

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

December 16, 2024

The Board of Directors (the “Board”) of Westwood Shores Municipal Utility District (the “District”) met in regular session, open to the public, at the Westwood Shores Clubhouse, 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
Bryan Holmes	Secretary
Sidney Craig	Assistant Secretary
Donald Brunswick	Director

All the above were present, thus constituting a quorum.

Also present at the meeting were Rico Rodriguez of Civil Grade Engineers (“Civil Grade”); Joshua Zientek and Daniel Scruggs of Mitchell, Zientek & Scruggs, LLP (“MZSLLP”); Pam McKay of Westwood Shores Municipal Utility District (“WSMUD”); Juan Rojas and Thomas Villanueva of Precision Utility LLC (“Precision”); Kevin Berry of EEPB; Bill Blich of Blich Associates, Inc. (“BAI”); Robin Secrest and Jacob Williams of H2O Innovation (“H2O”); and various members of the public.

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

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

**PUBLIC COMMENTS**

Ms. Savage inquired about whether the District would be discussing the use of proceeds from the recent bond issuance and if there would be a corresponding handout to address this concern. Director Gallagher noted that the matter would be discussed during the meeting. Mr. Gallagher asked about whether the District was informing builders/operators of the challenges for sewer taps within the District, particularly within certain sections. The Board explained communications with the public and that, should Mr. Gallagher have any additional information, particularly related to maps, that he consider sharing such information with the District’s engineer and operator.

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

The Board reviewed the minutes of the November 18, 2024, regular meeting. After a brief review, Director Craig moved to approve the minutes, as presented, and Director Holmes seconded the motion. The motion passed unanimously.

**REVIEW OF TEXAS WATER DEVELOPMENT BOARD (“TWDB”) BONDS, SERIES 2024**

Mr. Scruggs discussed the District’s Series 2024, Unlimited Tax Bonds, that were issued in conjunction with the TWDB. He noted that the issuance closed the week prior and that the District’s

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escrow accounts have been fully funded. He also explained the IRS Form 8038-G and the amendment to the District Information Form (“DIF”) and notice to purchaser (“NTP”). After discussion, Director Holmes moved to approve the form 8038-G, along with the filing of it with the IRS, and approve the amendment to the DIF and NTP, along with the filing in the real property records. Director Stoddard seconded said motion, which passed unanimously.

**ENGINEER’S REPORT**

Mr. Rodriguez presented the Engineer’s Report, a copy of which is attached as **Exhibit A**. He discussed the lead and copper rule and lead service line replacement project. He asked for authorization to proceed with a study and report phase of the project. There was then discussion regarding the lead and copper rule investigation notification that some property owners within the District received.

He provided an update on: 1) Lift Station Improvements (Phase 2); 2) additional water quality updates and Water Plant No. 1 Improvements; 3) coordination of FEMA Response; 4) EPA Lead and Copper Rule updates, including required customer communications; 5) future bond issuances; and 6) Trinity River Authority/City of Trinity – Water Supply Line. There was extensive discussion regarding the proposed future bond issuance and the presented summary of costs related to that issuance. Mr. Rodriguez reviewed the proposed items and compared it to the items proposed and discussed as a part of the Bond Authorization Election. There was discussion about whether the issuance should be offered on the open market or attempt to finance through the TWDB. Director Craig voiced his concerns about the proposed project list on the summary of costs presented. His primary concern was whether the Board had a full understanding of the priority of projects, especially as it relates to spending year over year on major maintenance items. The Board concurred in holding approval of the summary of costs until a more thorough review of the system could occur with the Board at a special meeting.

Mr. Rodriguez reviewed the engineering matters in detail and discussed with the Board the suggested board action. After discussion, Director Stoddard moved to (1) authorize Civil Grade to proceed with the lead and copper rule study and report phase of the project; (2) approve the engineering contract for Lift Station Improvements (Phase 2); (3) authorize Civil Grade to coordinate testing integrity of the existing Water Supply Line with Trinity River Authority/City of Trinity for a not to exceed budget of \$15,000, contingent upon receiving notice to proceed from Directors who are coordinating the negotiations. Director Craig seconded said motion, which passed unanimously.

