

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

June 17, 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 Shaelynn Moore 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”); 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.

PUBLIC COMMENTS

Mr. Herndon addressed the Board regarding a leak near the water meter at his residence. The Board, Precision, and Mr. Herndon discussed the issue at length. Mr. Bonaventure noted he would review the supporting materials related to this issue to determine whether this was a District issue or resident issue. After further discussion, Director Holmes moved to delegate authority to the Operations and Construction Committee to make any necessary customer adjustments, up to \$700, and to authorize any payment plan, as necessary. Director Atkinson seconded said motion, which passed unanimously.

Mr. Karnes discussed a repair made near his residence and a concern regarding the repair site. Mr. Karnes then discussed the additional mowing that was occurring and that it would be above the limits of the contract, which was agreed, in negotiation between Mr. Karnes and the District, to provide two (2) mowings per month per District site. Director Stoddard raised concerns regarding the billing practice and the agreement between the District and Mr. Karnes. The Board took no action at this time.

Ms. Keel presented a number of questions. First, she discussed water runoff near Coral Gables and Winding Creek in the District. Precision noted that the issue is being studied with some

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scheduled line locating and Precision's belief that the leak might be caused by run-off due to heavy rains and saturation of the ground. Ms. Keel then asked about how water meter leaks were reviewed. Lastly, Ms. Keel raised a concern regarding lift station nos. 12 and 13. Mr. Rodriguez addressed the concern but noted that he would review the matter further after acquiring additional facts.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of the May 20, 2024, regular meeting. After a brief review and noted revisions by Director Atkinson, Director Stoddard moved to approve the minutes, as revised, and Director Wolf seconded the motion. The motion passed 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) Ground Storage Tank at Water Plant No. 1; 7) Air Quality at Water Plant No. 1; 8) the Water Plant No. 2 Tank Inspections; and 9) Engineering Contract Amendment. The Board and Mr. Rodriguez briefly discussed the results of the Water Plant No. 2 Tank Inspections, noting that the suggested repairs were minor. Mr. Rodriguez explained the necessity of the contract amendment to capture an additional billing category, "Engineer V", on Exhibit B of the engineering contract. Mr. Rodriguez also noted that there was an overbill to the District related to a change in invoicing software at Civil Grade, in an amount of approximately \$1,000. He explained that the most recently submitted invoice shows a credit for that amount and had provided the supporting information to the District's Bookkeeper. After discussion, Director Wolf moved to approve the Engineer's Report and the Civil Grade engineering contract amendment, as presented. Director Stoddard seconded the motion which passed unanimously. There was a brief discussion regarding FEMA funds for flooding events. Director Gallagher provided a brief update. She noted that she and Director Holmes were in communication with Trinity County and the City of Trinity related to those funds.

OPERATOR'S REPORT

Mr. Bonaventure presented the Operator's Report, a copy of which is attached as **Exhibit B**. He noted the total connections, water accountability, and taps completed year-to-date. He also explained that there were no violations in the wastewater treatment plant. There was lengthy discussion regarding the inventory of pumps for the District and whether it was economical to continue maintaining inventory or if the inventory could be reduced. Mr. Bonaventure presented an entity that could assist in finding funding sources for projects of the District. The Board concurred in authorizing Precision to review the matter further and apply. Director Gallagher then noted a concern regarding language in the Consumer Confidence Report. She also noted that there was an attached document which Mr. Bonaventure noted was for the Board's usage and would not be part of the distributed Consumer Confidence Report. The Board held lengthy discussions regarding the possible use of cameras with each manhole repair to receive additional data regarding

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the sewer lines of the District. The Board requested that Mr. Rodriguez contact vendors who could provide that service on an emergency basis as part of a manhole repair and to ask for a cost estimate for such a service.

Director Gallagher noted that she is in communication with Trinity County regarding storm damage that may be reimbursed from the county's emergency fund and that it would require the assistance of Precision to support those efforts. Director Wolf moved to accept the Operator's Report, including the Consumer Confidence Report (and authorize distribution), as presented. Director Holmes seconded said motion, which passed unanimously. The Board then discussed the results of the SEP from the Texas Commission on Environmental Quality. The Board took no additional action at this time.

