

**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 September 16, 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.

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; Terri Gale, Mayor of the City of Kemah; Teresa Vasquez-Evans Council Member of the City of Kemah; 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. CONDUCT 2019 TAX RATE PUBLIC HEARING. The Board President called to order the Public Hearing on the 2019 Tax Rate. The Board noted that no taxpayer appeared to take part in the Public Hearing. The Board President then closed the Public Hearing.

2. **APPROVE 2019 DEBT TAX RATE.** The Board considered setting the 2019 Debt Service Tax Rate, and reviewed the recommendation from the financial advisor. The Board agreed to set a debt service tax rate of \$0.26, for a total tax rate of \$0.26 (the District does not have a maintenance tax). A copy of the Order Setting 2019 Debt Service Tax Rate is attached as Exhibit "A". Following discussion, it was moved by Director Richards seconded by Director Meisinger to set the 2019 Debt Tax Rate at \$0.26, for a total rate of \$0.26, and to approve the related Order, which motion carried unanimously, 5-0.

3. **PUBLIC COMMENTS.** Glen Gordy thanked the Fire Department Chief for helping to locate the lines and force main. Terri Gale also thanked the Fire Department.

4. **BOARD MEMBER ANNOUNCEMENTS.** Director Boswell reported the fire station equipment is nice and clean.

5. **MINUTES.** The Board considered the minutes for the meeting of August 19, 2019. Following discussion, it was moved by Director Richards and seconded by Director Meisinger that the minutes be approved, which motion passed unanimously, 5-0.

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.

Following further discussion, it was moved by Director Richards 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, 5-0.

7. **OPERATOR'S REPORT.** Johnny Bellamy presented the operator's report, a copy of which is attached as Exhibit "C". There were 1,751 customer connections. Water accountability was at 90.4%. The Wastewater Treatment Plant reported no permit excursions

and ran at 56.1% of capacity. Mr. Bellamy reviewed the preventative maintenance schedule and reviewed the repairs.

Mr. Bellamy reported delinquent accounts in the amount of \$6,030.00 will be sent to collections.

Mr. Bellamy presented the fire hydrant report for the Board's review. He discussed the needed repairs. After discussion, it was moved by Director Richards and seconded by Director Boswell to authorize the necessary repairs for the fire hydrants, which motion carried unanimously.

Following further discussion, it was moved by Director Richards and seconded by Director Boswell that the operator's report be approved, along with the items presented, which motion carried 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. 6, in the amount of \$23,940.00, for the Interruptible Service Well. Mr. Trochesset stated the contractor is also requesting a 60-day extension due to delays in receiving the well pump.

Mr. Trochesset informed the Board the Fire Station Well Rehabilitation project will go to construction after the Interruptible Service well is in service.

Mr. Trochesset presented for approval Pay Estimate No. 2, in the amount of \$70,857.08, for the 0.50 mgd expansion for the Wastewater Treatment Plant. He also presented for approval Change Order No. 1 for \$10,802.00.

Mr. Trochesset informed the Board they are currently in the design process of the Birch Road Utility Bridge and are coordinating with the County's engineer for the roadway bridge.

Mr. Trochesset reported the Bond Application was submitted to TCEQ on August 7, 2019 and they received letter stating it is administratively complete on August 22, 2019.

Mr. Trochesset updated the Board on the status of the easements for the Wastewater Treatment Plant outfall. He reported Mr. Warren Sullins signed an easement for an agreed amount of \$9,000. He also reported they have a verbal agreement for an easement with the Galveston Bay Foundation for \$77,088.00. Mr. Trochesset stated the Galveston Bay Foundation is requesting two changes to the easement language. He added that Mr. Tinkle is receptive to an easement with certain conditions, one of which is a privacy fence.

Mr. Trochesset discussed the SH 146 Utility Relocation. He reported it is under design and the District will need to acquire easements from five properties for the relocation of the force main. He presented for the Board's consideration a proposal from KDM Acquisition to help with the easement acquisition.

Mr. Trochesset next discussed requests for capacity. The Board approved the commitment for Frank Ball, for 8 connections, for 8 town homes located at Miller Road and 8th Street, in District.

Following further discussion by the Board it was moved by Director Richards and seconded by Director Meisinger that the engineer's report be approved, to approve Pay Estimate No. 6 for the Interruptible Service Well, to approve Pay Estimate No. 2 and Change Order No. 1 for the Wastewater Treatment Plant expansion, and to approve the proposal from KDM Acquisition, which motion carried unanimously, 5-0.

9. 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 64 calls, 18 fire calls and 46 EMS calls. Mr. Hahn also reported the Fire Marshall conducted 54 inspections.

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

The Board discussed terminating the Fire Marshall's Office. Director Richards asked

how the District would terminate something it does not have. Director Wiggins stated the Fire Marshall's Office is not in the District's contract and it has already been canceled by the Emergency Services Board. Director Wiggins suggested the Board end the commissions. He added the District is not in the Fire Marshall business. Director Richards stated he is in favor of discontinuing the Fire Marshall office. Following further discussion, it was moved by Director Richards and seconded by Director Meisinger to approve discontinuing the Fire Marshall's Office, which motion carried unanimously, 5-0.

The Board next discussed the Agreements for Kemah Volunteer Fire Department ("KVFD") Vehicles. Director Wiggins stated he believes KVFD owes the District \$328,000. He added the original documents state KVFD should pay for the trucks. The Board tabled this item.

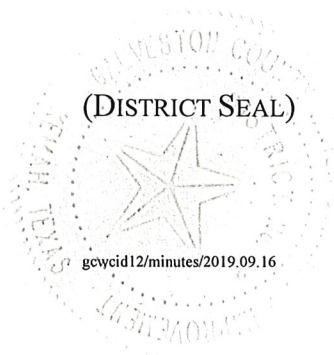
10. TAX ASSESSOR'S REPORT. The Board reviewed the tax assessor's report for August from Galveston County showing 98.11% collected for 2018 taxes; no action was taken.

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

CLOSED SESSION. The Board held an executive session to discuss a personnel issue and confer with its attorney. The Closed session began at 7:30 p.m. and the Board reconvened in open session at 8:46 p.m.

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

PASSED, ADOPTED and APPROVED this 21st day of October, 2019.




Secretary