

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

**Minutes of Meeting of Board of Directors
May 8, 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 with the exception of Directors Nicholson and Ambrose, 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; Christine Crotwell of Masterson Advisors LLC ("Masterson"); Ryan Haynes of Environmental Allies ("EA"); 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. There were no comments from the public 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 April 10, 2024. After discussion of the minutes presented, Director Burns moved that the minutes be approved, as written. Director Braband seconded said motion, which unanimously carried.

Mr. Rowe entered the meeting at this time.

ACCEPTANCE OF QUALIFICATION STATEMENTS, AFFIDAVITS OF CURRENT DIRECTOR, ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION, BONDS, AND OATHS OF OFFICE

The Board next considered the acceptance of Qualification Statements, Affidavits of Current Director, Elections Not to Disclose Certain Information, Bonds, and Oaths of Office for David Berenger and David Ricke. In that regard, Mr. Berenger and Mr. Ricke presented their Qualification Statements, Oaths of Office, Bonds, Elections Not to Disclose Certain Information, and Affidavits of Current Director. After discussion on the matter, it was moved by Director Braband, seconded by Director Hinojosa and unanimously carried that the Board approve said Bonds, accept said Statements, Elections, Oaths, and Affidavits and declare David Berenger and David Ricke to be duly elected and qualified Directors of the District. Directors Berenger and Ricke participated in the remainder of the meeting. The Board thanked Ms. Burns and Mr. Hinojosa for their service to the District.

ELECTION OF OFFICERS

The Board next considered re-organization of the officers of the Board of Directors. Nominations were called for the offices of President, Vice President, Secretary, and Assistant Secretary. After discussion, Director Nicholson was nominated as President, Director Braband as Vice President, Director Ambrose as Secretary, and Directors Berenger and Ricke as Assistant Secretaries. A vote was called, and upon motion duly made by Director Braband, seconded by Director Bergenger and unanimously carried, Director Nicholson was duly elected President of the Board and District, Director Braband was duly elected Vice President of the Board and District, Director Ambrose was duly elected Secretary of the Board and the District, and Directors Berenger and Ricke were duly elected as Assistant Secretaries of the Board and the District.

DISTRICT REGISTRATION FORM

The Board next considered approving a District Registration Form required by the Texas Commission on Environmental Quality ("TCEQ"). Mr. Yeates explained that, in accordance with the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and terms of new directors with the TECQ within thirty (30) days after an election or appointment. He advised that, with the Board's approval, SPH will complete the District Registration Form to include newly elected directors' terms of office and the new positions and will file the form with the TCEQ. After further discussion of the matter, Director Braband moved that the Board authorize SPH to complete the District Registration Form as discussed and file same with the TCEQ. Director Ricke seconded said motion, which unanimously carried.

LOCAL GOVERNMENT OFFICERS LIST

Mr. Yeates next advised the Board that the District maintains a list of local government officers, which includes the members of the Board and the District's Investment Officers, in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Braband moved that SPH be authorized to update the District's list of local government officers as required by law. Director Berenger seconded said motion, which unanimously carried.

TRAINING REQUIREMENTS

Mr. Yeates advised Directors Berenger and Ricke of the training requirements for public officials. He advised that public officials, including directors of a municipal utility district, must complete separate training courses regarding the Texas Open Meetings Act and the Texas Public Information Act. Mr. Yeates presented Directors Berenger and Ricke with a Memorandum prepared by SPH which summarize the training requirements, copies of which are attached hereto as **Exhibit A**. He advised Directors Berenger and Ricke that the deadline to complete their training is ninety (90) days from today. Mr. Yeates further advised that it is the responsibility of Directors Berenger and Ricke to ensure that they complete their training by the appropriate deadline, and to provide evidence of same to SPH for the District's records.

CONFLICTS DISCLOSURE STATEMENT REPORTING REQUIREMENTS

Mr. Yeates next discussed with the Board the conflicts disclosure statement reporting requirements for officers of certain local governmental entities, including water district directors, pursuant to Chapter 176 of the Local Government Code. He presented Directors Berenger and Ricke with a Memorandum prepared by SPH which summarizes the conflicts disclosure requirements, and questionnaires for completion by Directors Berenger and Ricke regarding conflict of interest disclosure reporting.

