

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

July 17, 2023

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 Liza Prudhomme-Mireles and Hunter Maze of Inframark Water Infrastructure Operations (“Inframark”); Rico Rodriguez 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”); 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

Director Gallagher opened the meeting for public comments. Mr. Sowell discussed improvements made by the District and future progress related to depth of future well(s) and related infrastructure. Mr. Welborn commented expressed frustration with Inframark and challenges related to communications with residents. Ms. Prudhomme-Mireles gave details explaining the process by which complaints are processed. Mr. Grimm asked about the drought contingency plan and options for mitigating drought conditions. Director Gallagher explained the Drought Contingency Plan and future goals for the District. Mr. Henderson discussed the timeline for drilling a new well. Mr. Rodriguez gave additional details related to the status of the District’s the wells and challenges related to high levels of H₂S. Ms. Keel then presented information related to a new tap installation and water main location. There was extensive discussion related to water quality and lifting of the drought contingency restrictions. Lastly, there was discussion related to the District’s water supply agreement and inadequate sourcing of water.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of June 19, 2023, regular meeting. Director Stoddard moved to approve and accept the minutes, as presented. Director Wolf seconded the motion. The motion

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passed by unanimous vote of the Board.

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 Station Nos. 2, 3, and 12 improvements; 2) Water Plant No. 1 - Aeration System and Water Well Nos. 1 and 2 improvements; 3) Wastewater Treatment Plant - TPDES renewal, EPA Lead and Copper Rule Revision ("LCRR"), TWDB CWSRF Engineering Feasibility Report, Capital Improvements Plan ("CIP"), and TWDB PIF submittal for the LCRR. Mr. Rodriguez stated that the categorical exclusion was approved by the TWDB. Director Stoddard moved to: 1) authorize the publication of notice of categorical exclusion as required by TWDB; 2) adopt a resolution accepting Water Well No. 2's completion; and 3) authorize Civil Grade to prepare and submit an application to the Texas Commission on Environmental Quality ("TCEQ") for discharge permit at a budget not to exceed \$8,000. Director Holmes seconded the motion and the motion passed unanimously. Director Wolf asked a question about state funding available to rural districts. Mr. Rodriguez is going to investigate further regarding the state funding.

OPERATOR'S REPORT

Ms. Prudhomme-Mireles presented the Operator's Report, a copy of which is attached as **Exhibit B**. She provided an update on the District's calls for service and customer issues. Director Gallagher asked about the authorization to build requests and the process. Ms. Prudhomme-Mireles gave an invoice update and noted a credit given to the District. The tap installation process is still being reviewed and the complaints have been resolved. She also gave an update on the maintenance repairs needed and requests for approval. Ms. Prudhomme-Mireles updated the Board on lift station repairs, including electrical panel replacements. Director Gallagher stated that there was an added cost for Marina Village pending ownership of the lift station. She then explained that the TCEQ issued a violation notice for total Trihalomethane ("TTHM") MCL which would require public notice. Mr. Zientek asked about an update to the autodialer. Ms. Prudhomme-Mireles said it is approved and on order and will be installed shortly as approved by the District at a cost as indicated in a prior board meeting. Director Gallagher asked about the preventative maintenance schedule and if any action items needed approval. Mr. Zientek noted which expenses could be completed without individual approval under Inframark's contract with the District. Director Gallagher asked about the pending asset survey. Mr. Zientek gave an update on the conveyance documents from Marina Village and noted that he has not received a response. The Board then discussed tracking of concerns and deficiencies related to the District's water supply from Trinity Rural Water Supply Corporation ("TRWSC"). Director Gallagher stated that she would be willing to communicate with TRWSC regarding the District's concerns. Mr. Zientek and Director Gallagher also mentioned the prospects of communications with the City of Trinity as a backup water supply. Director Wolf gave some historical information about the water supply communications with the City of Trinity. Director Stoddard moved to authorize Director Gallagher and Director Holmes to reach out to the TRWSC and City of Trinity related to water supply agreement(s). Director Wolf seconded the motion and the motion passed unanimously. Director Stoddard moved to approve 1) the Operator's Report; 2) the Water Distribution System Valve Survey by Inframark at a cost of \$70 per valve and a total cost estimate of \$26,390; 3) the fire hydrant painting by Edustrial Solutions at a cost of

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\$2,876.25; 4) provide and install a heat trace and insulation on process piping for hydro tanks by Hayes Automation Controls LLC (“Hayes”) at a cost of \$3,471.62; 5) replace the eyewash station at WWTP by Hayes at a cost of \$1,934.55; and 6) heat trace and insulation on eye wash station at Water Plant No. 2 by Hayes in an amount of \$1,320. Director Holmes 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, delinquencies, taps, cut offs, and office expenses. Director Gallagher asked about Director Atkinson’s district email, and he said it is working. Ms. McKay gave the report of usage vs. billed and Director Gallagher asked about the large discrepancy. Director Stoddard asked about the accountability reports. Ms. McKay explained that there is a bid to get the HVAC replaced at the maintenance office for \$4,655. Director Gallagher asked about options with use of District office space. Director Gallagher moved to not repair the HVAC unit and not reorganize the office space. Director Holmes seconded the motion and the motion passed unanimously.

APPRAISAL DISTRICT’S TAX ASSESSOR’S REPORT

Director Gallagher presented the report from the appraisal district tax office. There was no report from the delinquent tax attorney this month. Director Gallagher noted that the 2023 certified tax roles were received and will be used to help set the tax rate for this year. Director Wolf moved to accept the report and Director Holmes seconded the motion. The motion passed unanimously with Director Stoddard absent for the vote.

