

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

May 20, 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:

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|-----------------|-----------------|
| 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”); Frank Mitchell and Josh Zientek 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

Ms. Keele addressed the Board and asked about the terms of the application for the Lead and Copper Rule Revision application with the Texas Water Development Board (“TWDB”) and provided an update on resident concerns posted on social media related to Texas Commission on Environmental Quality (“TCEQ”) notices. Director Gallagher advised that Precision is in communications with the TCEQ in an effort to resolve any ongoing concerns. Mr. Sullen asked about the specific projects which will be included in upcoming bond issues. The Board provided brief details and directed him to the Engineer’s Report. He also asked about the status of some landscaping concerns to which Mr. Bonaventure advised that he would investigate the issue further.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of the following board meetings: April 15, 2024 (regular and special), April 20, 2024 (special), and May 13, 2024 (special canvassing). After a brief review, Director Stoddard moved to approve the minutes, subject to inclusion of the comments provided by Director Gallagher, and Director Atkinson 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 provided an update on: 1) Sanitary Sewer Creek Crossing Repair; 2) Lift Stations 2, 3, and 12 Improvements; 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; and 8) the Water Plant No. 2 Tank Inspections. Mr. Rodriguez gave update on sanitary sewers across the creek that need emergency repairs. He outlined a quote from 5T-Utilities in the amount of \$63,686 and the inspection and the project management by Civil Grade in an amount not to exceed \$8,000. Lastly, he explained that Civil Grade will be completing the required notice to the TCEQ for emergency authorization. He noted that these funds could be reimbursed out of a future bond issue and the Board concurred with the future reimbursement and indicated intent to do so. Director Atkinson moved to approve the Engineer's Report and authorize awarding of project to 5T-Utilities and Civil Grade in the monetary amounts indicated in the report. Director Stoddard seconded the motion which passed unanimously.

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. Director Stoddard noted the amount of water purchased from the Trinity Rural Water Supply Corporation and explained how the District is saving money by utilizing District wells. Mr. Bonaventure presented the draft Consumer Confidence Report and the Board provided comments. He also presented an estimate for a new gearbox for the clarifier in the amount of \$15,204.20. Mr. Rodriguez and Mr. Mitchell gave some guidance on the reimbursement of the operations from bond funds and resolutions regarding such equipment. There was some discussion about the upcoming winterization project and replacement of two (2) fire hydrants in an amount not to exceed \$7,500 apiece. Updates were provided on the temporary rental pumps and desilting project. Next, there was discussion related to the utilization of the District's jet machine. Mr. Rojas addressed a list of TCEQ violations that have been resolved on the District's behalf. There is one SEP that is still being resolved from 2021 and the Board concurred that Precision would resolve the matter. Director Stoddard moved to approve the Operator's Report, the gearbox repairs, and the fire hydrant replacement, as presented. Director Wolf seconded the motion and the motion passed unanimously. Director Gallagher noted that she is in communication with Trinity County regarding storm damage that may be reimbursed from the county's emergency fund. She also noted that she has submitted two (2) letters to the Trinity County Water Advisory Group regarding a list of projects that the District would like to apply for a monetary aid.

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. Director Gallagher noted that the My360 program is now

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working so everyone can now monitor their own meters online. Ms. McKay presented a contested charge from a customer due to the changes in the rate order regarding temporary discontinuance of services and reconnects. Director Gallagher addressed the new rule and what the added charges are. After some discussion Director Stoddard moved to deny the request and Director Wolf seconded the motion. The motion passed unanimously. Director Gallagher noted issues with the office internet and the problems associated with the notifications. Director Stoddard moved to authorize the purchase of a laptop, speakers, and internet hotspot not to exceed \$1,750. Director Atkinson seconded the motion and the motion 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**. The report from the Delinquent Tax Collections attorney showed the delinquent account and the efforts being made on collections. Director Atkinson moved to approve the reports and 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 also presented a draft of the budget for FYE 2025. Director Gallagher made some comments regarding the draft of the budget and some line items. She recommended engaging a rate study consultant to help with adjusting the rates. There was a recommendation to join Texas Rural Water Association ("TRWA") at pro-rated cost for the remainder of the calendar year. Director Stoddard moved to approve the Bookkeeper's Report, solicit proposals for rate study, and join TRWA. Director Atkinson seconded the motion and the motion passed unanimously.

DIRECTORS' REPORTS

Director Gallagher noted that Precision is monitoring potential illegal connections. Director Stoddard discussed some purchases related to the backup pumps and noted that there should be some extra repair parts on hand. Mr. Rojas noted that he needs approval to order more pumps and would like to request a not to exceed budget in the amount of \$50,000 to purchase more pumps. Director Stoddard moved to approve up to \$50,000 for replacement part purchases at the discretion of the operator. Director Atkinson seconded the motion and the motion passed unanimously. Director Gallagher gave an update on the proposed water purchase agreement from the City of Trinity. After extensive discussion, the Board concurred to have Director Gallagher and Director Holmes continue the negotiations on the water purchase agreement. Director Gallagher noted that she would like to invite the circuit rider Mr. Paul King to the Board to help give some guidance on the business practices of the District. Director Stoddard moved to approve the invitation of Mr. King to the Board to help give some guidance on business practices. Director Atkinson seconded the motion and the motion passed unanimously.

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ATTORNEY'S REPORT

Mr. Zientek noted that the first two items will be handled in Executive Session. He then noted that the Entergy easement is complete, and that Entergy will record the document upon execution. Mr. Zientek asked for authorization to file the voting system annual filing form and then gave an update on filing dates for the upcoming Directors' election. Director Wolf moved to approve the Attorney's Report and authorize the filing of the voting system form. Director Stoddard seconded the motion and the motion passed unanimously.

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

The Board concurred that the next regular Board meeting be set for June 17, 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 Section 551.071 at 11:46 a.m. for consultation with the attorney and under real estate exception for discussion regarding real property.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 12:26 p.m. Director Gallagher moved to not to accept the conveyance from Marina Village Resort ("MVR") and have MZSLLP send a notice. Director Stoddard seconded the motion and the motion passed unanimously.

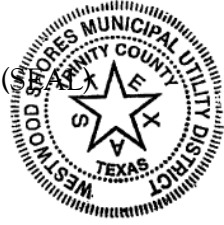
ADJOURNMENT

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

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Approved this June 17, 2024.



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UTILITY DISTRICT

/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