

POINT AQUARIUS MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

May 17, 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 May 17, 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
Steve Callaway, Director
Frank Lorch, Director

and the following were absent:

None.

Also present were Mr. Mike Pawalowski (by video), Ms. Melanie White, Mr. Russell Cosbey, Ms. Claudia Redden, Mr. Tim Griffith, Mr. Ricky Hamilton, 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 chair opened the meeting for public comment. No public comment was given.

2. The Board considered the minutes of the meeting held April 19, 2022. After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as presented.

3. The Board considered election of a Vice President. Upon unanimous vote, Director Lorch was elected Vice President.

4. Mr. Russell Cosbey presented the engineer’s report, a copy of which is attached. The engineer reported that advertising for bids for Waterline Phase Nos. 5-7 (Pollux, Pegasus and Crater) is planned for next month, so that the contract can be awarded in September. Coating of the hydropneumatics tank is complete, and the engineer recommended payment of Pay Estimate No. 2 in the amount of \$13,252.50, and the Board approved. The Board requested that all future projects include the engineer’s estimate of construction costs.

The engineer discussed status of the Pelican Bay storm sewer. A contractor was hired in 2014 to relocate the storm sewer, which had been underneath an existing home owned by Mr. and Mrs. Straughan. According to the plans and specifications, the existing line was to be abandoned in place and filled with concrete. The contractor produced a bill indicating that concrete was purchased, and an inspection report indicated that the pipe was filled. However, while doing some bulkhead work on their property, the property owners discovered a void in the

pipe. The engineer recommended that the operator pothole the pipe at the front of the yard to see if there is concrete in the pipe. The Board authorized the operator to pothole the pipe and fill any voids that are located, if those can be easily determined by visual inspection. If a camera inspection is necessary, the operator will arrange for a camera inspection.

The waste discharge permit renewal is under review by the Texas Commission on Environmental Quality.

The engineer noted that TxDOT was amenable to the District performing the water line relocation work on FM 1097, subject to certain caveats: 1) the District would not get its deposit back until the FM 1097 work was completely finished, which is anticipated to take three more years; and 2) the contractor would have to approve the change order. After discussion of the two caveats, which would place unnecessary strain on the District's general fund, the Board determined that the District should stay with the initial plan and allow TxDOT's contractor to do the work. Upon unanimous vote, the Board approved the engineer's report as presented.

5. The Board discussed the status of the Summerchase reimbursement. The engineer reported that the developer has approached the District about the possibility of being reimbursed. The engineer would need to put a package together for reimbursement. The Board noted that the developer may not yet qualify for reimbursement, depending on the values added. The attorney will review the reimbursement agreement to advise the Board, and further consideration of the matter was tabled.

6. The Board discussed the Asset Management Plan. The operator and engineer need to confer to make sure that all projects in the plan are included in the appropriate years.

7. Mr. Mike Pawalowski and Ms. Melanie White presented an operator's report, a copy of which is attached. The District had 6.31% water loss, and the sewage treatment plant operated at 28% of permitted capacity. The operator reported pumpage from the Jasper well of zero gallons and from the Catahoula well of 9,791,000 gallons. The District had 1,065 active accounts and billed 1,076 accounts. The operator also reported there had been three new taps and four meter change outs during the prior month. The semi-annual generator maintenance was performed. Four replacement air filters were purchased. The operator vacuumed the main lift station and replaced the transducer at the onsite lift station. The operator surveyed for the future fences at Lake Vista, Summerchase, Pelican Bay and Main. The Board reviewed fencing bids. The cost to fence the Lake Vista lift station was \$4,500; the cost for Pelican Bay lift station fencing was \$5,295; the cost for Summerchase lift station was \$5,295. The Board discussed the fencing in some detail. Upon a vote of three to two, with Directors Lorch and Welsch opposing, the Board authorized fences to be installed based on the bids received.

The operator reported that a contractor, Noble Gas, had hit a District force main and a customer sprinkler system. The contractor will be back-billed for the repairs.

The operator noted that although the report reflects zero usage, the Jasper well did run during the month. The operator will check the meter reads to determine why zero usage is reflected.

Resident Ricky Hamilton entered the meeting in progress. He had a customer service complaint and stated that he had received a delinquent bill but had not received the original bill. He requested an adjustment, but the operator noted that Mr. Hamilton had already received one adjustment this year. The Board therefore declined to make any further adjustment. Finally, the operator noted that the Consumer Confidence Report would be presented at next month's meeting. Upon unanimous vote, the Board approved the operator's report as presented.

8. Lori Aylett presented an attorney's report. During the previous month, she assisted the engineer with a Public Information Act request from Ms. Straughan and reviewed the drainage report. Director Wengler asked if the attorney had reviewed the Off Cinco contract. The attorney stated that she would reach out to Off Cinco to get a copy for review, so that the District can be prepared to execute it. The Board authorized the purchase of a gift card to Home Depot for the previous website coordinator, who had done the job as a public service to the District.

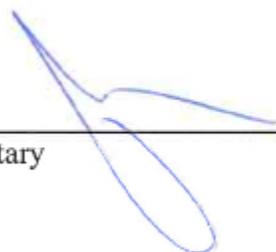
9. At 6:33 p.m., the Board convened in executive session pursuant to Texas Government Code §551.071 to receive advice from the attorneys. At 7:41 p.m., the Board reconvened in regular session.

10. The Board reviewed an engineering report regarding certain drainage improvements. Director Wengler noted that the Board had tasked him with reviewing the drainage report in detail with the District engineer. He had reviewed the report, and it was his recommendation and motion that the District proceed with drainage improvement alternatives 1 and 2 and to authorize the engineer to prepare a scope of work and bidding for the project. The motion was seconded by Director Callaway and was approved with a vote of four to one, with Director Welsch opposing.

11. Ms. Claudia Redden presented a bookkeeper's report, a copy of which is attached. The District has a general fund balance of \$3,050,050.82, a tax fund balance of \$107,531.06 and total debt service funds of \$35,260.07. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of bills listed thereon.

12. Director Welsch presented a treasurer's report and stated that he had been reviewing interest rates and TexPool. He and the bookkeeper continue to work on classifying expenses. Director Welsch asked that the operator, engineer, and bookkeeper work together to separate out invoices so that they may be categorized in the budget more accurately.

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



Secretary