

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

**Minutes of Meeting of Board of Directors
February 14, 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 of LJA Engineering, Inc. ("LJA"); Dulcé Molina of Municipal Accounts & Consulting, L.P. ("MA&C"); Josh Rowe of Water District Management Company, Inc. ("WDM"); Ryan Haynes of Environmental Allies ("EA"); Melissa Vasquez of FORVIS, LLP ("FORVIS"); Justin Klump of Storm Water Solutions, LP ("SWS"); David Berenger and David Ricke, residents 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. Ricke addressed the Board regarding repair of a sinkhole located within the District. Mr. Berenger addressed the Board regarding the proposed removal of a dead tree. 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 January 10, 2024. After discussion of the minutes presented, Director Ambrose moved that the minutes be approved, as written. Director Braband seconded said motion, which unanimously carried.

SUPPLEMENTAL AUDIT OF PAYMENTS TO DEVELOPER OUT OF THE PROCEEDS OF THE DISTRICT'S \$8,100,000 UNLIMITED TAX BONDS, SERIES 2021; AND \$3,460,000 UNLIMITED TAX PARK BONDS, SERIES 2023A

The Board next considered engagement of an auditor to prepare supplemental audits of payments to the developer out of the proceeds of the District's (i) \$8,100,000 Unlimited Tax Bonds, Series 2021 ("Series 2021 Bonds"), and (ii) \$3,460,000 Unlimited Tax Park Bonds, Series 2023A (Series "2023A Park Bonds"), and the approval of said audits and disbursement of funds in accordance therewith. In that regard, Ms. Vasquez reviewed an engagement letter and draft supplemental audit report prepared by FORVIS for the Series 2021 Bonds, copies of which are attached hereto as **Exhibit A**. She noted that an additional payment in the amount of \$147,350.59 was due to Friendswood Development Company ("Friendswood") for engineering fees related to expansions of the Wastewater Treatment Plant and Lift Station No. 1 project. She further advised that the engagement letter and draft supplemental audit for the Series 2023A Park Bonds will be presented at the next meeting. After discussion, Director Nicholson moved that (i) FORVIS' engagement letter for the Series 2021 Bonds be approved, the President be authorized to execute same on behalf of the Board and the District, and FORVIS' Texas Ethics Commission ("TEC") Form 1295 be accepted and SPH be directed to acknowledge the receipt of same with the TEC; and (ii) the supplemental audit report for the 2021 Bonds be approved, and the disbursement of proceeds of the Series 2021 Bonds be authorized in accordance with such audit, subject to the execution of a Receipt and Indemnity by Friendswood. Director Ambrose seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Molina next reviewed the Bookkeeping Report dated February 14, 2024, a copy of which is attached as **Exhibit B**, 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 Nicholson seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of January 2024, 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 Nicholson 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.

RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR

The Board deferred adoption of a Resolution Concerning Developed District Status for 2024 Tax Year until the next meeting.

ENGINEERING REPORT

Mr. Swanson presented and reviewed with the Board a written Engineering Report, a copy of which is attached hereto as **Exhibit D**. He noted that the sinkhole located at Woodtrace Circle near Spring Creek Court has been repaired. Following discussion, it was moved by Director Ambrose, seconded by Director Burns 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 proposed Series 2024 Park Bonds, and (ii) approval of a Utility Easement to Universal Natural Gas, LLC and Centric Fiber, LLC.

RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board then considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Yeates advised the Board that, as required pursuant to Section 2258.022 of the Texas Government Code, the District has previously adopted the applicable United States Department of Labor ("DOL"), wage rate scales for Montgomery County, Texas as the general prevailing wage rates for construction projects by or on behalf of the District. He further advised that the DOL's applicable wage rate scales have been amended. After discussion on the matter, Director Braband moved that the new DOL wage rate scales for Montgomery County, Texas be adopted as the District's prevailing wage rate scales for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects attached hereto as **Exhibit E** be adopted by the Board. Director Nicholson seconded said motion, which unanimously carried.

STORMWATER MANAGEMENT PROGRAM

The Board considered the status of the District's Stormwater Management Program ("SWMP"). In that regard, Mr. Klump updated the Board on the District's SWMP and permit status. He also distributed and reviewed the year 5 training and goals under the SWMP. Mr. Klump began his training session with the Board and other consultants. He stated the topic of the year 5 training was stormwater pollution prevention, the minimum control measures, and bacteria-specific elements. Mr. Klump explained the importance of keeping household hazardous waste, pet waste, and yard waste out of the storm sewers, to prevent adding to bacterial impairment. He then continued with the training, thoroughly explaining the sources of bacteria and outlining the program elements of the SWMP that deal with these sources. He then presented to and reviewed with the Board the Year 5 Annual Report and Training Summary (the "Summary"), the Phase II (Small) MS4 Annual Report (the "Annual Report"), and a proposed utility bill insert. Copies of the Summary, Annual Report, and utility bill insert are attached hereto as **Exhibit F**. After discussion, Director Nicholson moved that the Annual Report (including the utility bill insert) be

approved as presented, and that the President be authorized to execute the Annual Report on behalf of the Board and the District. Director Braband seconded said motion, which carried unanimously.

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**. The Board requested that EA remove the fallen tree depicted on page 11 of the report.

OPERATION AND MAINTENANCE REPORT

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

Mr. Yeates discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan (the "DCP") and Water Conservation Plan ("WCP") not later than May 1, 2024, and every five years thereafter. He requested that the Board consider authorizing WDM and LJA to review the District's DCP and WCP for any required updates. After discussion, Director Braband moved that WDM and LJA be authorized to review the District's DCP and WCP for any required updates. Director Nicholson seconded the motion, which unanimously carried.

UTILITY COMMITMENTS

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

RENEWAL OF DISTRICT INSURANCE POLICIES

In connection with the renewal of the District's insurance coverages, Mr. Yeates reminded the Board that SPH obtained a renewal proposal from Brown & Brown Lone Star Insurance Services, Inc. ("Brown 2& Brown") (formerly HARCO/Texas Municipal League Intergovernmental Risk Pool), a copy of which is attached hereto as **Exhibit I**. Following discussion, the Board directed SPH to solicit additional proposals from McDonald & Wessendorff and Arthur J. Gallagher & Co. for review and consideration at the next meeting.

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 Ambrose, seconded by Director Nicholson and unanimously carried, that the meeting be adjourned.


ASST. Secretary, Board of Directors

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LIST OF ATTACHMENTS

<u>Exhibit A</u>	Engagement Letter (FORVIS); Draft Supplemental Audit Report
<u>Exhibit B</u>	Bookkeeper's Report
<u>Exhibit C</u>	Tax Assessor/Collector's Report
<u>Exhibit D</u>	Engineering Report
<u>Exhibit E</u>	Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
<u>Exhibit F</u>	Year 5 Annual Report and Training Summary; Phase II (Small) MS4 Annual Report; proposed utility bill insert
<u>Exhibit G</u>	Report – Environmental Allies
<u>Exhibit H</u>	Operations and Maintenance Report
<u>Exhibit I</u>	Proposal from Brown & Brown Lone Star Insurance Services, Inc. (formerly HARCO/Texas Municipal League Intergovernmental Risk Pool)