

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

October 16, 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	Asst. Secretary
Bryan Holmes	Director

All the above were present, thus constituting a quorum.

Also present at the meeting were Liza Prudhomme-Mireles and Hunter Maze 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; Patrick McArthur of Perdue Brandon Fielder Collins & Mott, LLP (“Perdue Brandon”); Pam McKay of Westwood Shores Municipal Utility District (“WSMUD”); Tony Bonaventure of Precisions 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 lead the Pledge of Allegiance.

PUBLIC COMMENTS

Director Gallagher opened the meeting for public comments. Cheryl Savage discussed the upcoming District bond election and posed several questions to the Board. Mr. Rodriguez answered a number of the questions. Next, Larry Garner inquired as to the water supply options available to the District. Mr. Rodriguez further explained the water supply options available and discussed the order in which they serve as contingencies. Lastly, Sherrie Nelsen inquired about a specific item in the August 31st Cash Management report. Ms. Pfeffer responded and provided additional information.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of September 6, 2023, special meeting and the September 18, 2023, regular meeting. Director Gallagher noted a few requested changes she had provided via email. After a brief discussion, Director Wolf moved to approve and accept both sets of minutes, as discussed. Director Stoddard seconded the motion. The motion passed by unanimous vote of the Board.

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UPDATED ON AUDIT FOR FYE JUNE 30, 2023

Director Gallagher provided an update on the status of the audit. Ms. Pfeffer noted what was provided to the auditor and what was still outstanding. The Board discussed and concurred that an audit review special meeting should be scheduled on November 8, 2023.

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) CCTV of the District's Sanitary Sewer Pipes (Phase 1); 2) Lift Station Nos. 2, 3, and 12 improvements; 3) Water Plant No. 1 - Aeration System; 4) Wastewater Treatment Plant - TPDES renewal, EPA Lead and Copper Rule Revision ("LCRR"), TWDB CWSRF Engineering Feasibility Report, Capital Improvements Plan ("CIP"), and TWDB PIF submittal for the LCRR, Water Quality Investigation, Bleach Tanks purchase, valve replacement, and disposal of old disinfectant chemical waste.

Mr. Rodriguez presented bids for the CCTV of the District's Sanitary Sewer Pipes (Phase 1). He noted that Civil Grade received 3 bids and recommended awarding the contract to Hydroclear Services in the amount of \$85,484. Mr. Rodriguez noted that the water testing at Water Plant No. 1 for the aeration system was ongoing. He indicated that the District should coordinate notification to the residents of a transition to well water and that brown water is to be expected as part of the flushing that occurs during that transition. Mr. Rodriguez then noted that the TPDES renewal for the wastewater treatment plant was ongoing. He also gave an update on the lead and copper testing process and the application for grant funds, noting that TWDB requested additional information as part of an effort to access the funding. Mr. Rodriguez provided an update to the Board regarding the water quality investigation sampling. He stated that the brown water is most likely due to sediment build up in the District's distribution lines that gets stirred up when the District changes water flow direction. He suggested regular controlled flushing to mitigate the concern. Mr. Rodriguez stated that the purchase and installation of a 500-gallon and a 65-gallon bleach tank to store necessary bleach supplies for disinfection at Water Plant No. 1 had occurred and was asking to confirm the expense as previously approved by the District's construction committee. He noted that the amount was not to exceed \$4,000 and would include the cost of installation of a transfer pump. Mr. Rodriguez then suggested authorizing Precision to replace one valve in the District and to remove 10 feet of pipe as well for review and illustration of the District's facilities status. He suggested a budget not to exceed \$4,500. Mr. Rodriguez then suggested that the District engage a vendor for hauling away of the old disinfectant that is considered chemical waste at Water Plant No. 1 at a budget not to exceed \$3,000.

Mr. Rodriguez, Inframark, and the Board discussed the status of the winterization of the District's facilities. Mr. Rodriguez noted that he would help coordinate with Precision to finalize any remaining items on the winterization process. Director Holmes moved to authorize Precision to handle any outstanding winterization items at a budget of not to exceed \$5,000. Director Stoddard seconded the motion, which passed unanimously.

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After further discussion, Director Stoddard moved to: 1) award the CCTV of Sanitary Sewer Pipes contract to Hydroclear Services in the amount presented; 2) authorize the expense and installation of the bleach tanks at Water Plant No. 1 as discussed at a budget not to exceed \$4,000, 3) the replacement of one valve and a corresponding 10 feet of pipe at an amount not to exceed \$4,500; and 4) Authorize the engineer to engage a vendor for the disposal of the old disinfectant chemical waste at an amount not to exceed \$3,000. Director Atkinson seconded the motion and the motion passed unanimously.

