

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

August 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 **Westwood Shores Clubhouse, 100 Westwood Drive East, Trinity, Texas 75862**, 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, except Director Atkinson, thus constituting a quorum.

Also present at the meeting were Rico Rodriguez, Shae Moore, and Kevin Osborne of Civil Grade Engineers (“Civil Grade”); Josh 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 and Juan Rojas of Precision Utility LLC (“Precision”); Bill Blich of Blich Associates, Inc.; and various members of the public.

**CALL THE MEETING TO ORDER AND PLEDGE OF ALLEGIANCE**

Director Gallagher called the meeting to order and led a recitation of the Pledge of Allegiance.

**PUBLIC COMMENTS**

Mr. Robinson addressed the Board about the status of the repairs related to Water Well No. 1 and the levels of related chemicals for treatment. Mr. Rodriguez explained that these issues would be addressed in the Engineer’s Report. Director Stoddard entered the meeting at this time. Mr. Bonaventure addressed the question related to chemicals explaining that treatment methods are adjusted based on the water quality produced from the District’s wells and that received from Trinity Rural Water Supply Corporation (“TRWSC”). Mr. Herdon asked about cloudy water at his house; Precision requested his address to investigate the matter further and the Board addressed his question related to his water bill.

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

The Board reviewed the minutes of the July 15, 2024, regular meeting. After a brief review and noted revisions, Director Stoddard moved to approve the minutes, as revised, and Director Wolf seconded the motion. The motion passed unanimously.

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**RECEIVE FINANCIAL ADVISOR 2024 TAX RATE RECOMMENDATION**

Mr. Blich explained the process of adopting a tax rate, the District's Financial Advisor's recommended tax rate, and the corresponding publication of the proposed tax rate. There was extensive discussion related to the process for adopting a tax rate and how adjusting the different components of the recommended tax rate could affect the District and its residents. Additionally, there was discussion related to the District's status as being "developing" as it relates to Senate Bill 2 ("SB2"). Mr. Rodriguez advised that, after considering the status of development within the District and reviewing related statutes with MZSLLP, Civil Grade recommended designating the District as "developing." Director Stoddard made a motion to adopt a Resolution Finding District to Be Developed, Developing, or Developed in a Declared Disaster Area and Calling Public Hearing on 2024 Tax Rate and Authorizing Tax Assessor-Collector to Prepare and Publish Notice of Public Hearing, to authorize publication of the tax rate not to exceed \$0.6477, composed of a rate not to exceed \$0.3277 for maintenance and operation and \$0.32 for debt service, after consultation with Trinity County Appraisal District related to the certified assessed valuations and related tax rate election concerns, and to designate the District as "developing" for SB2 purposes. Director Holmes seconded the motion, which carried 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 Stations 2 and 12 Improvements; 2) Sanitary Sewer Creek Crossing Repair; 3) Funding Application to the Texas Water Development Board ("TWDB") for the Lead and Copper Rule Revisions ("LCRR"); 4) the Wastewater Treatment Plant Discharge Permit; 5) the TWDB CWSRF Engineering Feasibility Report; 6) Air Quality at Water Plant No. 1; and 7) Future Bond Application(s). Mr. Rodriguez presented Pay Application No. 2 in the amount of \$132,751.29 and Change Order No. 2 in the credit amount of \$7,780.10, both contingent on TWDB release of funds, related to the Lift Station Nos. 2 & 12 repairs. He then presented Pay Application No. 1 in the amount of \$57,497.40 and Pay Application No. 2 in the amount of \$6,388.60 to 5-T Utilities, Inc. related to the emergency Sanitary Sewer Creek Crossing Repair. The Board extensively discussed the costs associated with the reuse of pipe and Mr. Rodriguez clarified prior monetary approvals and previous Engineer's Reports. Next, he discussed a water conservation educational notice for the District's website. After he explained the need to investigate improvement options for the District's lift stations related to generators, the Board concurred with said investigation. There was a long discussion related to Water Plant No. 1 and the Board concurred that the City of Trinity should be re-approached related to supply water. Director Wolf then moved, and Director Holmes seconded, to approve the action items within the Engineer's Report. The motion passed three to zero to one (3-0-1) with Director Stoddard abstaining.

