

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

February 20, 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
Ken Bateman	Assistant Secretary
Jim Atkinson	Director

All the above were present thus constituting a quorum.

Also present at the meeting were Liza Prudhomme-Mireles, and Herbert Lyons of Inframark Water Infrastructure Operations ("Inframark"); Rico Rodriguez and Thalia Salas of Civil Grade Engineers ("Civil Grade"); Josh 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"); and various members of the public.

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

Director Gallagher called the meeting to order. She discussed the Texas Open Meetings Act, the Public Information Act, the role of each consultant, and gave a brief historical background of the Board.

**PUBLIC COMMENTS**

Director Gallagher opened the meeting for public comments. Ms. Machann had a question about the quality of water being provided to residents and the corresponding water fees. Director Gallagher explained the reasons for the recent fee increase, budgetary concerns, and the additional information related to the rate study. Mr. Rodriguez explained that Trinity Rural Water Supply Corporation's ("TRWSC") role in the water quality concerns and that there was sediment in the distribution lines. He then explained how sediment can accumulate and be distributed. Ms. Howard advised that flushing the distribution lines did not help and mentioned concerns related to recent news coverage of Inframark's services in another district. Ms. Prudhomme-Mireles noted that Inframark is cooperating with the investigation and that Inframark's leadership is available to answer questions. There was additional discussion related to required Texas Commission on Environmental Quality ("TCEQ") water quality testing and Ms. Prudhomme-Mireles clarified the testing methods conducted by Inframark. Mr. Berry expressed concern related to transparency and asked about costs associated with District consultants. Mr. Tubbe asked about the creation of the District and the existence of bylaws. Constable Cole, of the Trinity County Precinct 2 Constable's Office, asked for additional clarification of the testing protocols for water provided by the District. Mr. Hamilton

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advised that District's operator is responsible for the District's water quality. The members of the public then discussed methods for contacting the TCEQ and the Public Utilities Commission of Texas ("PUC"). Several members of the public expressed their concerns related to water quality produced by the district and directed the Board's attention to brown water samples. There were additional concerns mentioned related to public health, residents with medical conditions, and possible home testing of water quality. Ms. Prudhomme-Mireles discussed the different types of home testing commonly done.

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

The Board considered for approval the minutes of the January 17, 2023, regular meeting. Director Stoddard moved to approve the minutes of January 17, 2023. Director Atkinson asked that draft minutes be distributed for review and comment at least two (2) weeks prior to upcoming meetings. Director Wolf seconded the motion and the motion passed unanimously.

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

Director Gallagher noted that Mr. Gallant was not able to attend due to a family emergency. Ms. Pfeffer presented the Tax Assessor's Report from Trinity County Appraisal District, a copy of which is attached as Exhibit A. Director Wolf moved to approve the Appraisal District's Tax Assessor's Report. Director Stoddard seconded the motion and the motion passed unanimously. Mr. Zientek then reminded the Board that the District has an interlocal agreement for tax assessor-collector services and delinquent tax attorney services. He then recommended that the interlocal agreement be terminated and the District enter into separate agreements with a tax assessor-collector and delinquent tax attorney. Mr. McArthur then presented the proposed delinquent tax attorney services agreement and Director Gallagher explained the three (3) proposals received for tax assessor-collector services. Director Stoddard moved to authorize termination of the interlocal agreement and approve the agreement from Trinity County Appraisal District for tax assessor-collector services and delinquent tax attorney services from Perdue Brandon, subject to final review of the agreements by MZSLLP. Director Wolf seconded the motion. Director Gallagher noted that Mr. Gallant's proposal would be most cost-effective and that, because his office is local, residents of the District would have better access to his services. The motion passed unanimously.

**BOOKKEEPER'S REPORT**

Ms. Pfeffer presented and reviewed the Bookkeeper's Report, a copy of which is attached as Exhibit B. Ms. Pfeffer requested that the District authorize cancellation of the District's CD's at Sunflower Bank in order to invest in a different institution with higher returns on investment and explained associated cancellation fees. She also requested authority to open an account with Veritex Bank. Director Stoddard moved to approve closing the CD's with Sunflower Bank, paying the associated cancellation fees, and opening an account with Veritex Bank. Director Atkinson seconded the motion and the motion passed unanimously. Mr. Zientek asked if a depository pledge agreement ("DPA") would be needed and Ms. Pfeffer explained that, due to the amount(s) to be invested, a DPA would not be necessary. Ms. Pfeffer presented a check for Electrical Field Services, Inc. ("EFS") for portable pump services and explained historical information related to credits

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received by the District. There was additional discussion related to fees associated with TRWSC water supply contract and budgetary line items for expenditures, focusing on repairs. Director Stoddard moved to approve the Bookkeeper's Report and approve the expenses and checks contained therein. Director Wolf seconded the motion and the motion passed unanimously. There was extensive discussion related to the District's leased vehicles, the terms of the leases, and Mr. Zientek explained the legal process by which the District can dispose of surplus property. Director Stoddard advised that, with the help of Director Gallagher, he would research options for disposal of the vehicles and provide additional information at the next board meeting.

**UPDATE ON CONSIDERING LAND PURCHASE RELATED TO WELL NO.3**

Mr. Zientek gave the Board an update on his communications with the Westwood Shores Property Owners Association ("WSPOA") attorney related to the possible purchase of property for Well No.3 site. There was a brief discussion regarding the request for maintenance on the roads from the WSPOA. Director Atkinson provided background information on this issue and explained previous research into the District's authority and the process by which neighborhood roads could possibly be maintained. The Board deferred acting at this time.

