

MINUTES OF SPECIAL MEETING
THE WOODLANDS ROAD UTILITY DISTRICT NO. 1
July 25, 2022

The Board of Directors (the "Board") of The Woodlands Road Utility District No. 1 (the "District") met in Special Session, open to the public, on the 25th day of July, 2022, 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
Nelda Blair	Secretary
Gil Staley	Assistant Secretary
Lloyd W. Matthews	Assistant Secretary
Mark Keough	Director
Bob Milner	Director

with all of said persons being present, with the exception of Directors Neill, Matthews and Milner, thus constituting a quorum.

Also present were Mark Miller of Municipal Accounts & Consulting, L.P. ("MA&C"); Dan Kolkhorst of The Howard Hughes Corporation ("Howard Hughes"); Donnie Reed and Michael Keck of LJA Engineering, Inc. ("LJA"); Todd Stephens and Ann K. Snyder of The Woodlands Township ("TWT"); Daniel T. Hannon and Alexander Sutton, members of the public; and Katie Blasio of Schwartz, Page & Harding, L.L.P. ("SPH").

The meeting was called to order and it was announced that a quorum was present, declaring the meeting open for such business as might regularly com 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 April 18, 2022. Following review and discussion, Director Blair moved that such minutes be approved, as presented. The motion was seconded by Director DeBone and carried by unanimous vote.

RESIGNATION OF BOB MILNER

Ms. Blasio discussed the resignation of Bob Milner from the Board of Directors. In connection therewith, Ms. Blasio advised the Board that SPH is in receipt of Mr. Milner's executed resignation letter, a copy of which is attached hereto as **Exhibit A**, and requested the Board's acceptance of same. Following discussion, Director Blair moved to accept Mr. Milner's

resignation from the Board of Directors. Director Keough seconded the motion, which unanimously carried.

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

The Board considered appointment of a new Director to fill the vacancy on the Board of Directors following the resignation of Bob Milner. In connection therewith, Ms. Ann K. Snyder of The Woodlands Township introduced herself to the Board and expressed an interest in serving on the Board of Directors as The Woodlands Township appointee. Following discussion, Director Blair moved that Ms. Snyder be appointed to the Board of Directors as The Woodlands Township appointee. Director DeBone seconded the motion, which unanimously carried.

ACCEPTANCE OF OATHS OF OFFICE, OFFICIAL BONDS, STATEMENTS OF ELECTED/APPOINTED OFFICER AND ELECTIONS NOT TO DISCLOSE PERSONAL INFORMATION

The Board next received the Oaths of Office, Official Bonds and Statements of Elected/Appointed Officer of Mr. Daniel T. Hannon and Mr. Alexander Sutton, in connection with their election to the Board of Directors of the District. The Board additionally received the Oath of Office, Official Bond and Statement of Elected/Appointed Officer of Ms. Snyder in connection with her appointment to the Board of Directors as The Woodlands Township appointee. Following review, Director DeBone moved that such Oaths of Office, Official Bonds and Statements 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 Staley, and carried by unanimous vote. Directors Hannon, Sutton and Snyder, participated in the remainder of the meeting.

Ms. Blasio then advised Directors Hannon, Sutton and Snyder, that they may elect to instruct the District to withhold public access to information in the custody of the District relating to their home address, home telephone number, social security number and information indicative of whether they have family members pursuant to Section 552.024 of the Texas Government Code. She noted that such election must be made not later than the fourteenth (14th) day after the Director's appointment or election. She further noted that Directors Hannon, Sutton and Snyder, have executed the necessary document electing not to disclose such information.

ELECTION OF OFFICERS

The next item to be considered was the election of officers. The Board first considered the election of a Chairman. After discussion, Director DeBone moved that Director Blair be elected Chairman of the Board. Director Blair seconded the motion, which unanimously carried.

The Board next considered the election of a Vice Chairman. After discussion, the Board concurred that Director DeBone remain Vice Chairman of the Board.

The Board next considered the election of a Secretary. After discussion, Director DeBone moved that Director Staley be elected Secretary of the Board. Director Blair seconded the motion, which unanimously carried.

The Board next considered the election of an Assistant Secretary. After discussion, Director DeBone moved that Director Sutton be elected Assistant Secretary of the Board. Director Blair seconded the motion, which unanimously carried.

The Board next considered the election of a second Assistant Secretary. After discussion, Director DeBone moved that Director Hannon be elected Assistant Secretary of the Board. Director Blair seconded the motion, which unanimously carried.

The Board next considered the election of a Director. After discussion, the Board concurred that Director Keough remain Director of the Board in his capacity as the Montgomery County appointee.

The Board next considered the election of a second Director. After discussion, Director DeBone moved that Director Snyder be elected Director of the Board in her capacity as The Woodlands Township appointee. Director Blair seconded the motion, which unanimously carried.

