

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

**Minutes of Meeting of Board of Directors
September 11, 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 Braband, thus constituting a quorum.

Also present were Kristen Scott of Bob Leared Interests ("Leared"); 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 and Austin Ficken of Masterson Advisors LLC ("Masterson"); Justin Klump of Storm Water Solutions, LP ("SWS"); Jennifer Hanna of Forvis Mazars, LLP ("Forvis"); Ryan Haynes of Environmental Allies ("EA"); Jarrod Payne, David Robinson, Lynee Robinson, and Glen Allred, 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. Payne introduced himself to the Board.

Director Ambrose addressed the Board regarding communication to residents in connection with the District's Drought Contingency Plan ("DCP"). A discussion ensued regarding the different stages of the DCP and methods to communicate with residents when watering restrictions are implemented.

APPROVAL OF MINUTES

As the next order of business, the Board considered approval of the minutes of the Board of Directors meeting held on August 14, 2024. After discussion of the minutes presented, Director

Ambrose moved that the minutes be approved, as written. Director Nicholson seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

Ms. Molina next reviewed the Bookkeeping Report dated September 11, 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 Ricke that said Bookkeeping Report be approved and that the disbursements identified therein be approved for payment, with the exception of check no. 5799, which was voided. Director Berenger seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of August 2024, a copy of which is attached hereto as **Exhibit B**. 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.

PUBLIC HEARING AND LEVY OF THE DISTRICT'S 2024 TAX RATE

The Board conducted a hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2024. The Board considered comments from the public. Ms. Crotwell discussed Masterson's tax rate recommendation for the District's proposed 2024 debt service tax rate, a copy of which is attached hereto as **Exhibit C**. Following discussion, a motion was made by Director Ambrose, seconded by Director Nicholson, and unanimously carried, that such hearing be closed.

After discussion on the matter, Director Ambrose moved that: (i) the Board levy a 2024 debt service tax rate of \$0.77 per \$100 of assessed valuation and a 2024 maintenance tax rate of \$0.31 per \$100 of assessed valuation, resulting in a total 2024 tax rate of \$1.08 per \$100 of assessed valuation, and (ii) the Order Levying Taxes attached hereto as **Exhibit D** be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Berenger seconded said motion, which carried unanimously.

AMENDMENT TO THE THIRD AMENDED AND RESTATED DISTRICT INFORMATION FORM

Mr. Yeates presented and discussed with the Board an Amendment to the Third Amended and Restated District Information Form relative to the District's 2024 tax rate. After discussion, Director Nicholson moved that the Amendment to the Third Amended and Restated District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Ricke seconded the motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Yeates next presented the District's delinquent tax report dated September 10, 2024, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached as **Exhibit E**. He noted that no action was required on the matter at this time.

ENGINEERING REPORT

Ms. Helvey 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 (i) award of a contract to Double Oak Erosion in the amount of \$66,300.00 for drainage outfall repairs, (ii) delegation of authority to Director Ricke to coordinate with WDM in connection with approval of a proposal to inject grout material to fill voids around the outfall structure, (iii) approval of Pay Estimate No. 5 in the amount of \$192,375.00, and Change Order No. 2 in the amount of \$33,246.57, submitted by Gilleland Smith Construction, Inc. in connection with the Water Supply Plant No. 1 Phase 4 project, and (iv) approval of a proposal from Preventive Services in the amount of \$11,500.00 in connection with the Water Supply Plant No. 1 Phase 4 project.

Ms. Helvey next provided the Board with an update concerning drainage and erosion concerns discussed at the previous meeting. No action was taken by the Board at this time.

Ms. Crotwell and Mr. Ficken exited the meeting at this time.

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 Friendswood Development Company ("Friendswood") from 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 G**. She noted that \$222,218.07 was now due and payable to Friendswood for certain recreational and landscape expenses reflected in said audit. Ms. Molina noted that the remaining proceeds of the Series 2023A Park Bonds were insufficient to pay the full amount due and recommended that the Board use surplus general operating, non-maintenance tax funds for the remainder. 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 and use of additional general operating, non-maintenance tax funds be authorized in accordance with such audit, subject to the execution of a Receipt and Indemnity by Friendswood. Director Berenger seconded the motion, which unanimously carried.

ACQUISITION OF RECREATION CENTER; ENGAGEMENT OF AUDITOR; ADOPTION OF RESOLUTION

The Board next discussed acquisition of the recreation center. In connection therewith, Ms. Hanna presented and reviewed an engagement letter, a copy of which is attached hereto as **Exhibit H**, for preparation of an audit of payments to Friendswood for the recreation center. Mr. Yeates discussed available funds for payment of the recreation center and recommended that surplus general operating, non-maintenance tax funds be used for same. In connection therewith, he presented a Resolution Authorizing Use of Surplus General Operating Funds (Non-Maintenance Tax) to Acquire Facilities and Reimburse Developer for Eligible Costs (the "Resolution"). Following discussion, Director Nicholson moved that the Board (i) approve the engagement letter from Forvis, (ii) authorize the President to execute same on behalf of the Board and the District, (iii) authorize SPH to accept and acknowledge Forvis' Texas Ethics Commission ("TEC") Form 1295, and (iv) adopt the Resolution and authorize the President to execute same on behalf of the Board and the District. Director Ambrose seconded the motion, which unanimously carried.

