

POINT AQUARIUS MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

May 18, 2021

The Board of Directors (“Board”) of Point Aquarius Municipal Utility District (“District”) met at via Microsoft Teams and telephone conference on May 18, 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, Mr. Jaime Salinas, Ms. Claudia Redden, Mr. Dinesh Batva, and Ms. Melissa J Parks.

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

1. The chair called for public comments. Mr. Dinesh Batva addressed the Board regarding a very high water bill for the townhome he owns but does not occupy on Andromeda Court. The District’s operator had informed Mr. Batva of flooding in the house, and as a result Mr. Batva turned off the water at the meter. Mr. Batva received a \$1,500 water bill for the period (\$1,300 in usage plus \$200 in late fees). He disputes the bill because he did not use the water. Mr. Batva noted the home next door to his is also unoccupied, but contractors are doing repair work there. Mr. Batva suspects that the contractors or the neighbor may have turned on and used Mr. Batva’s water. The operator stated that the next door neighbor’s tap had been pulled and it could be the case that the neighbor is illegally obtaining water through Mr. Batva’s meter. Mr. Batva requests that the Board investigate the matter and seeks authorization not to pay the bill until the matter is investigated. The Board stated its intention that Mr. Batva pay for water usage legitimately attributable to him. If some of the usage is related to pipes that burst during the winter storm, such usage could be billed at the first tier. If it appears there was theft of service by another party, appropriate action would be taken. The operators stated that at Mr. Batva’s request they could remove his tap, and when he plans to return to the home or otherwise desires water service to be reconnected, he could provide several days prior notice for reinstallation of the tap. Mr. Batva appreciated this but at this time did not request removal of his tap. Mr. Batva further discussed the situation with the Board and operators. The Board agreed the District should investigate this matter as there may have been theft of service; this does not appear simply to be a private interaction between two individuals. Thereafter, the Board agreed the operator should put Mr. Batva’s bill on hold, investigate the situation, and report back at the next meeting.

2. The Board considered the minutes of the meeting held April 20, 2021. Upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as presented.

3. Jaime Salinas presented an engineer's report, copy of which is attached. The engineer reported the water line replacement project is essentially complete, and he presented Pay Estimate No. 3 and Final in the amount of \$32,178.20 of Underground Construction Solutions, LLC. He recommended approval of this pay estimate, and the Board concurred. On the sanitary sewer rehabilitation project, Mr. Salinas reported King Solution Services had completed pipe bursting and was now working on the manhole rehabilitation. The contractor has also completed replacement of the damaged sanitary sewer manhole on Pollux Street. The engineer recommended approval of King Solution Services' Pay Application No. 2 in the amount of \$13,077, and the Board concurred. Mr. Salinas reported topographic survey work was ongoing for the water line replacement Phases 5-7 and, once it is complete, the engineers will prepare plans for this project and have it ready to bid in the fall. The FM 1097 TxDOT project should not affect this project. The engineer next reported on correspondence from the TCEQ confirming that the Sanitary Sewer Overflow Agreement had been terminated after TCEQ's receipt of the final report on March 30, 2021.

Mr. Salinas reported the engineers will begin preparation of the wastewater treatment plant permit renewal application in June for submission to TCEQ by December 2021.

Mr. Salinas reported that construction plans for relocation of an 8-inch District water line along FM 1097 had been completed and were submitted to TCEQ on May 14. TxDOT's contractor will remove and relocate the line in accordance with these plans. Mr. Salinas's opinion of probable cost was \$220,000, and the Board requested that Mr. Salinas update the District's capital improvement plan to include this expenditure. The Board also reviewed Director Wengler's memorandum on the subject, a copy of which is attached. Mr. Salinas reported TxDOT should receive bids in August and construction should begin in December 2021. The work is expected to be completed in 22 months. The relocation work will involve making wet connections, which will require water service to be turned off for periods of approximately 3 hours at a time. The Board discussed provision of notice to the District's residential and commercial customers before work begins on the project, and it was agreed that the Lakeside and Pelican Bay HOAs also be included in the communication. Mr. Salinas has a Teams meeting with TxDOT engineers on Thursday which Board members are welcome to attend. The project will be discussed at this meeting, and Mr. Salinas will request that the wet connections be made at night and will ask TxDOT to include an alternate bid item for such work.

