

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

March 17, 2025

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
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 and Kevin Osborne of Civil Grade Engineers (“Civil Grade”); Joshua Zientek and Daniel Scruggs of Mitchell, Zientek & Scruggs, LLP (“MZSLLP”); Pam McKay of the District; Kevin Berry (remote) of EEPB; Bill Blich of Blich Associates, Inc. (“BAI”); Jacob Williams 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

The resident owner of 47 Westlake Road addressed the Board related to a potential appeal matter for review by Construction and Operations Committee. The Board requested that a written appeal be provided for consideration as outlined in the District’s Rate Order. Mr. Hanson discussed the PUC Litigation and provided an update outlining developments that have been in the District’s favor.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of the February 18, 2025, regular meeting and the March 6, 2025, special meeting. Proposed revisions were noted on the February 18, 2025 regular meeting. Director Stoddard moved to approve the minutes, subject to the discussed revisions, and Director Holmes 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 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) 2025 Funding (PIF

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and Bond); 5) 2025 TCEQ Bond Application update; 6) Update on PFAS requirements, noting that they aren't required until April of 2027; 7) SCADA system repair and improvements; and 8) Emergency Preparedness Plan and Drought Contingency Plan.

Director Stoddard moved to: 1) approve the Engineer's Report; 2) review and adopt a Resolution Declaring a Wage Rate Scale as provided by the Federal Government; and 3) authorize Civil Grade to coordinate with H2O to review and update the Emergency Preparedness Plan and Drought Contingency Plan on an hourly basis with a budget not to exceed \$3,000. Director Craig seconded the motion, which passed unanimously.

Director Craig inquired about a contingency plan related to heavy rainfall events in the future. Mr. Rodriguez discussed the proposed actions. It was noted that there is a pipe between the aeration basin and the clarifier that may be holding some silt and the cleaning of it may be beneficial to mitigate issues with heavy rainfall. It was noted that a third party would be able to address the issue but the budget has not been established. The Board considered setting a not to exceed amount to address the issue and allowing the operation and construction committee to review the final bid. There was additional discussion regarding the Wastewater Treatment Plant ("WWTP") to be further addressed in the Operator's Report.

Director Craig then discussed the various manholes of the District and the impact of their condition on the District's system.

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). There was a discussion regarding the notices, both mail and website, regarding the 2024 Q4 TTHM levels. It was further noted that the TTHM in the February testing were well below the exceedance limits. Director Gallagher asked about adding additional historical data and customer complaint summaries to the Operator's Report. Director Craig inquired about a map of the water valves and the condition of those valves. Director Brunswick discussed the priority of some of the items, especially in light of the operations and maintenance budget. There was then extensive discussion regarding a fire hydrant that was near the water plant and related isolation challenges including turning off the water plant for related maintenance. Mr. Rodriguez discussed the impact of the water valves and noted that there were 50 valves identified that could greatly help isolating areas of the District during repairs. Mr. Williams then discussed expenditures related to water well pump no. 2 repricing and then adding an additional \$10,000. Mr. Rodriguez noted that the extent of the work needed cannot be readily ascertained at this time and further investigation will be needed. Mr. Zientek discussed the impacts of outside parties damaging District facilities. After brief discussion, the Board concurred in having MZS, Civil Grade, and H2O draft language for a sign to notify all third parties of the requirement to contact the District before digging.

Director Brunswick then requested updates on several maintenance related items and some outstanding items of H2O. He specifically asked for assistance in addressing the generators,

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including those at the office, the oil change of the heavy machinery owned by the District, and a number of smaller scale plumbing related items.

Director Stoddard moved to approve 1) the Operator's Report; 2) an amount not to exceed \$25,000 to address the pipe cleaning between the aeration basin and clarifier, along with an additional bid from Hydro-clear; 3) an approval budget of not to exceed \$30,000 on the water well pump no. 2 for the inclusion of stainless-steel materials, including authorization of approval of the lowest bid, if necessary, by the Operations and Maintenance Committee; and 4) authorization of an amount not to exceed \$20,000 for the valve survey for time by Civil Grade and H2O. 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. There was discussion regarding an additional cost from CUSI to add information to the cloud. Director Stoddard moved to approve the Office Report, including the additional costs related to CUSI cloud services as discussed, and Director Holmes seconded the motion which passed unanimously.

Director Craig provided an update regarding District records and the contract with Iron Mountain. Director Brunswick then discussed the proposed records retention schedule. There was additional discussion regarding the impact of the records retention schedules related to the records transfer to Iron Mountain. Director Holmes made a motion to adopt the most recent schedules applicable to the District, as promulgated by the Texas State Library and Archives Commission, and authorize Directors Craig and Brunswick to apply such schedule as they review records as they make the transition. Director Stoddard seconded said motion, which carried unanimously. Mr. Zientek advised that he would provide the schedules in a follow up email.

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, 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. Blitch presented a very brief update, noting that Arbitrage Compliance Specialists Inc. were engaged and would contact the District in the future related to their services.

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. Mr. Berry requested clarity on the H2O check and it was

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noted that the check would be released. It was noted that there was a charged for sales tax against the District on one of the invoices. Mr. Berry noted he would follow up and confirm whether it was proper or not. Director Holmes briefly stepped out of the meeting during the Bookkeeper's Report. Director Brunswick discussed his review of invoices noting that Magnaflow should be paid as indicated but that EEFS should be paid \$4706.00 instead of the invoiced amount. The Board concurred in paying Magnaflow as indicated on the outstanding invoices list and holding the EEFS check until approval at the next month. There was then discussion about the draft budget with Directors Gallagher and Brunswick providing initial comments.

Director Craig moved to: 1) approve the Bookkeeper's Report as presented, including the checks contained therein; 2) authorize the closing out of the accounts First State Bank; 3) take the steps necessary to transition to First National Bank, including opening accounts, authorize Mr. Berry and Ms. McKay for administrative access as necessary non-signatories, authorize Mr. Berry access to transfer funds within the District accounts as necessary, and to authorize Director Gallagher to approve and authorize necessary revisions to the District's minutes. Director Stoddard seconded the motion which passed unanimously.

There was then a discussion of the surplus property of the District, specifically those items in the house owned by the District. Director Brunswick presented a list of proposed items to sell. Mr. Zientek detailed the process and Director Stoddard discussed his suggested approach. After further discussion, Director Stoddard moved to approve the list of proposed items to sell and authorize the marketing of such items, as discussed. Director Craig seconded said motion, which passed unanimously.

DIRECTORS' REPORTS

Director Gallagher provided an update on the City of Trinity discussions related to additional water capacity options and related contractual terms. Director Gallagher then discussed a designated spokesperson for the media on behalf of the District. She suggested that Mr. Zientek serve that role. Director Holmes moved to approve the appointment of Mr. Zientek, or another representative as MZS, as necessary. Director Craig seconded said motion.

ATTORNEY'S REPORT

Mr. Zientek provided a brief review of the District's code of ethics and discussed the changes in the last version of the code of ethics.

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

The Board scheduled the next regular Board meeting on April 21, 2025, at 9:30 a.m.

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

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The Board entered Executive Session pursuant to Texas Government Code Sections 551.071 at 12:15 p.m. for consultation with the attorney.

RECONVENED IN OPEN SESSION AND PENDING

The Board reconvened in Open Session at 12:35 p.m. Director Brunswick inquired as to moving the meeting back to the District's office. The Board concurred in moving the meeting back to the District's office unless there is still impediments due to the records transition.

ADJOURNMENT

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

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Approved this April 21, 2025.



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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