

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

June 19, 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	Director

All the above were present, thus constituting a quorum.

Also present at the meeting were Liza Prudhomme-Mireles, Harley Permenter, 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; 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 and the Pledge of Allegiance was recited.

PUBLIC COMMENTS

Director Gallagher opened the meeting for public comments. There was a question related to the status of the District’s Drought Contingency Policy and water conservation. Director Gallagher provided additional details related to the purpose and implementation of the Drought Contingency Policy and potentially lifting restrictions in the future. Additionally, a resident complimented the Board for improvements in water quality and services provided by the District.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of May 8, 2023, special meeting and May 15, 2023, regular meeting. Director Atkinson moved to approve and accept the minutes, as presented. Director Wolf seconded the motion. The motion passed by unanimous vote of the Board.

UPDATE FROM DIRECTOR APPOINTMENT REVIEW COMMITTEE

Director Gallagher advised that several candidates expressed interest in the open director position and that, after review of the candidates by the Appointment Review Committee, two (2) candidates were selected for consideration by the full Board. After Mr. Bryan Holmes exited the meeting, Mr. Sid Craig introduced himself and provided personal information, including professional and personal background information and qualifications. Next, Mr. Craig exited the

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meeting and Mr. Holmes entered the meeting. Mr. Holmes introduced himself and provided personal and professional information and qualifications. Mr. Craig was welcomed back into the meeting. After taking a paper ballot, a majority of the members of the Board concurred to appoint Mr. Holmes to the vacant officer position. After explanation by Mr. Zientek, the Board considered approving the Sworn Statement, Oath of Office, and Official Bond for Mr. Holmes. Director Stoddard moved, and Director Atkinson seconded, to approve and accept the Sworn Statement, Oath of Office, and Official Bond for Mr. Holmes and direct that they be filed with the Secretary of State of the State of Texas, as applicable. The motion passed unanimously. Mr. Zientek then advised that, should the Board desire, new officer positions could be designated. Director Stoddard moved, and Director Wolf seconded, to designate Director Atkinson as Assistant Secretary and that the remainder of the Board continue with their current officer designations. The motion passed unanimously.

UPDATE ON DISTRICT AUDIT AND REVIEW RELATED AGREEMENT(S)

Director Gallagher noted that the District's contract with its auditor, McCall Gibson Swedlund Barfoot PLLC ("MGSB") was evergreen and that MGSB would begin preparing the District's audit absent objection from the Board. Director Stoddard moved, and Director Holmes seconded to authorize MGSB to prepare the District's audit. 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) Lift Station Nos. 2, 3, and 12 improvements; 2) Water Plant No. 1 - Aeration System, Water Well Nos. 1 and 2 improvements; 3) EPA Lead and Copper Rule Revision ("LCRR"), TWDB CWSRF Engineering Feasibility Report, Capital Improvements Plan ("CIP"), and TWDB PIF submittal for the LCRR. After extensive discussion, including a long discussion related to chemical levels in the District's wells and the District's Drought Contingency Plan, the Board requested that Mr. Rodriguez work with Inframark to fill the District's ground storage tank ("GST"). The Board then discussed additional communications with residents related to water availability. After this discussion, Director Atkinson moved, and Director Stoddard seconded, to: 1) authorize design and advertisement of the Lift Station Nos. 2, 3, and 12 improvements project; 2) authorize Directors Gallagher and Stoddard to communicate and work together with Civil Grade and Inframark to develop a plan to temporarily ease water use restrictions; 3) authorize solicitation of bids for weatherization; 4) authorize installation of a Fleetzoom autodialer at Water Plant No. 2 contingent on the expenses not exceeding \$15,000 as outlined in the prior estimate received by Inframark. 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 District's jet rig noting that it was not provided for use to anyone else, that the District's Water Conservation Plan was incomplete but there was no penalty, and that the Fleetzoom autodialer was installed at Water Plant No. 1. She then advised that the proposed, revised Inframark agreement would be complete and provided for review prior to the next

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Board meeting, hopefully by the week of June 26, 2023.

There was extensive discussion related to manholes within the District and routine inspection and maintenance. Director Stoddard briefly exited the meeting at this time. Director Gallagher expressed that Inframark should, as the District's Operator, provide assistance and recommendations regarding which tasks should be prioritized. Ms. Prudhomme-Mireles agreed and advised that Inframark would work towards a more optimized approach going forward.

