

POINT AQUARIUS MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

November 16, 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 November 16, 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. Jamie Salinas, Mr. Russ Cosbey, Ms. Claudia Redden, Keith Wagner, 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. A Pelican Bay resident, Keith Wagner, addressed the Board regarding the District’s recently installed standby generators. He stated that the Pelican Bay deed restrictions require that the generators be shielded from view and asked if the Board had plans to do so. The operator noted that installation of the generators was not yet complete, and shielding was planned. Mr. Wagner also noted that the operator had requested that he provide his internal home water pre-filter for testing, and the filter will be destroyed as a result of that testing. Mr. Wagner requested that the Board reimburse him for the cost of replacing the filter. The operator noted that they had intended to test the substances on the pre-filter, and they were doing so at the customer's request. The Board asked Mr. Wagner some questions and he noted that he was having an intermittent problem with water quality. The Board suggested that Mr. Wagner bypass his filtration system to see if the water was soft enough without utilizing filtration.

2. The Board considered the minutes of the meeting held October 19, 2021. After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as amended.

3. Mr. Russ Cosbey and Jamie Salinas gave the engineer’s report, a copy of which is attached. The engineer reported no new activity on the water line replacement design. The engineer recommended that all three hydro tanks be inspected on the same schedule for total sum of \$30,000. The engineer reported that the critical load list report prepared and submitted. The engineer reported he has prepared the renewal of the waste discharge permit. The engineer is in contact with TxDOT about doing an open-cut instead of a steel casing on the water line

relocation project on FM 1097. The Board asked the engineer to estimate the cost of a deduction. The Board discussed the scheduling and phasing of capital projects. Director Wengler met with Mike Pawalowski and Jamie Salinas regarding the Orion Court drainage issue. There is a lot of drainage going into one inlet in the area, and Director Wengler suggested the addition of inlet. The engineer noted that they should first be authorized to prepare a scope of work for a drainage study and potential solution before any decision is made. Upon unanimous vote, the Board authorized the engineer to prepare a proposal for a cost and scope of work. Upon unanimous vote, the Board approved the engineer's report as presented.

4. Mike Pawalowski and Melanie White presented an operator's report, a copy of which is attached. The District had 3.44% water loss, and the sewage treatment plant operated at 30% of permitted capacity. The operator reported pumpage from the Jasper well of 53,000 gallons and from the Catahoula well of 9,302,000 gallons. The District had 1,049 active accounts and had billed 1,063 accounts. The District installed one new tap for the month.

The operator reported that they performed preventative maintenance on the chlorinators. They also stated that the decant pump cable broke and the operator fished it out of the digester and repaired the cable. The operator reported that the back up power generator has been installed at the Constellation lift station. The operator installed new valves and fittings at the hydro-pneumatic tank No. 3 on the air line. The operator solicited bids for plugging a well that is no longer used by the District. There was quite a bit of difference between the bids, and the operator is going to review the bids with the contractors to ensure that all they are bidding on the same scope of work. The operator jetted a line on Orion Court, but there was a failed tap, which was repaired. The District had a sanitary sewer overflow inside the wastewater treatment plant site. The operator detailed the circumstances regarding the backup and noted that he did not have an explanation for why it had occurred. The operator is going to televise a section of main in the area and add a float in the manhole for earlier detection. Upon unanimous vote, the operator's report was approved by the Board.

5. Lori Aylett presented an attorney's report. The resident on Andromeda who recently complained about changes assessed for meter tampering has presented a deed purporting to reflect new ownership. However, the application for service was incomplete.

6. The Board considered amendment to the District's Rate Order. Directors Lorch and Potts reported on their activities as a committee to review the rates and make a recommendation. Their target was to add \$5,000 a month to District revenues. Based upon customers' average usage, the District could anticipate receiving such revenues by changing the incremental water rate for water use between 5,001 and 10,000 gallons from \$1 to a \$1.25 per thousand, changing the sanitary sewer rate for single-family connections from \$25 per month to \$29 a month, and changing the commercial sanitary sewer rate from a \$1.75 to \$2 per thousand gallons. Upon unanimous vote, the Board approved the Rate Order as presented, effective January 1, 2022, and a copy of the document is attached.

7. Claudia Redden presented a bookkeeper's report, a copy of which is attached. The District has a general fund balance of \$2,715,912.70, a tax fund balance of \$81,672.11 and total debt service funds of \$30,678.60. Upon unanimous vote, the bookkeeper's

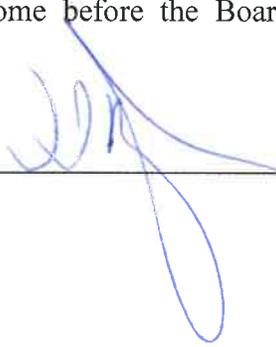
report was approved as presented.

8. Under pending business, effective December 17, 2021 Director Elizabeth Potts will no longer own property in the District and thus submitted her resignation from the Board. The Board thanked her for her service and wished her well.

Director Wengler will begin work on a newsletter, which will discuss the installation of generators, the waterline replacement project, the lowered tax rates, and the changes in the water rates.

Jamie Salinas indicated that due to personal changes at his firm, he was assigning his day-to-day duties associated with the District to Russ Cosby. The Board welcomed Mr. Cosby and thanked Jamie Salinas for all his hard work. Mr. Salinas stated that he would still be involved with the District and available for construction.

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



Secretary