

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

March 18, 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”); 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

Ms. Savage asked about the delinquent report and wanted to know a breakdown of the days past due on the accounts and had some questions about the bonds and the debt requirements. Mr. Berry advised that he would be happy to discuss her concerns related to the Bookkeeper’s Report after the meeting. She also asked about some items related to the City of Trinity and the Trinity Rural Water Supply Corp. contracts. Director Gallagher explained that those items would be discussed later in the meeting.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of February 19, 2024, regular meeting and February 5, 2024, special board meetings. After a brief review, Director Atkinson noted a correction and moved to approve both sets of minutes, as revised, and Director Stoddard seconded the motion. The motion passed unanimously.

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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; and 9) the Air Quality at Water Plant No. 1. Mr. Rodriguez stated that the WWTP discharge permit is under review and asked the MUD to perform a Sulfate Source Identification and Reduction Survey and he recommends the board to consider authorizing Civil Grade to coordinate with TCEQ SSIR plan on an hourly basis. He also gave an update on the air quality issue at WP1 and recommended engaging an air quality monitor not to exceed \$10,000 to gather testing data. Director Stoddard moved to approve the Engineer's Report, authorize the SSIR proposal, and engage in an air quality monitor vendor not to exceed \$10,000. Director Atkinson seconded the motion and the motion passed unanimously.

OPERATOR'S REPORT

Mr. Bonaventure presented the Operator's Report, a copy of which is attached as **Exhibit B**. Director Stoddard noted concerns related to water accountability and how the District's finances are affected. Mr. Bonaventure gave an update on the 40 Fairway tap estimated at \$12,860 and Director Gallagher asked him to provide a breakdown of the actual tap fee versus the extension costs. Mr. Bonaventure also presented a customer appeal, and they are asking for reimbursement because they called a plumber out to make repairs on the District side. After Mr. Bonaventure explained that the resident did not notify the District prior to requesting the repair, Director Stoddard moved to disapprove the reimbursement request and Director Holmes seconded the motion. The motion passed unanimously. Mr. Bonaventure also presented some upgraded winterization for the board to consider and schedules for implementation. The Board decided to table the issue until a future board meeting. Director Stoddard noted that there was a manhole replaced that cost \$37,139.93 and the contractors did an excellent job. Director Stoddard also noted that a resident, Mr. Stapleton, was very pleased with the resolution of his issue. Director Gallagher asked about valve maintenance and repairs and some of the cost projections for budgeting purposes. She also asked about a fire hydrant that has been black bagged for a while. Mr. Rojas noted that they are waiting for the repair company to get back to them regarding the hydrant. Director Gallagher asked about any updates on the jet vac truck. Mr. Bonaventure said they are in the process of getting the truck into service. Director Stoddard moved to approve the Operator's Report and the tap estimate at 40 Fairway. Director Holmes seconded the motion which 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. Director Holmes had a question about the billing statement and asked about making some changes to the format. He presented some samples for consideration. Director Gallagher noted that there was an appeal of the customer charges that she would like to consider in executive session for consultation with district attorney. She also noted that there were

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some rate order amendments that had been previously approved and some additional clarifications to be incorporated into the final version, including a change to the notice requirements. The Board concurred with the changes to be effective immediately. She also presented a website and IT update and is looking into another vendor to provide website services along with notification options. The Neptune 360 software application for tracking water usage is still in the implementation process. Director Holmes moved to approve the Office Report and Director Stoddard seconded the motion which 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.** She will follow up with the delinquent attorney regarding the cut-offs. Director Holmes moved to approve the Appraisal District's Tax Assessor's Report, as presented. Director Stoddard seconded the motion and the motion passed unanimously.

BOOKKEEPER'S REPORT

Mr. Berry presented and reviewed the Bookkeeper's Report including checks presented for approval, a copy of which is attached as **Exhibit E.** He noted a reimbursement from the capital projects fund to the general operating fund and noted that a future debt service requirement. Director Stoddard noted that the District's progress in increasing reserves. Director Holmes asked about a payment to the tax office and the appraisal district. Mr. Zientek explained that the payment is related to the tax office's budget and is calculated per the Texas Tax Code. Director Gallagher noted that she would like to start preparing a draft budget for 2025 at the April meeting. She also asked Mr. Berry to take the lead on preparing the draft. The Board concurred that Directors Gallagher and Holmes would work with the District's Bookkeeper on the draft budget. Director Stoddard moved to approve the Bookkeeper's Report and checks presented for payment. Director Atkinson seconded that motion and the motion passed unanimously.

