

# **THE WOODLANDS ROAD UTILITY DISTRICT NO. 1**

## **Minutes of Meeting of Board of Directors**

January 15, 2024

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 January, 2024, 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
Alexander Sutton	Vice Chairman
Gil Staley	Secretary
Daniel T. Hannon	Assistant Secretary
Randolph V. Schulze	Assistant Secretary
Mark Keough	Director
Kyle Watson	Director

with all of said persons being present, with the exception of Directors Watson and Keough, 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 of The Howard Hughes Corporation ("Howard Hughes"); Jonathan McMillian and Patricia Uribe of LANDology, LLC ("LANDology"); Todd Stephens of The Woodlands Township; Arthur Bredehoft, 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**

The Board began by opening the meeting for public comments, and recognized Mr. Bredehoft. Mr. Bredehoft addressed the Board with comments, to which the Board responded. Following discussion, the Board thanked Mr. Bredehoft for his comments and continued to the next item of business.

### **MINUTES OF MEETING**

The Board reviewed the minutes of its meeting held on November 20, 2023. Following review and discussion of the draft minutes presented, it was moved by Director Hannon, seconded by Director Sutton and unanimously carried, that the minutes of the November 20, 2023, meeting be approved, as presented.

## **ENGINEER'S REPORT**

The Board considered the Engineer's Report. Ms. Uribe made a presentation to the Board regarding the construction of improvements to serve the intersection of Grogan's Mill Road at Woodlands Parkway (the "Intersection Project"), including updated site information and design progress in connection therewith. A copy of such presentation is attached hereto as **Exhibit A**.

Mr. Keck requested that the Board ratify its prior approval of the proposal prepared by Cobb, Fendley & Associates, Inc. ("CobbFendley") for subsurface utility engineering services in connection with the Intersection Project. Following discussion, Director Staley moved that the Board's prior approval of CobbFendley's proposal for subsurface utility engineering services in the amount of \$34,375.00, be approved and ratified in all respects. Director Hannon seconded the motion, which unanimously carried.

Mr. Keck presented to and reviewed with the Board Change Order No. 1 from LJA regarding the adjustment of fees related to the hosting and administration of the District's GIS database and web application, a copy of which is attached hereto as **Exhibit B**. Following discussion, Director Staley moved that said Change Order No. 1 be approved, as presented. The motion was seconded by Director Hannon and carried by unanimous vote.

## **DEVELOPER'S REPORT**

The Board considered the Developer's Report. In connection therewith, Mr. Kolkhorst advised the Board that he had nothing new 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 an update relative to the status of the proposed exclusion of 4.5210 acres from the boundaries of the District, and the simultaneous annexation of approximately 19.263 acres into the boundaries of the District. In that regard, Mr. Yeates advised the Board that the District's consultants are in the process of preparing the Water District Consent Application to the City of Houston for consent to annex the aforementioned acreage 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 December, 2023. During such review, it was noted that after adjustments, 19.54% of the District's 2023 taxes have been collected as of December 31, 2023. A copy of such report is attached hereto as **Exhibit C**.

## **EXEMPTIONS FROM TAXATION FOR 2024**

The Board next considered granting exemptions from District ad valorem taxation for

2024. Mr. Yeates outlined for the Board the various tax exemptions available for special purpose districts, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, a special purpose district may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements, and the special purpose district may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older, from ad valorem taxes levied by the District, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Hannon moved that the District (a) not grant the residential homestead exemption, and (b) not grant an exemption for persons under a disability or sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and that the Resolution Concerning Exemptions from Taxation relative to same, attached hereto as **Exhibit D**, be passed and adopted by the Board. Director Sutton seconded the motion, which carried unanimously.

#### **ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. In connection therewith, 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. Following discussion, it was moved by Director Sutton, seconded by Director Staley and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, a copy of which is attached hereto as **Exhibit E**, be passed and adopted by the Board, and that the collection of the District's 2023 delinquent real property tax accounts on April 1, 2024, be authorized, subject to issuance of proper notice, as provided in said Resolution, including the filing of lawsuits as necessary.

#### **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 on delinquent real property taxes 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, previously passed and approved by the District as of today's date. Following discussion, Director Sutton moved that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, a copy of which is attached hereto as

**Exhibit F**, be passed and adopted by the District, and that the collection of the District's 2023 delinquent real property tax accounts on July 1, 2024, be authorized, subject to issuance of proper notice, as provided in said Resolution, including the filing of lawsuits as necessary. The motion was seconded by Director Hannon and carried by unanimous vote.

