

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

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 20<sup>th</sup> day of January, 2020, 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
Bruce Rieser	Director
Mark Keough	Director

with all of said persons being present, 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 Jim Carmon of The Howard Hughes Corporation ("Howard Hughes"), Andrew Wu and Eric Moses of Occidental Petroleum Corporation ("Oxy"), Todd Stephens of The Woodlands Township ("TWT"), John Knox of Knox Cox & Company, L.L.P. ("Knox Cox"), 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 November 18, 2019. Following review and discussion, Director Matthews moved that such minutes be approved, as presented. The motion was seconded by Director Keough and carried by unanimous vote.

### **FIRST AMENDMENT TO TAX ABATEMENT AGREEMENT**

Mr. Yeates presented to and reviewed with the Board a First Amendment to Tax Abatement Agreement by and between the District, Occidental Petroleum Corporation ("Oxy") as successor-in-interest to Anadarko Realty, LLC ("Anadarko"), and HH Lake Robbins Holdings, LLC, ("HHC"). He advised that such amendment reflects that Oxy acquired Anadarko's ultimate parent company by merger in August 2019. Following discussion, Director

Matthews moved to approve the First Amendment to Tax Abatement Agreement and authorize the Chairman and Secretary to execute same on behalf of the Board and the District. The motion was seconded by Director Davenport, which passed by a vote of five (5) in favor, Director Rieser opposed, and Director DeBone abstaining. A copy of the First Amendment to Tax Abatement Agreement thus approved is attached hereto as **Exhibit A**.

### **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 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, 2019. During such review, it was noted that, after adjustments, 19.72% of the District's 2019 taxes have been collected as of December 31, 2019. A copy of such report is attached hereto as **Exhibit B**.

### **BOOKKEEPER'S REPORT**

Mr. Miller presented to and reviewed with the Board a bookkeeping report, dated as of January 20, 2020, including a list of bills and charges to be paid, as prepared by MA&C. Following discussion, Director DeBone moved to approve such report and pay the bills and charges listed therein. The motion was seconded by Director Davenport and carried by unanimous vote. A copy of the bookkeeping report thus approved is attached hereto as **Exhibit C**.

### **APPROVAL OF AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Mr. Knox presented for the Board's review and approval a draft audit report from Knox Cox for fiscal year ended September 30, 2019, and requested the Board's execution of a representation letter in connection with the same, copies of which are attached hereto as **Exhibit D**. Following review and discussion, Director Davenport 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 Keough 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 E**. 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 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 advised the Board that he is in the process of preparing a draft report for the fiscal year ended September 30, 2019, for filing with the Comptroller. Following review and discussion, Director Keough moved to (i) approve the report as prepared by Knox Cox, and (ii) authorize SPH to file same with the Comptroller by the appropriate deadline. The motion was seconded by Director Davenport 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 1<sup>st</sup> of each year. Mr. Yeates recommended that Knox Cox be authorized to prepare and submit the information for the 2020 reporting period. After discussion on the matter, it was moved by Director Keough, seconded by Director Davenport and unanimously carried, that Knox Cox be authorized to prepare the required information for the 2020 reporting period and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database no later than April 1, 2020.

### **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 DeBone moved to approve and authorize execution and delivery of such proposals, as presented. The motion was seconded by Director Davenport 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 Davenport moved for the adoption of the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit F**. The motion was seconded by Director Staley and carried by unanimous vote.

**2020 DIRECTORS ELECTION**

Mr. Yeates advised the Board that the terms of office of Directors Neill, Davenport and Matthews will expire in May of this year and that the Board must consider calling an election for directors of the District for May 2, 2020. 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 2, 2020, election, and (ii) for the adoption of a written order calling such election. The motion was seconded by Director DeBone and carried by unanimous vote. The Order thus adopted is attached hereto as **Exhibit G**.

**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.



  
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Secretary, Board of Directors

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

- Exhibit A - First Amendment to Tax Abatement Agreement
- Exhibit B - Tax Assessor/Collector's Report for December 2019
- Exhibit C - Bookkeeper's Report
- Exhibit D - Draft Audit for fiscal year ended September 30, 2019
- Exhibit E - Annual Financial and Operating (Continuing Disclosure) Report
- Exhibit F - Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit G - Order Calling Directors Election