

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

January 22, 2024

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	Asst. Secretary
Bryan Holmes	Director

All the above were present, thus constituting a quorum.

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

Director Gallagher gave a brief explanation of the Texas Open Meetings Act and public comments policy then opened the meeting for public comments. Mr. Hamilton addressed the board and gave comments about the agenda and recommended that new projects not be started. He explained that he felt that the agenda does not substantially change. Director Gallagher explained that there are many items which occur every month that do not change while several items on each agenda change from month to month based on occurrences between meetings and concerns of the residents. Mr. Hamilton expressed the desire to end the water supply contract with Trinity Rural Water Supply Corporation (“TRWSC”). Director Gallagher explained that the District must secure a reliable source of water and then options related to the TRWSC contract can be more thoroughly explored. Mr. Robinson, Mr. Pegues, and Ms. Ross inquired about the wells and efforts to remedy water supply concerns, water quality, and lack of communication from Precision. Mr. Bonaventure took their residential addresses and advised that they would be contacted by the end of business to address their concerns. Ms. Land and Ms. Sheffield asked the Board about the wells and the process by which water is delivered from TRWSC to residents. Mr. Bonaventure explained how water is delivered from the District’s facilities to homes. Mr. Watson spoke to the Board about winterizing the system and Mr. Bonaventure explained winterization items which were completed to date and further explained that additional details would be provided in the Operator’s Report. Ms. Savage

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addressed the Board about communication issues she is having with TRWSC. Mr. Zientek provided the website address, board information, and meeting schedule for TRWSC. Director Gallagher, Mr. Rodriguez, and Mr. Bonaventure explained that they are continuing to work with TRWSC to improve communications and explained that residents can attend TRWSC board meetings to present their public comments. Ms. Lech addressed the Board about considering daily water testing. Mr. Rodriguez and Mr. Bonaventure explained TCEQ requirements for testing and additional testing completed by the District. Constable Cole then addressed the Board about his experience with the customer service department with Precision, including a dispute regarding the number of communications from Constable Cole to Precision. Mr. Bonaventure advised that he would speak with his staff to address his concerns and improve response times and accuracy of information provided to residents. There was additional discussion related to the chemical composition of the District's water, including day-to-day changes and remedial measures being taken, specifically additional monitoring, testing, and treatment.

Director Holmes stepped out temporarily and returned during the engineering report.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of December 11, 18, and 27, 2023, board meetings. After a brief review, Director Atkinson noted a typographical error in the minutes of the December 11, 2024, meeting. Director Stoddard moved to approve the minutes for December 11, 18, and 27, 2023, as revised and Director Atkinson seconded the motion. The motion passed unanimously.

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) Water Plant No. 1 - Aeration System; 2) CCTV of Sanitary Sewer Pipes; 3) Lift Stations 2, 3, & 12 Improvements; 4) Funding Application to TWDB for LCRR; 5) Wastewater Treatment Plant; 6) TWDB CWSRF Engineering Feasibility Report; 7) Capital Improvement Plan; 8) Water Plant No. 1 - GST Supply Line Connection Feasibility; 9) GST at Water Plant No. 1; 10) Water Plant No. 1 Well Water Quality; 11) Water and sewer tap application process; and 11) Air Quality at Water Plant No. 1. Director Wolf moved to approve \$23,420 for improvements at WP#1 to help with the brown water issue, including additional chemistry improvements. Director Stoddard seconded the motion and the motion passed unanimously. Mr. Rodriguez noted that the Ground Storage Tank ("GST") was inspected for recoating, presented a proposal for the work, and explained that there are remaining bond funds available for the project. Director Holmes moved to authorize Civil Grade to prepare bid specifications, at hourly rates, with a budget not to exceed \$10,000. Director Atkinson seconded the motion and the motion passed unanimously. He then gave an update on the Water Plant No. 1 GST connection feasibility. The Board concurred not take any further action on this item at this time. Mr. Rodriguez then gave an update on the Capital Improvements Plan ("CIP") budget meeting. After some discussion, the Board appointed Director Holmes and Director Gallagher to a budget committee to work on proposed revisions and then the Board will hold a special meeting to consider amendment. Director Wolf moved to approve the new form of engineering contract to satisfy the TWDB requirements. Director Stoddard seconded the motion and the motion passed unanimously. Mr. Rodriguez gave

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an update on the complaint from a resident regarding the odor from Water Plant No. 1. Director Stoddard moved to authorize Civil Grade to research the TCEQ rules regarding air quality concerns at hourly rates with a budget not to exceed \$3,000. Director Holmes seconded the motion and the motion passed unanimously. Mr. Rodriguez also presented a draft of the Water Conservation Plan that needs to be presented to the TWDB. Director Atkinson moved to adopt the plan. Director Holmes seconded the motion which passed unanimously.