STORMWATER MANAGEMENT PROGRAM

The Board next considered the status of the District's Stormwater Management Program ("SWMP"), including any training necessary under the SWMP and comments from the public concerning same. In connection therewith, Mr. Klump addressed the Board and presented and reviewed the Year 5 Extension Goals and Training, as well as a proposal for Stormwater Management services for the new permit term, copies of which are attached hereto as **Exhibit I**. Following discussion, Director Berenger moved that the Board approve the proposal, authorize the President to execute same on behalf of the Board and the District, and authorize SPH to accept and acknowledge SWS' TEC Form 1295. Director Ricke seconded the motion, which unanimously carried.

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 J**. No action was taken by the Board at this time.

Mr. Klump exited the meeting at this time.

OPERATION AND MAINTENANCE REPORT

Mr. Rowe presented and reviewed the Operation and Maintenance Report for the month of July 2024, a copy of which is attached hereto as **Exhibit K**. He advised that Lift Pump No. 2

located at Lift Station No. 2 has failed and needs to be replaced. Following discussion, Director Ricke moved that WDM be authorized to replace the pump at a cost of approximately \$16,961.00. Director Berenger seconded the motion, which unanimously carried.

Mr. Rowe next advised that there is one (1) delinquent account totaling \$149.12, which WDM has been unable to collect. He advised that WDM recommends the account be forwarded to Collections Unlimited for further collection efforts. Following discussion, Director Ricke moved that (i) WDM be authorized to terminate service to delinquent accounts in accordance with the District's Rate Order, and (ii) the account discussed be forwarded to Collections Unlimited for further handling. Director Berenger seconded said motion, which unanimously carried.

Mr. Rowe next advised that the District is no longer under any water restrictions pursuant to the District's DCP.

Director Ambrose exited the meeting at this time.

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.

ANNUAL ARBITRAGE ANALYSIS REPORT; ENGAGEMENT OF ARBITRAGE COMPLIANCE SPECIALISTS, INC.

Mr. Yeates next presented to and reviewed with the Board an Annual Maintenance for Arbitrage Analysis Report prepared by Municipal Risk Management Group, LLC ("MRMG"), a copy of which report is attached hereto as **Exhibit L**. In connection therewith, he presented an engagement letter from Arbitrage Compliance Specialists, Inc. ("ACS") for compliance services for preparation of the 5th Year Arbitrage Rebate Report for the District's \$8,000,000 Unlimited Tax Bonds, Series 2019 (the "Series 2019 Bonds") and an Interim Arbitrage Rebate Report for the District's \$8,100,000 Unlimited Tax Bonds, Series 2021 (the "Series 2021 Bonds"). After discussion of the matter, Director Berenger moved that the Board (i) approve the engagement letter from ACS for arbitrage rebate services, (ii) authorize the President to execute same on behalf of the Board and the District, (iii) authorize SPH to accept and acknowledge ACS' TEC Form 1295, and (iv) authorize ACS to prepare the Reports for the Series 2019 Bonds and the Series 2021 Bonds, as recommended by MRGM. Director Nicholson seconded said motion, which unanimously carried.

FUTURE AGENDA ITEMS

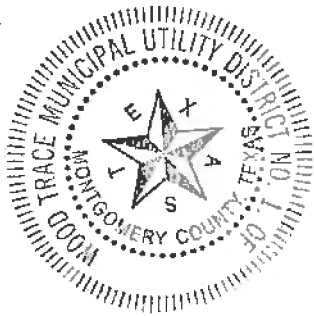
The Board next considered matters for possible placement on future agendas. There were no other future agenda items to be discussed other than matters previously noted during the meeting.

ADJOURNMENT

There being no further business to come before the Board, it was moved by Director Ricke, seconded by Director Berenger and unanimously carried, that the meeting be adjourned.


Asst. Secretary, Board of Directors

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LIST OF ATTACHMENTS

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Tax Assessor/Collector's Report
<u>Exhibit C</u>	2024 Tax Rate Recommendation
<u>Exhibit D</u>	Order Levying Taxes
<u>Exhibit E</u>	Delinquent Tax Report
<u>Exhibit F</u>	Engineering Report
<u>Exhibit G</u>	Draft Supplemental Audit Report – Forvis Mazars, LLP
<u>Exhibit H</u>	Engagement Letter – Forvis Mazars, LLP
<u>Exhibit I</u>	Year 5 Extension Goals and Training; Proposal for Stormwater Management services
<u>Exhibit J</u>	Report – Environmental Allies
<u>Exhibit K</u>	Operations and Maintenance Report
<u>Exhibit L</u>	Annual Maintenance for Arbitrage Analysis Report prepared by Municipal Risk Management Group, LLC; Engagement Letter (Arbitrage Compliance Specialists, Inc.)