

MINUTES OF REGULAR MEETING
THE WOODLANDS ROAD UTILITY DISTRICT NO. 1
January 28, 2019

The Board of Directors (the "Board") of The Woodlands Road Utility District No. 1 (the "District") met in Regular Session, open to the public, on the 28th day of January, 2019, at 10:00 a.m., at the regular meeting place of the Board at 2455 Lake Robbins Drive, The Woodlands, Montgomery County, Texas, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Bill A. Neill	Chairman
Richard A. DeBone	Vice Chairman
Winton R. Davenport, Jr.	Secretary
Gil Staley	Assistant Secretary
Lloyd W. Matthews	Assistant Secretary
Craig Doyal	Director
Bruce Rieser	Director

with all of said persons being present, with the exception of Directors DeBone and Doyal, thus constituting a quorum.

Also present were Donnie Reed of LJA Engineering, Inc. ("LJA"), Mark Miller of Municipal Accounts & Consulting, L.P. ("MA&C"), Dan Kolkhorst and Robert Heineman of The Woodlands Land Development Company ("TWLDC"), Todd Stephens of The Woodlands Township ("TWT"), John Knox of Knox Cox & Company, L.L.P. ("Knox Cox"), Megan Siercks and Isaac Joskowicz of Brown and Gay Engineering, Inc. ("BGE"), Montgomery County Judge Mark Keough and Jason Millsaps, representatives of Montgomery County, Bryan Yeates of Schwartz, Page & Harding, L.L.P. ("SPH"), and Jenny Taylor, representative of Market Street.

The Chairman called the meeting to order and announced that a quorum was present and declared it open for business as might regularly come before the Board.

PUBLIC COMMENT

There were no comments received from the public.

MINUTES OF MEETING

The Board reviewed the minutes of the meeting held on December 7, 2018. Following review and discussion, Director Matthews moved that such minutes be approved, as presented. The motion was seconded by Director Davenport and carried by unanimous vote.

RESIGNATION OF CRAIG DOYAL

Mr. Yeates next discussed the resignation of Craig Doyal from the Board of Directors. Following discussion, Director Staley moved to accept such resignation. The motion was seconded by Director Davenport and carried by unanimous vote.

APPOINTMENT OF A NEW DIRECTOR TO FILL THE VACANCY ON THE BOARD

The Board deferred consideration of the appointment of a new director to fill the vacancy on the Board of Directors.

TERMINATION OF CHICAGO BRIDGE & IRON ("CB&I") TAX ABATEMENT AGREEMENT

Mr. Yeates provided the Board with an update relative to the termination of the CB&I Tax Abatement Agreement, and advised that termination has not yet been completed. No action was taken by the Board in connection with this matter.

ENGINEER'S REPORT

The Board next considered the Engineer's Report. Mr. Reed presented to and discussed with the Board a draft boundary map, draft project map and a list of current projects occurring throughout the District, copies of which are attached hereto as **Exhibit A**. The Board provided comments to Mr. Reed for inclusion in the final versions of each of the documents. No action was taken by the Board.

Mr. Heineman, Ms. Siercks and Mr. Joskowicz provided the Board with a presentation relative to the development of mobility improvement options for the Research Forest Drive at Grogan's Mill Road intersection and/or Lake Woodlands Drive at Grogan's Mill Road intersection. A copy of said presentation is attached hereto as **Exhibit B**. No action was taken by the Board.

DEVELOPER'S REPORT

The Board next considered the Developer's Report. Mr. Kolkhorst advised that he had nothing to report at this time.

TAX ASSESSOR/COLLECTOR REPORT

The Board next reviewed a written report prepared by Ms. Tammy McRae, the District's tax assessor/collector, concerning the accounting for and disbursement of tax collections for the month of December, 2018. During such review, it was noted that, after adjustments, 19.40% of the District's 2018 taxes have been collected as of December 31, 2018. A copy of such report is attached hereto as **Exhibit C**.

BOOKKEEPER'S REPORT

Mr. Miller presented to and reviewed with the Board a bookkeeping report, dated as of January 28, 2019 including a list of bills and charges to be paid, as prepared by MA&C. Following discussion, Director Davenport moved to approve such report and pay the bills and charges listed therein, with the exception of check no. 2276, which was voided. The motion was

seconded by Director Matthews and carried by unanimous vote. A copy of the bookkeeping report thus approved is attached hereto as **Exhibit D**.

APPROVAL OF AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2018

Mr. Knox presented for the Board's review and approval a draft audit report from Knox Cox for fiscal year ended September 30, 2018, and requested the Board's execution of a representation letter in connection with the same, copies of which are attached hereto as **Exhibit E**. Following review and discussion, Director Matthews moved to approve the audit report as presented, and authorize the Chairman to execute the representation letter on behalf of the Board and the District. The motion was seconded by Director Davenport and carried by unanimous vote.

CONTINUING DISCLOSURE REPORT

The Board next considered the filing of the District's Annual Financial and Operating (Continuing Disclosure) Report relative to the District's outstanding bonds. A copy of said report is attached hereto as **Exhibit F**. In that regard, Mr. Yeates presented and reviewed with the Board correspondence received from Ms. Jana Cogburn of McCall, Parkhurst & Horton L.L.P ("MPH"), the District's continuing disclosure counsel, regarding the Annual Financial and Operating Report and Rule 15c2-12 Filing Cover Sheet, which evidences MPH's intent to file the Annual Report with the appropriate entities following the Board's approval of same. A copy of the correspondence is attached to the Annual Financial and Operating (Continuing Disclosure) Report. After discussion on the matter, Director Davenport moved to approve the Annual Report and the filing thereof with the appropriate authorities prior to the applicable deadline by MPH. Director Matthews seconded said motion, which carried unanimously.

