

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

May 15, 2023

The Board of Directors (the “Board”) of Westwood Shores Municipal Utility District (the “District”) met in regular session, open to the public, at 100 Westwood Drive East, 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	Director

All the above were present, thus constituting a quorum.

Also present at the meeting were Liza Prudhomme-Mireles and Will Jordan of Inframark Water Infrastructure Operations (“Inframark”); Rico Rodriguez of Civil Grade Engineers (“Civil Grade”); Joshua Zientek and Daniel Scruggs of Mitchell, Zientek & Scruggs, LLP (“MZSLLP”); Kandy Pfeffer of Elite Bookkeeping; Pam McKay of Westwood Shores Municipal Utility District (“WSMUD”); and various members of the public.

**CALL THE MEETING TO ORDER AND PLEDGE OF ALLEGIANCE**

Director Gallagher called the meeting to order and the Pledge of Allegiance was recited.

**PUBLIC COMMENTS**

Director Gallagher opened the meeting for public comments. Mr. Bill Elliot expressed concerns related to the fire hydrant survey and repairs that were being completed by Inframark. Mr. Dennis Sowell explained his concerns related to water quality and presented a dirty water filter for consideration.

**OPERATOR’S REPORT (CONTINUED BELOW)**

Director Gallagher provided an update related to operations in the District and the District’s current contract with Inframark. Mr. Jordan provided responses to Director Gallagher’s concerns. Director Gallagher recommended revisions to the District’s contract with Inframark to eliminate miscommunication and confusion related to Inframark’s obligations. Mr. Jordan advised that Inframark was already preparing an updated, proposed contract and should be available for review prior to the next board meeting. There was additional discussion regarding concerns that Inframark’s customer service line and attendants were not properly handling calls for service and resident concerns. A resident then pointed out legal issues related to possible amendments to the contract by estoppel and Mr. Zientek provided additional clarification related to the application of this legal doctrine.

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**APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)**

The Board reviewed the minutes of April 17, 2023, board meeting. After Mr. Zientek explained revisions which were requested and made, Director Atkinson moved to approve and accept the minutes, as revised. Director Wolf seconded the motion and the motion passed unanimously.

**UPDATE FROM DIRECTOR APPOINTMENT REVIEW COMMITTEE**

Director Gallagher advised that several candidates expressed interest in the open director position. She also explained that the Director Appointment Review Committee should have an update by the June 2023, regular board meeting.

**ENGINEER'S REPORT**

Mr. Rodriguez presented the Engineer's Report, a copy of which is attached as **Exhibit A**. He provided an update on: 1) the Water Plant No. 1 Aeration System; 2) The Water Plant No. 1 - Water Well Nos. 1 & 2 Improvements; 3) the Lift Station Nos. 2 and 3 Rehabilitation; 4) the Capital Improvements Plan, including the EPA Lead and Copper Rule Revision, TWDB CWSRF Engineering Feasibility Report, and TWDB PIF submittal for LCRR. Director Stoddard moved, and Director Atkinson seconded, to approve the Engineer's Report and 1) authorize Civil Grade to begin preparing a Capital Improvements Projects ("CIP") list and associated estimated budgets, and 2) the TWDB PIF submittal for LCRR. The motion passed unanimously.

**OPERATOR'S REPORT (CONTINUED FROM ABOVE)**

Ms. Prudhomme-Mireles presented the Operator's Report, a copy of which is attached as **Exhibit B**. Ms. Prudhomme-Mireles provided an update on tap fees and the Board discussed possible rate order amendments to account for changing costs associated with tap installations. The Board concurred that Director Wolf would work with Inframark to resolve a main line repair before outsourcing to a different contractor. Ms. Prudhomme-Mireles then pointed out a billing credit related to World Wide Power and an overcharge. She then provided an update on service calls, the fire hydrant survey and related repairs, and Texas Commission on Environmental Quality ("TCEQ") violations. Director Stoddard informed the Board that many of the fire hydrant repairs were less expensive than anticipated. Director Gallagher asked that Inframark work to provide customer notices in the event of service outages. The Board then concurred that the budget be amended to include a line item for an annual fire hydrant survey at a cost of approximately \$5,500. Next, Ms. Prudhomme-Mireles advised that the District's draft Consumer Confidence Report ("CCR") was prepared and distributed for review. Director Stoddard moved, and Director Atkinson seconded, to: 1) approve the CCR, subject to final review and comment; and 2) distribute, post, and file the CCR, as legally required. The motion passed unanimously. Next, Ms. Prudhomme-Mireles provided an update on Texas Water Development Board requirements, including the Water Loss Audit, Water Conservation Annual Report, and Water Conservation Plan. Director Atkinson moved, and Director Gallagher seconded, to approve the Water Loss Audit, Water Conservation Annual Report, and Water Conservation Plan, subject to final review and comment. The motion passed unanimously. She then presented an invoice from Allied Utility Construction LLC ("Allied") in the

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amount of \$6,255.25 with no overtime being requested for installation of two 8-inch main line valves along Westwood Drive East. Director Stoddard moved to approve the invoice in the amount of \$6255.25. The motion was seconded by Director Atkinson and passed unanimously. Next, there was a long discussion regarding use of District equipment. Director Gallagher noted that she consulted with the District's insurance representative and explained insurance requirements for contractors to utilize District equipment. Director Stoddard moved, and Director Atkinson seconded, to authorize Inframark to use the Jet Rig, Crane Truck, Bobcat, ¾ Ton Truck, Flatbed Trailer, mower, and weeder, subject to compliance with insurance requirements for coverage. Mr. Zientek explained exceptions to sovereign immunity as related to motor-driven vehicles and equipment.

