

POINT AQUARIUS MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

February 23, 2021

The Board of Directors (“Board”) of Point Aquarius Municipal Utility District (“District”) met at via Microsoft Teams and telephone conference on February 23, 2021, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Roland Morgan, President
Dennis Duckett, Vice President
Frank R. Wengler, Secretary
Elizabeth Potts, Treasurer
Frank Lorch, Director

and the following absent:

None.

Also present were Mr. Mike Pawalowski, Ms. Melanie White, 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 considered the minutes of the meeting held on January 19, 2021. Upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as presented.
3. There was presented the attached Order Levying Additional Penalty for Delinquent Taxes. The order levies a 20% penalty on 2020 delinquent taxes for business personal property on April 1, 2021 and for real property on July 1, 2021. Upon unanimous vote, the order was adopted as presented.
4. The Board reviewed an engineer’s report, a copy of which is attached. King Solution Services has started the pipe bursting project. The sanitary sewer overflow initiative annual report has been submitted to the TCEQ.

Upon unanimous vote, the engineer’s report was approved as presented.

5. Mr. Mike Pawalowski presented an operator’s report, a copy of which is attached. The District served 1,027 active accounts in January. The District had 2.21% water loss, and the sewage treatment plant operated at 36% of capacity. The well pumpage by aquifer was as follows: Jasper 153,000; Catahoula 5,637,000. Two meter change-outs were made.

The operator reported that installation of the variable frequency drive on the lift station on Pelican Bay has helped with odor control. The operator pulled the pumps at the Marina and Lake Vista lift stations. The operator changed out the overloads at the onsite lift station. At Pollux, the operator purchased two extra grinder pumps in case of future rain events.

The operator discussed events related to the winter storm. He reported that the sentinel units at the Summerchase, Aries Loop, and Lake Vista lift stations called out when power was initially lost during the winter storm, but the sentinel units were not useful during the power outage. With no incoming power, they could not call out and notify the operator when the wet well levels were high. Instead the operator moved from lift station to lift station pumping them down using generator power.

At the water plant, the operator had an issue with the main generator because initially it seemed “starved” for fuel. It did start up and perform during the cold weather, but the operator recommends that the unit be checked.

In the collection system, the operator had to repair a four-inch service line leak on Arcturas. The operator replaced in the inflows on Andromeda. The District used the Jasper wells during the winter storm, and the District was able to maintain pressure throughout the event. The operator reported that the valve on top of the hydropneumatic tank cracked, so the booster pumps had to be operated manually. In addition, check valves cracked and failed and released some air. For three full days, the main generator ran all day and all night. The portable generator was also used around the clock for three days. In the District, lots of back flow preventers failed, including the one at the District office. The Board noted that in their experience the District had not used the irrigation system at the office, so the operator will remove the connection to the irrigation system so that the back-flow preventer can be removed.

The operator presented quotes for installation of portable generators at all the District’s facilities. The operator recommended that the District consider installation of generators at the lift stations. It was very difficult and time-consuming for the operator to use one portable generator throughout the duration of the storm event, which lasted for three days. The low bid for installation in all facilities was \$142,500. The Board noted that it did not have available funds in the budget for all of the lift stations to have a generator at this time. Instead, the installations should be staggered so that the District can remain within budget. The Board approved the low bid and authorized the operator to pick the most critical facilities for installation.

The Board expressed appreciation to the operator for their work during the winter storm. The Board authorized the purchase of \$75 gift cards to the operators who staffed the facilities during the winter storm as a token of the Board’s appreciation. The Board also briefly discussed whether smart meters would have assisted the operator during the event. The operator stated that smart meters would have helped them identify customers with leaks more quickly, so that the District could have turned off water and maintained pressure. The Board suggested that the operator consider updates to their website for better communications throughout the event.

Melanie White presented a request from a customer for a one-inch irrigation meter. The Board noted that it did not have a rate in its Rate Order for a one-inch meter and instructed the operator to get more information and ask the customer to attend the next meeting.

The operator discussed the generator maintenance program. The operator presented a proposal from Lofton for generator maintenance and stated that Lofton could give a better price than Cummins and was locally owned and operated. The Board tabled the matter until the next meeting and asked that an item be placed on the agenda regarding the subject.

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

6. The Board discussed the District newsletter. Director Wengler stated that he had assisted in putting together a newsletter about District activities and payment options to go to the residents. The Board reviewed the form of the newsletter and discussed it in some detail. The Board was concerned with the cost of duplicating the communication for mailout. Instead, the Board suggested putting it on the District's website, posting it to Next Door, and providing it to the three homeowners associations. The attorney and Director Wengler will work to get the newsletter posted as the Board suggested.

7. The Board considered the attached Order Appointing Investment Officer. Upon motion duly made, seconded and unanimously carried, the Board voted unanimously to adopt the order as presented, which order designates the office of Treasurer as District Investment Officer.

8. Lori Aylett presented an attorney's report. The attorney will work with Director Potts on list of investment officer training options. The attorney also worked with Director Wengler on the District newsletter.

9. The attorney for the District then discussed with the Board the requirements of Texas Local Government Code Chapter 203, Subchapter D (Senate Bill 625). The law requires districts to annually provide certain records and information concerning the District's finances and tax rates to the Texas Comptroller of Public Accounts. The comptroller has created a special information database on their website, where the information will be assembled, updated, and made available to the public free of charge. The required information is already publicly available in other places, but the law requires submission of the information to the comptroller. The information includes the name of the District, the names of the Board members, any employees, addresses, websites if applicable, names of certain consultants, the total amount of bonds authorized by District voters, the aggregate principal amount of bonds issued, the tax rate, and audited financial information. Upon unanimous vote, the Board authorized the attorney to prepare and file the required report by the April 1, 2021 deadline.

10. Claudia Redden presented a bookkeeper's report, a copy of which is attached. The District has a general fund balance of \$3,495,071.53, and total debt service funds are \$283,168.28. The District's tax fund stands at \$94,665.86. The bookkeeper reported that she received an invoice from the attorney after preparation of her written report. The board reviewed the invoice and authorized payment. The bookkeeper requested and received Board authorization to transfer \$50,000 from the general fund to debt service for the upcoming bond

payment. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of bills listed thereon.

11. Under pending business, the Board authorized Director Wengler to attend the AWBD conference. The Board briefly discussed the issue of waiving penalties and suspending water terminations in the wake of the winter storm. The operator recommended that the Board wait until the "smoke clears" before making any decision as to whether to waive penalties and provide long-term payment plans. After discussion, the Board instructed the operator to refrain from making any disconnects until the next meeting, so that the District can have more information on the magnitude of customers affected by leaks and any other customer service issues related to the winter storm event.

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

[ORIGINAL SIGNED BY FRANK R. WENGLER]

Secretary