AUTHORIZE FILING OF FINANCIAL INFORMATION WITH COMPTROLLER

Mr. Yeates next discussed with the Board the legal requirements of Section 140.008, Texas Local Government Code, which requires political subdivisions to file certain financial information with the Texas Comptroller of Public Accounts (the "Comptroller") within 180 days of the District's fiscal year end. Mr. Knox then presented for the Board's review and approval a draft of said report for the fiscal year ended September 30, 2018, a copy of which is attached hereto as **Exhibit G**. Following review and discussion, Director Davenport moved to (i) approve the report as presented, and (ii) authorize SPH to file same with the Comptroller by the appropriate deadline. The motion was seconded by Director Staley and carried by unanimous vote.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Yeates next informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to annually submit information to the Comptroller for inclusion in the Special Purpose District Public Information Database no later than April 1st of each year. Mr. Yeates recommended that Knox Cox be authorized to prepare and submit the information for the 2019 reporting period. After discussion on the matter, it was moved by Director Davenport, seconded by Director Staley

and unanimously carried, that Knox Cox be authorized to prepare the required information for the 2019 reporting period and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database no later than April 1, 2019.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board next reviewed proposals submitted by McDonald & Wessendorff Insurance for the renewal of the District's insurance coverages. Following review and discussion, Director Davenport moved to approve and authorize execution and delivery of such proposals, as presented. The motion was seconded by Director Matthews and carried by unanimous vote.

ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Yeates advised the Board that it is authorized pursuant to Section 33.07 of the Texas Tax Code 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 that become delinquent after February 1 of a year and that remain delinquent sixty (60) days after said date, to defray the costs of collection of said delinquent taxes, in accordance with Section 33.11 of the Texas Tax Code, as amended. The Board next considered the adoption of a resolution authorizing such additional penalty. Following discussion, Director Matthews moved for the adoption of the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit H**. The motion was seconded by Director Staley and carried by unanimous vote.

RATIFY POSTING OF NOTICE OF CANDIDATE FILING PERIOD

Mr. Yeates advised the Board that the Texas Water Code and the Texas Election Code require that the District provide public notice of the period for filing an application to appear on the ballot as a candidate for Director in the Election to be held on May 4, 2019. Mr. Yeates noted that SPH posted said notice by the applicable deadline on behalf of the District. Following discussion, Director Davenport moved that the posting of the candidate filing period be ratified and approved in all respects. Director Staley seconded the motion, which unanimously carried.

2019 DIRECTORS ELECTION

Mr. Yeates advised the Board that the terms of office of Directors DeBone and Staley will expire in May of this year and that the Board must consider calling an election for directors of the District for May 4, 2019. In connection with such election, the Board was advised of the necessity to appoint an election agent for the election. Following discussion, Director Davenport moved (i) that the Board of Directors appoint Peyton Ellis as the District's official election agent for the May 4, 2019, election, and (ii) for the adoption of a written order calling such election. The motion was seconded by Director Matthews and carried by unanimous vote. The Order thus adopted is attached hereto as **Exhibit I**.

CLOSED SESSION

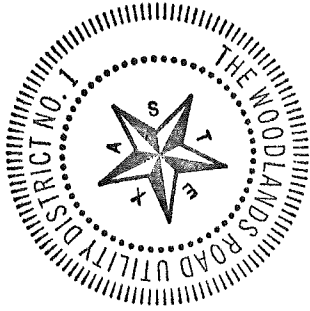
The Chairman announced that a closed session would not be necessary.

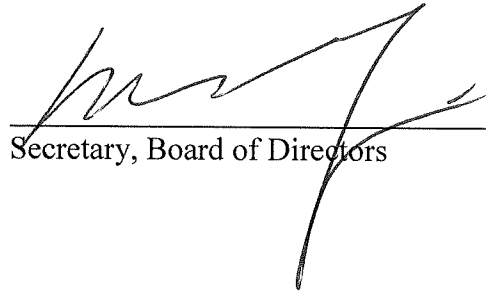
ADJOURNMENT

There being no further matters to come before the Board, Director Staley moved that the meeting be adjourned. The motion was seconded by Director Davenport and carried by unanimous vote, and the meeting was adjourned.

(SEAL)

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Secretary, Board of Directors

List of Attachments to
The Woodlands Road Utility District No. 1
Minutes of Meeting of January 28, 2019

- Exhibit A - District Boundary Map, Project Map and List of Current District Projects
- Exhibit B - Presentation regarding the development of mobility improvement options for the Research Forest Drive at Grogan's Mill Road intersection and/or Lake Woodlands Drive at Grogan's Mill Road intersection
- Exhibit C - Tax Assessor/Collector's Report for December 2018
- Exhibit D - Bookkeeper's Report
- Exhibit E - Draft Audit for fiscal year ended September 30, 2018
- Exhibit F - Annual Financial and Operating (Continuing Disclosure) Report
- Exhibit G - Local Debt Report
- Exhibit H - Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit I - Order Calling Directors Election