BOOKKEEPING REPORT

Ms. Molina next reviewed the Bookkeeping Report dated May 8, 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 Ricke that said Bookkeeping Report be approved and that the disbursements identified therein be approved for payment, including check no. 5717 in the amount of \$26,430.46 payable to Best Trash LLC, check no. 2095 in the amount of \$104,625.00 payable to Gilleland Smith Construction, Inc. ("Gilleland"), and check no. 2096 payable to Gilleland in the amount of \$217,032.30, and with the exception of check nos. 5698 and 5700, which were voided. Director Berenger seconded said motion, which carried unanimously.

UNCLAIMED PROPERTY REPORTS

The Board considered the approval of Unclaimed Property Reports (collectively, the "Reports") as of March 1, 2024, and authorization for MA&C and/or Leared to file the Reports with the State Comptroller prior to July 1, 2024. After discussion on the matter, Director Braband moved that MA&C and/or Leared be authorized to prepare and file the Reports with the State Comptroller prior to July 1, 2024. Director Berenger seconded said motion, which unanimously carried.

RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS AND INTEREST EARNED ON CONSTRUCTION FUNDS

The Board next considered the adoption of a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds (the "Resolution") in connection with the payment of eligible costs associated with Expansion of the Wastewater Treatment Plant and Lift Station No. 1. Following discussion, Director Braband moved that the Board adopt the Resolution, attached hereto as **Exhibit C**, and that the President be authorized to execute same on behalf of the Board and the District. Director Ricke seconded the motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of April 2024, a copy of which is attached hereto as **Exhibit D**. After discussion concerning the Tax Assessor-Collector Report, Director Berenger 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 Ricke 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 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 Berenger, seconded by Director Ricke and unanimously carried, that all action items included in the Engineering Report be approved, as recommended by LJA, including the District's (i) approval and payment of Pay Estimate No. 1 submitted by Gilleland in the amount of \$104,625.00 in connection with construction of Water Supply Plant No. 1 Phase 4, (ii) adoption an Order Authorizing Application to the TCEQ for Approval of Project and Bonds, attached hereto as **Exhibit F**, and (iii) approval of a proposal submitted by Clark Condon Associates, Inc. in the amount of \$8,000 to perform an independent appraisal of the recreation center building.

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 March 2024, a copy of which is attached hereto as **Exhibit H**. The Board considered approval of a Consumer Confidence Report ("CCR"). In that regard, Mr. Rowe presented a draft of the District's CCR. After discussion on the matter, Director Braband moved that such CCR be approved by the Board, subject to SPH final review and approval, and that WDM be authorized to distribute same to the District's customers prior to the deadline. Director Berenger seconded said motion, which carried unanimously.

Mr. Yeates next presented and reviewed correspondence received from the San Jacinto River Authority, a copy of which is attached hereto as **Exhibit I**, advising that a credit will be applied to the District's account in the amount of \$82,513.02.

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 that regard, Mr. Yeates presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit J**, regarding the use of social media by public officials. In connection therewith, Mr. Yeates advised the Board that directors should exercise caution when posting about District-related matters on their personal social media pages in light of recent U.S. Supreme Court cases, as further discussed in the memorandum.

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

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LIST OF ATTACHMENTS

<u>Exhibit A</u>	Memoranda – Training Requirements
<u>Exhibit B</u>	Bookkeeper's Report
<u>Exhibit C</u>	Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds
<u>Exhibit D</u>	Tax Assessor/Collector's Report
<u>Exhibit E</u>	Engineering Report
<u>Exhibit F</u>	Order Authorizing Application to the TCEQ for Approval of Project and Bonds
<u>Exhibit G</u>	Report – Environmental Allies
<u>Exhibit H</u>	Operations and Maintenance Report
<u>Exhibit I</u>	Correspondence from San Jacinto River Authority
<u>Exhibit J</u>	Memorandum provided by Schwartz, Page & Harding, L.L.P.