

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

January 20, 2025

The Board of Directors (the “Board”) of Westwood Shores Municipal Utility District (the “District”) met in regular session, open to the public, at 75 Cottonwood Road, 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	Asst. Secretary
Donald Brunswick	Director

All of which were present, thus constituting a quorum.

Also present at the meeting were Rico Rodriguez of Civil Grade Engineers (“Civil Grade”); Joshua Zientek and Frank Mitchell of Mitchell, Zientek & Scruggs, LLP (“MZSLLP”); Pam McKay of the District; Kevin Berry of EEPB; Bill Blitch of Blitch Associates, Inc. (“BAI”); Jacob Williams and Robin Secrest (remote) of H2O Innovation (“H2O”); and members of the public.

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

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

**PUBLIC COMMENTS**

Mr. Zarco asked for clarification regarding the methods by which the public may communicate with the Board and reported some issues about a sewage backup. The Board and Mr. Rodriguez explained aspects of the Texas Open Meetings Act, which limit the Boards ability to act as a quorum, and the Texas Public Information Act. Mr. Carnes asked a question about the leaves in the lift stations. Director Stoddard noted the expenses to clean up around the lift stations may be cost prohibitive. Mr. Savage asked a question about a federal program that allows government entities to access government surplus equipment. He questioned the productivity of the prior meeting, due to duration, and asked that in future discussions covering past issues be left to committee meetings rather than the public meetings. Director Gallagher further detailed limitations imposed by the Texas Open Meetings Act and the District’s ability to take action between meetings. Mr. Zientek and Director Holmes noted some rules regarding the executive session, including potential penalties. Mr. Hansen noted trash collection will be delayed due to the weather.

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

The Board reviewed the minutes of the December 16, 2024, regular meeting and the January 13, 2025, special meeting. After a brief review, Director Stoddard moved to approve the minutes, subject to Director Gallagher’s revisions, and Director Craig seconded the motion. 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 presented updates contained within the written report, including: 1) Lift Station Improvements (Phase 2); 2) Lead and Copper Rule Revision ("LCRR") - Lead Service Line Replacement Project ("LSLRP"); Phase 1; 3) Water Quality & Water Plant No. 1 Improvements; 4) FEMA Coordination and Reimbursements; and 5) 2025 Bond Issuance options. Director Stoddard moved to: 1) approve the Engineer's Report; 2) authorize the engineer to proceed with public outreach regarding LSLRP inventory, including coordination with Directors Gallagher and Stoddard; 3) coordinate with H2O on the installation of chloramine equipment at Water Plant No. 1 with a budget not to exceed \$10,000; and 4) authorize Civil Grade to submit the Texas Water Development Board ("TWDB") Public Information Form ("PIF") with a budget not to exceed \$5,000 and the TCEQ Bond Application with a budget not to exceed \$40,000 in parallel. Director Brunswick seconded the motion, which passed unanimously.

### FINANCIAL ADVISOR'S REPORT

During the Engineer's Report, Mr. Blich provided additional information related to applying for funding through TWDB versus the open market. He explained potential timetables, risks, and benefits to both options. He recommended a potential bond issuance amount based on fluctuating market interest rates and further explained potential impacts on the District's tax rates.

### OPERATOR'S REPORT

Mr. Williams 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, accountability, and fire hydrant repair(s). Director Gallagher asked about signage at the lift station and recommended that efforts be made to communicate H2O's contact information to the public. Mr. Williams explained potential temporary communication options while proper signage is prepared. Mr. Williams then gave an update on Operator transition items, including accessibility to the District's prior electronic operations information and data. The Board requested additional items to be added to the Operator's Report. Mr. Williams discussed a manhole overflow matter and explained that there may be an issue with the pump in lift station #18 being too small. Next, he noted that the water quality complaints are down significantly. He noted that there was also one notice received from the TCEQ, and actions are being taken as recommended. Director Stoddard moved to approve the Operator's Report. Director Craig seconded the motion, and 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, delinquent charges, disconnects notices, terminations, service orders, taps completed, customer services requests, cut-offs, office expenses, and My360 subscriber's updates. Ms. Gallagher asked about the calls for service to the office. There was some

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discussion about delinquent accounts. Director Stoddard moved to approve the Office Report, and Director Craig seconded the motion which passed unanimously.

#### APPRAISAL DISTRICT'S TAX ASSESSOR'S REPORT

The Board reviewed the Appraisal District's Tax Assessor's Report, which includes the Delinquent Tax Collections Report and an update from the District's delinquent tax attorney, a copy of which is attached as Exhibit D. The Board concurred to accept the Appraisal District Tax Assessor's Report.