### **BOOKKEEPER'S REPORT**

Mr. Medina presented to and reviewed with the Board a Bookkeeper's Report dated January 15, 2024, 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 Ended September 30, 2023, a copy of which is included in the Bookkeeper's Report. Following review and discussion of the reports presented, it was moved by Director Staley, seconded by Director Sutton and unanimously carried, that (i) the Bookkeeper's Report be approved and the checks identified therein be approved for payment, and (ii) the Quarterly Investment Inventory Report for Period Ended September 30, 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 G**.

### **RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS**

The Board then considered the adoption of a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Yeates advised that, pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually, and presented to and reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, (the "Resolution"), a copy of which is attached hereto as **Exhibit H**. Mr. Yeates further noted that the broker list attached to the Resolution was compiled with the input of the District's Investment Officer, and that while it lists potential institutions with which the District may engage in investment transactions, it is ultimately the Board's decision as to where the District's funds are actually placed. Following discussion, Director Sutton moved that the Resolution be adopted by the Board and the District, and the Chairman and Secretary be authorized to execute same. Director Hannon seconded said motion, which unanimously carried.

### **APPROVAL OF AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023**

The Board concurred to defer the review and approval of the District's audit report for the fiscal year ended September 30, 2023, until next month's meeting.

### **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. Mr. Yeates advised the Board that the annual report is in the process of being prepared and will be presented to the Board for review upon completion.

## **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 Texas Comptroller of Public Accounts (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 the Board authorize the District's auditor, Knox Cox & Company, L.L.P. ("Knox Cox") to prepare and submit the required information to the Comptroller on behalf of the Board and the District. After discussion on the matter, it was moved by Director Staley, seconded by Director Hannon and unanimously carried, that Knox Cox be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database no later than April 1, 2024.

## **RENEWAL OF THE DISTRICT'S INSURANCE COVERAGES**

The Board next reviewed a proposal submitted by McDonald & Wessendorff Insurance for the renewal of the District's insurance coverages, a copy of which is attached hereto as **Exhibit I**. Following review and discussion, Director Staley moved to approve and authorize the execution and delivery of such proposal, as presented. The motion was seconded by Director Sutton and carried by unanimous vote.

## **MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION**

Mr. Yeates reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Mr. Yeates presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit J**, regarding participation in the joint election with Montgomery County (the "County"). In connection therewith, Mr. Yeates advised that the County will administer the Election if the District participates in the County's joint election. Following discussion, it was moved by Director Staley, seconded by Director Sutton and unanimously carried, that SPH be authorized to notify the County of the District's intent to participate in the joint Election.

## **SUPPLEMENTAL AGENDA**

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Yeates presented the Order Calling Directors Election (the "Order"), attached hereto as **Exhibit K**, calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Blair, Sutton, and Hannon expire in May of this year. In reviewing the Order with the Board, Mr. Yeates advised that the Order provides for the conduct of the Election by the County, jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at a shared expense. He advised that, although the County will conduct the Election, the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order names Peyton Ellis as such agent (the "Election Agent"). Mr. Yeates further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Mr. Yeates advised the

Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. He further advised that, in addition to the above, notice must be posted on the District's website at least twenty-one (21) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each County election precinct that overlaps the District and on the District's website. Mr. Yeates also noted that the County will determine the compensation paid to the County election officials. After discussion on the matter, Director Hannon moved that said Order be passed and adopted, that the Chairman and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Staley seconded said motion, which unanimously carried. Mr. Yeates advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

**CLOSED SESSION**

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

**OTHER MATTERS**

The Board concurred to reschedule its February meeting to Thursday, February 22, 2024, at 10:00 a.m., subject to confirmation of availability to attend by the Board of Directors and District consultants.

**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)

708195.1



  
Secretary, Board of Directors

**THE WOODLANDS ROAD UTILITY DISTRICT NO. 1**

**LIST OF ATTACHMENTS TO MINUTES**

January 15, 2024

- Exhibit A** – Presentation on Intersection Project by LANDology, LLC
- Exhibit B** – Change Order No. 1 – GIS Database
- Exhibit C** – Tax Assessor/Collector's Report for December 2023
- Exhibit D** – Resolution Concerning Exemptions from Taxation
- Exhibit E** – Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit F** – Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit G** – Bookkeeper's Report
- Exhibit H** – Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
- Exhibit I** – Accepted Insurance Proposal (McDonald & Wessendorff)
- Exhibit J** – Memorandum regarding Joint Elections
- Exhibit K** – Order Calling Directors Election

708195.1