

MINUTES OF SPECIAL MEETING
THE WOODLANDS ROAD UTILITY DISTRICT NO. 1
September 14, 2020

The Board of Directors ("Board") of The Woodlands Road Utility District No. 1 ("District") met in special session on September 14, 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, by 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
Mark Keough	Director

with all of said persons being present, with the exception of Directors Staley and Keough, 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"), Steven Perez of LJA Engineering, Inc. ("LJA"), Julie Peak and Spencer Day of Masterson Advisors, LLC ("Masterson"), John Knox of Knox Cox & Company, L.L.P. ("Knox Cox"), Todd Stephens and Bob Milner 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 comments from the members of the public present on the call, the Board continued to the next item of business.

MINUTES OF MEETING

The Board reviewed the minutes of the meeting held on August 17, 2020. 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.

ACCEPTANCE OF OATH OF OFFICE, OFFICIAL BOND, STATEMENT OF ELECTED/APPOINTED OFFICER AND ELECTION NOT TO DISCLOSE PERSONAL INFORMATION

The Board next received the Oath of Office, Official Bond and Statement of Elected/Appointed Officer of Mr. Bob Milner in connection with Mr. Milner's appointment to the Board as The Woodlands Township appointee. Following review, Director Davenport moved that such Oath of Office, Official Bond and Statement of Elected/Appointed Officer be approved and accepted and that SPH be directed to file the Oaths of Office with the Texas Secretary of State, as required by law. The motion was seconded by Director DeBone, and carried by unanimous vote. Director Milner participated in the remainder of the meeting.

Mr. Yeates then advised Director Milner that he may elect to instruct the District to withhold public access to information in the custody of the District relating to his home address, home telephone number, social security number and information indicative of whether he has family members pursuant to Section 552.024 of the Texas Government Code. He noted that such election must be made not later than the fourteenth (14th) day after the Director's appointment or election. He further noted that Director Milner had executed the necessary documents electing not to disclose such information.

OPEN GOVERNMENT TRAINING

Mr. Yeates next advised Director Milner regarding the training requirements for public officials pursuant to the Texas Open Meetings Act ("OMA") and the Texas Public Information Act ("PIA"), and the procedures for compliance with same. After confirming with Director Milner that he had completed said training in connection with his previous election to the Board of Directors for The Woodlands Township Municipal Utility District, Mr. Yeates advised Director Milner that no further training would be necessary at this time.

CONFLICTS DISCLOSURE STATEMENT REPORTING REQUIREMENTS

Mr. Yeates next discussed with the Board the conflicts disclosure statement reporting requirements for officers of certain local governmental entities, including District directors, pursuant to Chapter 176 of the Texas Local Government Code. Mr. Yeates then presented Director Milner with a Memorandum prepared by SPH which summarizes the conflicts disclosure requirements.

LEVY OF DISTRICT'S 2020 DEBT SERVICE AND MAINTENANCE TAX RATES

The Board next considered adopting a 2020 tax rate, and Mr. Yeates advised that the District's financial advisor has recommended that the District adopt a debt service tax rate of \$0.17 per \$100 of assessed valuation, and a maintenance tax rate of \$0.02 per \$100 of assessed valuation. Following discussion on the recommendation of the District's financial advisor, Director Milner moved for the adoption of the attached order levying a 2020 ad valorem debt service tax rate of \$0.17 per \$100 of assessed valuation and a maintenance tax rate of \$0.02 per \$100 of assessed valuation. The motion was seconded by Director DeBone and carried by unanimous vote. The order thus adopted is attached hereto as **Exhibit A**.

AMENDED DISTRICT INFORMATION FORM

The Board next considered an Amended District Information Form reflecting the District's 2020 tax rate. Following discussion, Director Milner moved that such Amended District Information Form be approved, executed and recorded in accordance with applicable law. The motion was seconded by Director Davenport and carried by unanimous vote.

PLAN OF FINANCING FOR PROPOSED ISSUANCE OF UNLIMITED TAX ROAD REFUNDING BONDS, SERIES 2020

Ms. Peak reviewed with the Board a Plan of Financing related to the District's proposed issuance of Unlimited Tax Road Refunding Bonds, Series 2020 ("Series 2020 Refunding Bonds"), which Plan reflected that the District would realize a minimum present value savings of 3.13%. Following review and discussion, Director Matthews moved that the District's consultants be authorized to proceed with the preparation of documentation related to the issuance of the District's Series 2020 Refunding Bonds. The motion was seconded by Director Davenport and carried by unanimous vote.

ENGAGEMENT OF SPECIAL TAX COUNSEL

Mr. Yeates presented a proposal from Bracewell LLP ("Bracewell") to serve as Special Tax Counsel for the District in respect of the Refunding Bonds and advised the Board that SPH has received the TEC Form 1295 from Bracewell. The Board then reviewed and discussed the requirements of said proposal pursuant to Section 2254.1036 of the Texas Government Code, as set forth in the Notice of Contingent Fee Engagement of Special Tax Counsel related to same. In connection therewith, the Board considered adoption of the Resolution Regarding the Approval of Contingent Fee Contract for Legal Services, a copy of which is attached hereto as **Exhibit B**. Following discussion, it was moved by Director Matthews, seconded by Director Davenport, and unanimously carried, that (i) Bracewell be engaged as special tax counsel in respect of the Refunding Bonds, (ii) the proposed engagement letter be approved as presented, (iii) the Chairman be authorized to execute the engagement letter on behalf of the Board and the District, (iv) SPH be authorized to acknowledge receipt of TEC Form 1295 from Bracewell, and (v) the Resolution Approving Contingent Fee Contract for Legal Services be adopted by the District, and the Chairman and Secretary be authorized to execute same on behalf of the Board and the District. A copy of the engagement letter thus approved is attached hereto as **Exhibit C**.