**OPERATOR'S REPORT**

Mr. Bonaventure presented the Operator's Report, a copy of which is attached as **Exhibit B**. There was extensive discussion related to water accountability and a review of all action items within the written report. After a review of the status of winterization, the Board concurred that Precision should seek additional bids due to the monetary costs associated therewith. The Board then

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extensively considered FEMA considerations and insurance claims, including which projects may be included in the request for reimbursement. The Board then discussed the need for generators and related costs. Lastly, Director Gallagher noted a rate increase notice received from TRWSC. After an extensive review of the status of the District's paddlewheel(s) and related repair/replacement costs, Director Stoddard moved, and Director Holmes seconded, to authorize the Operations and Maintenance Committee to consider and approve repair or replacement of the District's paddlewheels at a cost not to exceed \$60,000 and to seek solicitation of bids if the related costs exceed \$25,000. 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. She provided a customer appeal related to potential air in the lines and an incorrect meter reading. The Board concurred that the Operations and Maintenance Committee would review and consider approval of the appeal in an amount not to exceed 25,000 gallons based upon related meter testing. Next, the Board considered an appeal related to a leak due to a tree root near the meter. The Board concurred with a leak adjustment, as outlined in the District's rate order, and a payment plan of up to six (6) months. The Board considered a billing error related to meter number 1082. The Board concurred with a credit in the amount of sewer charges due to the area being used for water only. Lastly, the Board denied the request related to reimbursements for the costs associated with the resident taking their family to dinner. Director Gallagher provided an update on the District's IT needs including a server upgrade/repair. Director Wolf moved, and Director Stoddard seconded, to approve the server upgrade/repair not to exceed \$11,000. 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 gave an update on the collections report. The Board requested an agenda item related to water disconnections for \$500 or more on delinquencies. Director Wolf moved to approve the Appraisal District's Tax Assessor's Report. Director Holmes seconded the motion and the motion passed unanimously with Director Stoddard absent for the vote.

**BOOKKEEPER'S REPORT**

Mr. Berry presented and reviewed the Bookkeeper's Report including checks for approval, a copy of which is attached as **Exhibit E**. Director Gallagher expressed concerns related to District expenses, the budget, and future revenues. Mr. Berry provided an update on the District's audit. Director Stoddard moved, and Director Holmes seconded to approve the Bookkeeper's Report, the checks presented for payment, including a check in the amount of \$450 for trees. The motion passed unanimously. Next, Director Wolf moved, and Director Stoddard seconded, to authorize Director Holmes to use the District's existing iPad for his duties as a Director and approve addition of a data plan. The motion passed unanimously.

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**DIRECTORS' REPORTS**

Director Gallagher gave an update on the process for applying for FEMA funds. The Board then considered the status of the proposed landscape contract. Mr. Zientek explained that there were concerns related to a proposed indemnity clause within the draft contract. Mr. Karnes expressed his concerns related to waiving negligence claims and Mr. Zientek explained the District's potential liabilities under the Texas Tort Claims Act. Director Wolf moved, and Director Holmes seconded, to approve the contract including the indemnity provision provided by Mr. Zientek and revisions to the exhibit as provided by Mr. Karnes. The motion passed three to zero to one (3-0-1) with Director Stoddard abstaining. Director Gallagher provided an update on Trinity Rural Water Association and Director Stoddard commended Precision and Ms. McKay on their work with the community.

**ATTORNEY'S REPORT**

Director Gallagher provided a brief update on the PUC matter. After a brief update on Marina Village, the Board concurred that Director Holmes would seek additional insurance renewal bids. There was additional discussion related to cybersecurity training, including a review of statutory and insurance requirements for required training and availability.

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

The Board noted that the next regular Board meeting is set for September 16, 2024, 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 Sections 551.071 at 1:03 p.m. for consultation with attorney.

**RECONVENE IN OPEN SESSION**

The Board reconvened in Open Session at 1:07 p.m.

**ADJOURNMENT**

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

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Approved this September 17, 2024.



WESTWOOD SHORES MUNICIPAL  
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