

# THE WOODLANDS ROAD UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors  
May 15, 2023

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 15<sup>th</sup> day of May, 2023, 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:

Nelda Blair	Chairman
Richard A. DeBone	Vice Chairman
Gil Staley	Secretary
Alexander Sutton	Assistant Secretary
Daniel T. Hannon	Assistant Secretary
Mark Keough	Director
Kyle Watson	Director

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

Also present were Miguel Medina of Municipal Accounts & Consulting, L.P. ("MA&C"); Michael Keck of LJA Engineering, Inc. ("LJA"); Dan Kolkhorst and Kelly Dietrich of The Howard Hughes Corporation ("Howard Hughes"); Todd Stephens of The Woodlands Township; Jenny Taylor, representative of Market Street; Randy Schulze, member of the public; and Bryan Yeates 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 come before the Board.

## **PUBLIC COMMENT**

There were no comments received from the public.

## **MINUTES OF MEETING**

The Board reviewed the minutes of the special meeting held on April 17, 2023. Following review and discussion, Director Sutton 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. In connection with the construction of improvements to serve Grogan's Mill Road at Woodlands Parkway (the "Improvements Project"), Mr. Yeates requested that the Board ratify its prior approval of the Agreement for

Professional Landscape Architectural Design Services between the District and LANDology. Following discussion, it was moved by Director Hannon, seconded by Director Sutton, and unanimously carried, that the Board's prior action to approve the Agreement for Professional Landscape Architectural Design Services between the District and LANDology in connection with the Improvements Project, be ratified and authorized in all respects.

Ms. Dietrich then presented to and reviewed with the Board a proposal prepared by Gratia Geomatics, LLC ("Gratia") for preparation of a Tree Survey and a Limited Topographic Survey (collectively, the "Surveys") to serve the Improvements Project, a copy of which is attached hereto as **Exhibit A**. Ms. Dietrich advised the Board that such proposal provides for the preparation by Gratia of the Surveys in the amount of approximately \$20,233.75. Following discussion, Director Hannon moved to accept Gratia's proposal for preparation of the Surveys to serve the Improvements Project in the amount of \$20,233.75. Director Sutton seconded the motion, which unanimously carried.

Ms. Dietrich next presented to and reviewed with the Board a proposal prepared by HTS, Inc. Consultants ("HTS") for geotechnical investigation services to serve the Improvements Project, a copy of which is attached hereto as **Exhibit B**. Ms. Dietrich advised the Board that per the terms of said proposal, HTS will provide the District with geotechnical investigation services to serve the Improvements Project in the amount of \$15,052.00. Following discussion, Director Hannon moved to accept HTS's proposal for geotechnical investigation services to serve the Improvements Project in the amount of \$15,052.00. Director Sutton seconded the motion, which unanimously carried.

Mr. Keck then presented to and reviewed with the Board a proposal prepared by LJA for Preliminary Engineering Services to serve the Improvements Project, a copy of which is attached hereto as **Exhibit C**. Mr. Keck advised the Board that per the terms of said proposal, LJA will provide the District with preliminary engineering services to serve the Improvements Project in an amount not to exceed \$20,000. Following discussion, Director Hannon moved to accept LJA's proposal for preliminary engineering services to serve the Improvements Project in an amount not to exceed \$20,000, subject to ratification by the Board of such action at its next meeting. Director Sutton seconded the motion, which unanimously carried.

### **DEVELOPER'S REPORT**

The Board considered the Developer's Report. In connection therewith, Ms. Dietrich advised the Board that she had nothing further to report to the Board at this time.

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

Mr. Yeates provided the Board with a general update relative to the status of the proposed exclusion of 4.5210 acres from the boundaries of the District, and the simultaneous annexation of certain acreage into the boundaries of the District. In that regard, Mr. Yeates advised the Board that the District's engineer and developer are continuing to work to identify acreage for annexation into the boundaries of the District.

## **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 April, 2023. During such review, it was noted that after adjustments, 99.53% of the District's 2022 taxes have been collected as of April 30, 2023. A copy of such report is attached hereto as **Exhibit D**.

The Board additionally reviewed a written report prepared by Ms. Tammy McRae, the District's Tax Assessor Collector, detailing the District's 2023 Preliminary Values. During such review, it was noted that the Montgomery Central Appraisal District has determined the District's 2023 Preliminary Market Value to be \$4,888,647,266, and the District's 2023 Preliminary Taxable Value to be \$3,840,394,433. A copy of such report is attached hereto as **Exhibit E**.

