

**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 August 19, 2019; whereupon, the roll of the members of the Board of Directors was called, to-wit:

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

All members of the Board of Directors were present except Director Lumpkin.

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; David Smalling of Robert W. Baird & Co.; Blair Stocker and Miguel Padilla of Dannenbaum Engineering; and Glen Gordy, District resident.

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.** Glen Gordy reported his project is moving along.
2. **BOARD MEMBER ANNOUNCEMENTS.** There were no announcements at this time.

4. **MINUTES.** The Board considered the minutes for the meeting of July 8, 2019. Following discussion, it was moved by Director Meisinger and seconded by Director Bowell that the minutes be approved, which motion passed unanimously, 4-0.

5. **DISCUSS 2019 TAX RATE.** David Smalling presented the 2019 Tax Rate Recommendation, a copy of which is attached as Exhibit "A." He recommended keeping the same tax rate as the previous year and advertising a debt service tax rate of \$0.26, and setting a public hearing date of September 16, 2019, the Board's next regular meeting. It was noted that the District does not have a maintenance tax.

Following a discussion, it was motioned by Director Richards and seconded by Director Meisinger to authorize publication of the \$0.26 debt service tax rate and to set a public hearing date of September 16, 2019, which motion passed unanimously, 4-0.

6. **BOOKKEEPER'S REPORT.** Kandy Pfeffer presented the bookkeeper's report, a copy of which is attached as Exhibit "B". 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. Ms. Pfeffer discussed the engineering invoices and informed the Board \$422,558.00 was moved back into the Capital Projects Fund. She explained the money will come out of the bond funds after the bond issuance.

Following further discussion, it was moved by Director Boswell and seconded by Director Meisinger that the bookkeeper's report, and those checks as listed thereon be approved, along with the items discussed, which motion passed unanimously, 4-0.

7. **OPERATOR'S REPORT.** Johnny Bellamy presented the operator's report, a copy of which is attached as Exhibit "C". There were 1,749 customer connections. Water accountability was at 88.1%. The Wastewater Treatment Plant reported no permit excursions and

ran at 65.4% of capacity. Mr. Bellamy reviewed the preventative maintenance schedule and reviewed the repairs.

Mr. Bellamy reported he met with the Gulf Coast Water Authority (“GCWA”). He stated the GCWA is purchasing water from the Brazos River Authority. Mr. Bellamy added that he requested the GCWA provide 1 million gallons per day out of the re-rate.

Mr. Bellamy presented the fire hydrant report for the Board’s review. He discussed the needed repairs. Mr. Bellamy recommended purchasing reflectors and repairing the fire hydrants in need of repair.

Following further discussion, it was moved by Director Meisinger and seconded by Director Boswell that the operator’s report be approved, along with the items presented, and to approve purchasing reflectors and repairing the fire hydrants in need of repair, which motion carried unanimously, 4-0.

8. ENGINEER’S REPORT. Wallace Trochesset presented the engineer’s report, a copy of which is attached as Exhibit “D”. Blair Stocker and Miguel Padilla, of Dannenbaum Engineering, addressed the Board regarding the Galveston County Bridge replacement at Birch Road in the Lazy Bend subdivision. Director Boswell asked about the bulkhead issues. Mr. Stocker explained the bridge will be 80-feet and the adjustments will be made to conform to the topography. He added that the project will be bid in March and the bridge will close during construction. Mr. Trochesset informed the Board the utility bridge will be removed during the construction. He added they will only replace the bulkhead in front of the bridge, but not the utility bridge.

Mr. Trochesset presented for approval Pay Estimate No. 2 and Final, in the amount of \$2,914.20, for the 3rd Street Waterline Relocation.

Mr. Trochesset next presented for approval Pay Estimate No. 1, in the amount of \$392,844.00 for the 0.50 mgd expansion for the Wastewater Treatment Plant. He informed the Board they also received a Change Order for \$10,802 but it is under review.

Mr. Trochesset reported the Bond Application was submitted to TCEQ on August 7, 2019.

Mr. Trochesset updated the Board on the status of the easements for the Wastewater Treatment Plant outfall. He reported Mr. Warren Sullins has agreed to \$9,000 for an easement on his property. Mr. Sullins also requested that he be allowed to connect to the District's water.

Mr. Trochesset informed the Board there is a verbal agreement for an easement, along with a few changes to the access language, with the Galveston Bay Foundation in the amount of \$77,088. Ms. Pfeffer asked how the District will be paying for the easements. Mr. Trochesset stated the money will come out of the previous bond funds, not the Bond application.

Mr. Trochesset stated in February the Board approved four connections for 1100 South Kemah Drive. He informed the Board the current neighbor is mad because the easement crosses his driveway.

Mr. Trochesset discussed requests for capacity. The Board approved the commitment for Frank Ball, for 8 connections, for two four-plex units located at 144 W. 5th Street, in District. The Board approved the commitment for Georgetta South, for three connections for three residences, located at 203 Pine, 910 Cedar and 819 Elm.

The Board next considered the request for capacity from Frank Ball for 32 connections for a mid-rise at the church property, which is eight lots. The Board did not approve the request.

Following further discussion by the Board it was moved by Director Richards and seconded by Director Meisinger that the engineer's report be approved along with the items presented, which motion carried unanimously, 4-0.

9. RENEWAL OF DISTRICT INSURANCE THROUGH T.M.L. The Board considered approval of renewal of the District's insurance coverage through the TML Intergovernmental Risk Pool, for 2019/2020. The Board noted no re-rate summary was received this year, and tabled this item.

10. KVFD REPORT. Brent Hahn presented the KVFD report for the Board's review, a copy of which is attached as Exhibit "E". He reported they received 70 calls, 27 fire calls and 41 EMS calls. Mr. Hahn also reported the Fire Marshall conducted 74 inspections.

Following further discussion, it was moved by Director Meisinger and seconded by Director Richards that the KVFD report be approved, which motion carried unanimously, 4-0.

11. INTERLOCAL AGREEMENT FOR EMERGENCY MEDICAL SERVICES. The Board next considered approval of the Interlocal Agreement for Emergency Medical Services.

Following further discussion, it was moved by Director Meisinger and seconded by Director Boswell that the Interlocal Agreement for Emergency Medical Services be approved, which motion carried unanimously, 4-0.

12. ADOPT A PLUG PROGRAM FOR FIRE HYDRANTS. Director Wiggins suggested holding a contest to paint the fire hydrants in the District. Mr. Hahn recommended the fire hydrants be painted in bright colors and not camouflage. Director Wiggins stated parameters for the painting will be set and the Board can review each proposal.

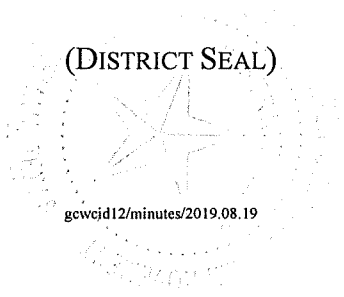
13. AMENDMENT TO RATE ORDER. The Board tabled this item.

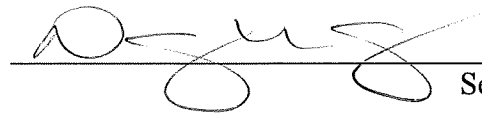
14. TAX ASSESSOR'S REPORT. The Board reviewed the tax assessor's report for July from Galveston County showing 98.11% collected for 2018 taxes; no action was taken.

15. FUTURE AGENDA ITEMS. There were no future agenda items requested.

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

PASSED, ADOPTED and APPROVED this 16th day of September, 2019.




Secretary