

POINT AQUARIUS MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

July 20, 2021

The Board of Directors (“Board”) of Point Aquarius Municipal Utility District (“District”) met via Microsoft Teams and telephone conference on July 20, 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, Ms. Anna Alexander, 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. The chair called for public comments. Anna Alexander addressed the Board and requested waiver of late fees assessed on standby fees. Ms. Alexander stated that she has owned the lot for five years and just now received the first standby fee bill. Melanie White confirmed that the account had five years of late fees on it. The Montgomery Central Appraisal District had not updated the ownership records until recently, so the operator had no way of knowing that the lot ownership had changed. The customer requested a three-month payment plan and a waiver of late fees. Upon unanimous vote, the Board agreed to a payment plan and waiver of late fees.

2. The Board considered the minutes of the meeting held June 15, 2021. Upon a vote of 4-1, with Director Wengler abstaining because he was not present at the last meeting, the Board approved the minutes as presented.

3. Jaime Salinas presented an engineer’s report, copy of which is attached. The engineer presented Pay Estimate No. 4 and Final to King Solution Services in the amount of \$34,721.99 for Phases 6 and 7 of the sanitary sewer rehabilitation project. The engineer reported the project has been accepted, and the one-year warranty period will begin.

The engineer is working on the preliminary design for the proposed water line replacement Phases 5 through 7.

The engineer reported they are working on the waste discharge permit renewal application and plans for the water line relocation on FM 1097. Upon unanimous vote, the Board approved the engineer's report as presented and pay applications listed thereon.

4. Mike Pawalowski presented an operator's report, a copy of which is attached. The District had 4.41% water loss, and the sewage treatment plant operated at 32% of permitted capacity. The operator reported pumpage from the Jasper well of 31,000 gallons and from the Catahoula well of 10,070,000 gallons. The District had active accounts of 1,042 as of July 12, 2021 and billed 1,053 accounts as of June 30, 2021. The District installed two new taps and performed seven meter change outs.

At the wastewater treatment plant, the operator reported the backflow preventer was replaced. The operator also replaced the belts on the temporary return pump. The operator reported blower motor No. 1 has been sent off for repair for over-amping. At the Marina Lift station, the operator received an odor complaint. At the Pollux Lift Station, a Sentinel call out system has been installed. At the offsite water plant, the operator repaired the automatic oil drip system for Well No. 3.

The operator reported there were eight distribution line leaks. The operator discussed an odor complaint received from a new homeowner near the Marina Lift Station. The operator will discuss options for odor control with the new customer. One option includes installation of venting equipment in the customer's yard.

In response to a question from the Board, the operator confirmed that the District can discontinue all phone line services, because the Sentinel system has been installed at all the District facilities. Mike Pawalowski presented a bid in the amount of \$6,200 for sealing and repairs to conduit at the water plant to prevent electrical short outs. The Board discussed the warranty in some detail, as well as the design of the proposed repair. Upon unanimous vote, the Board authorized the repairs to be made provided that the contractor will guarantee a 12-month warranty on materials and a warranty for the work for up to three-feet of head on water intrusion.

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

5. Lori Aylett presented an attorney's report. She noted that the governor had indicated that he will end all temporary suspensions of the Texas Open Meetings Act effective September 1. The District will still have an option of meeting via video conferencing, but three Board members will have to be present at a physical location. The attorney briefly discussed a complaint received from a homeowner on Andromeda regarding charges for restoration of service after meter tampering.

6. Claudia Redden presented a bookkeeper's report, a copy of which is attached. The District has a general fund balance of \$3,085,680.49, a tax fund balance of \$52,945.71, and total debt service funds of \$59,731.11. The bookkeeper presented a check in the amount of \$1,375 to GM and a check in the amount of \$9,100 to Magna Flow; both checks were added after the report was made. The bookkeeper reported the Summerchase funds can be released after the deduction of funds for the inlet repair have been made. Upon unanimous vote,

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

7. The Board briefly discussed the draft budget. The Board noted that the budget will need to be amended after the amendment to the operator's contract. The bookkeeper and Director Potts will get the budget in final form by next month's meeting.

8. The Board reviewed a proposed operator's contract. Mike Pawalowski noted that the last time the operator had proposed a rate increase was in 2017. The operator is proposing an increase of \$500 in the base rate, an increase to \$550 for tap fees, and some hourly labor rate increases. The Board noted that they were pleased with the services of the operator and are willing to consider an adjustment. However, discussion then turned to consultant review and evaluation. In particular, Director Wengler asked what the requirements were for competitive bidding. The attorney noted that competitive bidding was not required on the operator's contract. However, Director Lorch stated that in the past, the Board members have regularly evaluated all its consultants, but the practice had been discontinued because not every Director was in favor of that process. There are now new Board members, and they would like to approach the subject again. After discussion, Directors Wengler and Morgan agreed to work on a consultant review worksheet, and the attorney will place an item on the next agenda for the Board to discuss whether to resume consultant reviews and in what format. After that discussion, upon unanimous vote, the Board approved the operator's contract as presented, with an effective date of October 1.

9. The Board considered amendments to the District's Rate Order. The Board noted that they would need to amend the tap fees and irrigation fees to coincide with the operator contract increases. The Board noted that the tap fees should be increased to \$1,750 and the irrigation fee increased to \$975, both effective October 1, 2021. However, the Board agreed they would put Rate Order back on the agenda in September after reviewing the budget next month.

10. The Board considered virtual meeting options. The Board reviewed a quote from Boyd for \$2,972.98 for a video conferencing option. Director Wengler stated that it was his opinion that the District should not pay this much money for videoconferencing capabilities. He stated his willingness to provide such services on a volunteer basis as needed. Other Board members noted that the District could achieve corresponding cost savings by avoiding consultants' drive time charges, and an integrated, modern system would be easier to operate and maintain. After considerable discussion, upon motion duly made, seconded and carried with a vote of 3-2, with Directors Wengler and Lorch opposing, the Board approved the proposal of Boyd for video conference setup.

11. The Board reviewed an Advanced Funding Agreement with TxDOT. The attorney noted that she had attempted to negotiate some terms that were favorable to the District, including a procedure for approving change orders before the District becomes responsible for payment to TxDOT. Upon unanimous vote, the Board approved the Advanced Funding Agreement subject to the attorney's final review with TxDOT representatives.

12. At 6:54 p.m., the Board convened in executive session pursuant to Texas Government Code §551.071 to receive advice from its attorney regarding threatened litigation. At 7:17 p.m., the Board convened in regular session.

13. There was no pending business for the Board's consideration.

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

[ORIGINAL SIGNED BY FRANK R. WENGLER]

Secretary