

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

**Minutes of Meeting of Board of Directors
March 13, 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"); Dulcé Molina of Municipal Accounts & Consulting, L.P. ("MA&C"); Josh Rowe of Water District Management Company, Inc. ("WDM"), who entered later in the meeting as noted herein; Ryan Haynes of Environmental Allies ("EA"); Jennifer Hanna of FORVIS, LLP ("FORVIS"); Julie Peak of Masterson Advisors LLC ("Masterson"); Dane Turner of Best Trash, LLC ("Best Trash"); David Ricke, a resident of the District; and Katie Blasio 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 street signs located within the District. No action was taken by the Board at this time.

Mr. Rowe entered the meeting 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 February 14, 2024. After discussion of the minutes presented, Director Ambrose moved that the minutes be approved, as written. Director Burns seconded said motion, which unanimously carried.

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

The Board next considered approval of a supplemental audit of payments to the developer out of the proceeds of the District's \$3,460,000 Unlimited Tax Park Bonds, Series 2023A (the "Series 2023A Park Bonds"), and disbursement of funds in accordance therewith. In that regard, Ms. Hanna reviewed a draft supplemental audit report prepared by FORVIS for the Series 2023A Park Bonds, a copy of which is attached hereto as **Exhibit A**. She noted that an additional payment in the amount of \$578,850.85 was due to Friendswood Development Company ("Friendswood") for landscape improvements (hardscape facilities) to serve Wood Trace, Sections 5A and 5B and landscape improvements (softscape facilities) to serve Wood Trace, Sections 5A and 5B. After discussion, Director Nicholson moved that the supplemental audit report for the Series 2023A Park Bonds be approved, and the disbursement of proceeds of the Series 2023A Park Bonds be authorized in accordance with such audit, subject to the execution of a Receipt and Indemnity by Friendswood. Director Braband seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Molina next reviewed the Bookkeeping Report dated March 13, 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, along with check no. 5678 payable to Storm Water Solutions, LP in the amount of \$3,474.24, and check no. 5679 payable to the District's insurance carrier, which were not included in the Bookkeeping Report. Director Ambrose seconded said motion, which carried unanimously.

UNCLAIMED PROPERTY REPORT

As the next order of business, the Board considered authorizing the District's consultants to research unclaimed property and authorizing MA&C to prepare an Unclaimed Property Report as of March 1, 2024. After discussion, Director Braband moved that the District's consultants be authorized to research their records to determine whether there is any unclaimed property for the applicable reporting period and that MA&C be authorized to prepare an Unclaimed Property Report, if necessary, for the Board's consideration. 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 February 2024, a copy of which is attached hereto as **Exhibit C**. After discussion concerning the Tax Assessor-Collector Report, Director Burns 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 Ambrose seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS REPORT

Ms. Blasio next presented the District's delinquent tax report dated March 12, 2024, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached as **Exhibit D**. She noted that no action was required on the matter at this time.

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 E**. 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 payment of Pay Estimate No. 17 submitted by Gilliland Smith Construction, Inc. in the amount of \$22,356.97 for Expansion of the Wastewater Treatment Plant and Lift Station No. 1 (the "Project"). The Board deferred approval of Change Order No. 3 for the Project until the next meeting.

Mr. Swanson next advised that LJA is in the process of preparing the bond application report for recreational facilities. Ms. Peak then presented to and reviewed with the Board a cash flow analysis in connection with the proposed bond issue, a copy of which is attached hereto as **Exhibit F**. No action was taken by the Board at this time.

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. Rowe presented and reviewed the Operation and Maintenance Report for the month of

January 2024, a copy of which is attached hereto as **Exhibit H**. He advised that the gas easement located behind the homes within Section 6 is not being maintained on a regular basis. Following discussion, the Board directed LJA to request that Friendswood or the homeowners association maintain the area.

Director Nicholson exited the meeting at this time.