Director Stoddard stepped out temporarily and returned during the bookkeeper report.

BOOKKEEPER’S REPORT

Director Gallagher presented and reviewed the Bookkeeper’s Report including checks presented for approval, a copy of which is attached as **Exhibit E**. She also noted that Ms. Pfeiffer was not present due to illness. Director Gallagher stated there was one (1) invoice pointed out by Inframark that is not for our District and that invoice will not be paid. She discussed the new budget and the positive cash balance for the year. Director Gallagher asked Director Atkinson if he had made any progress with Entergy, and he stated that he has not been able to pursue it. Director Holmes asked a question about White Rock Rd. and the consumption reports. Director Wolf moved to approve the Bookkeeper’s Report and checks presented. Director Stoddard seconded the motion and the motion passed unanimously. Director Stoddard gave an update on the sale of surplus vehicles and repairs being made. He noted there were some offers on the trucks, but they were not accepted. There will be an ad placed in the local paper to try and get a better offer and the ad will be placed on the District’s website. Director Stoddard noted that he contacted a metal scrap company to give us an estimate on the surplus metal from the District. There were also contacts made about getting a dumpster to clean out a lot of trash at the facilities. The Board concurred that Director Stoddard would coordinate with Ms. McKay to schedule delivery of a dumpster to be filled

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with trash that could not be sold. Director Gallagher noted that there was a scope of proposal received from Inframark regarding the scope of services for their contract. There would be an increase in costs and a reduction of personnel on-site. Director Gallagher recommended that since the scope of proposal was just received the District needed more time to consider the scope and would like an operations committee consisting of Director Gallagher and Director Holmes to follow up. The Board concurred. Director Gallagher asked if the new proposal is a reduction in services but an increase in cost. Ms. Prudhomme-Mireles agreed with Director Gallagher's analysis but explained that the proposal would be adequate to service the District's needs. Director Gallagher moved to authorize MZSLLP to send out Requests for Proposals for operator services. Director Stoddard seconded the motion and the motion passed unanimously. Director Stoddard noted that there is a boat trailer abandoned on the District's property and would like it to be disposed. After Mr. Mitchell explained the need to verify ownership by the District, Director Stoddard moved to sell the trailer to Mr. Hunter Mayes for \$50 pending verification of VIN and ownership. Director Holmes seconded the motion and the motion passed unanimously.

Director Atkinson stepped out of the meeting temporarily during the bookkeeper's report and returned prior to the vote.

DIRECTORS' REPORTS

There was discussion about the rate order amendments and a draft of rate order amendment was presented from Director Wolf. Director Atkinson noted that he had made amendments to the rate order and stated that he raised some of the rates to account for inflation and would provide more details to MZSLLP for review. Mr. Zientek noted that there was an approved change at the last meeting on the tap fee pass-through fees but there needs to be an official amendment made and put into effect for the District. Director Gallagher moved to allow MZSLLP and the consultants to draft proper language for deposit based on an estimate and a pass through of the actual costs plus 50% mark-up. Director Stoddard seconded the motion and the motion passed unanimously. Director Gallagher moved to allow Director Holmes and Director Gallagher to work with Ms. McKay and Mr. Mitchell to work on the records retention status of the District. Director Wolf seconded the motion and the motion passed unanimously. Director Gallagher explained that the insurance is coming up for renewal and stated she would like Director Holmes to research the insurance. Director Gallagher moved to authorize Director Holmes to investigate insurance options for the District. Director Atkinson seconded the motion and the motion passed unanimously. There was discussion about the reuse project and associated work to be prepared. Director Gallagher gave an update on the Association of Water Board Directors ("AWBD") conference and some legislative updates.

Director Holmes stepped out of the meeting temporarily and returned during Directors reports.

ATTORNEY'S REPORT

Mr. Zientek gave reminded the Board of Texas Open Meetings Act restrictions. He sent a follow up email regarding the land purchase from the Westwood Shores Property Owners Association ("WSPOA") for well #3 and received no response. Mr. Zientek noted that Director

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Holmes would need to complete his director's bond information with the insurance. Director Stoddard moved to approve updating of the District Registration Form. Director Wolf seconded the motion and the motion passed unanimously. Mr. Zientek referenced the supplemental agenda. After consideration, Director Gallagher moved to: 1) Adopt the Resolution Designating MZSLLP as Agent of the Secretary of the Board of Directors during the 2023 Bond Authorization Election and Tax Election; 2) authorize notice of exemption related to the use of an accessible voting system, if applicable; 3) set the pay for election officials at the rates adopted by Trinity County Elections Department; 4) adopt the Order Calling Bond Authorization Election and Tax Election subject to final comments by the District's consultants; 5) authorize preparation of the Notice of Election(s); 6) authorize the Notice and Writ of Election(s); 7) authorize posting of early voting and election day roster(s); 8: authorize the District's consultants to take all necessary steps to complete the Bond Authorization and Tax Election(s). Director Wolf seconded the motion which passed unanimously.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred that the next regular board meeting would be on August 21, 2023, 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 for consultation with attorney at 12:53 p.m.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:07 p.m. Director Stoddard moved to authorize Barton Benson Jones to notify the Public Utility Commission that the District is willing to participate in mediation and to authorize Director Gallagher and Director Wolf to participate in said mediation. Director Holmes seconded the motion and the motion passed unanimously.

ADJOURNMENT

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

Approved this August 21, 2023.

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/s/John Wolf
Secretary, Board of Directors



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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