DISTRICT REGISTRATION FORM

The Board considered approval of a District Registration Form as required by the Texas Commission on Environmental Quality (the "TCEQ"). Ms. Blasio explained that, in accordance with the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and the terms of office of directors with the TCEQ within thirty (30) days after an election or appointment. She advised that, with the Board's approval, SPH will complete the District Registration Form to reflect the updated positions and terms of office for Directors Hannon, Sutton and Snyder, and file same with the TCEQ. After discussion of the matter, Director Staley moved that the Board authorize SPH to complete the District Registration Form as discussed and file same with the TCEQ. Director Keough seconded said motion, which unanimously carried.

LOCAL GOVERNMENT OFFICER LIST

Ms. Blasio reminded the Board that, pursuant to the conflict of interest disclosure requirements of Chapter 176 of the Texas Local Government Code, the District is required to maintain a list of local government officers, which includes the members of the Board and the District's Investment Officers. She further advised that the District must update its list of local government officers in connection with the election of Directors Hannon and Sutton, and the appointment of Director Snyder, and requested that the Board authorize SPH to update the District's list of local government officers accordingly. Following discussion, Director Blair moved to authorize SPH to update the District's list of local government officers, as required by law, in connection with the election of Directors Hannon and Sutton, and the appointment of Director Snyder. Director Sutton seconded said motion, which unanimously carried.

TRAINING REQUIREMENTS PURSUANT TO THE TEXAS OPEN MEETINGS ACT AND THE TEXAS PUBLIC INFORMATION ACT

Ms. Blasio discussed with Directors Hannon, Sutton and Snyder, the open government training requirements for public officials. She advised that public officials, including directors of a road utility district, must complete separate training courses regarding the Texas Open Meetings Act ("OMA") and the Texas Public Information Act ("PIA"). Ms. Blasio presented to and reviewed with Directors Hannon, Sutton and Snyder, a memorandum prepared by SPH which summarizes the training requirements, and noted that the deadline for public officials to complete the required training is the 90th day after taking their oath of office or otherwise assume responsibility as a public official. Ms. Blasio noted that the Texas Attorney General has prepared on-line courses which satisfy the training requirements for both the OMA and PIA, and provided Directors Hannon, Sutton and Snyder, with a link to the website for such courses. Ms. Blasio further noted that it is the responsibility of Directors Hannon, Sutton and Snyder to ensure that the required training courses are completed by the deadline.

CONFLICTS DISCLOSURE STATEMENT REPORTING REQUIREMENTS

Ms. Blasio discussed with the Board the conflicts disclosure statement reporting requirements for officers of certain local governmental entities pursuant to Chapter 176 of the Texas Local Government Code. Ms. Blasio presented Directors Hannon, Sutton and Snyder, with a memorandum prepared by SPH which summarizes the conflicts disclosure requirements and a questionnaire for completion by Directors Hannon, Sutton and Snyder, regarding conflict of interest disclosure reporting. Following discussion, Ms. Blasio confirmed receipt of completed conflict of interest questionnaire from each of the new Directors.

ENGINEER'S REPORT

Mr. Reed advised that he had nothing new to report to the Board at this time. He introduced Mr. Keck of LJA who he works with and who will attend meetings on Mr. Reed's behalf when he is not able to.

Mr. Reed exited the meeting at this time.

DEVELOPER'S REPORT

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

ANNEXATION OF LANDS TO AND/OR EXCLUSION OF LANDS FROM THE BOUNDARIES OF THE DISTRICT

Ms. Blasio provided the Board with an update relative to the proposed exclusion of 4.5210 acres from the boundaries of the District, and the simultaneous annexation of certain acreage into the boundaries District. In connection therewith, Ms. Blasio reminded the Board

that because the District has outstanding indebtedness payable from District taxes and remaining authorized but unissued bond authority payable from District taxes, the District may not exclude property from its boundaries unless additional land is annexed into the District's boundaries simultaneously. She further reminded the Board that the District's ability to simultaneously annex/exclude acreage is subject to the fulfillment of the following requirements: (i) the taxable value of the acreage to be annexed into the boundaries of the District must equal or exceed the taxable value of the acreage to be excluded, (ii) the estimated costs for providing District facilities and services to the annexed acreage must be equal to or less than the estimated costs for providing District facilities and services to the excluded acreage, and (iii) if the District has outstanding bonds or contractual obligations payable in whole or in part by a pledge of the net revenues from the District's systems, the projected net revenues to be derived from the annexed acreage during the succeeding 12-month period, as determined by the District's engineer, must equal or exceed the projected net revenues that would otherwise have been derived from the acreage to be excluded during the same period. In that regard, Mr. Kolkhorst advised the Board that he is working to identify acreage for annexation into the boundaries of the District that adequately complies with the aforementioned requirements of a simultaneous annexation/exclusion. No action was required of the Board in connection with this matter.