DIRECTORS' REPORTS

Director Stoddard noted that we received a bid for some lighting to be added at the WWTP at around \$3,400. Director Stoddard moved to approve the lighting, as discussed, and Director Holmes seconded the motion, which passed unanimously. Director Stoddard then addressed the status of the landscaping proposals and stated that some bids were received. There was discussion about how to proceed and he asked the Board to allow Director Wolf and himself to evaluate the options and choose. Director Atkinson said that he is still working on the vendor agreement list and term renewals. Director Gallagher gave an update on the preliminary findings on the potential water supply agreement with the City of Trinity and presented a document with some data for Board consideration. She also explained that some of the information she has gathered on other potential funding sources. Director Stoddard moved to authorize Director Wolf and himself to continue selecting a landscape provider and authorize Director Gallagher and Director Holmes to continue collaborating with the consultants on the City of Trinity regarding water supply. Director Gallagher seconded the motion and the motion passed unanimously.

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CONSIDER FINANCIAL ADVISOR PROPOSALS

The Board considered the RFQs for the TWDB bond. Mr. Zientek explained the selection process and purchasing laws. He noted that the cost cannot be considered to make the selection on the RFQs. The Board considered the engineer qualifications from Civil Grade. Director Holmes moved to approve the qualifications from Civil Grade and request a formal proposal, including fees. Director Stoddard seconded the motion and the motion passed unanimously. The Board then considered the qualifications for bond counsel from both vendors which submitted and selected MZSLLP. Director Wolf moved to approve the qualifications for bond counsel received from MZSLLP and to request a formal contract, including proposed fees, and Director Holmes seconded the motion. The motion passed unanimously. Finally, the Board considered the qualifications from submittals from Financial Advisors. After discussion, Director Wolf moved to select Blitch and Associates as the District Financial Advisor and to request a formal contract and fee proposal. Director Holmes seconded the motion and the motion passed unanimously. Mr. Zientek reminded the Board that, as part of the request for qualification process, the Board would now need to negotiate fees related to the selected consultants and formal contracts. Furthermore, he reminded the District that Civil Grade and MZSLLP already have contracts related to engineering and general bond counsel and that these negotiations and contracts are related specifically to the TWDB LCRR application and future bond issuance, including the forgiven amounts. However, the qualifications approved for Financial Advisor are for both District Financial Advisor and related to the TWDB LCRR application and future bond issuance, including the forgiven amounts. The Board concurred to conduct a special meeting on March 25, 2024, at 9:30 a.m. at the District office to consider and accept proposals, including fee schedules, from the selected consultants and authorize Director Gallagher and Director Holmes to conduct preliminary negotiations. After Mr. Zientek explained the process which would occur, should an agreement not be reached, the motion passed unanimously.

ATTORNEY'S REPORT

Mr. Zientek noted that the Marina Village conveyance agreement has been reviewed. Mr. Rodriguez would like to have the District to physically and visually inspect the facilities before completing the conveyance. Mr. Zientek then noted that he is still working through the revisions on the easement with Entergy. Mr. Zientek gave an update on the November directors' election dates and deadlines for postings. He also noted that there will be some voter information documents posted soon regarding the bond authorization election. Director Gallagher noted some proposed actions for community outreach for bond authorization election information sessions. She would like to hold a townhall session on April 15 (regular meeting) and April 20, tentatively. Director Gallagher moved to approve the Attorney's Report. Director Stoddard seconded the motion and the motion passed unanimously.

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

The Board concurred that the next regular Board meeting be set for April 15, 2024, 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 8:30 p.m. for consultation with the attorney.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 8:47 p.m. Director Stoddard moved to waive delinquency and late fees for the discussed customer and Director Holmes seconded the motion. The motion passed unanimously.

ADJOURNMENT

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

Approved this April 15, 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