

MINUTES OF REGULAR MEETING
THE WOODLANDS ROAD UTILITY DISTRICT NO. 1
April 20, 2020

The Board of Directors ("Board") of The Woodlands Road Utility District No. 1 ("District") met in regular session on April 20, 2020, in accordance with the duly posted notice of meeting. The meeting was held via telephone conference call pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, but the Governor of Texas in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas. The roll was called of the duly constituted officers and members of the Board, as follows:

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

with all of said persons being present, with the exception of Director Rieser, thus constituting a quorum.

Also attending the meeting via telephone conference call were Dan Kolkhorst of The Howard Hughes Corporation ("Howard Hughes"), Mark Miller of Municipal Accounts & Consulting, L.P. ("MA&C"), Donnie Reed of LJA Engineering, Inc. ("LJA"), Todd Stephens of The Woodlands Township ("TWT"), Jenny Taylor, representative of Market Street, and Bryan Yeates and Peyton Ellis of Schwartz, Page & Harding, L.L.P. ("SPH").

EXPLANATION OF TELEPHONE CONFERENCE MEETING PROCEDURES

Mr. Yeates explained to the Board the procedures to be used during the telephone conference call meeting. In connection therewith, he informed the participants that the meeting would be recorded, and requested that participants clearly state his or her name before speaking, including when making or seconding a motion. Mr. Yeates further explained that he would conduct a roll call vote for all motions and that Board members should wait to vote on the motion until his or her name has been called. Similarly, Mr. Yeates stated that a full roll call of all participants will be conducted at the start of each telephone conference meeting for attendance purposes.

The Chairman called the meeting to order and declared it open for such business as may regularly come before the Board.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. There being no members of the public present on the call, the Board continued to the next item of business.

ADOPTION OF TEMPORARY POLICIES AND PROCEDURES IN RESPONSE TO COVID-19 PANDEMIC

Mr. Yeates stated that the Governor of Texas issued a proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas. As a result of such proclamation, effective March 16, 2020, the Governor suspended certain provisions of the Texas Open Meetings Act (the "Act") pursuant to Section 418.016, Texas Government Code, to allow the governing boards of political subdivisions, such as the District, to meet via telephone conference call during the pendency of the COVID-19 pandemic. Accordingly, Mr. Yeates counseled the Board regarding the adoption of temporary policies and procedures for conducting Board meetings and other District administrative matters during the COVID-19 pandemic and presented a Resolution Adopting Temporary Policies and Procedures in Response to COVID-19 Pandemic (the "Resolution"), attached hereto as **Exhibit A**. He then explained the provisions of the Resolution in detail with the Board. Following discussion, Director Matthews moved that the Resolution be adopted as presented. Director Davenport seconded the motion which unanimously carried.

MINUTES OF MEETING

The Board reviewed the minutes of the meetings held on January 20, 2020 and February 17, 2020. Following review and discussion, Director Davenport moved that such minutes be approved, as presented. The motion was seconded by Director Staley and carried by unanimous vote.

ENGINEER'S REPORT

The Board considered the Engineer's Report. Mr. Reed advised that he had nothing to report to the Board at this time.

DEVELOPER'S REPORT

The Board next considered the Developer's Report. Mr. Kolkhorst advised the Board that Montgomery County (the "County") is moving forward with a construction project at the intersection of Interstate Highway 45 and Lake Woodlands Drive. He explained that the County project will widen the intersection by thinning the median located on Lake Woodlands Drive between Six Pines Drive and Interstate Highway 45. Mr. Kolkhorst advised that the County has inquired as to whether the District would consider undertaking a landscaping construction project along Lake Woodlands Drive between Six Pines Drive and Interstate Highway 45 following the completion of the County's project. Following discussion by the Board, Mr. Kolkhorst advised that he would provide an update on the status of the County's project and an estimate for the cost

of the proposed landscaping project along Lake Woodlands Drive at the District's next Board meeting. No action was taken in connection with this matter.

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 March, 2020. During such review, it was noted that, after adjustments, 99.33% of the District's 2019 taxes have been collected as of March 31, 2020. A copy of such report is attached hereto as **Exhibit B**.

