

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

February 19, 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 of Civil Grade Engineers (“Civil Grade”); Joshua Zientek and Daniel Scruggs of Mitchell, Zientek & Scruggs, LLP (“MZSLLP”); Pam McKay of Westwood Shores Municipal Utility District (“WSMUD”); Kevin Berry of EEPB (“EEPB”); Tony Bonaventure 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

Mr. Hamilton stated his faucet is still producing brown water. He explained that he feels the cause of the problem relates to the District’s water lines and he encouraged the Board to implement an educational program to educate the members of the community related to the District and the upcoming bond authorization election. Director Gallagher explained that water quality concerns will be further addressed in the Operator’s and Engineer’s Reports.

Constable Cole asked about adjusting bills for days that water was not provided. Director Gallagher explained the purposes of the District’s base fee including paying for operational costs and costs related to the causes of the outages. She further explained that the District is slowly increasing its reserves and is working towards the twelve-month recommendation from the Texas Commission on Environmental Quality (“TCEQ”) of reserve funds.

Next, members of the public expressed that the members of the Board should have practical experience in maintenance and repairs of water and wastewater systems. The Board recognized Director Holmes background and experience with water systems in different parts of the world and practical experience of other members of the Board.

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Mr. Craig advised that he did not receive a response to his Public Information Act request. Mr. Zientek that a response was emailed on February 7, 2024, at approximately 4:00 p.m. and confirmed Mr. Craig's email address. After this confirmation, Mr. Zientek explained that he would provide another response as soon as possible. Mr. Craig then discussed water loss explained repairs needed to the Districts services lines. Director Stoddard explained that, when calculating accountability, flushing within the system must be considered. Mr. Craig then discussed concerns related to the previously approved desilting and further expressed that, due to infiltration of the District's service lines, desilting is required more than it should be.

Ms. Savage discussed additional information that could be added to the Bookkeeper's Report and budget tracking regarding expenses and revenues. Mr. Berry requested that she contact him and provided EEPB's email address so that they could follow-up.

Mr. Acosta also expressed concerns about brown water. Director Gallagher noted that Precision would follow up and she apologized on behalf of the District for the brown water and the communication concerns. Mr. Bonaventure asked for his address so that the issue could be addressed.

Mr. Sole expressed that Precision is not providing adequate call responses which is artificially lowering call volume. Mr. Bonaventure explained that Precision will conduct training opportunities for its staff to improve communication.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of January 22, 2024, regular meeting and February 5, 2024, special board meetings. After a brief review, Director Wolf moved, and Director Stoddard seconded, to approve both sets of minutes subject to Director Atkinson's and Director Gallagher's final review of the public comments sections for additional details and a revision of the minutes of the December 18, 2024, regular meeting. 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) the 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) TPDES Permit Renewal; 6) TWDB CWSRF Engineering Feasibility Report; 7) Capital Improvements Plan; 8) Ground Storage Tank at Water Plant No. 1; 9) Water Plant No. 1 Well Water Quality; and 10) the Air Quality at Water Plant No. 1. He reviewed in detail the CCTV of the sanitary sewer pipes and answered questions from the Board and Public regarding the quality and state of the lines. Mr. Zientek provided an update on the required Request(s) for Qualifications related to the TWDB Funding Application. Mr. Rodriguez then discussed potential causes of the challenges related to water quality and the air quality at Water Plant No. 1, noting that he will provide more details at the next board meeting.

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OPERATOR'S REPORT

Mr. Bonaventure presented the Operator's Report, a copy of which is attached as Exhibit B. He and Director Gallagher discussed the maintenance/construction schedule that Precision had begun drafting for the remainder of the year. Mr. Bonaventure discussed a large sewer line repair at 9 Cottonwood at an amount of \$37,139.93 from Wright Solutions. Mr. Bonaventure and the Board discussed at length whether these types of sewer line repairs would continue and the future implications of such, including the future costs, possible additional vendors, and areas in which the repairs would likely be most necessary over time. The Board then discussed the paddlewheel repair project. Mr. Bonaventure then discussed the difference in water quality at the water plant and in the distribution system. He discussed the future costs of potential necessary repairs to valves and how water quality may be affected in the future. Mr. Bonaventure then discussed the various TCEQ Notices received by the District and remedial measures taken by Precision. Director Wolf moved to approve: 1) the sewer line repair at 9 Cottonwood in the amount of \$37,139.93 by Wright Solutions; 2) authorize Precision to begin preparing the Consumer Confidence Report ("CCR"); 3) approve paddlewheel no. 2 repair at a cost not to exceed the amount required for paddlewheel no. 1's repair; and 4) the Operators Report. Director Stoddard 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. There was brief discussion regarding taps and related fee amounts. The Board deferred any changes to tap fees until a future date after getting additional data under the current approach. Director Gallagher suggested that there be a rate order revision regarding those who are disconnecting and reconnecting service multiple times a year to avoid the base service fees. She suggested a reconnect fee that accounts for the amount of the base fee being missed. Director Gallagher moved, and Director Wolf seconded, to approve a revision to the District's Rate Order to include a reconnect fee calculated based on the number of months that the account is disconnected with a minimum amount of one month of the District's base water and sewer rates and a maximum of four (4) months of the District's water and sewer rates. The motion passed four to zero to one (4-0-1) with Director Stoddard abstaining. Lastly, Director Gallagher provided an update on the District's website. Director Wolf then moved, and Director Stoddard seconded, to approve the Office Report. The motion passed unanimously.