Mr. Rowe advised that there are two (2) delinquent accounts totaling \$636.21, which WDM has been unable to collect. He advised that WDM recommends the accounts be forwarded to Collections Unlimited for further collection efforts. Following discussion, Director Braband moved that the accounts be forwarded to Collections Unlimited for further handling, as discussed. Director Burns seconded said motion, which unanimously carried.

CRITICAL LOAD STATUS

Ms. Blasio reported that Section 13.1396 of the Texas Water Code requires a district to annually submit to each electric distribution utility and each retail electric utility provider, on forms reasonably required by each entity, its facilities which qualify for critical load status and various emergency contact information. After discussion on the matter, Director Burns moved that LJA and WDM be authorized to make such annual filings on behalf of the District. Director Hinojosa seconded the motion, which carried unanimously.

AMENDMENT OF RATE ORDER

Mr. Turner addressed the Board regarding the annual CPI increase to be implemented by Best Trash, effective as of May 1, 2024. Ms. Blasio then advised that the District will need to amend the Rate Order to increase the monthly sanitary sewer fee to account for the District's increased fees from Best Trash. After discussion on the matter, Director Ambrose moved that the District's Rate Order be amended, as discussed, that any and all Rate Orders heretofore adopted be revoked, and that the Rate Order, a copy of which is attached hereto as **Exhibit I**, effective as of May 1, 2024, be passed and adopted. Director Nicholson seconded the motion, which unanimously carried.

UTILITY COMMITMENTS

Ms. Blasio 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, Ms. Blasio advised that SPH requested a renewal proposal from Brown & Brown Lone Star Insurance Services, Inc. ("Brown & Brown") (formerly HARCO/Texas Municipal League Intergovernmental Risk Pool), as well as proposals from McDonald & Wessendorff ("McDonald") and Arthur J. Gallagher & Co. ("AJG"). She further advised that copies of the proposals provided by Brown & Brown and McDonald are attached hereto as **Exhibit J**, and that AJG declined to provide a proposal at this time. Following discussion, Director Ambrose moved that the Board accept McDonald's insurance

proposal and authorized the President to execute same on behalf of the Board and the District. Director Braband seconded the motion, which unanimously carried.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 4, 2024. Ms. Blasio advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 20, 2024. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Ms. Blasio then presented and reviewed the Order Declaring Candidates Elected, attached hereto as **Exhibit K**. After discussion, Director Burns moved that the Order be adopted by the Board declaring Dexter Braband, David Berenger, and David Ricke elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary or Assistant Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 4, 2024, be cancelled. Director Ambrose seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Ms. Blasio advised the Board that she had nothing additional to discuss with the Board of a legal nature which was not covered under specific agenda items.

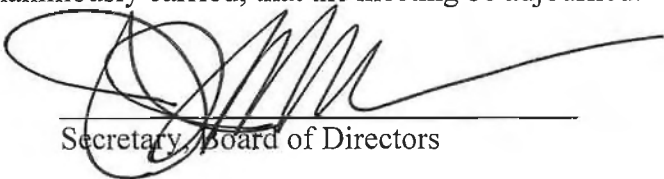
Ms. Peak exited the meeting at this time.

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


Secretary, Board of Directors

LIST OF ATTACHMENTS

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| <u>Exhibit A</u> | Draft Supplemental Audit Report |
| <u>Exhibit B</u> | Bookkeeper's Report |
| <u>Exhibit C</u> | Tax Assessor/Collector's Report |
| <u>Exhibit D</u> | Delinquent Tax Report |
| <u>Exhibit E</u> | Engineering Report |
| <u>Exhibit F</u> | Cash Flow Analysis |
| <u>Exhibit G</u> | Report – Environmental Allies |
| <u>Exhibit H</u> | Operations and Maintenance Report |
| <u>Exhibit I</u> | Rate Order |
| <u>Exhibit J</u> | Proposals from Brown & Brown Lone Star Insurance Services, Inc. (formerly HARCO/Texas Municipal League Intergovernmental Risk Pool) and McDonald & Wessendorff |
| <u>Exhibit K</u> | Order Declaring Candidates Elected |