

POINT AQUARIUS MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

September 21, 2021

The Board of Directors (“Board”) of Point Aquarius Municipal Utility District (“District”) met via videoconference (Microsoft Teams) and at 13185 Point Aquarius Boulevard, Willis, Texas 77318, on September 21, 2021, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

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

and the following absent:

Dennis Duckett, Vice President.

Also present were Mr. Mike Pawalowski, Ms. Melanie White, Mr. Jaime Salinas (via videoconference), Ms. Claudia Redden, Mr. Scott Smith (via videoconference), 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 August 17, 2021. Upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as presented.
3. The Board considered a customer appeal of charges assessed at 12935 Andromeda Court. Mr. Scott Smith appeared at the meeting via Microsoft Teams but complained immediately that he did not have access to a camera or microphone that worked. Instead Mr. Smith communicated via the chat function of Microsoft Teams. Mr. Smith inquired as to the identity of the District’s operations company, and the Board provided him with that information. The attorney confirmed that information previously provided by Mr. Smith via email on June 21 and June 22 was provided to the Board and reviewed by them. The Board reviewed the account history, as well as the numerous instances of cut locks at the premises. Mr. Smith denied responsibility for any of the cut locks and claimed that his home construction contractor had cut the locks and had stolen money from him that was to be used to pay the deposit. Mr. Smith stated that charges had been filed against the contractor and he was willing to provide that information to the Board members. Mr. Smith stated that he would provide that information within the next business day. The Board agreed to place the matter back on the agenda after reviewing information to be provided by Mr. Smith.
4. The chair opened a public hearing on the proposed 2021 tax rate. The

attorney confirmed that the Montgomery County Tax Assessor had published the 2021 proposed tax rate. No members of the public wished to address the Board regarding the proposed tax rate, and the President declared the public hearing closed.

5. 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 2021. The order reflected a debt service tax rate of \$0.35 per \$100 assessed valuation and a maintenance and operations tax of \$0.08 per \$100 assessed valuation. Upon unanimous vote, the Board approved the Order as presented.

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 motion duly made, seconded and unanimously carried, the Board approved the Amendment to Statement of Directors as presented and authorized its execution by all Board members present.

Lori Aylett noted that since the District had adopted a 2021 tax rate, it was necessary for the District to update the Tax Code Section 26.18 compliance document to reflect such rate. Upon unanimous vote, the Board authorized the attorney to update the compliance document.

6. Jaime Salinas presented an engineer's report, copy of which is attached. The engineer has submitted plans for water line replacement phases 5 through 7 (Capricornus, Pollux, Pegasus, Crater) to the TCEQ for review. The engineer still plans to recoat the tank interiors for hydropneumatics tanks No. 1 and 3. Hydropneumatic tank No. 2 will be taken out of service for inspection when cooler weather reduces water demand. The engineer reported that the sewage treatment plant permit renewal application is completed. The engineer reported that the TxDOT water line relocation bid came in much higher than anticipated. He is attempting to reduce costs by reducing the amount of boring. The engineer reported that he is continuing to work on an asset management plan. Director Lorch suggested that the District consider extending the timeline for some water line replacements. Upon unanimous vote, the Board approved the engineer's report as presented.

7. Mike Pawalowski and Melanie White presented an operator's report, a copy of which is attached. The District had 3.17% water loss, and the sewage treatment plant operated at 29% of permitted capacity. The operator reported pumpage from the Jasper well of 74,000 gallons and from the Catahoula well of 15,110,000 gallons. The District had active accounts of 1,045 as of September 14, 2021 and billed 1,057 accounts as of August 31, 2021. The District installed zero new taps and performed 10-meter change outs.

The operator reported that the flow recorder has been restocked with chart sheets. The operator stated that the 100-horsepower motor for the blower has been repaired and is back online. The operator spoke with a homeowner about adding fencing at the Lift Station. The operator subcontracted work on repair of failed tap to Kings Solutions. The operator repaired two

distribution line leaks and one main line break on Centaurus. The operator noted the need for a repair to a line in a yard with substantial landscaping. The landscaping is located in the easement, but the operator will warn the customer in advance so that they have an opportunity to remove their landscaping. Director Potts noted that one of her neighbors has complained about their personal water filter system and how quickly it fills with “black goop”. The operator will conduct some routine water testing to confirm the water constituents.

8. The Board considered the attached Rate Order. The Board noted that it would be appropriate to change the District’s water and sewer tap fees and irrigation tap fees to \$1,750 and \$975, respectively. Upon unanimous vote, the Board approved the Rate Order as presented. The Board instructed the attorney to put consideration of the Rate Order back on the next agenda, as the Board wanted to perform some further rate analyses.

9. The Board noted that there was no need to amend the budget that was adopted at the prior month’s meeting and therefore deferred action on the budget.

10. The Board noted that they will consider the consultant review of the attorney at next month’s meeting. The attorney will send the consultant review form in advance.

11. Claudia Redden presented a bookkeeper’s report, a copy of which is attached. The District has a general fund balance of \$2,731,096.28 and total debt service funds of \$30,681.64. The bookkeeper presented the tax fund which had a balance of \$41,891. The bookkeeper reported that check 6902 through 6907 were added after the packet was posted, and all the checks were payable to Center Point for generator gas line installations. Upon unanimous vote, the bookkeeper’s report was approved as presented.

12. The Board approved renewal of insurance with TML at a premium cost of \$25,236. Next year, the Board would like to obtain competitive proposals.

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

Secretary

