

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

**Minutes of Meeting of Board of Directors
October 9, 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 Directors Berenger and Ambrose, thus constituting a quorum. Director Berenger entered later in the meeting, as noted herein.

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"); Melissa Vasquez of Forvis Mazars, LLP ("Forvis"); Ryan Haynes of Environmental Allies ("EA"); and Gina Free 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 September 11, 2024. After discussion, Director Nicholson moved that the minutes be approved, as written. Director Braband seconded said motion, which unanimously carried.

Director Berenger entered the meeting at this time.

BOOKKEEPING REPORT

Ms. Molina next reviewed the Bookkeeping Report dated October 9, 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 Braband that said Bookkeeping Report be approved and that the disbursements identified therein be approved for payment, with the exception of check no. 5817, which was voided. Director Berenger seconded said motion, which carried unanimously. Ms. Molina requested that an item be included on the next agenda for the Board to consider amending the operating budget for its fiscal year ending August 31, 2025.

Ms. Molina additionally presented and reviewed with the Board a Quarterly Investment Inventory Report (the "Report") for the reporting period ended August 31, 2024, a copy of which is attached to the Bookkeeping Report. After further discussion of the Report and upon motion duly made by Director Braband, seconded by Director Berenger and unanimously carried, the Report was approved and the District's Investment Officers were authorized to execute same on behalf of the Board and the District.

STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265 RELATIVE TO ENERGY REPORTING

The Board next considered the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Ms. Molina presented the Energy Report, a copy of which is attached to the Bookkeeping Report.

RESOLUTION REGARDING REVIEW OF INVESTMENT POLICY

The Board then considered approval of a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer. In connection therewith, Ms. Free advised the Board that SPH is not recommending any changes to the Investment Policy at this time. After discussion, Director Braband moved that the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer, attached hereto as **Exhibit B**, be adopted to reflect that the Investment Policy adopted on October 11, 2023, was thereby affirmed and shall remain in effect until amended. Director Nicholson seconded the motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of September 2024, a copy of which is attached hereto as **Exhibit C**. After discussion concerning the Tax Assessor-Collector Report, Director Braband 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 Berenger seconded said motion, which carried unanimously. Ms. Scott requested that an item be included on the next agenda for the Board to consider amending the District's contract with Leared.

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 Braband, seconded by Director Berenger and unanimously carried, that all action items included in the Engineering Report be approved, as recommended by LJA, including (i) approval of Pay Estimate No. 2 and Final in the amount of \$16,951.96 submitted by Beyer Construction, LLC for roadway repairs, and (ii) approval of Change Order No. 1 in the amount of \$4,819.39 submitted by Gilleland Smith Construction, Inc. in connection with the Water Supply Plant No. 1 Phase 4 project.

A discussion ensued regarding the size and capacity of the District's facilities and whether the current facilities are adequate to serve future development in the District. Ms. Helvey advised that she would investigate the matter and report back to the Board at the next meeting.

Director Ricke next asked Ms. Helvey about the design criteria and entity approvals obtained for the roadways in the District. He also expressed concern regarding the condition of a few of the roadways. Following discussion, Ms. Helvey advised that she would investigate same and report back to the Board.

RESOLUTION AUTHORIZING USE OF SURPLUS GENERAL OPERATING FUNDS (NON-MAINTENANCE TAX) TO ACQUIRE FACILITIES AND REIMBURSE DEVELOPER FOR ELIGIBLE COSTS

The Board next considered adoption of a Resolution Authorizing Use of Surplus General Operating Funds (Non-Maintenance Tax) to Acquire Facilities and Reimburse Developer for Eligible Costs (the "Resolution") in connection with the design and construction costs of certain recreational facilities. Ms. Free reminded the Board that it previously approved a reimbursement audit prepared by Forvis for the reimbursement of Friendswood Development Company ("Friendswood") for certain recreational facilities and approved the distribution of funds in accordance with said audit. She further advised that the Board could use surplus general operating funds to reimburse Friendswood for the amount not covered by bond funds. Ms. Molina confirmed that the Board had sufficient general operating reserves for such payment. Following discussion, Director Braband moved that the Board adopt the Resolution, attached hereto as **Exhibit E**, and authorize the disbursement of surplus general operating, non-maintenance tax funds to Friendswood in accordance with the previously approved audit. Director Nicholson seconded the motion, which unanimously carried.