**OFFICE REPORT**

Ms. McKay presented the Office Report, a copy of which is attached as **Exhibit C**. She provided an update on the billing revenue, delinquencies, taps, cut offs, and office expenses. The Board then advised that all directors currently have functioning District emails. Next, the Board considered rate order revisions and the sample rate orders provided by Mr. Zientek. The Board concurred with deferring action at this time to allow Directors Wolf and Atkinson additional time to provide updates. Lastly, a request from Westwood Shores Property Owners Association ("WSPOA") to have a 2-inch line that was not used for several users to be tagged and closed. After review of disconnect and reconnect fees and additional discussion related to "Snowbird" provisions in the District's Rate Order, Director Wolf moved, and Director Stoddard seconded, to approve the request. The motion passed unanimously.

**APPRAISAL DISTRICT'S TAX ASSESSOR'S REPORT**

Ms. Pfeffer presented and reviewed the Tax Assessor's Report from Trinity County Appraisal District, a copy of which is attached as **Exhibit D**. Director Atkinson moved to approve the Appraisal District's Tax Assessor's Report. Director Wolf seconded the motion and the motion passed unanimously.

**BOOKKEEPER'S REPORT**

Ms. Pfeffer presented and reviewed the Bookkeeper's Report including checks presented for approval, a copy of which is attached as **Exhibit E**. After this review, Director Wolf moved to approve the Bookkeeper's report and the checks presented. Director Atkinson seconded the motion and the motion passed unanimously. After Mr. Zientek explained the requirement to annually review and adopt a list of qualified brokers, Director Wolf moved, and Director Atkinson seconded, to approve the list of qualified brokers and related resolution as explained by Mr. Zientek. The motion passed 3-0 with Director Stoddard absent for the vote. The Board then considered the adoption of the annual budget. Director Gallagher noted that the item would be discussed in executive session. Director Stoddard re-entered the meeting at this time.

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**DIRECTORS' REPORTS**

There was a brief discussion regarding the records retention policy and the Texas Utility Help Program. Director Stoddard provided an update on residents requesting assistance. There was a review of an invoice from Neptune and Mr. Zientek explained Texas Prompt Payment Act requirements for invoicing. After Ms. Prudhomme-Mireles advised that Inframark would not be purchasing the District vehicles, Director Atkinson moved, and Director Gallagher seconded, to authorize selling the Maverick pickup truck to Huntsville Salvage, authorize Directors Gallagher and/or Stoddard to complete all necessary paperwork, and adopt an order related to the disposal of surplus property. The motion passed unanimously. Next, Director Gallagher recommended hiring Superior Management ("Superior") to review the District's Rate Order in light of the District's budget, once adopted. She recommended that she and Director Wolf work with Superior and provide the District's Budget, and any other recommended items, to conduct an updated rate study. The Board concurred that Director Gallagher and Director Wolf could work with Superior to review the District's Rate Order and updated budget not to exceed \$6,000. Director Atkinson briefly exited the meeting and returned at this time.

**ATTORNEY'S REPORT**

Mr. Zientek provided a brief outline and schedule of events for conducting a bond authorization election and recommended working with the Trinity County Elections Department as a cost savings mechanism. The Board considered strategies for a successful election. Mr. Zientek noted that he had no update on the potential Well No.3 land purchase and their attorney would reach back out to WSPOA. Mr. Zientek gave an update on the director's bonds and reminded that an application needs to be completed for insurance purposes. He then informed the Board that a draft Ethics Policy was forwarded for review. The Board concurred to defer action at this time. Lastly, Director Wolf moved, and Director Atkinson seconded, to authorize filing of the Annual Voting System Filing Form. The motion passed unanimously.

**DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS**

The Board concurred that the next regular board meeting would be on June 19, 2023, at 9:30 a.m. Director Gallagher explained that she will be traveling and may be unavailable prior to the next board meeting but planned to attend.

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

The Board entered Executive Session pursuant to Texas Government Code Section 551.071 for consultation with attorney at 12:06 p.m.

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**RECONVENE IN OPEN SESSION**

The Board reconvened in Open Session at 12:28 pm. Director Stoddard moved to approve the proposed annual budget, as revised, and accept the settlement offer from Inframark related to repair of the filter media of installation of a FleetZoom autodialer, to include labor and materials. The motion was seconded by Director Atkinson and passed unanimously.

**ADJOURNMENT**

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

Approved this June 19, 2023.

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UTILITY DISTRICT



/s/John Wolf  
Secretary, Board of Directors

**LIST OF EXHIBITS**

- Exhibit A - Engineer's Report
- Exhibit B - Operator's Report
- Exhibit C - Office Report
- Exhibit D - Appraisal District's Tax Assessor's Report
- Exhibit E - Bookkeeper's Report