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. Ms. McKay noted that the My360 program is now working and noted that the program was beneficial and recommended that residents sign up. Director Gallagher noted that the District had received the laptop, which purchase was authorized last month. She also noted that there would be some changes to the District's Rate Order, mostly to format, but that would be presented at a future meeting. After discussion and upon motion by Director Stoddard, seconded by Director Wolf, and carried unanimously, the Board approved the Office Report, as presented.

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**. The report from the Delinquent Tax Collections attorney showed efforts being made on collections. There was brief discussion regarding the notices of water service termination that were sent out as a result of delinquent taxes. Ms. McKay noted that most of those accounts had since paid their taxes and were not going to be terminated. Mr. Zientek discussed the process for a request for an estimate value for the property value of the District. Director Wolf moved to approve the reports, as presented, and the request for an estimate of value. Director Stoddard seconded the motion. The motion passed unanimously.

BOOKKEEPER'S REPORT

Mr. Berry presented and reviewed the Bookkeeper's Report including checks presented for approval, a copy of which is attached as **Exhibit E**. He pointed out the revenues, the expenditures, and the overages from some of the unexpected projects. Mr. Berry noted that there would be a credit back to the District related to the invoice from Civil Grade, as previously discussed in the Engineer's Report. The Board discussed two separate invoices related to insurance. The Board concurred in authorizing the approval of those invoices subject to consultant review and confirmation. Mr. Berry also presented an updated draft of the budget for FYE 2025 with

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comparison to the FYE 2024 budget. Lastly, Director Gallagher presented the audit continuance letter. Director Stoddard moved to approve the Bookkeeper's Report, the FYE 2025 draft budget, as presented, and the FYE 2024 audit continuance with McCall Gibson Swedlund Barfoot, PLLC. Director Atkinson seconded the motion and the motion passed unanimously. Director Holmes requested a legend on the Bookkeeper Report for some of the acronyms. Director Wolf noted that there was a District owned tractor and mower that would now be items of surplus property. Director Stoddard suggested that the District consider options to dispose of the tractor, as required. Director Holmes moved to authorize the Construction and Operation Committee to review and check pricing, including authorizing a posting in the local newspaper. Director Stoddard seconded said motion, which passed unanimously.

DIRECTORS' REPORTS

Director Gallagher discussed an additional vendor to add to the District's vendor list that Director Atkinson was maintaining. There was then discussion regarding the costs and opportunities regarding additional water wells of the District. Director Gallagher discussed the fire station forms that were requested to be completed that would impact the rating of the local fire station. Director Stoddard discussed options to donate funds to the District in the amount of \$500. Mr. Zientek explained that the funds would be used for a public purpose and the Board discussed the various benefits to the District and public by making the donation, including educational materials which would assist with longevity of the District's facilities and mitigate the need for future repairs and maintenance. After discussion, Director Stoddard moved to authorize the expenditure of \$500 related to a Westwood Shores POA event and authorize the creation of a flyer to disseminate important and relevant District information. Director Holmes seconded said motion, which carried unanimously.

ATTORNEY'S REPORT

Mr. Zientek noted that the first two items will be handled in Executive Session. He then discussed the amendment and filing of the District Information Form. Mr. Zientek then provided an update on the 2024 Directors Election, including an outline of the filing deadlines. The Board requested that the election application items be added to the District website.

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 July 15, 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 and 551.072 at 11:38 a.m.

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RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 12:17 p.m. Director Stoddard moved to deny the customer appeal regarding the inspection and connection fee. Director Atkinson seconded said motion, which passed unanimously. Additionally, Director Stoddard moved to authorize Directors Gallagher and Wolf to select the necessary rate order expert for the PUC matter, including the authorization of any fees related to the same. Director Atkinson 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 July 15, 2024.



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/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