

POINT AQUARIUS MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
September 17, 2019

The Board of Directors (“Board”) of Point Aquarius Municipal Utility District (“District”) met at 13185 Point Aquarius Blvd., Willis, Texas, on September 17, 2019, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Marvin Knoll, President
Roland Morgan, Vice President
Frank Lorch, Treasurer
Harry Morris, Secretary

and the following absent:

Dennis Duckett, Director.

Also present were Mr. Jaime Salinas, Ms. Melanie White, Mr. Mike Pawalowski, Ms. Claudia Redden, and Ms. Lori G. Aylett.

The President called the meeting to order and declared it open for such business as might properly come before it.

1. There were no public comments for the Board’s consideration.
2. The Board reviewed the minutes of the meeting held on August 20, 2019. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.
3. The chair opened the public hearing on the proposed 2019 tax rate. The Montgomery County Tax Assessor published notice of the proposed rate of \$0.50. There were no members of the public present to discuss the rate, and the chair closed the public hearing.
4. There was presented the attached Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax and Maintenance and Operation Tax for the Year 2019, which order reflects the levying of a \$0.14 per \$100 assessed valuation debt service tax rate and a \$0.36 per \$100 assessed valuation maintenance and operations tax rate. Upon unanimous vote, the Board adopted the Order as presented.
5. There was presented the Amendment to Statement of Directors Furnishing Information Required by Section 49.455(b), Texas Water Code, as Amended. The attorney noted that the Amendment to Statement of Directors is updated anytime the District adopts a new tax rate and is filed in the real property records of Montgomery County. Potential purchasers of property are on notice that they are located in a water district and they are on notice as to the current tax rate of the District and other related District information. Upon unanimous vote, the

Board approved the Amendment to Statement of Directors as presented and authorized its execution by all Board members present.

6. The Board reviewed the 2020 proposed budget. The bookkeeper reviewed the budget with the Board in detail. The budget reflected income of \$1,430,500, expenses of \$679,094, capital improvements of \$564,435. The budget showed net revenues of \$186,971. Upon unanimous vote, the Board approved the attached Resolution Adopting Operating Budget for the Fiscal Year Ending September 30, 2020.

7. Jaime Salinas presented an engineer's report, a copy of which is attached. Regarding the sanitary sewer overflow initiative, the operator is televising and smoke testing the lines. Manhole inspection and smoke testing will be completed by the operator. Director Morgan asked about the differences between using cured in place and pipe bursting, and the Board discussed the advantages and disadvantages of each method of pipe repair in some detail. The engineer noted that the District should begin looking at next sections of sanitary sewer rehabilitation. The operator and engineer will work on a plan of attack for the next section of line replacement.

The engineer reported that the Summerchase Section 2 utility contractor has completed his work. Inspection was performed, and the contractor is working on the punch list. Once the County has inspected, the project will be complete.

Upon unanimous vote, the Board approved the engineer's report as presented.

8. Mike Pawalowski presented an operator's report, a copy of which is attached. The District experienced water loss of 2.23%. The sewage treatment plant operated at 27% of capacity or an average flow of 184,365 gallons per day. At the wastewater treatment plant, the variable frequency drive on blower No. 1 was repaired. The PLC controllers are all working properly now.

At the lift station, the new pump was installed at the onsite lift station. At the Lake Vista lift station, the operator pulled both pumps, cleaned and deragged them and replaced the chain. In addition at the Lake Vista lift station, the operator installed a cooling fan inside the panel. At the Summerchase lift station, the operator pulled and deragged pump No. 1. The operator noted that the new control panels are a great improvement because they provide operations personnel with a lot of useful information regarding pump run times and other issues.

At Water Plant No. 1, the operator replaced the AC unit. The operator made three distribution line repairs.

The operator reported on pumpage from the District's wells. The District pumped 73,800 gallons from the Jasper wells, and 16,562,000 gallons from the Catahoula well. The District had 1,011 active accounts as of September 16, 2019, and billed 1,023 accounts as of August 31, 2019. There were six meter change outs performed.

The operator presented a report from GM Services on the District's well performance. Director Lorch expressed some concern about the decline in performance at Water

Well No. 3. The operator and engineer noted that the reduction in performance was slight, and it did not give them cause for concern.

Upon unanimous vote, the Board approved the operator's report as presented.

9. Lori Aylett presented an attorney's report on activities undertaken on the District's behalf.

10. Claudia Redden presented the bookkeeper's report, a copy of which is attached. Ms. Redden reported that the general fund balance was \$2,944,494.42 , the tax account balance was \$14,861.88, and the debt service fund balance was \$100,682.44, all as reflected in the report. Upon unanimous vote, the bookkeeper's report was approved as presented and payment of bills listed thereon was authorized.

11. The Board briefly discussed the District's insurance policy renewal. The District's insurance with Texas Municipal League renews automatically on October 1, 2019. The District should anticipate approximately a 9% increase in premium due to some increases in property value.

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


Secretary