

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT
Minutes of Special Meeting of Board of Directors

February 5, 2024

The Board of Directors (the “Board”) of Westwood Shores Municipal Utility District (the “District”) met in regular session, open to the public, at 75 Cottonwood Road, Trinity, Texas 75862, a designated meeting place inside the boundaries of the District and the roll was called of the members of the Board as follows:

Joan Gallagher	President
Robert Stoddard	Vice President
John Wolf	Secretary
Jim Atkinson	Asst. Secretary
Bryan Holmes	Director

All the above were present, thus constituting a quorum.

Also present at the meeting were Rico Rodriguez of Civil Grade Engineers (“Civil Grade”); Joshua Zientek of Mitchell, Zientek & Scruggs, LLP (“MZSLLP”); Pam McKay of Westwood Shores Municipal Utility District (“WSMUD”); Tony Bonaventure and Juan Rojas of Precision Utility LLC (“Precision”); Kevin Berry of EEPB; and various members of the public.

CALL THE MEETING TO ORDER AND PLEDGE OF ALLEGIANCE

Director Gallagher called the meeting to order and Director Atkinson led a recitation of the Pledge of Allegiance.

PUBLIC COMMENTS

Mr. Craig informed the Board that there may be additional District records with a local real estate office and Mr. Rodriguez advised that he would follow up. Next, Director Gallagher explained the process by which public records can be requested after Mr. Craig asked if a copy of the water supply agreement with Trinity Rural Water Supply Corporation (“TRWSC”) could be provided. Mr. Zientek explained that, after a proper request is made under the Texas Public Information Act, any responsive documents would be provided. Lastly, there was extensive discussion related to providing additional customer notifications related to fire suppression and coordination with the local fire department to ensure the safety of the community. Mr. Craig provided details related to potentially working with the City of Trinity as a water source, including rates and infrastructure needs. Director Gallagher explained prior communications related to fire suppression, including being advised that the fire department brings water into the District for fire suppression purposes.

Mr. Savage asked the Board to explain historical information related to the District’s water supply agreement with TRWSC. Director Gallagher provided a detailed response explaining when the agreement with TRWSC was approved and provided additional information related to use of prior bond funds to improve the District’s filtration and aeration system.

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Mr. Fontenot explained concerns related homeowners' difficulties related to lack of communication and how home repairs could be avoided. There was also a discussion related to better communication related to boil water requirements. Mr. Fontenot also mentioned that chlorine could cause damage to piping materials and concerns about premises liability.

Ms. Malvini asked about water sources and how the District can become more independent while also lowering water costs. Director Gallagher explained previous efforts to help the District's water sources and historical information related water rates, previous budget shortfalls, future preventative maintenance efforts. Director Stoddard provided details about difficulties with water chemistry, including volatility demonstrated in water testing. Discussions with City of Trinity were explained and the Board advised that the City of Trinity previously said there was not capacity to serve the District but, recently, discussions were resumed and capacity may now be available. Mr. Brown asked about future capacity and projected home building due to concerns related to the District's capacity to serve residents. Mr. Rodriguez explained the District's current capacity limitations and explained steps to be taken in the future to alleviate concerns related to capacity of District infrastructure and facilities, including how bond funds could be used to increase service capacity.

Mr. Stapleton asked using TRWSC as a primary water source and District wells as a backup source. Director Gallagher provided an outline of historical concerns and water provision from TRWSC, including review of previous outages, difficulty with communication between the District and TRWSC, and limitations in the service requirements of the TRWSC agreement with the District.

Ms. Savage reminded members of the public that District updates are provided at board meetings and Director Gallagher explained requirements of the Texas Open Meetings Act as they related to communications between Board members and that, if a majority of the Board conducts a meeting, typically an agenda must be posted and minutes drafted.

ENGINEER'S REPORT

Director Gallagher explained tasks completed between meetings related to the 2024 Bond Authorization Election and related Engineer's Report. There was extensive discussion related to District priorities, the Lead and Copper Rule Revisions ("LCRR"), and engineering and operational projects which would most benefit the community. Mr. Rodriguez explained a breakdown of potential bond fund uses and provided recommendations for priorities. Mr. Zientek gave a brief overview of deadlines related to the Engineer's Report and the Bond Authorization Election.