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

4. Mike Pawalowski presented an operator's report, a copy of which is attached. The District served 1,027 active accounts in April. The District had 4.09% water loss, and the sewage treatment plant operated at 31% of permitted capacity. The well pumpage by aquifer was as follows: Jasper 79,000; Catahoula 9,667,000. Two new taps were made during the month, and there were three meter and two curb stop change-outs.

The operator reported on the status of the return pumps at the sewage treatment plant. He recommended replacement of the pumps at a cost of \$20,000 as compared with a repair cost of \$13,000. Typical lifetime of such pumps is between 3 and 15 years, and these pumps have been used since 2008. After further discussion, the Board agreed unanimously to proceed with replacement of the pumps.

The operator reported the transfer switch had been replaced at the Pelican Bay main lift station, and a 30-horsepower pump had been repaired and was back online at the main lift station.

The operators have replaced a polyphosphate injector at the water plant and will test levels of iron in the water at the complaining customer's home. Despite recent rains there have been no customer complaints about smell. The operator reported that the hydropneumatic tank closest to the building had recently been taken down. Additional similar work will soon be done, and Jaime Salinas will have Preventive Maintenance Services coordinate a facilities review with the operator.

The operator then reported on work on the sewer collection and water distribution lines, including repair of a six-inch water main 12357 Aries Loop. Repairs of the main break involved the customer's driveway, and the customer complained that the operator did not notify her of the work, but Mr. Pawalowski stated the customer had been notified.

The Board then asked the operator if there is a list of assets at District plants or a list of facilities to be monitored on a regular basis. The Board agreed having this information would be quite helpful and requested that the operator prepare such a list. Jaime Salinas stated that the engineers could undertake such work in connection with formulating a more detailed capital improvements plan and he was familiar with similar lists prepared for other districts. After further discussion, the Board agreed that the engineer and operator should collaborate on preparing such a list for the District.

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

5. The attorney's report consisted of Ms. Parks informing the Board the Ms. Aylett's surgery had gone well, which they were happy to hear.

6. The Board agreed to table discussion on the annual Consumer Confidence Report until the next Board meeting as it was not ready for review at this time.

7. Claudia Redden presented a bookkeeper's report, a copy of which is attached. The District has a general fund balance of \$3,189,656.15, a tax fund balance of \$36,716.80, and total debt service funds of \$54,806.91. Ms. Redden commented that interest rates on District accounts and investments are very low and many banks are indicating little to no interest in continuing to bank public funds. Ms. Redden reported that she and Director Potts had each recently attended investment training seminars. She next reported she would begin drafting an operating budget for the fiscal year ending September 30, 2022 and would provide it to Directors Potts and Lorch for initial review. Ms. Redden presented sales tax exemption certificates for Board execution from Entergy, the District's electricity provider. Ms. Redden then discussed the Summerchase 2 construction fund and engineering and legal deposit

summaries. Jaime Salinas provided overall detail on the subject. Ms. Redden stated she will be happy to assist with the reimbursement to the developer at the direction of the Board. The Board agreed that no reimbursement will be made until an inlet damaged by the developer's contractor is repaired by the District operator and the cost deducted from amounts owed to the developer. Finally, Ms. Redden stated that additional materials were in the meeting packet as requested last month by the Board. These materials, copy attached, highlighted major variances and other items that needed to be called to the Board's attention. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of bills listed thereon.

8. The Board considered pending business. Director Morgan addressed the situation with customer Jason Ramsey who has tampered with and damaged District property by cutting locks off the water meter. This customer has had previous contentious discussions with the Board President and the operator's office, and the Board President sought a Board decision on pulling this customer's meter and charging him for cutting the lock, all as provided under the District's Rate Order. After discussion, the Board unanimously authorized the operator to act accordingly pursuant to the District's Rate Order. Further, the Board authorized the operator to direct further calls from this customer to the District's attorney.

The Board noted that the annual summer conference of the Association of Water Board Directors would be held in person in San Antonio in mid-June. If any Directors were interested in attending, they should register very soon.

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

[ORIGINAL SIGNED BY FRANK R. WENGLER]

Secretary