

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

**Minutes of Meeting of Board of Directors
January 14, 2026**

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 Nicholson and 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; Ryan Haynes of Environmental Allies ("EA"); and Heather Kelly and Kris Eddlemon of Schwartz, Page & Harding, L.L.P. ("SPH").

In the absence of the President and Vice President, Director Berenger moved that Director Ricke be appointed President Pro-Tem. Director Ambrose seconded the motion, which unanimously carried. The President Pro-Tem then called the meeting to order and declared it open for such business as might regularly come before the Board.

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 December 10, 2025. After discussion, Director Ambrose moved that the minutes be approved, as written. Director Berenger seconded said motion, which unanimously carried.

Mr. Rowe entered the meeting at this time.

BOOKKEEPING REPORT

Ms. Molina next reviewed the Bookkeeping Report dated December 10, 2025, 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 Ambrose that the Bookkeeping Report be approved and that the disbursements identified therein be approved for payment, with the exception of check nos. 6173 and 6174, which were voided. Director Ricke seconded said motion, which carried unanimously.

Ms. Molina additionally presented and reviewed with the Board a Quarterly Investment Inventory Report (the "Report") for the reporting period ended November 30, 2025, a copy of which is attached to the Bookkeeping Report. After further discussion of the Report and upon motion duly made by Director Ambrose, seconded by Director Ricke 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.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott then presented the Tax Assessor-Collector Report for the month of December 2025, a copy of which is attached hereto as **Exhibit B**. After discussion, Director Ambrose 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 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.

EXEMPTIONS FROM TAXATION

Ms. Kelly then outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by the Texas Constitution and the Texas Tax Code, as amended. She advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2026, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2026, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Ricke moved that the District (i) not grant the residential homestead exemption, (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$10,000 from ad valorem taxes levied by the District during the calendar year 2026, and (iii) approve the Resolution relative to

same, attached hereto as **Exhibit C**. Director Berenger seconded said motion, which carried unanimously.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Ms. Kelly advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent sixty (60) days after the date on which they become delinquent, as more fully described in said Resolution. After discussion, it was moved by Director Ambrose, seconded by Director Berenger and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit D**, be passed and adopted by the Board.

ENGINEERING REPORT

Ms. Helvey presented and reviewed with the Board a written Engineering Report dated January 14, 2026, a copy of which is attached hereto as **Exhibit E**. Following discussion, it was moved by Director Berenger, seconded by Director Ambrose and unanimously carried, that all action items included in the Engineering Report be approved, as recommended by LJA, including approval and payment of Pay Estimate No. 4 submitted by ISJ Underground Utilities in the amount of \$10,626.30 for Coe and Wright Road Waterline Extension.

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.

REPORT FROM ENVIRONMENTAL ALLIES

Mr. Haynes next presented and reviewed a report provided by EA for the month of December 2025 with regard to mowing and maintenance of District drainage and detention areas, a copy of which Report is attached hereto as **Exhibit F**. He then presented four (4) proposals for preventative maintenance related to asphalt repairs, regrading, and erosion repair, copies of which are included with **Exhibit F**. Following discussion, the Board concurred to defer taking action in connection with the proposals at this time.

OPERATION AND MAINTENANCE REPORT

Mr. Rowe presented and reviewed the Operation and Maintenance Report for the month of November 2025, a copy of which is attached hereto as **Exhibit G**. Mr. Rowe next discussed the appeal received from a District customer that was presented at a previous meeting. He reminded the Board that the customer requested reimbursement for damage to floors and drywall in the

amount of \$5,969.12 due to a sewage backup into their home, and that the Board agreed to authorized WDM to issue a credit to the customer's water bill in the amount of \$2,984.56. Mr. Rowe advised that the customer has requested receipt of a check in lieu of a credit to their water bill. Following discussion, the Board concurred to deny the customer's request.

Mr. Rowe advised that there are two (2) delinquent accounts totaling \$555.54, 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 Ambrose moved that the subject accounts be forwarded to Collections Unlimited for further handling. Director Ricke seconded said motion, which unanimously carried.

Mr. Rowe advised the Board that there are two (2) delinquent accounts which WDM has been unable to collect. He advised that WDM recommends these accounts be written off. Following discussion, Director Ambrose moved that WDM be authorized to write off the subject accounts, as discussed above and as reflected in the Operations and Maintenance Report. Director Ricke seconded said motion, which unanimously carried.