TAX ASSESSOR/COLLECTOR REPORT

The Board 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 June, 2022. During such review, it was noted that, after adjustments, 99.55% of the District's 2021 taxes have been collected as of June 30, 2022. A copy of such report is attached hereto as **Exhibit B**.

AUTHORIZE COMPLETION, EXECUTION AND FILING WITH THE SECRETARY OF STATE VOTING SYSTEM ANNUAL FILING FORM

Ms. Blasio requested that the Board consider ratifying SPH's handling, on behalf of the District, of the preparation and submission of a Voting System Annual Filing Form ("Voting Form") to the Secretary of State's Office prior to the July 15, 2022, deadline. She advised that, pursuant to the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Voting Form with the Secretary of State's Office on an annual basis, even if the District did not conduct an election during that particular year. She further advised that SPH, on behalf of the District, submitted the Voting Form to the Secretary of State's Office in advance of today's Board meeting to comply with the July 15, 2022, deadline, as required by law. Following discussion, Director Staley moved that the preparation and submission of the Voting Form to the Secretary of State's Office by SPH on behalf of the District be authorized and ratified in all respects. Director DeBone seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Miller presented to and reviewed with the Board a bookkeeping report, dated as of July 25, 2022, including a list of bills and charges to be paid, as prepared by MA&C. Following discussion, Director Snyder moved to approve such report and pay the bills and charges listed

therein. The motion was seconded by Director Hannon and carried by unanimous vote. A copy of the bookkeeping report thus approved is attached hereto as **Exhibit C**.

The Board then reviewed the Quarterly Investment Report for the reporting period ending March 31, 2022, a copy of which is included in the bookkeeping report. Following discussion, it was moved by Director Snyder that the Quarterly Investment Report be approved, and that the District's Investment Officer be authorized to execute same on behalf of the Board and the District. The motion was seconded by Director Hannon and carried by unanimous vote.

UNCLAIMED PROPERTY REPORT AS OF MARCH 1, 2022

The Board considered approval of an Unclaimed Property Report as of March 1, 2022, prepared by MA&C, a copy of which is attached hereto as **Exhibit D**, and the filing of same with the State Comptroller prior to July 1, 2022. In connection therewith, Mr. Miller stated that the District has no unclaimed funds to escheat to the State Comptroller, and that no action is required of the Board in connection with the Unclaimed Property Report.

ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

The Board next considered adoption of an Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy") to replace its current Policy No. FIN-10 concerning the District's policy for investment of District funds and appointing Investment Officer ("Policy No. FIN-10"). In connection therewith, Ms. Blasio advised the Board that the District's Investment Officer is requesting that the District revise its current Policy No. FIN-10 to conform to the standard form of Investment Policy. Ms. Blasio then presented a redlined version of the proposed Investment Policy compared against the District's current Policy No. FIN-10, and reviewed the Investment Officer's requested changes as reflected therein. Following review and discussion, Director Blair moved that (i) the Board adopt the Investment Policy, as requested by the District's Investment Officer, (ii) any order or policy, including Policy No. FIN-10, heretofore adopted by the Board be revoked and superseded, effective as of July 25, 2022, and (iii) the Chairman and Secretary be authorized to execute the Investment Policy on behalf of the Board and the District. Director Snyder seconded the motion, which was unanimously carried. A copy of the Investment Policy thus adopted is attached hereto as **Exhibit E**.

REQUEST OF RECORDS MANAGEMENT OFFICER

The Board next considered a request from the District's Records Management Officer to destroy SPH's handwritten notes and audio recordings of Board meetings held from February 15, 2021, through March 21, 2022, a copy of which is attached hereto as **Exhibit F**. Following discussion, Director Sutton moved that the destruction of SPH's handwritten notes and audio recordings of the aforementioned Board meetings be authorized, as requested, in accordance with the provisions of the District's Records Management Program. Director Keough seconded the motion, which unanimously carried.

CLOSED SESSION

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

OTHER MATTERS

Ms. Blasio reminded the Board members to plan to attend next month's Board meeting, as the District's financial advisor will be in attendance to present and discuss the District's 2022 tax rate recommendation.

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 Snyder and carried by unanimous vote, and the meeting was adjourned.


Secretary, Board of Directors

638270.1

(SEAL)

List of Attachments to
The Woodlands Road Utility District No. 1
Minutes of Special Meeting of July 25, 2022

- Exhibit A – Bob Milner Resignation Letter
- Exhibit B – Tax Assessor/Collector's Report for June 2022
- Exhibit C – Bookkeeper's Report
- Exhibit D – Unclaimed Property Report as of March 1, 2022
- Exhibit E – Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
- Exhibit F – Records Destruction Request