

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

August 21, 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 Harley Permenter 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”); Kandy Pfeffer of Elite Bookkeeping; Joe Morrow of Hilltop Securities Inc. (“Hilltop”); 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. Robinson asked about a time frame on the District becoming a self-sufficient water source. Director Gallagher and Director Stoddard gave an update on the water supply issues and water source options of the District. Mr. Watson asked about the extreme weather precautions taken by the District. Mr. Rodriguez explained weatherizing measures in place. Ms. Savage inquired about the budget surplus, when water rates may change, property owned by the District, and material weaknesses in the District’s audit. After Director Gallagher answered, Ms. Keel asked about the status of the Texas Public Utilities Commission (“PUC”) litigation.

APPROVAL OF MINUTES OF PRIOR BOARD MEETING(S)

The Board reviewed the minutes of July 17, 2023, regular meeting. Director Wolf moved to approve and accept the minutes, as presented. Director Stoddard seconded the motion. The motion passed by unanimous vote of the Board.

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

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; 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. After Mr. Zientek explained the requirement for preparation of an Engineer's Report, as required by the Texas Water Code, related to the 2023 Bond Authorization Election, Mr. Rodriguez asked the Board to approve his preparation of the Engineer's Report at a cost not to exceed \$15,000. Director Stoddard moved to approve the Engineer's Report and authorize preparation of the Bond Authorization Engineer's Report at a cost not to exceed \$15,000. Director Holmes seconded the motion and the motion passed unanimously.

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. There was some discussion about when the Trinity Rural Water Supply Corporation ("TRWSC") is supposed to give notices about changes in water quality. Ms. Prudhomme-Mireles also requested approval for the painting of the remaining twenty-six (26) fire hydrants at an estimated cost of \$1,200. Director Gallagher asked about the process of evaluating and maintaining the lift stations. Director Holmes moved to approve the Operator's Report and approve the painting of the remaining fire hydrants. Director Stoddard 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 completed, customer services requests, cut offs, and office expenses. There was a long discussion about water accountability. Director Stoddard discussed hiring a company to provide a dumpster for the Districts' refuse to be hauled away. Director Wolf moved to hire a company to provide and remove a dumpster, as requested, with the District's refuse not to exceed \$800 and, after Inframark confirmed that they will assist with loading the dumpster at no extra cost, authorize Inframark to assist with the cleanup. Director Stoddard seconded the motion and the motion passed unanimously.

APPRAISAL DISTRICT'S TAX ASSESSOR'S REPORT

Ms. Pfeffer presented the report from the appraisal district tax office, a copy of which is attached as **Exhibit D**. Director Gallagher noted that she has been working with the appraisal district to receive an update of newly assessed rates. Director Wolf moved to accept the report. Director Stoddard seconded the motion and the motion passed unanimously.

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

UPDATE ON FINANCIAL ADVISOR MATTERS

Mr. Morrow presented the tax rate analysis and recommended the proposed tax rate. There was some discussion about District investments and interest rates. Director Gallagher moved to adopt a resolution declaring the District as a “Developing District” and to publish a \$0.64 (composed of \$0.3551 Debt Service and \$0.2849 Maintenance and Operation) tax rate and notice of hearing on the September 18, 2023. Director Stoddard seconded the motion and the motion passed unanimously. Mr. Zientek gave an update on the TWBD compliance matter and noted that they are requiring a corrective action plan (“CAP”) be filed. Director Wolf moved to authorize the consultants to collaborate with Director Gallagher to prepare the CAP. Director Holmes seconded the motion and the motion passed unanimously.

