

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

March 21, 2022

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:

Jim Atkinson	President
Mike McClung	Vice President
Robert Bluis	Secretary
John Wolf	Director
Ken Bateman	Director

All the above were present thus constituting a quorum.

Also present at the meeting were Roy Aristizabal of Inframark Water Infrastructure Operations (“Inframark”); Rico Rodriguez of Civil Grade Engineers (“Civil Grade”); Joshua Zientek and Frank Mitchell of Mitchell & Zientek, LLP (“MZLLP”); Pam McKay and Nancy Ridley of Westwood Shores Municipal Utility District (the “District” or “WSMUD”); and various members of the public.

CALL THE MEETING TO ORDER AND PLEDGE OF ALLEGIANCE

Director Atkinson called the meeting to order at 9:30 a.m. and the Pledge of Allegiance was recited.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board considered for approval the minutes of the February 21, 2022, regular meeting. After review and upon a motion by Director Bateman, which was seconded by Director Bluis, the Board voted unanimously to approve the minutes of the February 21, 2022, regular meeting, as presented.

PUBLIC COMMENTS

The Board noted that several members of the public were present and opened the meeting for discussion, subject to the District’s Public Comment Policy. Mr. Donald Brunswick asked about posting of meeting minutes on the District’s website. Ms. Cheryl Savage asked about proposed projects for the future of the District. Ms. Joan Gallagher noted improvements and updates to the District’s website and inquired into the status of the District’s audit and financial records of the District. She also advised that the District’s Directors’ email addresses should be on the District’s website. Mr. George Gallagher presented information related to a hole which was dug on or about his property that needed repair. Ms. Susan Keel also mentioned a hole that needed repair and discussed delays in taps. Mr. Aristizabal advised that Inframark is taking steps to improve turnaround times for taps.

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CONSIDER PROCEED WITH AUTHORIZATION TO BULD REQUESTS AND/OR CONSENT(S) TO ENCROACHMENT

Director Atkinson advised that plans were provided in advance of the board meeting. He further noted that the plans received did not show utilities. After discussion related to the plans, Director Wolf moved, and Director Bateman seconded, to approve the Proceed with Authorization to Build, subject to review and approval by Inframark. The motion passed unanimously.

UPDATE FROM TRACE WIRELESS

The Board considered a proposal from Trace Wireless to install a small building on District property. Mr. Rodriguez asked about the installation of lines in the existing easement. Director McClung then made a motion, seconded by Director Wolf, to authorize Trace Wireless to proceed with the installation of the building, as presented. The motion passed unanimously.

CONSIDER POTENTIAL EMERGENCY INTER-CONNECT AGREEMENT WITH CITY OF TRINITY

Mr. Zientek noted that the city of Trinity was considering an emergency inter-connect agreement with the District. Director Wolf moved, and Director McClung seconded, to table this table this agenda item in order to allow MZLLP to research the matter and begin a draft of an emergency inter-connect agreement with the city of Trinity. The motion passed unanimously.

REVIEW AND APPROVE 2021 AUDIT AND AUTHORIZE FILING OF SAME WITH TCEO

Mr. Zientek advised that the District's Auditor was finalizing the District's 2021 audit and that it should be available for approval at a future board meeting. Director Wolf moved to table the item. The motion was seconded by Director McClung and passed unanimously.

REVIEW AND APPROVE AGREEMENT WITH HILLTOP SECURITIES RELATED TO CONTINUING DISCLOSURE FILING REQUIREMENTS

Mr. Zientek noted that the District was required to complete certain continuing disclosure filings and that the District's Financial Advisor, Hilltop Securities, provided a proposal related to said filings. Director McClung moved, and Director Wolf seconded, to approve the proposal from Hilltop Securities, as presented, to complete the required filings and for future continuing disclosure filings, as needed. The motion passed unanimously.

APPRAISAL DISTRICT'S TAX ASSESSOR'S REPORT

Next, the Board reviewed the Appraisal District's Tax Assessor's Report, a copy of which is attached as Exhibit A. After this review, Director McClung moved, and Director Wolf seconded, to approve the Appraisal District's Tax Assessor's Report. The motion passed unanimously. Next, Mr. McArthur, with the District's Delinquent Tax Collection Attorney, Perdue Brandon Fielder Collins

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& Mott LLP (“Perdue Brandon”), provided a detailed explanation of the process for collecting delinquent taxes.

