

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

September 16, 2024

The Board of Directors (the “Board”) of Westwood Shores Municipal Utility District (the “District”) met in regular session, open to the public, at **Westwood Shores Clubhouse, 100 Westwood Drive East, Trinity, Texas 75862**, 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

Also present at the meeting were Rico Rodriguez, and Shae Moore of Civil Grade Engineers (“Civil Grade”); Joshua Zientek and Frank Mitchell of Mitchell, Zientek & Scruggs, LLP (“MZSLLP”); Pam McKay of Westwood Shores Municipal Utility District (“WSMUD”); Tony Bonaventure and Juan Rojas of Precision Utility LLC (“Precision”); Bill Blich of Blich Associates, Inc. (telephonically); and various members of the public.

CALL THE MEETING TO ORDER AND PLEDGE OF ALLEGIANCE

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

PUBLIC COMMENTS

Ms. Keel asked several questions about some of the fire hydrants repairs and mentioned a manhole that needed attention which may present a hazard.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of the August 19, 2024, regular meeting. After a brief review and revisions that were noted by Director Gallagher, Director Stoddard moved to approve the minutes, as revised, and Director Holmes seconded the motion. The motion passed unanimously.

RECEIVE FINANCIAL ADVISOR 2024 TAX RATE RECOMMENDATION

Mr. Blich joined the meeting via speaker phone. He noted that the district has published a proposed tax rate of \$.5939, composed of \$0.3101 per \$100 of assessed valuation allocated to debt service and \$0.2838 per \$100 of assessed valuation allocated for maintenance and operations, and he recommended adopting that rate. Mr. Zientek then opened the public hearing. After some discussion, the hearing was closed and Director Stoddard moved to adopt the order levying .5939 tax, with \$0.3101 per \$100 of assessed valuation allocated for debt service and \$0.2838 per \$100 of assessed valuation allocated for maintenance and operations, and approve amendment of the District Information Form/Notice to Purchasers. Director Wolf seconded the motion, and 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) Preliminary engineering, design, and advertising related to lift station improvements; 2) Lift Stations 2 and 12 Improvements; 3) Funding Application to the Texas Water Development Board ("TWDB") for the Lead and Copper Rule Revisions ("LCRR"); and 4) Update regarding water quality. Mr. Rodriguez asked the Board to approve not to exceed amount of \$30,000 on an hourly basis to perform preliminary engineering for lift station improvements. Director Stoddard noted that he feels there are several issues with manholes and Mr. Rodriguez noted the proposed future plans for the District manhole infrastructure. Director Gallagher asked about the running total of the projects needing to be completed that could be funded by the bond funds. Director Gallagher noted that the Board may need to start considering additional bonds in the near future. Mr. Rodriguez then presented Change Order No.3 in the amount of \$10,000 deduction credit and Pay Application no. 3 (final) for \$38,295.95 on contract for 5-T Utilities and acceptance of the project, both contingent on TWDB approval and release of funds. Mr. Rodriguez then explained TWDB has approved the application and funds for the LCRR bond application. Mr. Zientek noted that the timelines for closing which should be complete in December 2024. Mr. Rodriguez then discussed a pending TCEQ enforcement action regarding water quality, and that an extension is being requested. Director Stoddard moved to approve: 1) the Engineer's Report; 2) Change Order No. 3; and Pay Application No. 3 (final) and adopt the resolution of acceptance. Director Atkison seconded the motion, and the motion passed unanimously. Director Stoddard noted that Mr. Rodriguez's office was able to find the original company for the paddle wheels and the District was able to complete and inspect the project, and now have a maintenance agreement with the manufacturer.

OPERATOR'S REPORT

Mr. Bonaventure presented the Operator's Report and gave an update on the number of connections and the call analytics that occurred, a copy of which is attached as **Exhibit B**. There was discussion about the water accountability and the amount of water purchased from the Trinity Rural Water Supply Corporation ("TRWSC"). He gave an update on all of the action items and how each is progressing. There was an update on the FEMA application for funding. Director Holmes asked some questions about the winterization project. After much discussion, the Board concurred to procure additional bids and options for installation of heat strips. Director Stoddard gave an update on generators and a completed replacement of the generator in the amount of approximately \$5,700 based on urgent need. Next Director Stoddard mentioned that there was a resident who has continued to experience brown water. Director Wolf explained that he visited this resident and asked about the status of a related call order. Mr. Rojas provided an update on the remedial action. He advised that the resident was recommended to flush the lines in her house. Director Wolf said she took that action but the issue remained. Mr. Bonaventure advised that Precision will investigate the matter further. Next, Mr. Rojas explained that Precision is waiting to hear back on SEP application. Director Gallagher requested that Precision keep the Operations and Maintenance Committee informed as much as possible in emergency events. Director Stoddard moved to approve the installation of the heat strips not to exceed \$25,000, after consultation with

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the Operations and Maintenance Committee, and Operator's Report, accepting the maintenance bid of \$2,800 per visit for aerator maintenance. Director Atkinson 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 my 360 subscriber's updates. Director Gallagher gave an update on possible rate order changes and the background on the ongoing expenses and the budgetary concerns. She also discussed concerns with the form of the Rate Order and recommended a new draft of the rate order form. She presented a quote for computer repairs, including a server update. Director Stoddard moved to approve the computer repairs/server update and Director Wolf seconded the motion. 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 delinquent tax attorney is planning to attend the next meeting to give an update and ask for any necessary approvals. Director Stoddard asked about some of the collection percentage numbers. Director Stoddard moved to accept the Appraisal District's Tax Assessor's Report and Director Atkinson seconded the motion. The motion passed unanimously.

BOOKKEEPER'S REPORT

Mr. Turner presented and reviewed the Bookkeeper's Report including checks for approval, a copy of which is attached as **Exhibit E**. He noted no unusual expenses but noted budgetary concerns due to ongoing expenses. Director Holmes and Director Gallagher asked vendor invoices from some of the subcontractors for Precision. There was discussion related to additional signature cards for other directors. Mr. Turner also gave an update on the audit and timeline. There was some discussion about adopting a policy regarding capitalization and increase number of not capitalizing to \$5000 and being able to write off the uncollectable accounts after 120 days. Director Wolf moved to approve the Bookkeeper's Report, payment of invoices, adopt a resolution to authorize all directors to sign bank documents, and approve changes to bookkeeping policies effective July 30, 2023. Director Stoddard seconded the motion, and the motion passed unanimously.

DIRECTORS' REPORTS

Mr. Zientek noted that Director Stoddard advised of a concern related to vegetation on the District's fencing which is not accounted for in the current landscaping agreement. Director Stoddard and Director Wolf are going to get with the landscaping company to see what costs are involved. Director Stoddard also asked if Precision could remove the vegetation. Director Gallagher

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noted that she and Director Holmes are still working on the alternative water possibilities with the City of Trinity. She noted that they met with a representative of Texas Rural Water Association (“TRWA”) to get ideas on additional funding.

ATTORNEY’S REPORT

Mr. Zientek noted one brief update on the PUC suit. Director Holmes gave an update on the insurance renewal and Mr. Zientek discussed the cyber security training requirements. Mr. Zientek presented the certificate of unopposed candidates and gave an update on the supplemental agenda, and he noted that there was only one application received by the deadline for the three open positions. Director Gallagher moved to adopt an order cancelling the election. Director Stoddard seconded the motion which passed unanimously.

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

The Board scheduled the next regular Board meeting on October 21, 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 at 11:45 a.m. for consultation with the attorney.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 11:46 a.m. and no action was taken.

ADJOURNMENT

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

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Approved this October 21, 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