

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

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

Also present were Kristen Scott of Bob Leared Interests ("Leared"); Mark Swanson of LJA Engineering, Inc. ("LJA"); 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"); Melissa Vasquez of FORVIS, LLP ("FORVIS"); 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; however, Mr. Yeates discussed recent inquiries made by Mr. David Berenger, a resident of the District. 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 September 13, 2023. After discussion of the minutes presented, Director Nicholson 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 October 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, with the exception of check nos. 5554 and 5557, which were voided. Director Hinojosa seconded said motion, which carried unanimously.

Ms. Molina additionally presented and reviewed with the Board a Quarterly Investment Inventory Report (the "Report") for the reporting period ended August 31, 2023, a copy of which is attached to the Bookkeeping Report. After further discussion of the Report and upon motion duly made by Director Nicholson, seconded by Director Hinojosa and unanimously carried, the Report was approved and the District's Investment Officers were authorized to execute same on behalf of the Board and the District.

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. Molina 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 an 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 the 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 Burns seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of September 2023, 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 Hinojosa 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.

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) approval of a proposal provided by Ninyo & Moore to prepare a geotechnical evaluation in the amount of \$9,900 in connection with Water Supply Plant No. 1 Phase 4, (ii) award of a contract to the low bidder for roadway repairs in an amount not to exceed \$150,000, and (iii) payment by Friendswood Development Company of Pay Estimate No. 15 submitted by Gilliland Smith Construction, Inc. in the amount of \$125,100 for Expansion of the Wastewater Treatment Plant and Lift Station No. 1.

RECEIVE AND ACT UPON BIDS FOR THE PURCHASE OF THE DISTRICT'S \$4,495,000 UNLIMITED TAX BONDS, SERIES 2023

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 \$4,495,000 Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds") would be received at this time and place. In that regard, Ms. Crotwell announced that seven (7) bids had been received for the purchase of the Series 2023 Bonds and presented a bid tabulation sheet to the Board, a copy of which is attached hereto as **Exhibit E**. She reported that Masterson had confirmed the accuracy of the bids and that the low bid was submitted by Robert W. Baird & Co., Inc. ("Baird"), at a net effective interest rate of 4.836231%. After a discussion of the bids received, Director Burns moved that the Board accept Baird's low bid for the purchase of the Series 2023 Bonds at a net effective interest rate of 4.836231%. Director Hinojosa seconded said motion, which unanimously carried.

ORDERS AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2023 BONDS

There was next presented to the Board for consideration a Bond Order authorizing the issuance, sale and delivery of the Series 2023 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 F**. After discussion, it was duly moved by Director Burns, seconded by Director Hinojosa and unanimously carried, that the attached Bond Order be passed and adopted and that the 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 2023 Bonds. After further discussion of the matter, Director Burns 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 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 2023 Bonds. Mr. Yeates reviewed the various provisions of the Agreement with the Board. After discussion, Director Burns 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 Hinojosa seconded said motion, which carried unanimously.

OTHER MATTERS CONCERNING THE SERIES 2023 BONDS

As the next order of business, the Board considered acting upon any other matters relative to the sale of the Series 2023 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 and closing on the Series 2023 Bonds. After further discussion of the matter, Director Burns 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 2023 Bonds and filings of transcript 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 audit of payments to the developer and other parties out of the proceeds of the Series 2023 Bonds. In connection therewith, Ms. Vasquez presented and reviewed with the Board an engagement letter for said reimbursement audit. After discussion, Director Burns moved that (i) FORVIS be engaged to prepare audits of the payments proposed to be made out of the proceeds of the Series 2023 Bonds, in accordance with the terms outlined in FORVIS's engagement letter, a copy of which is attached hereto as **Exhibit G**, (ii) the President be authorized to execute such engagement letter on behalf of the Board and the District, and (iii) Texas Ethics Commission Form 1295 provided by FORVIS be approved and SPH be authorized to acknowledge receipt of same with the TEC. Director Hinojosa seconded said motion, which unanimously carried.

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

The Board next considered the status of the District's Bond Application Report in connection with the Series 2023A Park Bonds. In that regard, Mr. Yeates advised that the District

expects to receive the Order approving the Series 2023A Park Bonds from the Texas Commission on Environmental Quality ("TCEQ") in the next few weeks.

PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE PROPOSED ISSUANCE OF THE SERIES 2023A PARK 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 2023A Park Bonds. In connection therewith, Ms. Crotwell reviewed with the Board various provisions of the POS and NOS. After discussion, Director Nicholson moved that, subject to the District's receipt of the draft Order approving the Series 2023A Park Bonds from the TCEQ and final review and approval by the District's consultants, such offering materials be approved, completed and distributed in anticipation of a sale of the Series 2023A Park 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 Hinojosa, and carried by unanimous vote.

AUTHORIZE FINANCIAL ADVISOR TO ADVERTISE FOR SALE OF SERIES 2023A PARK BONDS

The Board next considered authorizing Masterson to advertise for the sale of the Series 2023A Park Bonds. After discussion on the matter, Director Nicholson moved that Masterson be authorized to advertise for the sale of the Series 2023A Park Bonds. Director Hinojosa 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 2023A Park Bonds. In connection therewith, Ms. Crotwell recommended that the Board designate The Bank of New York to serve in such capacity. After discussion, Director Nicholson moved that the Bank of New York be designated as the Paying Agent/Registrar for the Series 2023A Park Bonds. Director Hinojosa 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 2023A Park Bonds. After discussion on the matter, Director Nicholson moved that MA&C be authorized to prepare a wire transfer authorization payable to the Attorney General of Texas. Director Hinojosa 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

The Board considered a report from Environmental Allies ("EA"). The Board noted that a representative of EA was not present at the meeting, and deferred further discussion regarding the matter.

OPERATION AND MAINTENANCE REPORT

Mr. Escamilla presented and reviewed the Operation and Maintenance Report for the month of August 2023, a copy of which is attached hereto as **Exhibit H**. He discussed an illegal dumping incident that is occurring in Decker Branch Creek located off of Coe Road, and advised that the Montgomery County Sheriff's Office recently installed security cameras to record any future illegal activity.

Mr. Escamilla advised that there is one (1) delinquent account totaling \$119.12, which WDM has been unable to collect. He advised that WDM recommends the account be forwarded to Collections Unlimited for further collection efforts. Following discussion, Director Nicholson moved that the account be forwarded to Collections Unlimited for further handling, as discussed. Director Burns seconded said motion, which unanimously carried.

A discussion ensued regarding the status of the District's Drought Contingency Plan ("DCP"). Mr. Escamilla advised that the District is currently in Stage 2 of the DCP. Following discussion, the Board concurred that the District enter into Stage 1 of the DCP and that WDM notify the homeowners association of same.

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.

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

690602

LIST OF ATTACHMENTS

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Amended Order and 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>	Bid Tabulation – Unlimited Tax Bonds, Series 2023
<u>Exhibit F</u>	Bond Order authorizing the issuance, sale and delivery of the Series 2023 Bonds
<u>Exhibit G</u>	Engagement Letter (FORVIS)
<u>Exhibit H</u>	Operations and Maintenance Report