

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

April 17, 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, except Director Bateman, who was absent from the meeting, 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 Shaelynn Moore of Civil Grade Engineers (“Civil Grade”); Joshua Zientek and Frank Mitchell of Mitchell, Zientek & Scruggs, LLP (“MZSLLP”); Kandy Pfeffer of Elite Bookkeeping; Cheryl Spearman 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 led the recitation of the Pledge of Allegiance. She also made an announcement that, immediately prior to the meeting, she received a letter of resignation from Director Ken Bateman, effective immediately. Mr. Zientek then explained that, when a resignation is submitted, whether to be effective immediately or at a future date, a vacancy occurs on the date the resignation is accepted or on the eighth day after the date of its receipt by the District, whichever is earlier. He then outline the next steps to be taken by the District.

**PUBLIC COMMENTS**

Director Gallagher opened the meeting for public comments. Mr. Buck asked about fire hydrant repair and a period of time in which water was not provided. The Board explained the service outage and considered prior fire hydrant inspections. Mr. Sowell expressed concerns that Marina Village’s water usage was affecting District capacity. Additionally, he recommended that the District review its agreements with its contractors and consultants for possible breach. Constable Cole made comments about the low water pressure and requested an adjustment to his water bill.

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

The Board reviewed the minutes of March 20, 2023, and March 27, 2023, board meetings. Director Atkinson moved to approve and accept the minutes, as presented. Director Stoddard seconded the motion and 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) The Water Plant No. 1 - Water Well Nos. 1 & 2 Improvements; 3) the Lift Station No. 2 Rehabilitation; 4) the Capital Improvements Plan; and 5) the EPA Lead and Copper Rule Revision. Mr. Rodriguez explained that the Texas Water Development Board ("TWDB") requires submittal of an engineering feasibility report for projects proposed for construction with funds from the CWSRF Bond Fund. He then recommended that the District engage Compass Environmental Solutions ("Compass") to comply with TWDB environmental study and requirements and the District considered, in depth, the proposal which was provided. Director Atkinson moved to approve 1) Pay Estimate #6 (Final) for \$29,948.99; 2) engage Compass in the amount of \$42,750 with incremental increases not to exceed \$32,000; 3) authorize Mr. Rodriguez to explore the TWDB funding application for the EPA LCRR testing and get approval for the submission from the engineering committee, as needed; 4) and to accept the Engineers Report. Director Stoddard seconded the motion and the motion passed unanimously. Mr. Zientek spoke with the Board about allowing the contractors to use the District owned equipment to make sure that the contractor is properly insured. Inframark will look into what equipment the District owns that is subject to being used by other contractors.

**OPERATOR'S REPORT**

Ms. Prudhomme-Mireles presented the Operator's Report, a copy of which is attached as **Exhibit B**. She noted that the District will receive credit for some operation items that were incorrectly billed. The Board reminded the members of the public that informational magnets were available with the Inframark dispatch phone number. The Board then considered a repair to Generator No. 2 versus the cost associated with purchasing a new generator. Mr. Lyons advised that a repair would likely be more cost-effective than purchasing a new generator. Ms. Prudhomme-Mireles then explained that Inframark Asset Reliability Services ("ARS") offered to complete an asset evaluation survey at a cost of \$11,716. Director Gallagher then explained that this survey was already included in the contract which the District had with Inframark and should have been completed already. Ms. Prudhomme-Mireles said she would research the issue and report back. Ms. Prudhomme-Mireles then explained the need, imposed by the TWDB, to complete: 1) a Water Loss Audit; 2) Water Conservation Annual Report; and 3) a Water Conservation Plan. Next, the Board considered Rate Order revisions to cover costs associated with changing tap installation costs. Director Stoddard then provided historical information related to road repair by the Westwood Shores Property Owners Association ("WSPOA"). The Board concurred to allow WSPOA to make road repairs and bill the District unless the repairs exceed the capacity of WSPOA to repair. Director Stoddard moved to authorize: 1) Inframark to move forward with the Worldwide Power Products on the repairs for the generator in the amount of \$13,174.50 unless a more inexpensive option is available from Cummins; 2) approve Allied Utility Construction LLC. to perform fire hydrant repairs at a cost of \$13,400; and 3) authorize Inframark to begin preparing the Consumer Confidence Report ("CCR"). Director Atkinson seconded the motion and the motion passed unanimously.

