

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

**Minutes of Meeting of Board of Directors
August 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:

James Art Nicholson, President
Dexter Braband, Vice President
David Ambrose, Secretary
David Berenger, Assistant Secretary
David Ricke, Assistant Secretary

all of whom were present with the exception of Director Ambrose, thus constituting a quorum.

Also present were Kristen Scott of Bob Leared Interests ("Leared"); Shayna Helvey of LJA Engineering, Inc. ("LJA"); Dulcé Molina and Diane Michaux of Municipal Accounts & Consulting, L.P. ("MA&C"); Josh Rowe of Water District Management Company, Inc. ("WDM"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Melissa Vasquez of Forvis Mazars, LLP ("Forvis"); Ryan Haynes of Environmental Allies ("EA"); David Robinson and Lynee Robinson, 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. and Mrs. Robinson addressed the Board regarding drainage and erosion concerns in the area located behind their home located in the District. Ms. Helvey advised that LJA and/or EA will investigate the area of concern and report back to the Board.

APPROVAL OF MINUTES

As the next order of business, the Board considered approval of the minutes of the Board of Directors meeting held on July 10, 2024. After discussion of the minutes presented, Director Ricke moved that the minutes be approved, as written. Director Braband seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Molina next reviewed the Bookkeeping Report dated August 14, 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 Nicholson that said Bookkeeping Report be approved and that the disbursements identified therein be approved for payment, including check no. 5794 payable to Beyer Construction in the amount of \$152,567.64. Director Braband seconded said motion, which carried unanimously.

OPERATING BUDGET

Ms. Molina presented to and reviewed with the Board a proposed operating budget for the District's fiscal year ending August 31, 2025, a copy of which is included with **Exhibit A**. Following discussion, Director Nicholson moved that the proposed budget for the District's fiscal year ending August 31, 2025, be adopted, as presented. Director Berenger seconded said motion which unanimously carried.

Mr. and Mrs. Robinson exited the meeting at this time.

ENGAGEMENT OF AUDITOR

Ms. Vasquez next presented and discussed with the Board an engagement letter from Forvis for the District's audit report for its fiscal year ending August 31, 2024, a copy of which is attached hereto as **Exhibit B**. She advised the Board that the cost for the preparation of such audit is estimated to be \$22,500 plus expenses. After discussion on the matter, Director Braband moved that (i) Forvis be engaged to conduct the District's audit for its fiscal year ending August 31, 2024, (ii) Forvis' engagement letter be approved and the President be authorized to execute same on behalf of the Board and the District, and (iii) Forvis' Texas Ethics Commission Form ("TEC") Form 1295 submitted in connection therewith be accepted. Director Braband seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of June 2024, 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 Braband seconded said motion, which carried unanimously.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2024 TAX RATE

Ms. Crotwell discussed Masterson's tax rate recommendation for the District's proposed 2024 debt service tax rate. Discussion ensued regarding the requirements for notice of the District's intention to adopt a 2024 tax rate. Mr. Yeates advised that, pursuant to Section 49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain

tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. He further advised that the information to be included in the notice is set forth in the Texas Water Code and includes the proposed tax rate to be adopted. Mr. Yeates advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven (7) days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten (10) days before the date of the meeting. After further discussion on the matter, Director Ricke moved that (i) the Board accept Masterson's recommendation of the District's intention to adopt a total 2024 tax rate of \$1.14 per \$100 of assessed valuation at its next meeting in the form and at the time required by law, and (ii) Leared be authorized to publish the required notice, as required by law. Director Berenger seconded said motion which unanimously carried.

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

Ms. Helvey 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 Nicholson, seconded by Director Braband and unanimously carried, that all action items included in the Engineering Report be approved, as recommended by LJA, including (i) award of a contract to ISJ Underground Utilities in the amount of \$515,140.30 for construction of the Coe and Wright Roads Waterline Extension project, (ii) payment of Pay Estimate No. 1 submitted by Beyer Construction, in the amount of \$152,567.64 for the Roadway Repairs project, and (iii) payment of Pay Estimate No. 4 submitted by Gilleland Smith Construction, Inc., in the amount of \$192,375 for the Water Supply Plant No. 1 Phase 4 project. The Board deferred award of a contract for drainage outfall repairs until the next meeting.

RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") REQUESTING APPROVAL FOR USE OF SURPLUS FUNDS

The Board deferred approval of a Resolution Authorizing Request to the TCEQ Requesting Approval for Use of Surplus Funds and Interest Earned on Construction Funds in connection with the purchase of the recreation center.

ENGAGEMENT OF AUDITOR TO PREPARE 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 engagement of an auditor to prepare 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. In that regard, Ms. Vasquez presented and reviewed an engagement letter prepared by Forvis, a copy of which is attached hereto as **Exhibit E**. Following discussion, Director Nicholson moved that (i) Forvis be engaged to prepare the supplemental audit report, (ii) Forvis' engagement letter be approved and the President be authorized to execute same on behalf of the Board and the District, and (iii) Forvis' TEC Form 1295 submitted in connection therewith be accepted. Director Ricke seconded said motion, which carried unanimously.

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 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 F**. 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 June 2024, a copy of which is attached hereto as **Exhibit G**. He advised that booster pump no. 3 is leaking and that he recommends the District purchase a spare pump. A discussion ensued regarding the District's options. LJA advised that they would evaluate the District's options and make a recommendation to WDM. Following discussion, Director Ricke moved that LJA be authorized and directed to coordinate with WDM on the best option to address booster pump no. 3. Director Berenger seconded the motion, which unanimously carried.

Ms. Michaux exited the meeting at this time.

Mr. Rowe next advised that the District has entered into Stage 2 of its Drought Contingency Plan ("DCP"), and that signs are being posted within the community. The Board requested that a summary of the DCP be provided to the homeowners association for distribution to the residents.

RATE ORDER

The Board next considered amendment of the District's Rate Order to address a decrease in the pumpage fees charged by the San Jacinto River Authority ("SJRA"). In that regard, Mr. Yeates reported that effective September 1, 2024, the SJRA pumpage fee decreased from \$2.99 per 1,000 gallons of water pumped to \$2.67 per 1,000 gallons of water pumped. He noted that the

current pumpage fee in the District's Rate Order is \$3.02 per 1,000 gallons of water metered. After discussion, it was moved by Director Ricke, seconded by Director Bergenger and unanimously carried, that the District's Rate Order be amended to adopt a pumpage fee in the amount of \$2.70 per 1,000 gallons of water metered, with said amended Rate Order, attached hereto as **Exhibit H**, effective as of September 1, 2024, and that any and all rate orders heretofore adopted by the Board be revoked.

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 Braband and unanimously carried, that the meeting be adjourned.


Secretary, Board of Directors

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LIST OF ATTACHMENTS

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Engagement Letter – Forvis Mazars, LLP (2024 Audit Report)
<u>Exhibit C</u>	Tax Assessor/Collector's Report
<u>Exhibit D</u>	Engineering Report
<u>Exhibit E</u>	Engagement Letter – Forvis Mazars, LLP (Supplemental Audit Report)
<u>Exhibit F</u>	Report – Environmental Allies
<u>Exhibit G</u>	Operations and Maintenance Report
<u>Exhibit H</u>	Rate Order