

POINT AQUARIUS MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

March 15, 2022

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 March 15, 2022, 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
Glenn Andy Welsch, Treasurer
Frank Lorch, Director

and the following were absent:

Dennis Duckett, Vice President.

Also present were Mr. Mike Pawalowski, Ms. Melanie White, Mr. Russell Cosbey, Ms. Claudia Redden, Mr. David Blackwood, Mr. Everett McClinton, and Ms. Lori G. Aylett (via videoconference).

The President called the meeting to order and declared it open for such business as might properly come before it.

1. The chair opened the meeting for public comment. David Blackwood addressed the Board and stated that he had a \$1,100 water bill, and there was no way that he could have used that much water. The operator noted that a leak could, in fact, cause the very large water use reflected on the bill, but the operator had not had the opportunity to investigate. The Board authorized the operator to investigate the customer’s water use issue, and the District will waive late fees and delay the due date pending the results of the investigation.

Everett McClinton stated that he was attending the meeting because he lives on Orion Court and has had drainage issues at the front of his property. Last May, he had flooding in his home and has had past instances of flooding in the house. The Board advised the resident that the District previously authorized the engineer to perform a drainage study on Orion Court, but the results are not yet available.

2. The Board considered the minutes of the meeting held February 15, 2022 and February 22, 2022. After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as presented.

3. Mr. Russell Cosbey presented the engineer’s report, a copy of which is attached. The engineer reported that Waterline Phase Nos. 5-7 (Pollux, Pegasus and Crater) will be bid in the next fiscal year. The Board discussed advertising and bidding requirements and suggested that the engineer give plenty of time for bidders to review. The engineer reported that the Hydro Tank contracts are ready for G-Tex’s execution. Mr. Cosbey presented a drawing showing preliminary indications of pipes and drainage flows on Orion. He also stated that the

hydraulic study had been done with the assistance of LIDAR. The written results of the study were not yet available. There was a lengthy discussion regarding the status of the study and the time it has taken the engineer to complete the project. The Board instructed the engineer to complete the study as soon as possible, as residents are inquiring about to question the drainage matters.

Mr. Cosby reported that the first publication of the waste discharge permit renewal occurred on February 21.

On the FM 1092 project, the engineer has received the submittal for the waterline, valve, hydrants, and casing. The engineer has reviewed the submittal and returned it to TxDOT. Director Wengler asked when the state is going to install the line, and the engineer noted that the schedule had not yet been established. Director Wengler noted that given the length of time it is taking TxDOT to perform the work, the District may have an opportunity to relocate the line itself at a cost savings to the District.

The Board briefly discussed the asset management plan. The Board noted that there was need for another workshop meeting to be held on March 24th at 4:00 p.m. The Board noted that there would be no need for a video conference option. Upon unanimous vote, the engineer's report was approved as presented.

4. Mr. Mike Pawalowski and Ms. Melanie White presented an operator's report, a copy of which is attached. The District had 10.14% water loss, and the sewage treatment plant operated at 36% of permitted capacity. The operator reported pumpage from the Jasper well of 71,000 gallons and from the Catahoula well of 5,605,000 gallons. The District had 1,058 active accounts and billed 1,067 accounts. The District installed six new taps and performed 2-meter change outs.

The operators reported that they are going to have the wastewater treatment plant meter calibrated. The operator reported that they have cleared out the chlorine contact chamber. The operator also pulled and cleaned pumps No. 1 and 2 to the onsite lift station. The operator reported that pump No. 1 at the Summerchase Lift Station burned up. They have cleared out debris at all lift stations. The new SC2000 controller has been delivered and is scheduled for installation on the effluent lift station. The operator discussed the repair of a storm sewer at 12118 Sagittarius East. The storm sewer will require removal of sidewalks, some landscaping and a fence. The operator confirmed that all of these encroachments were located on the District's easement. After discussion, upon unanimous vote, the operator's report was approved as presented.

5. Lori Aylett presented the attorney's report. The property owner on Andromeda finally paid all back charges and meter tampering charges in full. The customer was unhappy because he had to hire a plumber to reconnect his waterline to the District's meter.

6. The Board reviewed tax accounts for removal from the delinquent roll. The Montgomery County tax assessor presented three accounts proposed to be written off as uncollectible, and upon unanimous vote, the Board authorized write-off of the accounts.

7. Ms. Claudia Redden presented a bookkeeper's report, a copy of which is attached. The District has a general fund balance of \$3,078,876.41, a tax fund balance of \$47,570.54 and total debt service funds of \$35,254.72. The bookkeeper reported that every time

the District changes the capital improvements plan, the District needs to inform the bookkeeper so that any budget changes can be made. The Board needs to get new signature cards this month and again after appointing someone to replace Director Duckett. Upon unanimous vote, the Board approved that bookkeeper's report as presented.

8. There was presented a list of qualified brokers/dealers. Director Welsch reported that he had contacted over 30 banks to identify banks that would handle public funds. During his investigation, he discovered that Frost Bank has a certificate of deposit rate that is substantially higher than TexPool and Texas CLASS. Director Welsch asked for authorization to work with Claudia Redden regarding the possibility of moving the District's depository bank to Frost Bank. Ms. Redden expressed her willingness to work with Director Welsch. She also pointed out that sometimes the increased interest income is offset by bank fees and charges, so it would be important to know whether the District is experiencing a real gain on quoted rates. Ms. Redden also noted that interest rates are predicted to rise, and it would not be prudent to invest all of the District's money in certificates of deposit. She also advised that money should not be placed all into one bank. She suggested that the Board keeps some money in TexPool and Texas CLASS so that the District can take advantage of rising interest rates. After full discussion, upon unanimous vote, the Board authorized addition of several named banks to the District's authorized broker/dealer list. A copy of the list is attached.

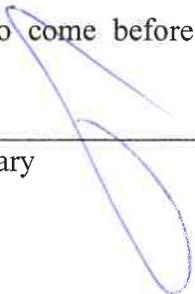
Director Welsch stated that Frost Bank had asked for two months of the District's bank statements for all District accounts. The bookkeeper will assist in complying with their request.

9. The Board reviewed the resignation letter of Director Dennis Duckett. Upon unanimous vote, the Board accepted the resignation, effective immediately. The Board tabled consideration of an Order Appointing Director.

10. Under pending business, the Board noted that next month it was time to perform the next consultant review, which would be the engineer. Director Wengler stated that he would like the District to have better communication with its residents regarding repairs and other District matters. The Board authorized Director Wengler to have some preliminary discussions with the District's website consultant and other website consultants, to see if Director Wengler's goals can be achieved at a reasonable cost to the District.

11. At 7:39 p.m., the Board convened in executive (closed) session pursuant to Texas Government Code §551.071 to receive advice from the District's legal counsel. At 7:45 p.m., the Board reconvened in regular session.

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



Secretary