

POINT AQUARIUS MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

June 15, 2021

The Board of Directors (“Board”) of Point Aquarius Municipal Utility District (“District”) met at via Microsoft Teams and telephone conference on June 15, 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
Elizabeth Potts, Treasurer
Frank Lorch, Director

and the following absent:

Frank R. Wengler, Secretary.

Also present were Mr. Jaime Salinas, Mr. Brandon Boyd, Ms. Sara Redden, Mr. Mike Pawalowski, Ms. Melanie White, 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 May 18, 2021. Upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as presented.
3. The Board reviewed a bid for a virtual meeting system. Mr. Brandon Boyd presented a bid from Boyd Tech Solutions for a system to enable the District to conduct virtual meetings, including a 55-inch TV, routers, battery backup, and related equipment in the amount of \$2,855. The Board thanked Mr. Boyd for his presentation. Director Morgan noted that Mr. Boyd had done a similar installation for the POA, and their system appeared to be very functional and user-friendly. Director Lorch expressed the opinion that the system might not be necessary. Director Wengler, while not in attendance at today’s meeting, sent to correspondence to the attorney with his opinion that the proposal was too expensive and that he could provide similar connectivity when he was present at the Board meetings. After discussion, the Board agreed to place the item back on next month’s agenda.
4. The Board reviewed the delinquent tax report. The Board noted that they had not had much opportunity to review the report. The Board expressed the desire that the meeting packet be available by Thursday before each meeting. The attorney stated that she would remind the consultants in an attempt to have a report ready on the Thursday prior to the meeting.

5. Jaime Salinas presented an engineer's report, copy of which is attached. The engineer presented Pay Estimate No. 3 in the amount of \$37,220.36 for Phases 6 and 7 of the sanitary sewer rehabilitation project. The final inspection will soon be scheduled.

The engineer presented an exhibit for the proposed water line replacement Phases 5 through 7 and noted that preliminary design is underway. The engineer has started the permit renewal application to be submitted to the Texas Commission on Environmental Quality by December 2021.

The engineer reported that Hydropneumatic Tank Nos. 1 and 3 at the water plant have been inspected. Minor corrosion failures of the protective coating were found on the interior. The engineer stated that the third tank would have to be taken out of service to inspect soon. The engineer recommended that all three tanks be painted, and he recommended that this be performed in sequence in the fall. The engineer next reported on the FM 1097 water line adjustment. TxDOT has agreed to incorporate the District engineer's plans into their project, with the District to pay the cost. Upon unanimous vote, the Board approved the engineer's report as presented and pay applications listed thereon.

6. Mike Pawalowski presented an operator's report, a copy of which is attached. The District had 2.61% water loss, and the sewage treatment plant operated at 34% of permitted capacity. At the wastewater treatment plant, the operator troubleshot the flow recorder and ordered a new air conditioning unit for the control building. At the lift station on Constellation, the operator pulled the pump and deragged. At the Lake Vista Lift Station, a power outage gave a false reading to the lift station and called out the operator. At Constellation lift station, the operator replaced the 4-inch check valve on pump one. At the water plant, the Hydropneumatic Tank No. 1 is back in service, and valves and fittings were replaced with site glass. Hahn came out to troubleshoot the multismart system. The jockey pump is also back in service. The operator cleaned the evaporator and condenser and purchased a replacement phosphate pump. In the collection system, the storm sewer on Sagittarius was repaired. Another repair needs to be performed when the lake level drops, and in the meantime the operator will install caution tape. A one-inch distribution link was repaired on Sagittarius East. The operator reported pumpage from the Jasper well of 93,000 gallons and from the Catahoula well of 7,824,000 gallons. The District had active accounts of 1,030 as of June 14, 2021 and billed 1,046 accounts as of May 31, 2021. The District installed six new taps, performed four meter change outs and pressure sprayed the office exterior. Director Potts noted that Pelican Island would be getting natural gas soon. She did not know the exact timing but would check. The Board also reviewed correspondence from the SJRA indicating they intend to raise groundwater pumpage and surface water rates on September 1. The Board briefly reviewed the status of Batva account that was discussed the previous month. The operator stated that it was very likely that water was being stolen from this home by a contractor for a neighbor who was performing a remodeling project. The operator will continue to monitor the situation and will contact the Montgomery County Sheriff's Office if unlawful activity is observed. In the meantime, the Board agreed to adjust the Batva account to remove charges for excessive water use.

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

7. The operator presented a draft of the Consumer Confidence Report for the Board's consideration. The report indicated that the District's water is within all EPA and state regulations and is safe to drink. The District will provide a copy of the CCR on their website, and copies will be sent with the District's water bill. Upon unanimous vote, the Board approved the Consumer Confidence Report as presented and authorized its publication and distribution as required by law.

8. Lori Aylett presented an attorney's report on activities undertaken during the prior month. She thanked the Board for allowing her to send a substitute to the meeting.

9. The Board reviewed the ethics letter and update by investment officer, Elizabeth Potts. The attorney noted that annually the investment officer is asked to disclose whether she has any personal business relationships (as that term is defined by statute) with anyone offering to engage in an investment transaction with the District. Ms. Potts submitted the required disclosure which indicated that she had no such relationships to disclose. The attorney noted that this document would be filed with the Texas Ethics Commission and in the District's records as required by law. Upon unanimous vote, the Board approved the investment officer disclosure as presented and authorized its necessary filing.

10. The attorney distributed a conflict of interest questionnaire to the Board. The Board members completed the questionnaires, noting no conflicts, and provided copies for the District's records.

11. Sara Redden presented a bookkeeper's report, a copy of which is attached. The District has a general fund balance of \$3,120,628.41, a tax fund balance of \$55,777.25, and total debt service funds of \$54,807.65. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of bills listed thereon.

12. The Board briefly discussed the draft budget. The Board noted that there was \$0 budgeted for sludge, which cannot be correct. The bookkeeper will check to see if perhaps the invoices have been coded wrong. The operator stated that they would like to comment on the tap fees in the budget. The operator asked to place on item on the next agenda to discuss their contract and the District's Rate Order, with the purpose being to raise the tap fees. The operator noted that materials costs had increased substantially over the past several months and they would like to make a request on the next agenda. The Board concluded their budget discussion by requesting that the consultants review the budgeted numbers.

13. The Board tabled the Advanced Funding Agreement with the Texas Department of Transportation for the FM 1097 water line relocation project.

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

[ORIGINAL SIGNED BY FRANK R. WENGLER]

Secretary