

THE WOODLANDS ROAD UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

January 20, 2025

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 20th day of January, 2025, 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
Ann Snyder	Director

with all of said persons being present, with the exception of Directors Hannon 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"); Kelly Dietrich of The Howard Hughes Corporation ("Howard Hughes"); Jonathan McMillan and Patricia Uribe of LANDology, LLC ("LANDology"); John Knox of Knox Cox & Company, L.L.P. ("Knox Cox"); 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 considered public comments, and recognized Ms. Bredehoft. Mr. Bredehoft provided comments to the Board regarding Montgomery Central Appraisal District's ("MCAD") Board of Directors election.

MINUTES OF MEETING

The Board reviewed the minutes of its meeting held on January 20, 2025. Following review and discussion of the draft minutes presented, it was moved by Director Sutton, seconded by Director Schulze and unanimously carried, that the minutes of the January 20, 2025, meeting be approved, as written.

RESIGNATION OF DIRECTOR KYLE WATSON

Mr. Yeates discussed the resignation of Director Kyle Watson from the Board of Directors. In connection therewith, Mr. Yeates advised the Board that SPH is in receipt of Director Watson'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 Sutton moved to accept Director Watson's resignation from the Board of Directors. Director Staley 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 Kyle Watson. In connection therewith, Ms. Ann K. Snyder of The Woodlands Township (the "Township") introduced herself to the Board and expressed an interest in serving on the Board of Directors as the Township appointee. Following discussion, Director Staley moved that Ms. Snyder be appointed to the Board of Directors as the Township appointee. Director Sutton seconded the motion, which unanimously carried.

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 Ms. Snyder in connection with her appointment to the Board of Directors as the Township appointee. Following review, Director Staley 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 Oath of Office with the Texas Secretary of State, as required by law. The motion was seconded by Director Sutton, and carried by unanimous vote. Director Snyder participated in the remainder of the meeting.

Mr. Yeates then advised Director Snyder that she may elect to instruct the District to withhold public access to information in the custody of the District relating to her 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. 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 Snyder has executed the necessary document electing not to disclose such information.

ELECTION OF OFFICERS

The next item to be considered was the election of officers. Following discussion, it was the consensus of the Board that no changes to the current officer positions be made at this time.

DISTRICT REGISTRATION FORM

The Board considered approval of a District Registration Form for submittal to 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 position and term of office for Director 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 Sutton 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 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 Staley moved to authorize SPH to update the District's list of local government officers, as required by law, in connection with 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

Mr. Yeates advised Director Snyder of 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"). After confirming with Director Sutton that she had completed said training in connection with her previous election to the Board of Directors of the Township, Mr. Yeates advised Director Snyder that no further training would be necessary at this time.

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

ENGINEER'S REPORT

The Board considered the Engineer's Report. Mr. McMillan and Ms. Uribe provided the

Board with bid results and letter of recommendation regarding the Landscape Improvements at Grogan's Mill & Woodlands Parkway project, attached hereto as **Exhibit B**. Following discussion, it was moved by Director Staley, seconded by Director Snyder and unanimously carried that the engineer's report be approved, including the award of a construction contract to Millis Development and Construction, LLC in the amount of \$3,997,178.83 for Landscape Improvements at Grogan's Mill & Woodlands Parkway.

DEVELOPER'S REPORT

The Board considered the Developer's Report. In connection therewith, Ms. Dietrich advised that she 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. It was noted that no action was required by the Board at this time.

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 2024. During such review, it was noted that after adjustments, 15.14% of the District's 2024 taxes have been collected as of December 31, 2024. A copy of such report is attached hereto as **Exhibit C**.

EXEMPTIONS FROM TAXATION FOR 2025

The Board next considered granting exemptions from District ad valorem taxation for 2025. Mr. Yeates outlined for the Board the various tax exemptions available for special purpose districts, including the exemptions provided 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 Sutton 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 2025, and that the Resolution Concerning Exemptions from Taxation relative to same, attached hereto as **Exhibit D**, be passed and adopted by the Board. Director Snyder 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 2024 delinquent real property tax accounts on April 1, 2025, 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 2024 delinquent real property tax accounts on July 1, 2025, 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 Staley and carried by unanimous vote.

BOOKKEEPER'S REPORT

Mr. Medina presented to and reviewed with the Board a Bookkeeper's Report dated January 20, 2025, as presented by MA&C, including a list of bills and charges to be paid by the District. Following review and discussion of the report presented, it was moved by Director Snyder, seconded by Director Schulze and unanimously carried, that the Bookkeeper's Report be approved and the checks identified therein be approved for payment. A copy of the Bookkeeper's Report thus approved is attached hereto as **Exhibit G**.

APPROVAL OF AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024

Mr. Knox presented for the Board's review and approval, a draft audit report prepared by

Knox Cox for the fiscal year ended September 30, 2024, a copy of which is attached hereto as **Exhibit H**. Following review and discussion, Director Staley moved that the audit report for the District's fiscal year ended September 30, 2024, be approved as presented. The motion was seconded by Director Sutton and carried unanimously.

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 1st 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 Sutton 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, 2025.

RENEWAL OF THE DISTRICT'S INSURANCE COVERAGES

The Board concurred to defer the review and approval of the District's insurance renewal with McDonald & Wessendorff Insurance until next month's meeting.

MATTERS RELATED TO MAY 3, 2025 DIRECTORS ELECTION

Mr. Yeates reported on issues related to the District's Directors Election (the "Election") to be held on May 3, 2025. 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 Snyder, 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 I**, calling the Election to be held on May 3, 2025. It was noted that the terms of office of Directors Staley and Schulze 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 Brooke Baumgardner 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 Snyder 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 Sutton 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 18, 2025, 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.

ADJOURNMENT

There being no further matters to come before the Board, upon motion made by Director Sutton, seconded by Director Staley and unanimously carried, the meeting was adjourned.

(SEAL)



Secretary, Board of Directors

THE WOODLANDS ROAD UTILITY DISTRICT NO. 1

LIST OF ATTACHMENTS TO MINUTES

January 20, 2025

- Exhibit A –** Director Watson Resignation Letter
- Exhibit B –** Letter of Recommendation
- Exhibit C –** Tax Assessor-Collector Report dated December 2024
- Exhibit D –** Resolution Concerning Exemptions from Taxation
- Exhibit E –** Resolution Authorizing Penalty on Delinquent Personal Property Taxes
- Exhibit F –** Resolution Authorizing Penalty on Delinquent Real Property Taxes
- Exhibit G –** Bookkeepers Report dated January 20, 2025
- Exhibit H –** Draft Audit Report
- Exhibit I –** Order Calling Directors Election