

**MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS**

THE STATE OF TEXAS §

COUNTY OF GALVESTON §

GALVESTON COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 12 §

The Board of Directors of Galveston County Water Control & Improvement District No. 12 (the “District”) met in regular session, open to the public, at its regular meeting place inside the boundaries of the District, on July 8, 2019; whereupon, the roll of the members of the Board of Directors was called, to-wit:

Peyton Lumpkin	Vice President
Doug Meisinger	Secretary
Ronald M. Richards	Assistant Secretary
Paul B. Boswell	Director
Matthew Wiggins	Director

All members of the Board of Directors were present.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Johnny Bellamy of Municipal District Services, LLC; Kandy Pfeffer of ETI Bookkeeping Services; Wallace Trochesset of LJA Engineering; Brent Hahn of KVFD; Tim Green of Coats Rose, P.C.; and Terri Gale, Tommy Comes, Debbie Hart and Mike Miller, District residents.

Whereupon, the meeting was called to order and evidence was presented that public notice of the meeting was given in compliance with the law.

1. **PUBLIC COMMENTS.** Tommy Comes discussed with the Board the re-naming of the Fire Station from Everett Hanson to Mr. Hart. He explained Lee Hart’s son stated his dad would not want his name on the Fire Station in place of Mr. Hanson’s. Terri Gale noted she made the mistake on re-naming the Fire Station and stated the current Board can consider rectifying the

decision. Following further discussion, it was moved by Director Lumpkin and seconded by Director Meisinger to nullify the previous re-naming of the Fire Station and leave it in the name of Everett Hanson, which motion carried unanimously, 5-0.

Terri Gale introduced the Police Chief.

2. ELECTION OF OFFICERS. The Board next considered the election of officers. Director Meisinger nominated Director Wiggins as President of the Board. Following further discussion, it was moved by Director Meisinger and seconded by Director Richards to nominate Director Wiggins as President of the Board with the current slate of officers remaining the same, which motion carried with Director Wiggins abstaining.

3. BOARD MEMBER ANNOUNCEMENTS. There were no announcements at this time.

4. MINUTES. The Board considered the minutes for the meeting of June 10, 2019. Following discussion, it was moved by Director Richards and seconded by Director Lumpkin that the minutes be approved, which motion passed unanimously, 5-0.

5. BOOKKEEPER'S REPORT. Kandy Pfeffer presented the bookkeeper's report, a copy of which is attached as Exhibit "A". She reviewed the use of bond proceeds and other matters in the report. The Board reviewed the checks, investments, budget, and energy usage for the past month.

Johnny Bellamy discussed the TxDOT State Highway 146 utility relocation project and the unexpected costs. He also discussed the manhole failure at the Wastewater Treatment Plant.

Following further discussion, it was moved by Director Richards and seconded by Director Lumpkin that the bookkeeper's report, and those checks as listed thereon be approved, along with the items discussed, which motion passed unanimously, 5-0.

6. OPERATOR'S REPORT. Johnny Bellamy presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,747 customer connections. Water

accountability was at 91.4%. The Wastewater Treatment Plant reported no permit excursions and ran at 69.4% of capacity. Mr. Bellamy reviewed the preventative maintenance schedule and reviewed the repairs.

Mr. Bellamy reported all of the commercial meters were tested and 32 meters were incorrect and registering low. He stated the average cost to replace the meters will be approximately \$700.00. Following further discussion, it was moved by Director Richards and seconded by Director Meisinger to approve the replacement of the commercial meters, as discussed, which motion carried unanimously.

Following further discussion, it was moved by Director Lumpkin and seconded by Director Boswell that the operator's report be approved, along with the items presented, which motion carried unanimously, 5-0.

7. INTERLOCAL AGREEMENT – WATER WISE. The Board considered approval of an Interlocal Agreement with Harris Galveston Subsidence District for participation in the Water Wise program; the program entails sponsoring education materials for the local elementary school. A copy of the Agreement is attached as Exhibit "C".

Following further discussion by the Board it was moved by Director Richards and seconded by Director Meisinger that the Interlocal Agreement with HGSD be approved; the motion passed unanimously, 5-0.

8. ENGINEER'S REPORT. Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "D". He presented for approval Pay Estimate No. 1, in the amount of \$26,227.80, for the 3rd Street Waterline Relocation.

Mr. Trochesset next presented for approval Pay Estimate No. 5 in the amount of \$57,000.00 for the Interruptible Service Well.

Mr. Trochesset reported the Fire Station Well Rehabilitation will go to construction after the Interruptible Service Well is in service.