AUDIT OF PAYMENTS TO DEVELOPER FOR THE RECREATION CENTER

The Board next considered approval of an audit of payments to Friendswood for the Recreation Center and authorization of the disbursement of funds in accordance therewith. In that regard, Ms. Vasquez reviewed a draft audit report prepared by Forvis, a copy of which is attached hereto as **Exhibit F**. She noted that \$771,454.52 was now due and payable to Friendswood for the design and construction of the Recreation Center. After discussion, Director Ricke moved that the audit report be approved, and the disbursement of surplus general operating, non-maintenance tax funds to Friendswood 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.

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**. He then presented a proposal provided by EA in the amount of \$22,790 for slope repairs and dry seed application, a copy of which proposal is included with **Exhibit G**. Following discussion, Director Braband moved that the Board approve the proposal and authorize SPH to accept and acknowledge the associated Texas Ethics Commission 1295 Form. Director Ricke seconded the motion, which unanimously carried.

Mr. Ricke next advised that dirt bikes and other motor vehicles are driving and parking in the grass along Woodtrace Boulevard. Discussion ensued regarding potential solutions and whether additional parking would be provided in the area. Mr. Haynes advised that EA will provide a proposal for the installation of bollards and/or other materials to deter vehicular traffic in unauthorized areas of the District and will present same to the Board at the next meeting.

Mr. Ricke next advised that no trespassing signage is missing within the District. A discussion ensued regarding replacement of the signage by WDM and language to be included on the signs. Following discussion, the Board deferred taking action pending further investigation by WDM and LJA.

OPERATION AND MAINTENANCE REPORT

Mr. Rowe presented and reviewed the Operation and Maintenance Report for the month of August 2024, a copy of which is attached hereto as **Exhibit H**. 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 Lift Pump No. 2 at an estimated cost of \$16,961.00. Director Berenger seconded the motion, which unanimously carried.

Mr. Rowe next advised that there is one (1) delinquent account totaling \$127.76, 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 Berenger 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 Ricke seconded said motion, which unanimously carried.

Mr. Rowe next presented and reviewed a proposal provided by Concrete Raising Corporation of Texas ("CRC") in the amount of \$5,790 to fill voids within the District, a copy of which proposal is attached as part of **Exhibit H**. Following discussion, Director Berenger moved that the Board approve the proposal provided by CRC and authorize acceptance by SPH the associated Texas Ethics Commission 1295 Form. Director Ricke seconded the motion, which unanimously carried.

A discussion ensued regarding a tour of the District's facilities. Following discussion, the Board concurred that Directors Berenger and Ricke be authorized to coordinate said tour with WDM and/or LJA.

UTILITY COMMITMENTS

Ms. Free 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, Ms. Free discussed an e-mail received from a District resident that included various inquiries related to the operation of the District. A discussion ensued regarding a response to same and whether the Board should prepare a handout with general information regarding the District that could be provided to interested residents. Following discussion, Ms. Free advised that SPH could prepare a draft of same.

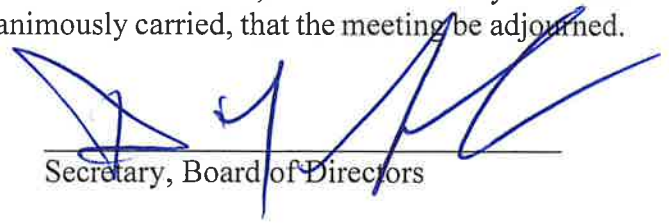
Director Berenger next addressed the Board regarding broken or missing road reflectors located near the intersection of Platinum Stone Lane and Linden Meadow Drive. Following discussion, Ms. Helvey advised she would investigate the matter and report back to the Board.

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>	Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
<u>Exhibit C</u>	Tax Assessor/Collector's Report
<u>Exhibit D</u>	Engineering Report
<u>Exhibit E</u>	Resolution Authorizing Use of Surplus General Operating Funds (Non-Maintenance Tax) to Acquire Facilities and Reimburse Developer for Eligible Costs
<u>Exhibit F</u>	Draft Audit Report – Forvis Mazars, LLP
<u>Exhibit G</u>	Report – Environmental Allies
<u>Exhibit H</u>	Operations and Maintenance Report