Next, the Board considered a proposed Agreed Order received from the Texas Commission on Environmental Quality, related Supplemental Environmental Project ("SEP"), and option to pay a fine. Mr. Zientek reminded the Board that, previously, Inframark's compliance department handled prior proposed agreed order(s). There was additional discussion related to a previous TCEQ violation and related notice which involved sampling which was required during the tenure of the District's prior operator. Director Wolf then moved, and Director Stoddard seconded, to approve the Operator's Report, authorize payment of the fine related to the proposed Agreed Order, and authorize Inframark's compliance department to resolve the proposed Agreed Order. The motion passed unanimously.

Next, the Board considered repairs and maintenance of facilities at Marina Village RV Park ("Marina Village"). Mr. Zientek and Mr. Rodriguez explained the District's obligation(s) for facilities and improvements that are not owned by the District or on the District's side of meter(s). A representative of Marina Village advised that he would investigate the real property records in an effort to determine ownership.

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, cut offs, and office expenses. There was extensive discussion related to tap fees and installation and options for amending the District's Rate Order to pass through costs. Director Stoddard moved to approve the Office Report. Director Wolf seconded the motion. The motion passed unanimously. Next, Ms. McKay provided an update on a safety deposit lock box belonging to the District at First State Bank. Director Wolf moved, and Director Atkinson seconded, to authorize closure of the safety deposit lock box. The motion passed unanimously. Next, Director Gallagher moved, and Director Stoddard seconded, to approve amending the District's Rate Order to add pass-through language related to tap fees, installation, and related costs and authorize Mr. Zientek to work with Directors Wolf and Atkinson to set appropriate fees and expenses. The motion passed unanimously.

APPRAISAL DISTRICT'S TAX ASSESSOR'S REPORT

Ms. Pfeffer presented and reviewed the Tax Assessor's Report from Trinity County Appraisal District, a copy of which is attached as **Exhibit D**. Director Atkinson moved to approve the Appraisal District's Tax Assessor's Report. Director Wolf seconded the motion and the motion passed unanimously.

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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**. After Ms. McKay advised the billing received by AT&T should be the final billing, Director Gallagher moved to approve the Bookkeeper's report and the checks presented. Director Stoddard seconded the motion and the motion passed unanimously. Next, Director Stoddard provided an update on the sale of District owned vehicle(s). The Board concurred that Director Stoddard could prepare the vehicle(s) for sale in the manner described, including repair, maintenance, and cleaning at a cost to the District. Next, Director Gallagher reminded the Board that the District owns real property which has a house. The Board discussed the utility of said real property, purchase price, and potential selling prices. The Board took no action at this time.

DIRECTORS' REPORTS

Ms. McKay provided an update on the Texas Utility Help program. Director Gallagher requested that Ms. Pfeffer and Ms. McKay compile a list of all vendors from whom the District receives services and/or has contracts or agreements for review and consideration. Lastly, Director Stoddard mentioned several items that could be sold for salvage. After Mr. Zientek explained the disposal of surplus property and related values which required an order approved by the Board, Director Gallagher moved, and Director Stoddard seconded, to authorize Director Stoddard to sell the items for salvage. The motion passed unanimously.

ATTORNEY'S REPORT

Mr. Zientek advised that he communicated with Mr. Joe Morrow, the District's Financial Advisor, regarding setting the District's tax rate. Director Stoddard moved, and Director Atkinson seconded, to authorize MZSLLP to prepare a Resolution Authoring Request to Trinity County Appraisal District for Appraisal of Property. The motion passed unanimously. Mr. Zientek then explained that he contacted the Trinity County Elections Department regarding a joint bond election and potential tax rate election and would report back with more information when available. Mr. Zientek noted that he had no update on the potential Well No.3 land purchase and their attorney would reach back out to WSPOA. Mr. Zientek gave an update on the director's bonds and reminded that an application needs to be completed for insurance purposes. He then reminded the Board that a draft Ethics Policy was forwarded for review. There was extensive discussion related to the number of conferences to be attended and reimbursement of expenses. Mr. Zientek reminded the Board that it previously authorized Director Gallagher to attend the Summer Association of Water Board ("AWBD") Conference and to reimburse related expenses. Director Stoddard moved, and Director Wolf seconded, to approved the draft Ethics Policy with revisions providing that conference attendance and expense reimbursement shall be subject to pre-approval by the Board and authorize Director Gallagher to attend the Summer AWBD Conference and reimburse related expenses. The motion passed unanimously.

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DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred that the next regular board meeting would be on July 17, 2023, at 9:30 a.m.

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 1:06 p.m.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:28 pm. No action was taken.

ADJOURNMENT

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

Approved this July 17, 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