Mr. Trochesset stated the Bond Application is ready for submission to the TCEQ.

Mr. Trochesset reported he spoke with Galveston County about grants for generators. He stated the State of Texas is currently waiting on a \$5 billion dollar allocation from the General Land Office for Hurricane Harvey. He explained a portion of the money will go to Galveston County and the money is typically tied to failure to function or damage to infrastructure. The County indicated it will investigate other grant programs that may help the District.

Mr. Trochesset informed the Board it will need to decide on the amount of raw water to reserve from the Gulf Coast Water Authority. He stated the current price for the raw water is \$135 per day per million gallons. Mr. Trochesset added if the District reserves one million gallons per day of raw water it will cost \$49,275.00 per year. He further stated the raw water may not be available as potable water for the next ten to twenty years, depending on the expansion of the Thomas Mackey Plant and a new distribution line to the Water Plant. Following further discussion, it was moved by Director Richards and seconded by Director Boswell to authorize the Board President to negotiate a deal with the Gulf Coast Water Authority, which motion carried unanimously, 5-0.

Mr. Trochesset discussed requests for capacity. He stated M Group is requesting 204 connections for an out-of-district apartment complex. The board took no action on the request. Tim Green, the attorney for Mr. Musameche, stated Mr. Musameche is willing to pay \$600,000 for capacity without reimbursement. Director Meisinger stated the District has 48 connections, not 204. Director Wiggins stated there are many in-District lots in need of capacity. Mr. Green stated where there is a will there is a way. The Board did not take any action at this time.

Following further discussion by the Board it was moved by Director Lumpkin and seconded by Director Meisinger that the engineer's report be approved along with the items presented, which motion carried unanimously, 5-0.

9. BOND APPLICATION. Mr. Trochesset presented for approval the Bond

Application Report. Chris Richardson presented several documents for approval including the Application for Approval by Texas Commission on Environmental Quality of Project and Bond Issue in the amount of \$6,020,000. The Board also considered the approval of the Resolution Authorizing Application for Approval of TCEQ of Project and Bond Issue. A motion was made by Director Lumpkin, seconded by Director Richards and unanimously carried to approve the Resolution Authorizing Application for Approval of Bond Issue by the Texas Commission on Environmental Quality, the Application for Approval by the Texas Commission on Environmental Quality of Project and Bond Issue, and the Certificate As To Financial Feasibility, copies of which are attached as Exhibits "E", "F" and "G", respectively. The Board authorized the filing of any other necessary documentation for an expedited review of the application.

10. **KVFD REPORT.** Brent Hahn presented the KVFD report for the Board's review. He advised the Board of the upcoming storm.

Following further discussion, it was moved by Director Boswell and seconded by Director Lumpkin that the KVFD report be approved, which motion carried unanimously, 5-0.

11. **AMENDMENT TO RATE ORDER.** The Board tabled this item.

12. **TAX ASSESSOR'S REPORT.** The Board reviewed the tax assessor's report for May and June from Galveston County showing 96.87% collected for 2018 taxes; no action was taken.

13. **ENGAGEMENT OF ARBITRAGE COMPLIANCE SPECIALISTS.** The Board considered the engagement of Arbitrage Compliance Specialists for the fifth year report of the Series 2015 Refunding Bonds.

Following further discussion, it was moved by Director Lumpkin and seconded by Director Meisigner to approve the engagement of Arbitrage Compliance Specialists for the Series 2015 Refunding Bonds, which motion carried unanimously, 5-0.

14. RESOLUTION CONCERNING SALE OF SURPLUS PROPERTY. The Board next discussed the sale of surplus land along Delesandri Lane, the Jarboe Addition. Mr. Richardson presented the Resolution Concerning Sale of Surplus Property, a copy of which is attached as Exhibit "H". Director Wiggins requested an appraisal of the property.

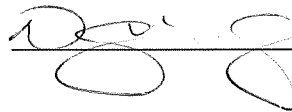
Following further discussion, it was moved by Director Meisinger and seconded by Director Richards to sell the surplus land, the Jarboe Addition, along Delesandri Lane, and to approve the Resolution Concerning Sale of Surplus Property, which motion carried unanimously, 5-0.

15. FUTURE AGENDA ITEMS. The Board discussed the new meeting time and place beginning in August. The Board agreed to meet the third Monday of the month at 7:00 p.m. at the Fire Station.

16. ADJOURNMENT. There being no further business, it was moved by Director Lumpkin, seconded by Director Boswell and unanimously carried that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 19th day of August, 2019.

(DISTRICT SEAL)



Secretary

gcwcid12/minutes/2019.07.08