**OFFICE REPORT**

Ms. McKay presented the Office Report, a copy of which is attached as Exhibit C. She provided updates on the billing revenue, delinquencies, taps, cut offs, and office expenses. Mr. Zientek and Mr. Rodriguez discussed the tap fees and the corresponding rate order changes. Per Mr. Rodriguez's and Mr. Zientek's suggestions, the Board concurred in authorizing Mr. Rodriguez to work with MZSLLP and Inframark to revise the District's tap fee application and amend the District's Rate Order related to said revisions, as needed. The Board asked that such draft changes be made and presented to the Board for review. There was some discussion about District employee policies and potential updates that may be needed. Mr. Zientek explained the status of the Texas Utility Help Program. Director Gallagher explained the program and noted that a communication may be sent out to the residents regarding the program. She further advised that residents will ultimately be responsible for applying for assistance and meeting the required qualifications.

**ENGINEER'S REPORT**

Mr. Rodriguez presented the Engineer's Report, a copy of which is attached as Exhibit D. He provided an update on: 1) Wastewater Treatment Plant ("WWTP") Bar Screen Replacement; 2) the Water Plant No. 1 Aeration System; 3) The Water Plant No. 1 - Water Well Nos. 1 & 2 Improvements; 4) the Lift Station No. 2 Rehabilitation; and 5) the Capital Improvements Plan. He explained, in detail, the action items included in the Engineer's Report. Director Atkinson moved to approve all action items as included in the written Engineer's Report and attached hereto. The motion was seconded by Director Wolf and passed unanimously. Mr. Rodriguez then stated that additional follow-up was needed to work with WSPOA related to the effluent reuse project. Mr. Zientek discussed the process by which the District's insurance is renewed and how proposals may be sought in the future.

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**OPERATOR'S REPORT**

Ms. Prudhomme-Mireles presented the Operator's Report, a copy of which is attached as **Exhibit E**. She explained that Inframark conducted a review of prior District invoices and provided a credit in the amount of \$1,744.75 to the District. She then advised that Inframark field technicians are undergoing safety and excavation training and that, at this time, Inframark is relying on contractors to perform excavations and taps. She then provided an update on the fire hydrant survey and Director Stoddard asked about the status of an authorized fire hydrant repair to which Ms. Prudhomme-Mireles provided an update. The Board concurred to ratify Director Stoddard's approval which was given to make the fire hydrant repair due to the critical nature of fire suppression needs. Ms. Prudhomme-Mireles also reviewed several items requiring approval as outlined in Inframark's written Operator's Report. The Board requested that Inframark be proactive in monitoring District facilities in order to make repairs prior to TCEQ inspections. The Board then considered a proposal related to auto dialer installation from Hayes Automation & Controls, LLC ("Hays") and the previously presented proposal Fleetzoom Remote Monitoring Systems ("Fleetzoom"). Next, Director Gallagher asked about the status of the District's Drought Contingency Plan and when the District may enter a less restricted stage. Ms. Prudhomme-Mireles then explained that an asset survey was being completed. After this detailed review of the written report, Director Stoddard moved to authorize Inframark to begin preparation of the Consumer Confidence Report ("CCR"). The motion was seconded by Director Atkinson and passed unanimously. Next, Director Stoddard moved to approve the Operator's Report and authorize the repair of the Jet Rig and approve the estimate from Hayes to replace the air release valve for the booster pump at Water Plant No. 1, in at the estimated costs listed in the written Operator's Report. The Board then requested an agenda item to assess the benefits and detriments of owning the Jet Rig. The motion passed unanimously.

**COMMUNICATIONS CONSULTANT REPORT**

There were no additional items to discuss at this time which were not previously considered.

**DIRECTORS' REPORTS**

Director Stoddard discussed the Texas Water Development Board ("TWDB") funding event and noted that the District would likely not be eligible for grants due to the medium income of the residents but may be able to get a loan with a low interest rate. Director Gallagher presented a list of recommended annual goals, timelines, and action items for the District which included a review of the District's budget, improved communications, an inventory of District records, disposition of surplus District property, funding for capital improvements, and setting of tax rates.

**ATTORNEY'S REPORT**

Mr. Zientek gave an update on the records retention policy. He reminded the Board that a

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Director Bond is required for each of the Board Members and advised that an application was provided for completion.

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

The Board concurred that the next meeting will be on March 20, 2023, at 9:30 a.m.

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

The Board did enter executive session pursuant to Texas Government Code Section 551.071 consultation with attorney at 12:40 p.m.

**RECONVENE IN OPEN SESSION**

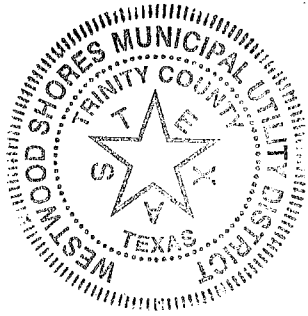
The Board reconvened in open session at 1:05 pm. pursuant to Texas Government Code Section 551.071. No action was taken.

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Approved this March 20, 2023.

(SEAL)



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/s/John Wolf

Secretary, Board of Directors

**LIST OF EXHIBITS**

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