

Westwood Shores MUD Board Meeting Update

May 24, 2024

Thank you to all the customers who attended our special Meeting on May 13th and our regular meeting on May 20. Below are some highlights. Board minutes which are the formal record of meeting decisions will be posted on our website after approval at our June 17th meeting (www.westwoodshoresmud.com – see District Information Tab).

Bond Authorization Election:

- On May 13 the Board approved the Order Canvassing Returns and Declaring Results of the May 2024 Bond Authorization Election. Results were 275 For and 110 Against.

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.
 - The large diameter tree that had the potential to fall on the sewer line has been removed at a cost of \$6,750.
 - To repair the sewer line, the Board approved an emergency project for a not-to-exceed (“NTE”) bid of approximately \$63,886 including \$19,200 to construct a new support and up to \$44,686 for up to 100 feet of 12” sewer pipe along with a not to exceed amount of \$8,000 for engineering construction phase services.
- 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 at their July meeting. 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: Improvements will be funded by bonds issued in 2020. Estimated project costs are \$390,000. The contractor has mobilized, and work has begun on LS 12. Lift Station 2 is located near Salt Creek Acres Drive behind Greenway Drive. Lift Station 12 is located on Twisting Creek near Lakeway Drive.
- The ground storage tank and pressure tanks at Water Plant 2 (“WP2”) require inspection. The plant will be offline for several days. Because we are supplying water to the District from our two wells at Water Plant 1 (“WP1”), this activity at WP2, is not anticipated to cause a disruption in our service.
- Water Plant 1:
 - The project to recoat the interior of the 500,000-gallon ground water storage tank at WP1 has been approved by the TWBD and the project is ready for bidding based on a preliminary budget of \$120,000. Work on the project had been deferred to the fall so we do not have to remove WP1 from service during our peak usage months in the summer.
 - The Aeration System is complete and currently in service. The final pay application in the amount of \$70,486 was approved for release of retainage.
 - The Board authorized a NTE budget of \$10,000 for air quality testing to monitor potential hydrogen sulfide gas emissions at WP1. Monitoring results will determine if we need to take any mitigating action. Results are expected at our June meeting.

Operations:

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

Supply (Apr 1-30)	Gallons ('000)	Usage	Gallons ('000)	Accounted For:
Wells	2,923	Billed	2,764	
TRW	300	Maintenance	50	
		Wastewater Treatment Plant	217	
Total	3,223	Total	3,031	94%

- Wastewater Treatment Plant (WWTP):
 - In January the Board approved an expenditure of \$85,000 to desilt the plant. In April when the tank was drained there was significantly more silt than expected with an estimated removal cost of more than \$400,000. A portion of the silt was removed at a cost equal to the approved amount and steps to remove the remaining silt will be discussed at a future board meeting.
 - During the plant shutdown for desilting, a broken gear box was identified in a clarifier tank and was authorized for repair in the amount of \$15,000.
- Precision has begun work on approximately 35 repair items with an approved budget of \$342,000 identified in their 90 Day Assessment presented in January. Some of the work will be completed in our budget year ending on June 30, 2024, and the remainder will be shifted to our new fiscal budget which begins on July 1.
- Precision completed our annual 2023 Water Loss Audit (due May 1) and is finalizing the 2023 Consumer Confidence Report (due July 1).
- The district owned jet-vac truck has been repaired and returned to service.
- Precision staff worked with the Texas Commission on Environmental Quality (TCEQ) to resolve a number of outstanding violations; many of which were administratively removed by the TCEQ and are no longer considered non-compliance items.
- The Board authorized Precision’s purchase of critical equipment inventory for an NTE amount of \$50,000 to have on hand for emergency repairs. Precision will provide monthly inventory updates.

Bookkeeper:

- We track our books across three major fund areas: General Operating, Capital Projects, and Debt Service. A detailed description of the purpose of each fund is covered in the Customer Update distributed on February 28, 2024.

Fund Book Balances as of April 30, 2024:

General Operating	\$1,090,640
Capital Projects	\$2,049,731
Debt Service	\$ 255,852

- Budget: Below is fiscal year spending versus the budget. We expect an increase in the pace of expenditures as Precision begins work on approved and emergency repairs. General Fund disbursements this month were \$289,927 versus \$170,956 in the prior month. In addition, there was a transfer of \$150,974 to the debt service fund to correct an outstanding item from the 2023 Audit.

Budget Category	7/1/23 – 4/30/24 Actuals	7/1/23 - 6/30/24 Budget
Operating Income	\$ 2,285,189	\$ 2,426,000
Operating Expenses	\$ 1,791,104	\$ 2,083,992
Other Expenses	\$ 4,958	\$ 340,000
Total Expenses	\$ 1,796,062	\$ 2,423,992
Net Income	\$ 489,127	\$ 2,008

- A draft 2025 budget was reviewed and should be finalized for approval at our June 17 meeting.
- In conjunction with the approval of our FY2025 budget, the District will consider proposals from a third-party rate study consultant(s) to review our water and sewer rates.

Administrative:

- The District received a draft Wholesale Treated Water Supply Agreement from the City of Trinity. The proposal would provide Westwood Shores with up to 100,000 gallons of per day or approximately 3.0 million gallons per month at a cost similar to what we would pay Trinity Rural Water for the same

usage. For the past two years our monthly usage in summer months has ranged from 3.4 million to 3.9 million gallons. We appreciate the offer from the City, however, as proposed, the monthly gallons are insufficient for the District. We know from past discussions with the City administration that they are working on several projects which impact their current availability of excess water supply. We will continue to visit with the City about the potential timing for a contract that would better address our needs.

- We have sent a letter Trinity County Judge Danny Martin, indicating our support for the County's application for WaterSMART grant from the Bureau of Reclamation that could potentially provide funding for the formation of a Water Advisory Group to discuss water supply issues within the County.
- 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 authorized purchase of IT equipment at a not to exceed amount of \$1,750 including a laptop, speakers and a hotspot to improve ability of the MUD staff to send communications via our website during power/internet outages and for periodical use of our projector and screen during large meetings/forums.
- We have implemented Neptune my360, an app to help customers monitor water usage remotely. Access will depend on both District's real time wireless connectivity to your meter and your access to the internet. Please 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 your street address.
- We authorized the District's Delinquent Tax Attorney to pursue non-payment of taxes by current customers and that notification process is underway.
- There will be an election for three Director positions in November 2024. The timeline for filing to be placed on the ballot will be July 20, 2024, through August 19, 2024. There will be further communication or requirements as those dates get closer.
- Our next regular meeting is expected to be Monday, June 17, 2024, at 9:30am.