COMPLIANCE WITH TEXAS TAX CODE SECTIONS 26.17-26.18

Mr. Yeates next provided the Board with an update relative to the new requirements of Texas Tax Code Sections 26.17-26.18, as added by Senate Bill No. 2 in the 2019 state legislative session. Mr. Yeates reminded the Board that, pursuant to Section 26.17, the chief appraiser for each appraisal district is now required to maintain a publicly accessible database that contains certain information for all property within its boundaries. He noted that the respective taxing units, including the District, are responsible for providing most of this information to the appraisal district and for updating it as necessary. He further advised that, pursuant to the separate provisions of Section 26.18, the District is now also required to maintain, or have access to, a generally accessible website that posts certain administrative and financial information about the District and to likewise update it as necessary. Mr. Yeates advised that Begala-McGrath, LLC ("Begala-McGrath") has created a District email address, and is continuing to work with Ms. Tammy McRae, the District's tax assessor/collector, to address the requirements of Sections 26.17 and 26.18 on behalf of the District. Mr. Yeates advised that he will continue to provide the Board with updates regarding the implementation of Sections 26.17 and 26.18 as they become available.

HOUSE BILL 3834

Mr. Yeates updated the Board regarding implementation of House Bill 3834, introduced in the 2019 Legislative Session, relating to cybersecurity training for certain local governmental employees and elected officials. He advised the Board that SPH's recommendation to all elected directors is to annually complete a training course certified by the Texas Department of Information Resources. He further advised that the first training program should be completed before the end of 2020, and that the Association of Water Board Directors is currently preparing a course for cybersecurity training that will be available to members in the future. He noted that SPH will collect the completion certificates and report same to the Board in a public meeting annually, which should satisfy the requirement for periodic compliance audits.

ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Yeates advised that the Board is authorized pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions, on July

1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on taxes that remain delinquent as of July 1 of the year in which they became delinquent. He noted that the additional penalty to be imposed by this Resolution will not apply to delinquent personal property taxes which have incurred an additional penalty pursuant to that certain Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which was passed and approved by the District on January 20, 2020. The Board queried Mr. Yeates on whether the District currently has any delinquent real property accounts for the 2019 tax year, to which he responded he would request such information from Ms. Tammy McRae, the District's tax assessor/collector, and present same at the District's next Board meeting. Following discussion, the Board concurred to defer consideration of the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes at this time.

BOOKKEEPER'S REPORT

Mr. Miller presented to and reviewed with the Board a bookkeeping report, dated as of April 20, 2020, 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. 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 C**.

SUPPLEMENTAL AGENDA - ORDER POSTPONING DIRECTORS ELECTION

Mr. Yeates stated that, as a result of the COVID-19 pandemic, the Governor of Texas suspended, effective March 18, 2020, Sections 41.0052(a) and (b) of the Texas Election Code, and Section 49.103 of the Texas Water Code, to allow political subdivisions that would hold their general and special elections on May 2, 2020, to postpone such elections to the next uniform election date occurring on November 3, 2020. Mr. Yeates reminded the Board that the District ordered a general election to be held on May 2, 2020 for the election of three (3) directors (the "Election"). He counseled the Board regarding the challenges of conducting the Election on the May 2, 2020 uniform election day and recommended that the Election be postponed to the next uniform election date occurring on November 3, 2020 in accordance with the Governor's recommendation. In connection therewith, he presented an Order Postponing Directors Election (the "Order"), attached hereto as **Exhibit D**. He then explained the provisions of the Order in detail with the Board. Following discussion, Director Davenport moved that the Order be adopted as presented and the District's Election Agent be authorized to post a copy of the Order at the public places used for the posting of meeting notices of the District prior to April 20, 2020. Director Keough seconded the motion which unanimously carried.

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 Davenport moved that the meeting be adjourned. The motion was seconded by Director Keough and carried by unanimous vote, and the meeting was adjourned.




Secretary, Board of Directors

List of Attachments to
The Woodlands Road Utility District No. 1
Minutes of Meeting of April 20, 2020

Exhibit A - Resolution Adopting Temporary Policies and Procedures in Response to COVID-19 Pandemic

Exhibit B - Tax Assessor-Collector Report

Exhibit C - Bookkeeper's Report

Exhibit D - Order Postponing Directors Election