#### FINANCIAL ADVISOR'S REPORT

Mr. Blich presented the Financial Advisor's Report and the current tax exemption analysis. After some discussion, Director Gallagher moved to continue with the same tax exemptions and adopt the Resolution Concerning Exemptions from Taxation which include an exemption in the amount of \$4,000 of appraised value of residence homestead of individuals who are under a disability or are sixty-five (65) years of age or older, as authorized by law, and Director Craig seconded the motion. The motion passed unanimously. Mr. Zientek explained the process by which delinquent personal property taxes are collected, additional penalties are assessed against the delinquent tax payer(s); and the delinquent tax attorney is paid. Director Gallagher moved to adopt the Resolution Regarding Additional Penalty on Delinquent Personal Property Taxes. Director Craig seconded the motion, and the motion passed unanimously. Mr. Blich then explained the Annual Continuing Disclosure Report. The Board concurred with Mr. Blich and filing the annual continuing disclosure report by the deadline.

#### 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 the insurance reimbursements and Director Gallagher thanked Director Holmes for his efforts related to District insurance claims. Director Gallagher noted positive fund trends and Director Brunswick pointed out that one of the invoices listed is a quote and not an invoice. He also asked about the CenterPoint invoices and the clarification on payments. Mr. Berry then presented an amendment to the Bookkeeper's contract. He presented an amendment to the contract from the current \$3,333 month with \$5,000 audit support to \$5,000 month with \$7,500 audit support. Director Gallagher asked about the meeting attendance expectations and impact on the costs. He noted that they are proposing to only attend six meetings per year. Director Gallagher gave an update on the bank accounts and the next steps to banking account modifications. Mr. Zientek noted that the fees for the office resolution item were added to the agenda per Director Stoddard's request. He explained the rules about fees for office, including limitations in amounts and the process by which fees are set. The current district resolution is capped at \$150 fee, but the law allows up to \$221. After some discussion the Board concurred with making no adjustments. Director Gallagher moved to approve the Bookkeepers Report including the payment of invoices, subject to review of those invoices noted by Director Brunswick; approve the Bookkeeper's contract amendment, subject to final review by MZSLLP; and to approve the bank change to First National Bank, including debit cards, preparation and

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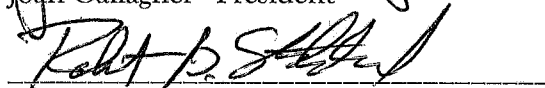
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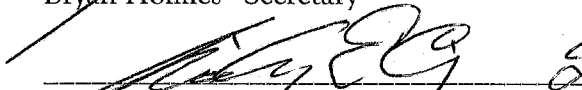
approval of the meeting minutes or any resolutions required by the new bank, and approval of new depository pledge agreement(s). Specifically, the motion includes opening of a debit card (including debit card account, if necessary), approval of all directors (Directors Gallagher, Stoddard, Holmes, Craig, and Brunswick) being signers on behalf of the District and the following accounts being opened: 1) Operating Account, 2) Construction Account, and 3) Tax Collections Account. Director Craig seconded the motion which passed unanimously.

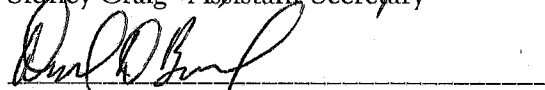
Approved as to Form and Content:

  
Joan Gallagher - President

  
Robert Stoddard - Vice President

  
Bryan Holmes - Secretary

 2/18/25  
Sidney Craig - Assistant Secretary

  
Donald Brunswick - Director

DIRECTORS' REPORTS

Director Gallagher spoke provided an update on records management. Director Craig noted that he and Director Brunswick are going to review the materials found in the old manager's office. Additionally, he requested that copies of prior work orders be provided so that they may be compiled and utilized for planning and diagnostic purposes for the District's infrastructure. He further explained that website updates are in process depending on review of District records. Director Gallagher noted that there is about \$11,000 previously approved for IT upgrades, as needed. She gave an update on the City of Trinity and the opportunity to purchase water, and she also presented some data on potential scenarios. The Board concurred with continued negotiations with the City of Trinity. Director Gallagher gave an update on the work she and Director Holmes did by getting the FEMA reimbursements.

ATTORNEY'S REPORT

Mr. Zientek noted that annually there is a requirement for filing an Eminent Domain Report with the Texas Comptroller. Director Holmes moved to approve the eminent domain report filing and Director Craig seconded the motion. The motion passed unanimously.

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

The Board scheduled the next regular Board meeting on February 18, 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 12:25 p.m. for consultation with the attorney.

RECONVENED IN OPEN SESSION

The Board reconvened in Open Session at 12:42 p.m. No action was taken.

ADJOURNMENT

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

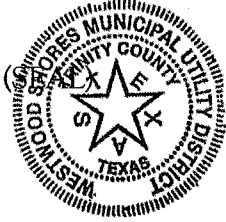
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Approved this February 18, 2025.



WESTWOOD SHORES MUNICIPAL  
UTILITY DISTRICT

/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