Mr. Rowe next provided the Board with an update concerning the status of the District's facilities being recognized as a Superior Public Water System by the Texas Commission on Environmental Quality ("TCEQ"). In that regard, he advised that the District is in receipt of correspondence from the TCEQ, a copy of which is attached hereto as **Exhibit H**, advising that the District's water system meets the TCEQ's Superior Public Water System recognition requirements, and that the District is authorized to install Superior Public Water System signs, subject to execution of an Agreement, a copy of which is included with **Exhibit H**. Following discussion, Director Ambrose moved that the Board approve the Agreement and execution of same by the President Pro Tem on behalf of the Board and the District. Director Ricke seconded the motion, which unanimously carried.

HOMEOWNER ASSOCIATION MATTERS

The Board next considered homeowner association matters, and deferred approval of a (i) First Amended and Restated Construction, Operation, Maintenance, and Use Agreement with Lakes of Woodtrace, Inc., and (ii) First Amended and Restated Construction, Operation, Maintenance, and Use Agreement Relating to Recreational Facilities with Arbor Trace Community Association.

MESSAGING SERVICES FOR COMMUNICATION WITH DISTRICT CUSTOMERS

The Board next considered review of proposals for messaging services for communication with District customers provided by Classing Messaging LLC, Off Cinco, and FinalSite, copies of which are attached hereto as **Exhibit I**. Following discussion, Director Ricke moved that the Board approve the proposal provided by FinalSite, subject to review and approval of same by SPH. Director Berenger seconded the motion, which unanimously carried.

UTILITY COMMITMENTS

Ms. Kelly reported that the District has not received any requests for utility commitments.

AUTHORIZE PREPARATION AND SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS FOR INCLUSION IN THE SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Ms. Kelly next informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Following discussion, Director Ricke moved that the District's auditor, Forvis Mazars LLP, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database. Director Berenger seconded the motion, which unanimously carried.

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board next considered authorizing solicitation of proposals for renewal of the District's insurance policies. In that regard, Ms. Kelly advised the Board that the District's current insurance policies are provided through McDonald & Wessendorff ("McDonald") and that such policies will expire on March 31, 2026. She inquired whether the Board desired to have SPH request written proposals from other insurance providers. After discussion, the Board requested that SPH solicit a renewal proposal from McDonald for the Board's review at the next meeting, and that a representative of McDonald attend the February meeting.

MATTERS RELATED TO MAY 2, 2026 DIRECTORS ELECTION

Ms. Kelly reported on issues related to the District's Directors Election (the "Election") to be held on May 2, 2026. In connection therewith, she presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit J**, regarding participation in the joint election with Montgomery County (the "County"). In connection therewith, Ms. Kelly advised that the County will administer the Election if the District participates in the County's joint election. Following discussion, it was moved by Director Berenger, seconded by Director Ricke and unanimously carried that SPH be authorized to notify the County of the District's intent to participate in the joint Election.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Ms. Kelly presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit K** calling the Election to be held on May 2, 2026. It was noted that the terms of office of Directors Nicholson and Ambrose expire in May of this year. In reviewing the Order with the Board, Ms. Kelly advised that the Order provides for the conduct of the Election by the County, jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at a shared expense. She advised that, although the County will conduct the Election, the Texas Water Code and the Texas Election

Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Kris Eddlemon as such agent (the "Election Agent"). Ms. Kelly further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. She advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each County election precinct that overlaps the District. After discussion on the matter, Director Berenger moved that said Order be passed and adopted, that the President, President Pro Tem, or Vice President and Secretary or Assistant Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Ricke seconded said motion, which unanimously carried. Ms. Kelly advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2026, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Ms. Kelly presented and reviewed with the Board an Annual Financial and Operating Report prepared by McCall, Parkhurst & Horton L.L.P. ("MPH"), the District's Disclosure Counsel, a copy of which is attached hereto as **Exhibit L**. After discussion, Director Berenger moved that MPH be authorized to file same with the appropriate repositories prior to the deadline. Director Ambrose seconded the 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 Ambrose, seconded by Director Ricke and unanimously carried, that the meeting be adjourned.

ASST. Secretary, Board of Directors



LIST OF ATTACHMENTS

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Tax Assessor/Collector's Report
<u>Exhibit C</u>	Resolution Concerning Exemptions From Taxation
<u>Exhibit D</u>	Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
<u>Exhibit E</u>	Engineering Report
<u>Exhibit F</u>	Report – Environmental Allies; Proposals
<u>Exhibit G</u>	Operations and Maintenance Report
<u>Exhibit H</u>	Correspondence from the Texas Commission on Environmental Quality; Agreement
<u>Exhibit I</u>	Proposals for messaging services provided by Classing Messaging LLC, Off Cinco, and FinalSite
<u>Exhibit J</u>	Memorandum provided by Schwartz, Page & Harding, L.L.P.
<u>Exhibit K</u>	Order Calling Directors Election
<u>Exhibit L</u>	Annual Financial and Operating Report prepared by McCall, Parkhurst & Horton L.L.P.