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**OFFICE REPORT**

Ms. Spearman 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. Director Gallagher noted a resident recall related to a water outage where the water was disconnected, potentially, by the resident. The Board then considered a Rate Order revision to allow inappropriate service calls to be billed back to the resident. Director Gallagher then advised that a summary was received from the District's insurance provider listing all previous District claims. Also, Director Gallagher discussed revising the language in the Rate Order regarding the temporary water termination provisions for those moving outside the District temporarily. Mr. Zientek advised that he communicated with Ms. Pam McKay related to prior Rate Order revisions and explained that he could provide samples of rate orders from other Districts for consideration. Director Wolf and Director Atkinson will work on revisions to the District's Rate Order. Director Atkinson moved to approve the Office Report. Director Wolf seconded the motion and 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 Gallagher explained that she received an accounting explaining fees paid by the District to the Trinity County Appraisal District and Mr. Zientek reviewed sections of the Texas Tax Code explaining the calculation. Director Stoddard moved to approve the Appraisal District's Tax Assessor's Report. Director Atkinson seconded the motion and the motion passed 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**. There was extensive discussion related to specific line items including: 1) costs associated with office expenses; 2) budget tracking annually versus monthly; and 3) timely receipt of invoices and completion of the Bookkeeper's Report. Director Gallagher is going to be attending the Association of Water Board Directors ("AWBD") summer conference. Mr. Zientek explained the need to adopt a qualified brokers list and Ms. Pfeffer explained that this could be completed at the next board meeting. After an explanation of financial advisor services, the Board concurred that they would stay with Hilltop Securities Inc. ("Hilltop"). Director Stoddard gave an update on research related to options for selling the District's surplus vehicles. Director Stoddard moved to approve the Bookkeeper's report and the checks presented. Director Wolf seconded the motion and the motion passed unanimously.

**DIRECTORS' REPORTS**

Director Atkinson gave an update on the electricity usage. Mr. Mitchell explained that there may be an opportunity for savings and that MZSLLP would research options for presentation at a future board meeting. Mr. Zientek gave an update on the Texas Utility Help program. Director Gallagher gave an update on the Records Retention Policy. Ms. Pfeffer noted that she would like to

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schedule a budget workshop board meeting in May to consider adopting the District's budget. Director Gallagher moved to adopt the Records Retention Policy, as discussed by Mr. Mitchell. Director Wolf seconded the motion and the motion passed unanimously. Mr. Zientek explained that the Texas Water Code allows for the District's Vice-President act as president in case of the absence or disability of the president. Director Wolf moved to adopt a resolution confirming said authority. Director Atkinson seconded the motion and the motion passed unanimously.

**ATTORNEY'S REPORT**

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 bonds and noted that an application needs to be completed for insurance purposes. He then explained that MZSLLP is preparing an update to the District's Ethics Policy. The District audit has been filed with the Texas Commission on Environmental Quality ("TCEQ") and Hilltop has updated the continuing disclosure filings. After Mr. Zientek recommended adopting a Resolution Authorizing Additional Penalty on Delinquent Real Property Taxes, Director Stoddard moved to Adopt the Resolution Authorizing Penalty on Delinquent Real Property Taxes. Director Atkinson seconded the motion and the motion passed unanimously. Mr. Zientek asked for clarification about the approval of expenses for Director Gallagher to attend the AWBD Conference. The Board concurred.

Director Stoddard temporarily stepped out of the meeting during the Attorney's report.

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

The Board discussed scheduling a budget workshop board meeting on May 8, 2023, at 9:30 a.m. and the regular meeting on May 15, 2023, at 9:30 a.m. Director Gallagher addressed the Board about holding the meetings at the WSPOA clubhouse in the future. Director Stoddard moved to hold the subsequent board meetings at the WSPOA clubhouse. Director Atkinson seconded the motion and the motion passed unanimously.

**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 12:18 p.m.

**RECONVENE IN OPEN SESSION**

The Board reconvened in Open Session at 12:34 pm. Director Stoddard moved to approve the payment to WETS in the amount of \$207,414.81. Director Atkinson seconded the motion and the motion passed unanimously. Director Gallagher moved to adjourn the meeting and Director Stoddard seconded the motion. The motion passed unanimously.

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Approved this May 15, 2023.



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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