

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

April 15, 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 and Shae Moore of Civil Grade Engineers (“Civil Grade”); Joshua Zientek of Mitchell, Zientek & Scruggs, LLP (“MZSLLP”); Pam McKay of Westwood Shores Municipal Utility District (“WSMUD”); Bill Blitch of Blitch Associates, Inc. (“Blitch”); Kevin Berry of EEPB (“EEPB”); 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.

BOND AUTHORIZATION TOWNHALL

Director Gallagher provided an outline of the meeting, public comments process, and information related to a general overview of the bond authorization election process, including the amount of authorization being requested. She explained that the townhall would allow residents to ask questions and outline potential uses for bond funds in the future.

Mr. Rodriguez provided a history of the District’s infrastructure, maintenance concerns, and projected future needs of the District. He outlined prior funding difficulties which have resulted in the District’s facilities needing extensive repairs, maintenance, and future improvements. He further explained the lead and copper service line concerns and requirements for inspection and potential replacement. High priority projects were identified and explained, including costs associated therewith and benefits to the District’s customers. First, improvements to Water Plant No. 1 were reviewed in detail. Also, he explained renovations to the motor control center (“MCC”) building that are needed, and risks of the work not being completed. Next, he explained infrastructure related to a new supply source.

Next, at the sewer plant, he explained that Clarifier No. 1, clarifier splitter box, and return activated sludge lift station would be repaired with bond funds. Regarding sanitary sewer improvements, Mr. Rodriguez reviewed concerns related to intrusion due to rainwater, vegetation

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

roots, and other debris. He explained the consequences of not making these repairs, including sewer back up. Also, he reviewed sewer line repairs due to trees and location that need repair.

He explained repairs that would be made to various lift stations, including maintenance and an auto dialer installation. Manholes were then reviewed, including how an ideal manhole should look and concerns related the District's manholes such as root mass, debris, and flow issues.

Mr. Rodriguez then provided additional information related to the lead copper service line replacement requirements. He explained prior efforts at identifying locations where lead service lines may be due to when the homes were built. The process by which lead service lines may be identified was explained and how the issue would be mitigated. Mr. Rodriguez explained the bidding process and that the budgets set for each project are subject to change depending upon market conditions.

Director Gallagher then reviewed sources of funds for the District, including bond funds, property taxes, water and sewer revenue, and grant opportunities. Regarding grant opportunities, she explained typical preliminary restrictions on the application process related to the average household income. Director Gallagher explained how the District is regulated and organized under the Texas Water Code, Constitution, and Texas Commission on Environmental Quality ("TCEQ"). The bond issuance process was outlined, including TCEQ and Attorney General ("AG") review, public sale of bonds, and the review process. Director Gallagher review prior bond authorization elections, outstanding bonds, and previous use of bond funds.

Mr. Blich introduced himself and provided a professional background. He then reviewed assumptions related to the presentation and proceeded to explain how tax rates could potentially be affected by the issuance of tax bonds. He explained the refunding process and timelines, explaining how interest rates may change and benefits to tax rates.

PUBLIC COMMENTS

The Board then reviewed questions from the public. Funding sources were reviewed in the event that the bond authorization election is unsuccessful. Mr. Blich provided an outline for successful issuance of revenue bonds and explained that the average annual debt service is approximately 30% higher than tax bonds. Director Gallagher then explained how remaining bond funds may be used and limitations on use of funds. Voting times and places were reviewed. Next, tax rate collections were reviewed, including typical collection rates. Water bill rates and revenues were discussed, including historical trends. Mr. Rodriguez explained potential timelines on when the different projects may be completed and repaired.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred that the next townhall would be on Saturday, April 20, 2024, at 10:00 a.m.

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

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

The Board did not enter Executive Session.

ADJOURNMENT

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

Approved this May 20, 2024.



WESTWOOD SHORES MUNICIPAL
UTILITY DISTRICT

/s/John Wolf
Secretary, Board of Directors