

**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 February 17, 2020; whereupon, the roll of the members of the Board of Directors was called, to-wit:

Matthew D. 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, attorney, of Strawn & Richardson, P.C.; Johnny Bellamy of Municipal District Services, LLC; Kandy Pfeffer of ETI Bookkeeping Services; Wallace Trochesset of LJA Engineering; Rob Steckler of KVFD; and John Bowen, Wes Tipton and Robert Rolf.

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. John Bowen, a representative from Elite Diesel Service, asked the Board if out-of-District customers pay the KVFD fee. Chris Richardson

stated out-of-District customers do pay the KVFD fee.

2. **BOARD MEMBER ANNOUNCEMENTS.** There were no announcements at this time.

3. **AUTHORIZE INDEPENDENT AUDIT OF FIRE FEES.** The Board considered authorizing an independent audit of fire fees assessed on Director Wiggins' accounts. Director Wiggins asked the Board to consider hiring lawyers or a CPA to audit his fees paid on all of his properties for the past ten years.

Following further discussion, it was moved by Director Lumpkin and seconded by Director Meisinger to authorize the District to hire an auditor or CPA to audit Director Wiggins' fees assessed on all of his accounts for the past ten years, which motion carried unanimously, 5-0.

4. **MINUTES.** The Board considered the minutes for the meeting of January 20, 2020. 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.

Ms. Pfeffer presented the amended budget for fiscal year ending December 31, 2020 for approval, a copy of which is attached as Exhibit "B".

Following further discussion, it was moved by Director Meisinger and seconded by Director Richards that the bookkeeper's report, and those checks as listed thereon be approved,

along with the items discussed, and that the amended budget for fiscal year ending December 31, 2020 be approved, 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 "C". There were 1,756 customer connections. Water accountability was at 78%. The Wastewater Treatment Plant was compliant and ran at 67.4% of capacity. Mr. Bellamy reviewed the preventative maintenance schedule and reviewed the repairs.

Mr. Bellamy reviewed the agreement with Evoqua concerning odor control at the Wastewater Treatment Plant. He reported it will cost \$1,560 per month plus \$2.37 per gallon. Directors Lumpkin and Meisinger suggested deferring this item until the next meeting. The Board tabled this item.

Mr. Bellamy presented the delinquent list for the Board's approval.

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

7. **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. 9, in the amount of \$11,400.00 for the Interruptible Service Well project.

Mr. Trochesset presented for approval Pay Estimate No. 7 from R&B Group, Inc., in the amount of \$610,021.60, for the 0.50 mgd expansion for the Wastewater Treatment Plant.

Mr. Trochesset updated the Board on the status of the easements for the Wastewater Treatment Plant outfall. He reported Mr. Tinkle presented a counter offer of \$2,500 for the easement across his property. Mr. Trochesset recommended accepting the offer.

Mr. Trochesset informed the Board the exhibit and metes and bounds for the waterline easement along SH 146 from Cien to Solomon has been completed. He stated he has provided the attorney the information for preparing the easement.

Mr. Trochesset next discussed requests for capacity. He presented a request from Wes Tipton for an irrigation connection for his property at 1105 SH 146.

Mr. Trochesset presented a request from Crystal Adams to have 27 acres annexed into the District. He stated the property is along FM 518.

Mr. Trochesset also presented a request from Frank Ball for 8 connections for a 2-4 plex at 200 West 4th Street.

Mr. Trochesset reported he and Director Wiggins met with the Gulf Coast Water Authority to seek additional water. He stated the potential for the District to receive an additional 2 million gallons looks good.

Following further discussion by the Board it was moved by Director Richards and seconded by Director Lumpkin that the engineer's report be approved, to approve Pay Estimate No. 9 for the Interruptible Service Well project, and to approve Pay Estimate No. 7 for the Wastewater Treatment Plant expansion, which motion carried unanimously, 5-0.

8. SALE OF SURPLUS PROPERTY WITHIN THE DISTRICT. The Board next considered the sale of surplus property within the District. Director Richards stated he would prefer a public market sale for the surplus property.

Following further discussion, it was moved by Director Richards and seconded by Director Meisinger to approve a public market sale for the surplus property within the District, which motion passed 4-0-1, with Director Wiggins abstaining.

9. KVFD REPORT. Rob Steckler presented the KVFD report for the Board's

review, a copy of which is attached as Exhibit "E". He reported they received 28 total calls, 16 fire calls, and 12 first responder calls.

Director Wiggins reported the District hired Mike Peach to look into ways to reduce the ISO rating.

The Board considered approval of the Amended Interlocal Agreement for repayment of the fire truck expenses, a copy of which is attached as Exhibit "F".

Director Meisinger informed the Board false reporting took place on the fire fee. He stated the last twelve months of the Boardwalk Inn's bills are showing payments of \$5,500 per month. Director Meisinger added that the Aquarium bill of \$500 per month has not changed. Director Wiggins explained the KVFD fee for a house is \$10 per month, the commercial fee is \$10 per 500 square feet and if the commercial account has sprinklers it is \$10 per 2000 square feet. The businesses which received bills of \$10.00 per month were being billed incorrectly with the residential rate.

Following further discussion, it was moved by Director Lumpkin and seconded by Director Meisinger that the KVFD report be approved, and that the Amended Interlocal Agreement for repayment of the fire truck expenses be approved, which motion carried unanimously, 5-0.

10. TAX ASSESSOR'S REPORT. The Board reviewed the tax assessor's reports for December 2019 and January 2020 from Galveston County; no action was taken.

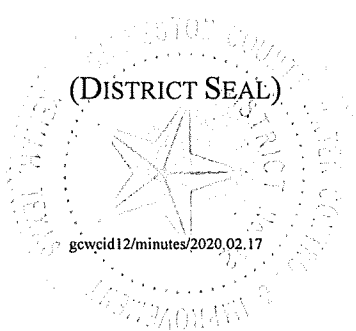
11. ORDER SETTING 2020 TAX EXEMPTIONS. Chris Richardson explained the District set a homestead exemption of 20% last year, which is the highest allowed by law. The District also set an exemption of \$45,000.00 for over 65 and/or disabled individuals last year.

Following a discussion, it was moved by Director Richards and seconded by Director Boswell that the Order Setting 2020 Tax Exemptions be approved, setting a 20% homestead exemption, and an exemption of \$45,000.00 for over 65 and/or disabled individuals, which motion passed 4-0-1, with Director Wiggins abstaining. A copy of said Order is attached as Exhibit "G".

12. **FUTURE AGENDA ITEMS.** There were no future agenda items requested.

13. **ADJOURNMENT.** There being no further business, it was moved by Director Richards, seconded by Director Lumpkin which motion carried, with Director Wiggins abstaining, that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 16th day of March, 2020.




Secretary