BOOKKEEPER’S REPORT

Ms. Pfeiffer presented and reviewed the Bookkeeper’s Report including checks presented for approval, a copy of which is attached as **Exhibit E**. There was a discussion about a check to settle a claim with a contractor. Director Gallagher pointed out an increase in revenues due to new customers coming online. Director Gallagher asked a question about the audit and the provision of records. Director Holmes moved to accept the report and approve the checks presented. Director Stoddard seconded the motion and the motion passed unanimously. Director Stoddard gave an update on surplus District property and the plans for disposal. There was an old tractor that the Board declared surplus, and, after consideration of benefits to the District, the Board authorized sale of the tractor to Director Wolf for one hundred and fifty dollars (\$150). Director Stoddard then advised of a backhoe that the Board owned by the District. The Board designated the backhoe as surplus and, after Director Stoddard explained that an offer was made for purchase, the Board declined the offer. Lastly, he explained that the surplus pickup trucks that were advertised for sale have not received any offers yet, so they are still being advertised.

CONSULTANT CONTRACTS

Director Gallagher noted that the Board had requested proposals for operator services. Mr. Zientek noted that two (2) proposals were received, one from Inframark and one from Precision Utility LLC (“Precision”). The Board discussed scheduling a special meeting for consideration of the proposals. The Board asked about getting RFPs for landscaping services.

DIRECTORS’ REPORTS

Director Holmes gave an update on the insurance renewals that are due on October 1, 2023. He noted that he has discussed the options with our current provider TML and three (3) other companies to obtain quotes. Director Wolf gave an update on the valve replacements. Director Atkinson gave an update on the Entergy inquiry and has not been able to determine how the rates are calculated. Mr. Zientek noted that there was some language presented to adjust the rate order to allow for tap fee charges to be passed through. Director Wolf moved to approve the amendment of the rate order to change fees related to water and sewer taps to one and a quarter times the District’s actual costs, a deposit of \$1,000, and any remaining amounts due prior to receiving services to be

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

effective September 1, 2023. Director Holmes seconded the motion and the motion passed unanimously. Director Gallagher and Director Holmes noted updates on the water supply options with TRWSC and The City of Trinity and the details of those meetings. Director Gallagher gave an update on the records management issue and explained that she is working with the office staff. Mr. Zientek gave an update on the water reuse agreement with the Westwood Shores Property Owners Association (“WSPOA”). The office staff is looking at prior meeting minutes to determine if the agreement was officially approved. Mr. Zientek gave an update on the legislative changes for fees of office and asked for the Board to remove the fees of office from the District’s Ethics Policy and adopt a resolution for \$150 per meeting. Director Wolf moved to approve the removal of the fees of office from the District’s Ethics Policy and adopt a resolution setting fees of office at \$150 per meeting. Director Holmes seconded the motion and the motion passed unanimously. Director Gallagher spoke about a community update process to provide information to the public after meetings.

ATTORNEY’S REPORT

Mr. Zientek provided no update on Well No. 3 property purchase as he has not received a response from WSPOA counsel. He then moved to the supplemental election agenda. After review and discussion of the supplemental agenda, Director Stoddard moved, and Director Holmes seconded, to: 1) adopt the Resolution Designating MZSLLP as Agent of the Secretary of the Board of Directors During the 2023 Bond Authorization Election; 2) adopt pay rates for election officials as provided by the Trinity County Elections Department; 3) amend the previously adopted Order Calling Bond Election to remove the Tax Rate Election (for SB2 purposes) from the Order and subject to inclusion of final comments from the District’s consultants; 4) authorize preparation of the Voter Information Document; 5) authorize preparation and posting of the Notice of Election; 6) authorize preparation of the Notice and Writ of Election and authorize distribution, 7) authorize posting of early voting and election day roster(s); and 8) authorize the District’s consultants to take all action necessary to complete the 2023 Bond Authorization Election. The motion passed unanimously.

DISCUSS PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred that the next regular board meeting would be on September 18, 2023, at 9:30 a.m. The special meeting will be held on September 6, 2023, at 9:30 a.m.

Director Stoddard stepped out of the meeting during pending business and returned for the executive session.

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 12:10 p.m.

RECONVENE IN OPEN SESSION

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

The Board reconvened in Open Session at 12:20 p.m. and no action was taken.

ADJOURNMENT

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

Approved this September 18, 2023.



WESTWOOD SHORES MUNICIPAL
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