

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

**Minutes of Meeting of Board of Directors
January 10, 2024**

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 and Shayna Helvey 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"); Ryan Haynes of Environmental Allies ("EA"); David Berenger, who entered later in the meeting as noted herein, and David Ricke, residents of the District; and Bryan Yeates and Melia Berry 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. Ricke addressed the Board regarding replacement and/or installation of certain traffic signs located within 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 December 13, 2023. After discussion of the minutes presented, Director Nicholson moved that the minutes be approved, as written. Director Burns seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Molina next reviewed the Bookkeeping Report dated January 10, 2024, 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 Ambrose 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 November 30, 2023, a copy of which is attached to the Bookkeeping Report. After further discussion of the Report and upon motion duly made by Director Braband, seconded by Director Ambrose 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.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board next considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Yeates advised that pursuant to the Public Funds Investment Act, the Board is required to review, and revise as necessary, such list at least annually. He presented to and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit B**. Mr. Yeates further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officers, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Nicholson moved that the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and the President and Secretary be authorized to execute same. Director Ambrose seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

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

Mr. Berenger entered the meeting at this time.

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.

EXEMPTIONS FROM TAXATION

Mr. Yeates then outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by the Texas Constitution and the Texas Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2024, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Braband moved that the District (i) not grant the residential homestead exemption, (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$10,000 from ad valorem taxes levied by the District during the calendar year 2024, and (iii) approve the Resolution relative to same, attached hereto as **Exhibit D**. Director Ambrose seconded said motion, which carried unanimously.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Mr. Yeates advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent sixty (60) days after the date on which they become delinquent, which will be February 1, 2024, as more fully described in said Resolution. After discussion, it was moved by Director Braband, seconded by Director Nicholson and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit E**, be passed and adopted by the Board.

ENGINEERING REPORT

Mr. Swanson next introduced Ms. Helvey to the Board and advised that she will attend future meetings on behalf of LJA. He then presented and reviewed with the Board a written Engineering Report, a copy of which is attached hereto as **Exhibit F**. Following discussion, it was moved by Director Ambrose, 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 (i) authorization of LJA to proceed with preparation of a Summary of Costs in connection with the District's Series 2024 Park Bonds, and (ii) approval of a proposal provided by Concrete Raising Corporation in the amount of \$1,810.00 to repair a sinkhole located at Woodtrace Circle near Spring Creek Court.

SPECIAL WARRANTY DEEDS

The Board next considered approval of Special Warranty Deeds in connection with (i) Woodtrace, Section 5A/5B Hardscape (reserves), (ii) Woodtrace Section 5A/5B Softscape (reserves) (collectively, the "Deeds"). Following discussion, Director Ambrose moved that the Deeds be accepted by the District and that the President be authorized to execute same on behalf of the Board and the District. Director Braband seconded the 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 G**. 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 November 2023, a copy of which is attached hereto as **Exhibit H**. No action was taken by the Board at this time.

CONSUMER CONFIDENCE REPORTS

Mr. Yeates advised that WDM confirmed the District did not provide water to any other District during 2023 and therefore it would not be necessary to authorize WDM to provide information to other water districts in connection with Consumer Confidence Reports.

UTILITY COMMITMENTS

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

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board next considered authorizing solicitation of proposals for renewal of the District's insurance policies. In that regard, Mr. Yeates advised the Board that the District's current insurance policies are provided through Brown & Brown Lone Star Insurance Services, Inc.

("Brown & Brown") (formerly HARCO/Texas Municipal League Intergovernmental Risk Pool) and that such policies will expire on March 31, 2024. He inquired whether the Board desired to have SPH request written proposals from other insurance providers. After discussion, Director Nicholson moved that SPH be authorized to solicit a renewal proposal from Brown & Brown for the Board's review at the next meeting. Director Braband seconded the motion, which unanimously carried.

AUTHORIZE PREPARATION AND SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS FOR INCLUSION IN THE SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Yeates next informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Following discussion, Director Nicholson moved that the District's auditor, FORVIS, LLP, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database. Director Burns seconded the motion, which unanimously carried.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

Mr. Yeates reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, he presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit I**, regarding participation in the joint election with Montgomery County (the "County"). In connection therewith, Mr. Yeates advised that the County will administer the Election if the District participates in the County's joint election. Following discussion, it was moved by Director Nicholson, seconded by Director Braband and unanimously carried that SPH be authorized to notify the County of the District's intent to participate in the joint election.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Yeates presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit J** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Burns, Hinojosa, and Braband expire in May of this year. In reviewing the Order with the Board, Mr. Yeates advised that the Order provides for the conduct of the Election by the County, jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at a shared expense. He advised that, although the County will conduct the Election, the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Kris Eddlemon as such agent (the "Election Agent"). Mr. Yeates further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. He advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the

notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each County election precinct that overlaps the District. Mr. Yeates also noted that the County will determine the compensation paid to the County election officials. After discussion on the matter, Director Burns moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Braband seconded said motion, which unanimously carried. Mr. Yeates advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

ATTORNEY'S REPORT

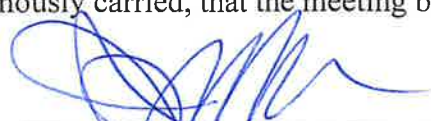
The Board next considered the Attorney's Report. In connection therewith, Mr. Yeates presented and reviewed with the Board an Annual Financial and Operating Report prepared by McCall, Parkhurst & Horton L.L.P. ("MPH"), the District's Disclosure Counsel, a copy of which is attached hereto as **Exhibit K**. After discussion, the Board concurred that MPH be authorized to file same with the appropriate repositories prior to the deadline.

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 Burns and unanimously carried, that the meeting be adjourned.



Secretary, Board of Directors

LIST OF ATTACHMENTS

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District,
<u>Exhibit C</u>	Tax Assessor/Collector's Report
<u>Exhibit D</u>	Resolution Concerning Exemptions From Taxation
<u>Exhibit E</u>	Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
<u>Exhibit F</u>	Engineering Report
<u>Exhibit G</u>	Report – Environmental Allies
<u>Exhibit H</u>	Operations and Maintenance Report
<u>Exhibit I</u>	Memorandum prepared by Schwartz, Page & Harding, L.L.P.
<u>Exhibit J</u>	Order Calling Directors Election
<u>Exhibit K</u>	Annual Financial and Operating Report prepared by McCall, Parkhurst & Horton L.L.P.