OPERATOR'S REPORT

Mr. Bonaventure presented the Operator's Report, a copy of which is attached as **Exhibit B**. There was extensive discussion related to water accountability and the status of various action items contained within the report. Mr. Bonaventura also presented a proposal to install a blow off valve, cut, and cap the end of the line that runs under a driveway. Mr. Bonaventure asked the Board to approve Precision Utility to make the repairs, fix the driveway, and install a fire hydrant with a budget not to exceed \$7,500. The Board concurred. He noted that his office has submitted an application to the Texas Commission on Environmental Quality ("TCEQ") requesting approval for the desilting project as an emergency project and is awaiting approval. Director Gallagher made comments about the Drought Contingency Plan. Mr. Bonaventure provided a 90-day assessment of the District's facilities and infrastructure. He made recommendations regarding prioritization of repairs and maintenance and suggestions related to the District's budgetary concerns. Director Stoddard moved to approve the emergency expenditure for \$10,848 for the Wastewater Treatment Plant paddle wheel repair and the Operators Report. Director Atkinson seconded the motion and the motion passed unanimously.

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 completed, customer services requests, cut offs, and office expenses. Ms. McKay noted that she was going to re-calculate some of the water purchase numbers in the report. She noted Entergy will be doing work in the district and using some District water. Ms. McKay also stated that the meeting with Neptune meters will be scheduled in the near future. Director Gallagher noted that she is still working through the website updates and emergency notification costs. There was some discussion about the tap fee charges. Director Gallagher inquired about the customer deposits and our current procedures. Mr. Zientek reminded the Board about the unclaimed property rules and the requirement to escheat to the State the unclaimed deposits.

APPRAISAL DISTRICT'S TAX ASSESSOR'S REPORT

Director Gallagher presented the Appraisal District's Tax Assessor's Report, a copy of which is attached as **Exhibit D**. Director Gallagher commented on the tax levy, the collections, and how much revenue is needed to repair District facilities, including lift stations. Director Atkinson moved to approve the Appraisal District's Tax Assessor's Report and Director Stoddard seconded the motion. The motion passed unanimously. Mr. Zientek explained the requirements to set the tax exemptions for the year. Director Atkinson moved to keep the exemptions as the previous year,

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adopt the related resolution, and adopt a resolution to authorize additional penalties on delinquent personal property taxes. Director Wolf seconded the motion. The motion passed unanimously.

BOOKKEEPER'S REPORT

Mr. Berry presented and reviewed the new format of the Bookkeeper's Report including checks presented for approval, a copy of which is attached as **Exhibit E**. Director Wolf moved to approve the Bookkeeper's Report. Director Stoddard seconded the motion and the motion passed unanimously. Director Stoddard noted that there is a backhoe that needs to be sold and Director Wolf has received an offer for \$1,500 and they will haul it away. Director Wolf moved to declare the backhoe as surplus property, approve the sale of the equipment, and adopt the related order evidencing the same. Director Stoddard seconded the motion and the motion passed unanimously. Mr. Berry stated that they need a resolution updating the bank records granting access for EEPB to access the accounts. Director Wolf moved to approve the resolution, as discussed. Director Stoddard seconded the motion and the motion passed unanimously. Director Gallagher gave an update on the payment of fines for unpaid unemployment taxes and noted that it has been remedied.

DIRECTORS' REPORTS

Director Stoddard noted that he has not finished contacting all the contractors for bids on landscaping services. Director Gallagher gave an update on the records retention and said that she and Director Holmes are currently sorting through the records and are deciding on what to keep. Director Gallagher noted that she has made some in-roads with the County on trying to obtain additional funds for emergency repairs.

ATTORNEY'S REPORT

Mr. Zientek gave an update on Marina Village and noted that Director Gallagher found a previous unexecuted conveyance document. He explained that Marina Village's attorney will be preparing an updated draft conveyance document for review. He then gave an update on the Entergy easement request and that he will follow up with them regarding a potential encroachment agreement in lieu of an easement. Mr. Zientek noted that the District's financial advisor, Hilltop Securities has filed the Continuing Disclosure Report. He then gave information about the potential bond authorization election and updated the Board on the deadline to call the election on February 16, 2024. Mr. Zientek then went on to discuss the supplemental agenda items. Director Holmes moved to approve all items included in the supplemental agenda. Director Stoddard seconded the motion and the motion passed unanimously. Mr. Zientek reminded the Board of the need to choose an amount related to the Bond Authorization election for preparation of the required documents.

DISCUSS PENDING MATTERS FOR FUTURE AGENDAS, INCLUDING SCHEDULING OF THE NEXT MEETING DATE

The Board concurred that the next special budgeting meeting be set for February 5, 2024, at 9:30 a.m. and the next regular meeting is on February 19th at 9:30 a.m.

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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 at 5:32 p.m. for consultation with the attorney.

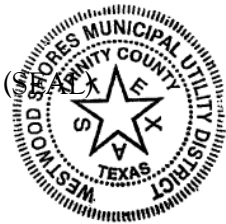
RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 5:41 p.m. No action was taken at this time.

ADJOURNMENT

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

Approved this February 19, 2024.



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/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