APPRAISAL DISTRICT'S TAX ASSESSOR'S REPORT

Director Gallagher presented the Appraisal District's Tax Assessor's Report, which includes the Delinquent Tax Collections Report, a copy of which is attached as Exhibit D. Director Gallagher commented on the tax levy, the collections, and how many delinquent accounts paid after notice of water turn-off was provided. Director Wolf moved, and Director Stoddard seconded, to approve the report and the cutoffs, as noted after Delinquent Tax Attorney confirms that the 15 accounts scheduled for shutoff are confirmed to not be tax deferred. The motion passed unanimously.

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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**. There was brief discussion regarding the budget amounts related to both repairs and capital improvements. The Board concurred in adding actual percentages to the budget progress sheet, if possible. Director Gallagher noted that check number 5 out of the general operating fund is being specifically approved even though it was \$31.88 over the initial preapproval amount. Director Holmes asked about several invoices related to operations and repairs from outside vendors. There was discussion related to historical expenses incurred by the District and extensive discussion related to the members of the Board at the time the expenses were approved. The Board agreed to hold the checks contingent upon construction committee release. Director Stoddard moved to approve the Bookkeeper's Report and payment of the invoices contained there, subject to the approval of those invoices to be reviewed by the construction committee. Director Holmes seconded the motion and the motion passed unanimously.

DIRECTORS' REPORTS

Director Stoddard noted that the contractors for bids on landscaping services are scheduled to be provided by February 21, 2024. He discussed some of the terms of the landscaping service. There was additional discussion regarding scope for the bids related to the landscaping. The Board concurred in authorizing Civil Grade and Precision to work on a scope and bid document for landscaping. Director Wolf then noted that the old generators were available for resale as junk/salvage. After Mr. Zientek reminded the Board that, if the value of the property is less than three hundred dollars (\$300), order of the Board is not needed, the Board concurred in the sale of the two generators at an amount of \$200 a piece as surplus property. Director Atkinson explained that he is still working on the contract list and corresponding termination dates. Director Gallagher explained concerns related to the District's Financial Advisor. The Board concurred in authorizing Director Gallagher to reach out to Hilltop to consider another financial advisor/District representative. Director Gallagher provided an update on additional water sources, particularly with City of Trinity. She presented high level estimates of costs of supplying water from City of Trinity to the District. The Board concurred in authorizing Director Gallagher and Director Holmes to further refine and properly calculate those cost amounts with the District's consultants. Lastly, she discussed a potential Environmental Protection Agency funding option.

ATTORNEY'S REPORT

Mr. Zientek gave an update on Marina Village and noted that Marina Village's attorney will be preparing an updated draft conveyance document for review. Next, Mr. Zientek provided an update on the easement request from Entergy, explaining that he revised the document to include encroachment language to mitigate the concerns provided by Civil Grade and that, after approval by Mr. Rodriguez, the document would be forwarded to Entergy for comment. Mr. Zientek then provided an update on the 2024 Bond Authorization Election, including the related Engineer's Report and voter information report from the Financial Advisor. Director Gallagher discussed a summary of the projects. Director Wolf then moved, and Director Stoddard seconded, to approve

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the Engineer's Report, as presented, and to proceed with the 2024 Bond Authorization Election.

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

The Board concurred that the next regular Board meeting be in the evening at the regular March date assuming that consultants are available.

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 1:13 p.m. for consultation with the attorney.

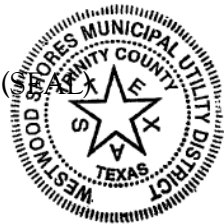
RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:15 p.m. No action was taken at this time.

ADJOURNMENT

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

Approved this March 18, 2024.



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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