BOOKKEEPER’S REPORT

The Bookkeeper’s Report was presented and reviewed, a copy of which is attached as **Exhibit B**. After this review and discussion of specific checks which were presented for signature, Director Bateman then moved to approve the Bookkeeper’s Report and the checks contained therein. Director Wolf seconded the motion and it passed unanimously. Next, Director McClung moved, and Director Bateman seconded, to table the discussion related to approving the District’s proposed budget, to allow more time for review. The motion passed unanimously. Mr. Zientek then advised that the Association of Water Board Directors (“AWBD”) Summer Conference would be in Fort Worth. Director Wolf moved, and Director McClung seconded, to not approve any Board Member attendance at the AWBD Summer Conference. The motion passed unanimously. Next, Director Atkinson informed the Board that Ms. Ridley would be resigning as the District Bookkeeper at the end of June, 2022.

OFFICE REPORT

Ms. McKay presented the Office Report, a copy of which is attached as **Exhibit C**. She provided updates on new accounts, total lots sold, and release(s) of easement(s). She also provided additional information related delays in taps and repairs. The Board requested that a list of taps be included with future Office Reports. Director Bateman then moved, and Director Wolf seconded to approve and accept the Office Report. The motion passed unanimously.

ENGINEER’S REPORT

Mr. Rodriguez presented the Engineer’s Report, a copy of which is attached as **Exhibit D**. He requested that the Board consider appointing a committee to assist with action items between meetings. Mr. Zientek explained how the Texas Open Meetings Act applied to committees. Mr. Rodriguez then gave an update on the aeration system and advised that the scope of the project was narrowed and would soon be ready for public bid. Director Wolf moved, and Director McClung seconded, to appoint Directors McClung and Wolf as the Engineering and Operations Committee and authorize the bidding process on the aeration project. The motion passed unanimously. Next, Mr. Rodriguez presented the Engineering Services Contract for review. Mr. Zientek advised that he provided comments which were included in the Contract, as presented. Director McClung moved, and Director Wolf seconded, to approve the Engineering Services Contract from Civil Grade, as presented. The motion passed unanimously.

OPERATOR’S REPORT

Mr. Aristizabal presented the Operator’s Report, a copy of which is attached as **Exhibit E**. There was extensive discussion related to callouts for repairs, registration of trucks, and outstanding Texas Commission on Environmental Quality (“TCEQ”) violations. Mr. Aristizabal noted an extension received related to the Emergency Preparedness Plan (“EPP”). He then advised that

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Inframark recently added another employee which would help taps, projects, and repairs to be completed timelier. Director Atkinson asked about the generator report and Mr. Aristizabal advised that he would research the matter and report back. Next, the Board considered amendments to the rate order to increase tap fees and possibly hiring Municipal Financial Services, LLC (“MFS”), to conduct a rate study. Director Bateman moved, and Director Wolf seconded, to accept the Operator’s Report, amend the rate order to increase the tap fee(s) and administrative fee(s), as presented, and authorize hiring of MFS, subject to final review of the contract by MZLLP. The motion passed unanimously.

ATTORNEY’S REPORT

Mr. Zientek provided an update on the on-going discussion related to the District’s agreement with Marina Village RV Park (“Marina Village”) and recommended that, as previously agreed with Marina Village, the District continue to bill Marina Village under the District’s Commercial Rates contained within the Rate Order. The Board concurred. There was extensive discussion related to how a rate study could be conducted, which information would be considered, and how the District’s rate order could potentially be amended. Mr. Zientek then noted that the District’s Special Purpose District Public Information Database (“SPDPID”) filing would be handled by MZLLP upon completion of the District’s 2021 Audit. Next, Mr. Zientek explained that the District is required to annually report on, and potentially escheat to the State, any unclaimed property in the District’s custody, and to also give notice to certain potential owners of said property. Upon a motion by Director Wolf, seconded by Director Bateman, the Board voted unanimously to authorize the consultants to search their records for any unclaimed property held by the District and to provide the appropriate notices and file the corresponding report and property with the State, as required.

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

The Board entered Executive Session at 12:15 for deliberation related to Personnel Matters, Texas Government Code Section 551.074, and Consultation with Attorney, Texas Government Code Section 551.071.

RECONVENE IN OPEN SESSION AND AUTHORIZE ANY ACTION RESULTING FROM EXECUTIVE SESSION

The Board reconvened in Open Session at 1:00 p.m. Director Wolf moved, and Director McClung seconded, to authorize MZLLP to submit requests for proposals for bookkeeper services, add a related agenda item at the next board meeting, approve the adjustment to the property owner’s association bill for the previously discussed leak as authorized by the Rate Order and waiving the charges associated with the sewer charge for the leaked water. The motion passed unanimously.

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DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board then discussed matters for future agendas, including authorizing requests for proposals related to auditors and also per diem amounts for Directors.

Approved this April 18, 2022.

(SEAL)

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/s/Robert Bluis

Secretary, Board of Directors

LIST OF EXHIBITS

- Exhibit A - Appraisal District's Tax Assessor's Report
- Exhibit B - Bookkeeper's Report
- Exhibit C - Office Report
- Exhibit D - Engineer's Report
- Exhibit E - Operator's Report