed and adopted and that the President be authorized to execute the Bond Order 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 2023A Park Bonds. After further discussion of the matter, Director Nicholson 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 Ambrose seconded said motion, which carried unanimously.

PAYING AGENT/REGISTRAR AGREEMENT

The Board next considered and reviewed a Paying Agent/Registrar Agreement (the "Agreement") between the District and The Bank of New York Mellon Trust Company, N.A. ("Bank of New York"), relative to the Series 2023A Park Bonds. Mr. Yeates reviewed the various provisions of the Agreement with the Board. After discussion, Director Nicholson moved that the Agreement be approved and that the President be authorized to execute the Agreement on behalf of the Board and the District. Director Ambrose seconded said motion, which carried unanimously.

OTHER MATTERS CONCERNING THE SERIES 2023A PARK BONDS

As the next order of business, the Board considered acting upon any other matters relative to the sale of the Series 2023A Park Bonds, including authorizing the execution of various documents by the 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 letter of instruction to the Attorney General, the Initial Bonds, and other documents relating to the sale of the Series 2023A Park Bonds. After further discussion of the matter, Director Nicholson moved that the 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 2023A Park Bonds and filings of transcript with the Attorney General of the State of Texas. Director Ambrose 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 audit of payments to the developer and other parties out of the proceeds of the Series 2023A Park Bonds. In connection therewith, Ms. Hanna presented and reviewed with the Board an engagement letter for said reimbursement audit. After discussion, Director Nicholson moved that (i) FORVIS be engaged to prepare an audit of the payments proposed to be made out of the proceeds of the Series 2023A Park Bonds, in accordance with the terms outlined in FORVIS's engagement letter, a copy of which is attached hereto as **Exhibit J**, (ii) the President be authorized to execute such engagement letter on behalf of the Board and the District, and (iii) TEC Form 1295 provided by FORVIS be approved and SPH be authorized to acknowledge receipt of same with the TEC. Director Ambrose 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. Haynes next presented and reviewed a report provided by EA with regard to mowing and maintenance of District drainage and detention areas, a copy of which report is attached hereto as **Exhibit K**. He then presented and reviewed a proposal prepared by EA to remove silt and cleanout of the north side of the drainage channel located along Woodtrace Circle, a copy of which

proposal is included as part of **Exhibit K**. Following discussion, the Board concurred to defer approval of said proposal pending review of the scope of work by LJA.

OPERATION AND MAINTENANCE REPORT

Mr. Escamilla presented and reviewed the Operation and Maintenance Report for the month of September 2023, a copy of which is attached hereto as **Exhibit L**. A discussion ensued regarding the status of the District's Drought Contingency Plan ("DCP"). In that regard, Mr. Escamilla advised that the District is not implementing the District's DCP at this time.

Mr. Escamilla next presented and reviewed a proposal in the amount of \$18,563, a copy of which is attached as part of **Exhibit L**, to replace two (2) outfall pipes located within the District. Following discussion, Director Braband moved that the Board approve the proposal provided by WDM. Director Hinojosa seconded the motion, which unanimously carried.

UTILITY COMMITMENTS

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

AUTHORIZE FILING OF EMINENT DOMAIN REPORT WITH THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Mr. Yeates next advised the Board that Chapter 2206 of the Texas Government Code requires each public and private entity in the State of Texas authorized to exercise the power of eminent domain to file a report with the Comptroller before February 1 of each year. Following discussion on the matter, Director Braband moved that SPH be authorized to prepare and file the required eminent domain report with the Comptroller prior to February 1, 2024. Director Ambrose seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Yeates presented an Annual Disclosure provided by Masterson relative to MSRB Rule G-10, a copy of which is attached hereto as **Exhibit M**.

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>	Energy Management Agreement
<u>Exhibit C</u>	Tax Assessor/Collector's Report
<u>Exhibit D</u>	Resolution - Montgomery Central Appraisal District
<u>Exhibit E</u>	Engineering Report
<u>Exhibit F</u>	Draft Audit Report – Unlimited Tax Bonds, Series 2023
<u>Exhibit G</u>	SPH Correspondence - Unlimited Tax Bonds, Series 2023
<u>Exhibit H</u>	Bid Tabulation – Unlimited Tax Park Bonds, Series 2023A
<u>Exhibit I</u>	Bond Order authorizing the issuance, sale and delivery of the Series 2023A Park Bonds
<u>Exhibit J</u>	Engagement Letter (FORVIS) – Unlimited Tax Park Bonds, Series 2023A
<u>Exhibit K</u>	Report – Environmental Allies
<u>Exhibit L</u>	Operations and Maintenance Report; Proposal
<u>Exhibit M</u>	Annual Disclosure provided by Masterson Advisors, LLC relative to MSRB Rule G-10