## **BOOKKEEPER'S REPORT**

Mr. Medina presented to and reviewed with the Board a Bookkeeper's Report dated May 15, 2023, as prepared by MA&C, including a list of bills and charges to be paid by the District. Mr. Medina additionally presented and reviewed with the Board a Quarterly Investment Inventory Report for Period Ending March 31, 2023, a copy of which report is included in the Bookkeeper's Report. Following review and discussion of the reports presented, it was moved by Director Sutton, seconded by Director Hannon, and unanimously carried, that (i) the Bookkeeper's Report be approved and the checks identified therein be approved for payment, with the addition of check no. 3130 in the amount of \$1,947.51, payable to LJA Engineering, Inc., and (ii) the Quarterly Investment Inventory Report for Period Ending March 31, 2023, be approved and the District's Investment Officer be authorized to execute same. A copy of the Bookkeeper's Report thus approved is attached hereto as **Exhibit F**.

## **UNCLAIMED PROPERTY REPORT AS OF MARCH 1, 2023**

The Board considered approval of an Unclaimed Property Report as of March 1, 2023, as prepared by MA&C, a copy of which is attached hereto as **Exhibit G**, and the filing of same with the Texas Comptroller of Public Accounts (the "Comptroller") prior to July 1, 2023. In connection therewith, Mr. Medina stated that the District has no unclaimed funds to escheat to the Comptroller, and that no action is required by the Board in connection with the Unclaimed Property Report.

## **SUPPLEMENTAL AGENDA - CANVASS ELECTION RETURNS**

As the next order of business, the Board considered canvassing the returns of the Directors Election held on May 6, 2023. There was presented to the Board the election returns and associated documents in connection with the Directors Election, all of which were examined and canvassed by the Board and found to be proper and legal in all respects. Mr. Yeates advised that the final totals for votes cast in the Directors Election were as follows: Richard DeBone – 0 votes, Gil Staley – 2 votes, and Randolph V. Schulze – 0 votes, and reminded the Board that the

two (2) candidates receiving the highest number of votes will be declared the winners. A lengthy discussion then ensued regarding the tie in the number of votes received by Richard DeBone and Randolph V. Schulze. In that regard, Mr. Yeates advised the Board that, pursuant to Section 2.002 of the Texas Election Code, in an election requiring a plurality vote, if two or more candidates for the same office tie for the number of votes required to be elected, a second election to fill the office shall be held. Mr. Yeates further advised, however, that as an alternative to a second election to resolve the tie, the tying candidates may consider the following: (i) pursuant to Section 2.002(f) of the Texas Election Code, the tying candidates may agree to cast lots to resolve a tie, so long as such agreement is filed with the authority responsible for ordering the election and the presiding officer of such authority supervises the casting of lots agree to cast lots; or (ii) pursuant to Section 2.002(g), one of the tying candidates may resolve the tie by filing with the authority responsible for ordering the election, a written statement of withdrawal, signed and acknowledged by the candidate. Following discussion, it was determined by Richard DeBone and Randolph V. Schulze to resolve the tie through the casting of lots, and upon motion made by Director Hannon, seconded by Director Sutton, and unanimously carried, the Board approved and authorized execution of the Agreement to Cast Lots between the District, Richard DeBone and Randolph V. Schulze, attached hereto as **Exhibit H**. The Chairman of the Board then proceeded with the casting of lots in accordance with Section 2.002(f) of the Texas Election Code, and the tie was resolved in favor of Randolph V. Schulze.

After further discussion of matters related to the Directors Election, it was duly moved by Director Hannon, seconded by Director Sutton, and unanimously carried, that there be passed and adopted the Order Declaring Results of Election of Directors Held May 6, 2023, attached hereto as **Exhibit I**, declaring Gil Staley and Randolph V. Schulze elected Directors of the District, each to serve for a term of two years, or until their successors are duly elected or appointed and qualified.

**ACCEPTANCE OF QUALIFICATION STATEMENT, BOND, OATH OF OFFICE, AFFIDAVIT AND ELECTION NOT TO DISCLOSE CERTAIN INFORMATION**

The Board of Directors next received the Statements of Elected/Appointed Officer, Oaths of Office, and Affidavits of Current Director of Directors Staley and Schulze, in connection with their election to the Board of Directors of the District. Following review, Director Hannon moved that such Statements of Elected/Appointed Officer, Oaths of Office, and Affidavits of Current Director be approved as to form and accepted upon execution and receipt, and that the District's attorneys be directed to file the Oaths of Office with the Secretary of State, as required by law. The motion was seconded by Director Sutton and carried by unanimous vote.