**OPERATOR’S REPORT**

Mr. Rojas presented the Operator’s Report, a copy of which is attached as **Exhibit B**, and gave an update on the number of connections, the call analytics that occurred, normal operations throughout the month, and accountability, and fire hydrant repair(s). Director Craig inquired about receiving a log of work orders that were generated within the District over the past month in an effort to identify areas within the District in which particular operational issues exist. There was additional discussion regarding generator maintenance in the District. Mr. Rojas discussed the results of the critical valve survey, including specifically those that were not able to be located. He also provided an update on the operator transition from Precision to H2O; the Board discussed this matter at

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length. Director Gallagher then discussed a number of invoice related items, particularly related to three invoices that were going to be held and addressed by Precision. Director Stoddard moved to approve the Operator's Report. Director Brunswick seconded the motion, and the motion passed unanimously. Director Stoddard thanked PULLC for their service to the District and its residents.

**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, delinquent charges, disconnects notices, terminations, service orders, taps completed, customer services requests, cut offs, office expenses, and My360 subscriber's updates. There was then discussion of delinquent accounts based upon days delinquent, including the corresponding report. She also presented one customer appeal where a customer was refusing to pay the costs of the water tap until the home had been sold. The Board concurred in treating the outstanding amounts just as any other delinquent customer. The Board and Ms. McKay reviewed the proposed 2025 holiday schedule.

Director Craig moved to approve the Office Report, approve the six-month payment plan, and the cut off notice to past-due customers, as discussed. Director Holmes 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**. Director Stoddard moved to accept the Appraisal District's Tax Assessor's Report. Director Craig seconded the motion, and the motion passed unanimously.

**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**. He noted concerns related to revenue amounts, expenses, and anticipated maintenance and operations tax collection timetables. There was then extensive discussion regarding outstanding invoices and the impact of payment related to the amount of cash on hand to cover payments. The Board concurred in holding certain payments for invoices that were submitted too recently and pay those that were outstanding based upon the discretion of the District's Bookkeeper.

The Board and Mr. Zientek discussed matters related to Director fees of office, including the threshold for submitting a fee of office request. He reminded the Board of previously adopted limits. Director Stoddard asked that an agenda item be added to next month's agenda to discuss the matter further and consider adopting a resolution changing the policy regarding Director fees of office.

Mr. Berry and Ms. McKay discussed the ongoing fraudulent activity related to the District's checks and ACH. He noted how the District's primary bank was handling the issue and what steps should be taken going forward. The Board concurred in moving their accounts primarily to the First National Bank.

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Director Stoddard moved to approve the Bookkeeper's Report including the checks for payment, as noted, authorizing EEPB to address the outstanding invoices, those submitted late for review, as discussed and authorized, to open a new account with First National Bank, and authorize Director Gallagher to approve the draft minutes and/or approve a resolution related to bank signers, as needed. Director Holmes seconded the motion, and the motion passed unanimously.

**DIRECTORS' REPORTS**

Director Stoddard noted that he was considering matters related to possible surplus property, but no action items for the meeting. He briefly listed some possible options for surplus property. Director Craig asked for authorization to post the system diagram he prepared on the District website. The Board concurred in providing authorization for such website posting. The Board reviewed the options for a capital projects and District system meeting, specifically on January 13, 2025, at 9:30 a.m. at the District's office. The Board also concurred in paying fees of office in arrears going forward.

**ATTORNEY'S REPORT**

Mr. Zientek noted that both subitems listed in the Attorney's Report would be addressed in Executive Session.

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

The Board scheduled the next regular Board meeting to be on January 20, 2025, 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 12:39 p.m. for consultation with the attorney.

**RECONVENED IN OPEN SESSION**

The Board reconvened in Open Session at 1:15 p.m. Director Stoddard moved to authorize the change of law firm, including execution of new contract, for the Public Utilities Commission matters due to the primary attorney changing firms, authorize related notices to the Barton Benson Jones and Carleton Law Firm, and authorize MZS to negotiate and prepare an agreement with Marina Village regarding lift station inspection subject to approval of terms with H2O. Director Holmes seconded said motion, which passed unanimously.

**ADJOURNMENT**

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

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Approved this January 20, 2025.



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/s/Bryan Holmes  
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