

## POINT AQUARIUS MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

October 19, 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 October 19, 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. Russ Cosbey, Ms. Claudia Redden, Mr. Steve Hake, Mr. Blake Berringer, 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 President opened the meeting for public comment. Mr. Blake Berringer addressed the Board and stated that he owned a home on two lots. He recently received a past due notice for standby fees. He stated that in his opinion he should be exempt from paying standby fees, as the structure goes over both lot lines. If he is not exempt, he would like for the Board to consider a waiver of fees as he only recently became owner of the property. The Board noted that it would be important to understand whether the lots were combined and with the approval of the homeowner’s association Board.

Mr. Steve Hake next addressed the Board. He stated that he was on the property owner’s association and had recently been contacted by an Orion Court resident. According to Mr. Hays, the area near the customer’s home on Orion Court has a flooding issue that may need the District’s attention. The Board requested that the District engineer review the situation.

2. The Board considered the minutes of the meeting held September 21, 2021. Upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as presented.

3. Mr. Russ Cosbey gave the engineer’s report, a copy of which is attached. The engineer has submitted plans to the Texas Commission on Environmental Quality for review for the waterline replacement Phases No. 5 through 7. Once construction plans are approved, the

District should consider implementation of the construction in phases, beginning on Capricornus Street.

At the November meeting, the engineer will present a report and recommendation after the hydropneumatic tank No. 2 inspection.

The engineer has drafted the waste discharge permit renewal application and submitted it to the operator for review. The renewal application must be submitted to the Texas Commission on Environmental Quality by December, and the permit expires in June of 2022.

The engineers continuing to review the bid and TxDot initial requirement for steel casing at the road crossing at FM 1097. The steel casing cost was approximately \$177,000, which greatly increased the District's cost for relocation of the waterline.

4. Mike Pawalowski and Melanie White presented an operator's report, a copy of which is attached. The District had 2.81% water loss, and the sewage treatment plant operated at 29% of permitted capacity. The operator reported pumpage from the Jasper well of 263,000 gallons and from the Catahoula well of 12,829,000 gallons. The District had 1,049 active accounts and had billed 1,065 accounts. The District installed one new tap, performed 13-meter change-outs, and repaired four service lines.

The operator reported that they have purchased a new shredder pump at a cost of \$17,500 plus the installation fee. The operator performed the regular maintenance as listed in the report. The operator reported that they are getting bids for plugging the small well Water Plant No. 2.

5. The Board considered possible amendments to the Rate Order. Director Potts presented a spreadsheet which demonstrated the impact of implementing an escalating sewer rate. Director Lorch stated that he was not in favor of this approach and that the District should understand its budgeting needs before making changes. After discussion, the Board agreed to table further consideration of the Rate Order until Directors Lorch and Potts have an opportunity to review the budget and various rate proposals as a committee. They will bring back recommendations to the Board at an upcoming meeting.

6. The attorney presented a memorandum on the passage of Senate Bill 3, which requires the District to prepare an Emergency Preparedness Plan and critical load application. The Board authorize the engineer to prepare the Emergency Preparedness Plan, and he estimated the cost of preparation at approximately \$5,000. The engineer will prepare and file the critical load application.

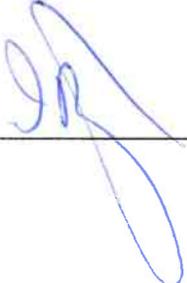
7. Claudia Redden presented a bookkeeper's report, a copy of which is attached. The District has a general fund balance of \$2,629,914.94 and total debt service funds of \$30,680.20. Upon unanimous vote, the bookkeeper's report was approved as presented.

8. The Board discussed the request of Mr. Scott Smith for adjustment to fees assessed against his account at 12935 Andromeda Court. At the outset, the Board noted that they had moved this item to the end of the agenda because the District had technical difficulties with the video conferencing at the beginning of the meeting. Those difficulties were resolved, and the

attorney emailed Mr. Scott during the meeting to let him know that video conferencing was available. Mr. Scott had responded that he had waited for 15 minutes but was not able to wait any longer and he was unwilling to rejoin the meeting after the technical difficulties were resolved. The Board discussed the account in some detail. The customer had been previously advised that he needed to complete an application for service, provide proof of ownership of the home, a copy of the photo ID, and a check or money order for fees totaling \$2,669.40. Those fees were assessed pursuant to the District's Rate Order for metered usage and cut locks, pull meter charges, deposit for new services, and pull and reset tap fees. The Board noted that they had reviewed all of the information previously provided by Mr. Smith regarding his contractor's actions in cutting the lock and utilizing water service. The Board noted that the customer was responsible for the actions of his contractor, and the Board found no facts and circumstances that authorize any adjustment to the account. Upon unanimous vote, the Board declined to make any adjustment on the account.

9. The Board presented the consultant evaluation of the attorney. The Board reviewed the performance of the attorney and noted that her services were in good order. Most of her ratings fell between 4 and 4.5 on a five-point scale. Opportunities for improvement include providing legal research and reports on a more timely basis and being more proactive in providing business advice to the Board. The attorney thanked the Board for their feedback and expressed her appreciation for the opportunity to serve.

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

  
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Secretary