

Westwood Shores MUD Board Meeting Update

June 24, 2024

Thank you to all the customers who attended our regular meeting on June 17. Below are some highlights. Board minutes which are the formal record of meeting decisions will be posted on our website after approval at our July 15th meeting (www.westwoodshoresmud.com – see District Information Tab).

Public Utility Commission Case Update:

- There was a brief update regarding the Public Utility Commission Case brought by Petitioners against the District. A more detailed update from the Board was emailed on June 18, to all individuals who subscribe to customer communications via our billing system or District website. A communication will also be sent to Petitioner's via US Mail.

Engineer:

- Progress is being made on emergency repairs to the sanitary sewer line on a segment in a wooded area which crosses a creek running between Horseshoe Lake and Lake Livingston. Our contractor is working under a not-to-exceed bid of approximately \$63,886 and is expected to mobilize in early July.
- Our funding application for Lead Service Line replacement is under technical review by the Texas Water Development Board (TWBD) and is expected to be approved in July. If approved this will allow us to borrow approximately \$1,590,000; 51% of which will be forgiven. Timing of the borrowing is still to be determined.
- Lift Stations 2 and 12: Estimated project costs are \$390,000, funded by bond issues in 2020. The contractor has removed all the old equipment at both lift stations; concrete should be poured around the wet wells soon, with estimated completion of both lift stations in mid-July weather permitting.
- The ground storage tank and pressure tanks at Water Plant 2 ("WP2") were inspected and require minor repairs.
- Water Plant 1: The 30-day air quality testing to monitor hydrogen sulfide gas emissions was complete May 31. Preliminary data suggests minor mitigation may be needed; we are awaiting the final vendor report and will discuss next steps at our July meeting.

Operations:

- Our water supply/demand statistics are as follows (in thousands of gallons):

Supply (May 1-31)	Gallons ('000)	Usage	Gallons ('000)	Accounted For:
Wells	2,973	Billed	2,367	
TRW	406	Maintenance	150	
		Wastewater Treatment Plant	563	
Total	3,379	Total	3,080	91%

- Precision's repair/maintenance invoice for June contained significant items including approx. \$30,000 at the Wastewater Treatment Plant ("WWTP"), approx. \$26,000 at Lift Stations due to flooding events, \$7,500 for a new fire hydrant on Pinnacle, \$6,800 related to Jet Vac machine repairs) and \$5,500 at our Water Plants. There was an additional \$10,600 related to supervising special projects including eight with Magna Flow, our third-party vendor who handles sewer line and manhole repairs along with sludge removal from blockages. We incurred \$35,000 in Magna Flow fees for such work.
- WWTP:
 - Repairs to Clarifier #1 are complete along with improved lighting around the plant.
 - Precision has been coordinating on our behalf with the Texas Commission on Environmental Quality (TCEQ) to resolve a non-compliance violation at the WWTP dating back to 2021. There is a potential fine of \$11,600 which we expect to be offset by our completing a Supplemental Environmental Project ("SEP") demonstrating that we recently spend approximately \$85,000 to remove silt at the plant, which was a TCEQ requirement which has been outstanding for some

time. This is another example of repairs we have been able to make using funds we have budgeted from increased revenues.

- Sanitary Sewer System: Precision is working to repair multiple line breaks and manhole related issues; more details of the cost of repair will be available at our next regular meeting
- Precision purchased approximately \$44,000 of pumps to have in inventory for emergency repairs. They are also negotiating with a vendor who appears willing to keep additional pumps in their inventory so we can reduce expenditures until we know pumps are needed (this often comes with an emergency stocking fee, so we do prefer to have some inventory on hand).
- There are several locations on Coral Gables being monitored to determine whether water seepage is from on-going leaks or continued run-off from the approximately 38” of rain in the past two months.
- The 2023 Consumer Confidence Report regarding water quality will be posted on the District website by July 1.

Bookkeeper:

- We track our books across three major fund areas: General Operating, Capital Projects, and Debt Service. (See Customer Update distributed on February 28, 2024, for descriptions of the funds).

Fund Book Balances as of May 31, 2024:

General Operating	\$ 958,351
Capital Projects	\$ 2,057,935
Debt Service	\$ 261,183

- Budget: Below is fiscal year spending versus the budget. General Fund disbursements this month were \$288,842 versus \$289,927 in the prior month. This is our second month in a row above budget mainly due to expenses outlined in the Operations report.

Budget Category	7/1/23 – 5/31/24 Actuals	7/1/23 - 6/30/24 Budget
Operating Income	\$ 2,457,642	\$ 2,426,000
Operating Expenses	\$ 2,079,946	\$ 2,083,992
Other Expenses	\$ 4,958	\$ 340,000
Total Expenses	\$ 2,084,904	\$ 2,423,992
Net Income	\$ 372,373	\$ 2,008

- As of May 31, the Operating Fund Reserve Coverage Ratio (“Reserve”) is approximately 5 months, very similar to where it was at the end of June 2023. Recently, in February and March, it was closer to 7 months, but has decreased due to expenditures detailed here and in prior Customer Updates.
- The budget for Fiscal Year 2025 was approved with revenues of \$2,486,700 and expenses of \$2,151,532. This results in estimated revenues in excess of expenditures of \$335,168, which we hope lets us maintain a 6 month Reserve during the 2025 budget year.

Administrative:

- In our May meeting update we outlined the draft Wholesale Treated Water Supply Agreement we received from the City of Trinity. Since then, we met with the City Manager to express our thanks for the proposal and explained our need for a higher monthly volume than they offered, particularly in the summer months. The City is not able to provide us more than 100,000 gallons per day at this time due to several projects which impact their available supply. We will continue to visit with the City about the potential timing for a contract that would better address our needs.
- We participated in meetings sponsored by FEMA and the Texas Department of Emergency Management and are in the process of applying to participate in grant programs related to District

costs incurred during the declared Federal Disaster caused by recent flooding. There are numerous government requirements to qualify, and it may be some time before we know the outcome.

- We authorized the District's Delinquent Tax Attorney to pursue non-payment of taxes by current customers and are making progress on reducing the number of delinquent accounts.
- The District plans to join the Texas Rural Water Association in July and hopes to engage with a member of the rural water "circuit rider" program to improve our knowledge of lower cost funding resources, tools for emergency planning and other available services.
- The Board approved a \$500 donation to the Westwood Shores POA in support of July 4th festivities.

We will have a customer table to provide information about:

- Neptune my360, an app to help customers monitor water usage remotely. Prior to then you can visit **westwoodshoresmud.my360-app.com** to sign up. Have your water bill handy; you will need your account number and either your full name as it appears on your bill, or street address
 - The upcoming election for three Director positions is in November 2024. The timeline for filing to be placed on the ballot will be July 20, 2024, through August 19, 2024. We will post materials on our District website regarding the process in July. If you are interested in learning more, please contact the District's attorney, Josh Zientek at josh@mzslegal.com.
 - A reminder to customers to please avoid depositing "disposable" wipes into commodes. They typically do not live up to their advertised ability to dissolve and instead cause blockages in pipes and lift stations, which in turns increases our maintenance costs.
- Our next regular meeting is expected to be Monday, July 15, 2024, at 9:30am.