

POINT AQUARIUS MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
December 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 December 21, 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
Frank Lorch, Director

and the following were absent:

Elizabeth Potts, Treasurer.

Also present were Mr. Mike Pawalowski, Ms. Melanie White, Mr. Russell Cosbey, Ms. Claudia Redden (via videoconference), Mr. Rick Paige, Mr. Andy Welsch, Ms. Cecile Hanus, 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 Board opened discussion for public comment. Resident Rick Paige respectfully requested the removal of a \$25 disconnect fee. Mr. Paige noted that there was a leak on his side. He called the operator but was not informed that he would be charged the disconnect fee. The operator offered to cover the costs because their office did not communicate this effectively.

2. The Board considered the minutes of the meeting held November 16, 2021. After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the minutes, as presented.

3. The Board received and reviewed a delinquent tax report from Perdue, Brandon, Fielder Collins, & Mott, LLP.

4. The Board returned to public comment and customer service inquiries, as Ms. Cecile Hanus entered the meeting in progress. She stated that the District installed a generator at the corner of Pollux and Pegasus very near her home. She stated that in her opinion the generator was ugly and she would like to see it painted or landscaping to be placed around it. The Board discussed landscaping. Ms. Hanus stated that she would maintain shrubbery if the District planted it. The Board noted that they would take her requests under advisement. The

operator noted that District should be prepared to landscape around all the recently installed generators. In other words, the District should be willing to do the same improvements for all affected residents. The Board asked the operator to make a recommendation for landscaping or screening around the generators after their installation.

5. Mr. Russell Cosby presented the engineer's report, a copy of which is attached. The engineer reported that the waterline replacement Phase 5-7 will be started in the next fiscal year. The engineer reported that he will prepare plant specifications for coating the interior of all three hydro tanks. The operator suggested that the District also coat the diesel fuel tanks at the sewer plant. The Board discussed the generators. The District still uses diesel at the wastewater treatment plant, but all other generators are natural gas.

The engineer presented a scope of professional services for the Orion Court drainage project. The costs are not to exceed \$28,000, which would include a drainage report, a topographic survey, and reimbursables. Director Wengler made a motion to approve the proposal for professional services, subject to his review. The motion was seconded by Director Lorch, and discussion ensued. Director Lorch asked if the report was necessary, as the District was already generally aware of the problems and potential solutions. The engineer stated that the District does have some ideas about the problems, but a comprehensive examination of the grades and topography has not been done. Without a professional survey, the engineer cannot make recommendations with certainty regarding potential solutions. To do otherwise, the District would be utilizing guesswork and supposition. After full discussion, the motion was passed by unanimous vote.

Mr. Cosby noted that the wastewater treatment plant permit renewal was submitted in December.

Discussion then turned to the TxDOT 1097 project. The District engineer had given an opinion of probable costs for the project of \$288,637. Bids were \$343,595. Construction is slated to begin in the new year.

6. Mr. Mike Pawalowski and Ms. Melanie White presented an operator's report, a copy of which is attached. The District had 16.77% water loss, and the sewage treatment plant operated at 32% of permitted capacity. The operator reported pumpage from the Jasper well of 192,000 gallons and from the Catahoula well of 7,505,000 gallons. The District had 1,048 active accounts and billed 1,065 accounts. The District installed three new taps and performed two meter change outs.

The operator reported that the water loss was very high because several different parties exercised the District's wells and overflowed the tanks. The operator stated that the District may have also had contractors using water for line boring. At the wastewater treatment plant, the new PLC processor for blower No. 2 was installed. The operator installed backup float

switches for preventing overflows that could result from decanting the digester. The gravity sewer line that backed up has been televised and cleaned, and rotating assembly No. 2 has been installed and is online.

At the Lake Vista lift station, the operator pulled pumps Nos. 1 and 2. At Pelican Bay, the operator changed the main disconnect switch. At Marina lift station, the operator is waiting on the double gates to the fence to be built and installation will be completed as soon as the gates are done. At the onsite lift station, the SC 2000 level indicator has gone out, and replacement costs will be \$3,350. The Board approved the installation.

At the water plants, GM Services tested wells 3 and 4, and the USGS has conducted a study on the Catahoula Well. The operator confirmed that Bussell's bid included all necessary specifications to cap well No. 2 at a cost of \$8,500. Upon unanimous vote, the Board authorized Bussell and Company to cap the well and submit all necessary reports. By the next meeting, the engineer and operator plan to have an asset management plan for the Board's review. The Board noted that it would be important to conduct a workshop meeting for the asset management plan after it has been received and reviewed. Quotes for the stormwater outfalls are still pending. The operator repaired four distribution leaks and replaced several meter boxes and lids. The operator reported that an unknown contractor removed the brackets on the Pelican Island bridge that support the District's water main. No one has claimed responsibility for the act, so the operator replaced the missing bracket.

Melanie White reported that the District's depository bank has indicated that it will not accept payments that have no signature on the check. Many customers pay their bills online and believe that the payments are being made by electronic funds transfer when in fact, the bank is writing a check. The affected customers will be notified and provided the opportunity to come and replace their check. The Board instructed the operator to give affected parties a 10-day grace period to replace the check.

7. Lori Aylett presented an attorney's report. She assisted Director Wengler with preparation of the periodic newsletter.

8. Lori Aylett reported that pursuant to Texas law, all entities with the power of eminent domain must annually submit certain information to the Texas Comptroller. The District will be required to submit not later than February 1st of each year a report containing records and other information needed for the Comptroller's eminent domain database, including the following: (i) name, (ii) address and public contact information, (iii) the name of a representative and their contact information, (iv) the type of entity, (v) each provision of law that grants the District eminent domain authority, (vi) the focus or scope of eminent domain authority, (vii) the earliest date on which the District had the authority to exercise eminent domain, (viii) the District's taxpayer identification number, if any, (ix) whether the District exercised its eminent domain authority in the preceding calendar year by filing a condemnation

petition, and (x) the District's website address or, if it does not have one, the contact information to enable a member of the public to obtain information from the District. The attorney requested that the Board authorize her office to file the annual report with the Texas State Comptroller not later than the February 1, 2022 deadline. Upon unanimous vote, the Board authorized the attorney to make the submission as required by law.

9. Claudia Redden presented a bookkeeper's report, a copy of which is attached. The District has a general fund balance of \$2,534,619.14, a tax fund balance of \$193,184.80 and total debt service funds of \$30,676.78. Director Lorch agreed to act as Investment Officer following Director Potts' resignation. Director Morgan asked some questions about the bookkeeper's characterization of some operation expenses and how those are accounted for in revenues and expenses. Upon unanimous vote, the Board approved that bookkeeper's report as presented.

10. The Board reviewed the resignation of Director Liz Potts. Upon unanimous vote, the Board accepted the resignation as presented.

11. Under pending business, Director Lorch noted that the District has an opportunity to fill the vacancy, and Andy Welsch has indicated that he is interested in serving. Director Potts had also provided a resume of a person from her subdivision to fill the vacancy. The attorney noted that the District could review the qualifications of proposed candidates in executive session, and she will place items on the next agenda for appointing a Director and making such deliberations.

Director Wengler presented the draft of the newsletter that he was previously authorized to put together on the District's behalf. He asked that Board members provide any comments by one week from today and then the newsletter will be published to the District's website and social media.

12. The Board noted that the next contractor to receive a review will be the District's operator, and such review will be conducted next month.

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

Secretary