DESIGNATION OF PAYING AGENT/REGISTRAR

The Board next considered the designation of a Paying Agent/Registrar for the District's Series 2020 Refunding Bonds. In that regard, Ms. Peak recommended that the Board designate The Bank of New York Mellon Trust Company, N.A. ("BONY"), as Paying Agent/Registrar in connection with the Series 2020 Refunding Bonds, subject to receipt of TEC Form 1295. Following discussion, Director Matthews moved that BONY be designated as Paying Agent/Registrar for the Series 2020 Refunding Bonds, subject to execution of an agreement for such services and receipt of TEC Form 1295. Director Davenport seconded said motion, which unanimously carried.

DESIGNATION OF ESCROW AGENT

The Board next considered the designation of an Escrow Agent relative to the Series 2020 Refunding Bonds. After discussion, Director Matthews moved that BONY be designated as Escrow Agent in connection with the Series 2020 Refunding Bonds, subject to execution of an agreement for such services and receipt of TEC Form 1295. Director Davenport seconded said motion, which carried unanimously.

OFFICIAL NOTICE OF SALE AND PRELIMINARY OFFICIAL STATEMENT

Ms. Peak presented the Board with copies of the proposed form of Official Notice of Sale and Preliminary Official Statement in connection with the Series 2020 Refunding Bonds, and advised that a copy of same was previously provided to the Board and consultants for review. Following discussion, Director Matthews moved that the offering documents be approved, completed and distributed in anticipation of the sale of the Series 2020 Refunding Bonds, and that such Preliminary Official Statement be deemed to be final for all purposes with the exception of any additional materials or information relating to subsequent material events, offering prices, interest rates, selling compensation, identity of the underwriters, aggregate principal amounts and other similar information, terms and provisions to be specified in the competitive bidding process. Director Davenport seconded said motion, which carried unanimously.

AUTHORIZE ADVERTISEMENT FOR SALE OF SERIES 2020 REFUNDING BONDS

The Board next considered authorizing Masterson to advertise for the sale of the Series 2020 Refunding Bonds. After discussion on the matter, Director Matthews moved that the Board authorize Masterson to advertise for the sale of the Series 2020 Bonds with bids to be received by the Board prior to 10:00 a.m. on Monday, October 5, 2020, in accordance with the Official Notice of Sale. Director Davenport seconded said motion, which unanimously carried.

AUTHORIZE BOOKKEEPER TO ISSUE CHECK FOR ATTORNEY GENERAL'S FEES

The Board next considered authorizing the District's bookkeeper to issue a check for Attorney General's fees in connection with the Series 2020 Refunding Bonds. Mr. Yeates advised that the amount of the required fee is \$5,190.00 payable to the Attorney General of Texas for fees in connection with its review of the transcript of proceedings relative to the

Bonds. Following discussion, Director Matthews moved that the District's bookkeeper be authorized to prepare a check in the amount of \$5,190.00 payable to the Attorney General of Texas. The motion was seconded by Director Davenport and carried by unanimous vote.

ENGINEER'S REPORT

Mr. Perez advised that he had nothing new to report to the Board at this time.

DEVELOPER'S REPORT

In connection with the landscaping beautification/reforestation construction project along Lake Woodlands Drive between Interstate Highway 45 and Six Pines Drive, Mr. Kolkhorst advised the Board that the construction contracts for said project have been completed and are being circulated for signature.

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 August, 2020. During such review, it was noted that, after adjustments, 99.66% of the District's 2019 taxes have been collected as of August 31, 2020. A copy of such report is attached hereto as **Exhibit D**.

BOOKKEEPER'S REPORT

Mr. Miller presented to and reviewed with the Board a bookkeeping report, dated as of September 14, 2020, including a list of bills and charges to be paid, as prepared by MA&C. Director Matthews requested that the MA&C process the Board members' monthly fees of office on a quarterly basis in lieu receiving a payment each month. Following discussion, Director Davenport moved to approve such report and pay the bills and charges listed therein. The motion was seconded by Director Milner and carried by unanimous vote. A copy of the bookkeeping report thus approved is attached hereto as **Exhibit E**.

APPROVAL OF BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021

Mr. Miller presented and reviewed with the Board a proposed budget for fiscal year ending September 30, 2021, as prepared by MA&C. Following review and discussion, Director Davenport moved to approve such budget. The motion was seconded by Director Milner and carried by unanimous vote. A copy of the approved budget is attached hereto as **Exhibit F**.

ENGAGEMENT OF AUDITOR

Mr. Knox presented to the Board a proposal from Knox Cox, for preparation of the District's audit report, and the House Bill 1378 financial report for fiscal year ending September 30, 2020, along with the required Texas Ethics Commission ("TEC") Form 1295 to accompany said proposal. Following review and discussion, Director Matthews moved to (i) accept such proposal as presented, (ii) authorize the Chairman of the Board of Directors to execute same on behalf of the Board and the District, and (iii) authorize SPH to acknowledge the TEC Form 1295

received in connection with same. The motion was seconded by Director Milner and carried by unanimous vote. A copy of such proposal 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 Davenport moved that the meeting be adjourned. The motion was seconded by Director Milner 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 September 14, 2020

- Exhibit A – Order Levying Taxes
- Exhibit B – Resolution Regarding the Approval of Contingent Fee Contract for Legal Services
- Exhibit C – Bracewell LLP Engagement Letter
- Exhibit D – Tax Assessor/Collector's Report for August 2020
- Exhibit E – Bookkeeper's Report
- Exhibit F – 2020 Budget
- Exhibit G – Knox Cox Proposal