**ACCEPTANCE OF ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION**

The Board considered the acceptance of Elections Not to Disclose Certain Information for Directors Staley and Schulze. Mr. Yeates advised that Directors are permitted to elect to instruct the District to withhold public access to certain personal information in the custody of the District. Following discussion on the matter, it was moved by Director Hannon, seconded by

Director Sutton, and unanimously carried, that the Elections Not to Disclose Certain Information be accepted as executed by Directors Staley and Schulze.

### **ORGANIZATION OF THE BOARD OF DIRECTORS**

The Board next considered the reorganization of the Board of Directors and the election of officers. The Board first considered the election of a Chairman. Following discussion, the Board concurred that Director Blair remain Chairman of the Board.

The Board considered the election of a Vice Chairman. Director Blair nominated Director Sutton to serve as Vice Chairman of the Board and the District. There being no further nominations for Vice Chairman, the nominations were closed. The Chairman called for a vote, and upon motion duly made by Director Hannon, seconded by Director Sutton, and unanimously carried, Director Sutton was elected Vice Chairman of the Board.

The Board considered the election of a Secretary. Following discussion, the Board concurred that Director Staley remain Secretary of the Board.

The Board next considered the election of an Assistant Secretary. Following discussion, the Board concurred that Director Hannon remain Assistant Secretary of the Board.

The Board next considered the election of a second Assistant Secretary. Director Blair nominated Director Schulze to serve as an Assistant Secretary of the Board and the District. There being no further nominations for Assistant Secretary, the nominations were closed. The Chairman called for a vote, and upon motion duly made by Director Hannon, seconded by Director Sutton, and unanimously carried, Director Schulze was elected Assistant Secretary of the Board.

The Board concurred that the remaining Directors would continue to serve in their respective officer positions.

### **DISTRICT REGISTRATION FORM**

The Board considered approval of a District Registration Form as required by the Texas Commission on Environmental Quality (the "TCEQ"). Mr. Yeates explained that, with the Board's approval, SPH will complete the District Registration Form to reflect the updated positions and terms of office for the Board of Directors, as applicable, 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 Hannon seconded said motion, which unanimously carried.

### **LOCAL GOVERNMENT OFFICER LIST**

Mr. Yeates 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. He advised that the District must update its list of local government officers in connection with the election of Directors Staley and Schulze, and requested that the Board authorize SPH to update the District's list of local government officers accordingly. Following discussion, Director Staley 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 Staley and Schulze. Director Hannon seconded said motion, which unanimously carried.

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

Mr. Yeates discussed with Director Schulze the open government training requirements for public officials. He 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"). Mr. Yeates presented to and reviewed with Director Schulze 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. Mr. Yeates noted that the Texas Attorney General has prepared on-line courses which satisfy the training requirements for both the OMA and PIA, and provided Director Schulze with a link to the website for such courses. Mr. Yeates further noted that it is the responsibility of Director Schulze to ensure that the required training courses are completed by the deadline.

**CONFLICTS DISCLOSURE STATEMENT REPORTING REQUIREMENTS**

Mr. Yeates 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. Mr. Yeates presented Director Schulze with a memorandum prepared by SPH, which summarizes the conflicts disclosure requirements, and a questionnaire for completion by Director Schulze regarding conflict of interest disclosure reporting. Following discussion, Mr. Yeates confirmed receipt of the completed conflict of interest questionnaire from Director Schulze.

**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 Hannon moved that the meeting be adjourned. The motion was seconded by Director Staley and carried by unanimous vote, and the meeting was adjourned.

(SEAL)



  
Secretary, Board of Directors

List of Attachments to  
The Woodlands Road Utility District No. 1  
Minutes of Board of Directors Meeting of May 15, 2023

- Exhibit A – Proposal for Tree Survey and Limited Topographic Survey by Gratia Geomatics, LLC
- Exhibit B – Proposal for Geotechnical Investigation Services by HTS, Inc. Consultants
- Exhibit C – Proposal for Preliminary Engineering Services by LJA Engineering, Inc.
- Exhibit D – Tax Assessor/Collector's Report for April 2023
- Exhibit E – 2023 Preliminary Values
- Exhibit F – Bookkeeper's Report
- Exhibit G – Unclaimed Property Report as of March 1, 2023
- Exhibit H – Agreement to Cast Lots between the District, Richard DeBone and Randolph V. Schulze
- Exhibit I – Order Declaring Results of Election of Directors Held May 6, 2023

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