Director Wolf and Director Atkinson recommended reducing the proposed bond authorization amount to approximately \$10,000,000 in an effort to show the prudent use of funds and potentially seeking additional authorization in the future. There was discussion related to how bond authorization could potentially affect future water rates.

OPERATOR'S REPORT

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Mr. Bonaventure presented an estimate for a point repair, a sinkhole, in the amount of \$9,300 and explained that three (3) bids were solicited and two (2) were provided. Director Stoddard explained how the sinkhole is also affecting District facilities. Mr. Bonaventure explained that landscape restoration would be approximately \$1,000. Director Stoddard moved to approve the estimate and restoration at a budget not to exceed \$10,500. Director Wolf seconded the motion which passed unanimously.

Mr. Bonaventure then provided an update on the Water Plant No. 1 upgrades, including explaining trends in chemistry changes. There was an extensive discussion related to needed valve improvements and repairs. Next, there was discussion related to water quality and Mr. Bonaventure explained research completed regarding water softness and recommended continued use of the District's wells. He also explained remedial measures to be taken that will assist with chlorine smell, including additional flushing.

The Board recognized Precision's efforts and thanked them for their service.

BUDGET WORKSHOP

Director Gallagher explained the purpose of the Budget Workshop and reviewed the recommendations of the District's consultants as they relate to the District's annual budget. The Board reviewed materials previously presented by Mr. Bonaventure at the regular meeting on Jan 22, 2024, including a 90-Day assessment of Water Plants 1 and 2, the Wastewater Treatment Plan and 52 critical water valves, and other District facilities and infrastructure. At the request of the Board Directors Gallagher and Holmes suggested that budget funds be reallocated to support \$54,750 in repairs to Water Plant Nos. 1 with a focus on high priority and safety related items, and a total of \$287,000 to the Waste Water Treatment Plant, including what was previously approved at the meeting on January 22, 2024.

The Board then reviewed the District's adopted annual budget and proposed changes. Mr. Berry reviewed the revised budget and the Board considered the impact on District reserve funds amounts. The Board then discussed the line item related to a pay increase for employees reminding the Board that no increase has occurred since 2022. After a review of the spreadsheet and recommended repairs and approvals by Precision, Director Stoddard moved to approve the repairs recommended in the spreadsheet, excepting those items which will require additional bids due to costs associated therewith. Director Atkinson seconded the motion. The motion passed unanimously.

Director Gallagher then explained a concern related to private water wells and septic systems. Mr. Zientek explained the rules and regulations related to making a change to the District's Rate Order and enforcement of rules for ensuring the safety of the District and its facilities. After Mr. Zientek explained the publication requirements and applicable enforceability dates, Director Stoddard moved, and Director Atkinson seconded, to amend the District's Rate Order, effective February 5, 2024, to prohibit private water wells and septic systems. The motion passed unanimously.

ATTORNEY'S REPORT

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Mr. Zientek gave a brief update on the proposed schedule of the 2024 Bond Authorization Election.

PUBLIC COMMENTS (CONTINUED FROM ABOVE)

Director Gallagher provided a brief outline of proposed rules related to audio and video recording of board meetings. Director Wolf moved, and Director Holmes seconded, to adopt the Resolution Setting Rules for Audio/Video Recording. The motion passed unanimously.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred that the next regular board meeting would be February 19, 2024.

EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.071, ET. SEQ.

The Board entered Executive Session at 12:00 p.m. pursuant to Texas Government Code Sec. 551.074, personnel matters.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 12:19 p.m. Director Wolf moved, and Director Stoddard seconded the motion, to approve a 5% pay raise for the office manager and 3% pay raise for the District's two part-time employees effective February 1, 2024, or the closest date of the pay period. The motion passed unanimously.

ADJOURNMENT

There being no further business before the Board, the meeting was adjourned.

Approved this February 19, 2024.



WESTWOOD SHORES MUNICIPAL
UTILITY DISTRICT

/s/John Wolf
Secretary, Board of Directors