

Westwood Shores MUD Board Meeting Update

April 24, 2025

Thank you to all who attended our regular meeting on April 21. Below are some highlights. Board minutes from our regular meeting which are the formal record of meeting decisions will be posted on our website after approval at our next meeting (www.westwoodshoresmud.com – see District Information Tab).

Engineer (Civil Grade):

- At the request of the Texas Water Development Board (“TWDB”), Directors approved a \$15,000 lump sum contract for plans and specifications for Water Plant 1 Ground Storage Tank recoating.
- Lift Station Improvements (Phase 2): the Engineering Feasibility Report has been submitted for TWBD review and approval. This project will improve 6-7 lift stations designed to serve approximately 500 current homes. Bond funds of \$1,000,000 are from our 2020 Clean Water State Revolving Fund.
- Water Valve Repairs: Director Brunswick has spent significant time preparing detailed information and photos for 50 valves designated as critical to operations and in need of repair. Our Engineer was authorized for estimated projects costs of \$20,000 to prepare a bid package suitable for soliciting bids. Actual repairs are intended to be funded from bonds funds for which we are currently applying.
- Lead and Copper Rule Revisions – Lead Service Line Replacement Project: Phase 1 (Pipe Material Exploration Confirmation) is estimated for completion in October. The actual replacement of service lines (Phase 2) is estimated for completion in Summer 2026.
- Water Quality and Water Plant 1: Operator estimates installation of chloramine disinfection treatment equipment recommended by the TCEQ to mitigate the formulation of Trihalomethanes (“TTHM”) will be complete by May 2. Additional improvements to the treatment process including the relocation of lines entering the Ground Storage Tank are expected in early fall and will be funded via our 2020 DWSRF bonds.
- New Bond Issuance: We anticipate issuing \$3,810,000 of bonds in Fall 2025. We are applying to both the TWBD and the TCEQ for bond funds. The TWBD application was submitted in March and it may be several months before we learn if we are invited to submit a formal application for funding. The TCEQ application is being prepared for submittal in early May.
- TCEQ Sanitary Sewer Overflow (SSO) Plan: following a sanitary sewer overflow in February, the TCEQ recommended corrective action in the form of an SSO Plan. We must submit a plan in early June and submit semiannual updates regarding our mitigation efforts.
- EPA Per- and Polyfluoroalkyl Substances (“PFAS”) Requirements: The District is required to implement this testing by April 2027. The TCEQ may perform the testing on behalf of smaller utility systems such as ours.
- We are investigating improvements to our SCADA system which can help monitor and control portions of our plant operations.

Operations (H2O Innovation):

- Drinking Water:
 - In response to a Director question, H2O confirmed that in compliance with the Total Coliform Rule (“TCR”) our drinking water is tested monthly for the presence of coliforms, including E. Coli. (Per the TCEQ Drinking Water Watch website **E. Coli has been “Absent”** in all testing monthly results during the past five years).
 - In March there were 25 customer calls related to Water Quality.
 - H2O is overseeing repairs to both Wells 1 and 2 at Water Plant 1. These repairs are anticipated to cost approximately \$76,000.
 - Due to repair to our wells, since mid-March we have been supplying customers with water purchased from Trinity Rural Water at Water Plans #2. We greatly appreciate recent efforts by H2O to devise a way to supply water from Water Plant 2 to Water Plant 1, which allows us flexibility to fill our larger ground storage tank at Water Plant 1.
- Refrigerator magnets for the Customer Service Hotline phone number are available at the MUD office.

Bookkeeper(EEPB):

- We track our books across three fund areas: General Operating, Capital Projects, and Debt Service.

Fund Book Balances as of March 31, 2025:

General Operating	\$ 740,145
Capital Projects	\$ 3,166,275
Debt Service	\$ 677,777

- Budget: Below is fiscal year spending versus the budget (unaudited). Year to date expenses exceeded revenues by \$156,690. We have completed 75% of our budget year on a time basis yet we have incurred 91% of our anticipated expenses. Revenues have benefited from approximately \$136,600 in miscellaneous income from FEMA grants and insurance reimbursements for 2024 weather related damages. We continue to incur expenses in the defense of Public Utility Commission Docket No. 54713. Since July 1 2024, we have incurred at least \$155,000 in litigation expenses.

Budget Category	7/1/24 – 3/31/25 Actuals	7/1/24 - 6/30/25 Budget	Actuals as % of Budget
Operating Income	\$ 2,106,415	\$ 2,486,700	85%
Total Expenses	\$ 1,949,725	\$ 2,151,532	91%
Net Income	\$ 156,690	\$ 27,322	

- The Operating Fund Reserve Coverage Ratio (“Reserve”) has risen from 1.4 months as of December 31 to its current 4.1 months. This ratio shows how many months of expenses we have in reserve for emergencies. The recent increase is mainly due to revenues from Property taxes and FEMA/Insurance reimbursements. The reserves we build up through water and sewer revenues have been crucial to our being able to deliver water and sanitary sewer service to customers following last year’s severe weather and infrastructure failures. We would like to get back to the 7-month reserve we had at this time last year.
- The Board approved expenditures of \$656,700 including \$471,877 for semi-annual debt service, \$30,349 Lift Station repairs/maintenance, \$25,321 PUC Legal Litigation, and \$23,053 sewer line/manhole repairs.

Administrative:

- We are in continuing discussions with the City of Trinity regarding opportunities to purchase water from them. We will maintain our focus on this important priority for the District.
- There have been significant efforts by Director Craig and the MUD office team of Pam, Sheryl and Charlene to upgrade fire protection of our on-site records, to move long term records to off-site storage and to implement other aspects of our recently adopted records retention policy. The District would like to thank the Westwood Shores Landscape team for their assistance with the heavy lifting involved in installing our fireproof file cabinets.
- Directors Brunswick and Stoddard have been authorized to conduct a sale of various surplus equipment of the district including one flat-bed and one gooseneck trailer, a Kubota tractor, two pickup trucks, a zero-turn riding mower, a golf cart and jet truck (for clearing blocked lines).
- Directors Gallagher and Holmes have been working with FEMA since July 2024 to submit grant requests to recover costs related to our 2024 severe flooding event and Hurricane Beryl. To date we have been approved for approximately \$193,000 in funds with an additional \$140,000 under review. Director Holmes also oversaw insurance claims resulting in \$68,472 of reimbursements for these events.
- Our next regular meeting is expected to be May 19, 2025 at 9:30am.