OPERATOR'S REPORT

Ms. Prudhomme-Mireles presented the Operator's Report, a copy of which is attached as **Exhibit B**. She provided an update on the outstanding invoices from Inframark at Director Gallagher's request. She noted that the invoicing for the District was current. Ms. Prudhomme-Mireles then provided an update on the manhole survey performed by Inframark as well as a number of other operator transition related items. There was a brief discussion regarding the LAS pump and GST fill line. The Board concurred in deferring any action at this time. After further discussion, Director Stoddard moved to approve the Operator's 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 provided an update on the Neptune and CUSI software review, noting that it should provide District customers with the ability to see additional information about their water usage. After discussion, and input from members of the public, Director Holmes moved to approve the contract amendment with Neptune, and the corresponding cost of approximately \$11,625, to add Neptune 360 as discussed. Director Gallagher seconded said motion which passed unanimously, with Directors Stoddard and Wolf abstaining.

Ms. McKay noted that a proposed maintenance agreement for all the generators was provided by All Around Electric. After discussion, Director Stoddard moved to approve the Office Report and maintenance agreement for the generators as provided by All Around Electric. Director Wolf seconded the motion and the motion passed unanimously. Director Stoddard made note of the lower water accountability for the month of September.

APPRAISAL DISTRICT'S TAX ASSESSOR'S REPORT

Director Gallagher presented the report from the appraisal district tax office, a copy of which is attached as **Exhibit D**. Mr. McArthur gave an overview of the delinquent tax process and the role his firm plays for the District. He reviewed the status of delinquent taxes in the District. There was extensive discussion regarding using Texas Water Code 49.212(c) to recover additional delinquent taxes by using the customer water cut-off process. After extensive discussion, Director Stoddard moved to approve sending cut-off notifications for delinquent taxes as discussed. Director Atkinson seconded the motion, which passed unanimously. Director Stoddard then moved to approve the

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Tax Assessor Collector Report. Director Atkinson seconded the motion, which carried 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**. Director Gallagher inquired about several items related to the budget and the September actual numbers. Ms. Pfeffer confirmed that the District's bank accounts are up to date with signatures and current director information. Director Holmes inquired about the status of the TML renewal check and Ms. Pfeffer provided an update. Ms. Pfeffer provided an update regarding the audit materials and the delay in delivery to the auditor. She also provided an update on the director fees and IRS related items. Mr. Zientek then discussed the annual review of the District's investment policy and the corresponding qualified brokers list. After brief discussion, Director Stoddard moved to approve the annual review of the District's investment policy, accept the current qualified brokers list, and approve the Bookkeeper's Report, including the checks presented therein. Director Atkinson seconded said motion, which carried unanimously.

DIRECTORS' REPORTS

Director Gallagher presented directors' reports items, including an update regarding Trinity Rural Water Supply Corporation and the possible additional connection with the City of Trinity. Director Gallagher then discussed landscape vendor options. After discussion, the Board concurred in requesting that the Operations and Construction Committee review and decide on a vendor at their pre-approved not to exceed amount of \$5,000. Director Gallagher then presented a brief update regarding the District goals. Director Holmes noted that he was providing additional information regarding the District's water supply goals. Director Atkinson noted that he would review consultant and vendor contracts as part of an effort to track contract timing.

ATTORNEY'S REPORT

Mr. Zientek provided a brief update on land purchase from WSPOA, noting that the WSPOA is still reviewing the matter. He noted there was an update regarding the Public Utilities Commission ("PUC") litigation that needed to be discussed in Executive Session. There was some discussion about the upcoming town hall meeting relating to the bond authorization election. Mr. Zientek then stated that Mr. Phillip Givens was open to assisting the District regarding a standby fee study and was also providing some information regarding additional funding sources for the District. The Board took no action regarding the standby fee study at this time. Director Stoddard motioned, seconded by Director Atkinson, to approve the Attorney's Report as presented. The motion passed unanimously.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board noted that the special townhall meeting will be held on October 16, 2023, at 6:00 p.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 for consultation with attorney at 12:01 p.m.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 12:32 p.m. Director Holmes moved to authorize a response to the PUC petitioners, as discussed. Director Stoddard seconded the motion and the motion passed unanimously.

ADJOURNMENT

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

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Approved this November 20, 2023.



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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