

**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, on April 20, 2020, via telephone conference authorized by proclamation of Governor Abbott in response to the COVID-19 Pandemic; whereupon, the roll of the members of the Board of Directors was called, to-wit:

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| 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; Megan Bradley of Triton Consulting Group; and Carl Joiner, John Bowen and Sue Jettee.

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. Carl Joiner addressed the Board concerning the District letters included in the water bill. He believes the letters are unethical and illegal.

John Bowen, at 2103 Anders Lane, asked about the surcharge. Director Wiggins stated it will be audited. Mr. Bowen asked about the inspection fee. Johnny Bellamy stated his office will look into it.

2. BOARD MEMBER ANNOUNCEMENTS. Director Meisinger stated he hopes everyone is doing well.

Director Boswell stated he believes the District has had many accomplishments in the past 1 ½ years. He added that he hopes the next District newsletter is more positive.

3. PRESENTATIONS. There were no presentations at this time.

4. MINUTES. The Board considered the minutes for the meeting of March 16, 2020. Following discussion, it was moved by Director Richards and seconded by Director Meisinger that the minutes be approved, which motion passed, 4-0, with Director Wiggins abstaining.

5. REVIEW AND CONFIRM IDENTITY THEFT POLICY. Mr. Richardson presented the Order Reviewing and Confirming the District's Identity Theft Policy, a copy of which is attached as Exhibit "A". Mr. Richardson and Mr. Bellamy recommended no changes to the Policy; there were no incidents of ID theft identified. Following discussion by the Board it was moved by Director Richards and seconded by Director Meisinger to confirm the District's Identity Theft Policy; which motion passed, 4-0, with Director Wiggins abstaining.

6. KVFD REPORT. Rob Steckler presented the KVFD report for the Board's review, a copy of which is attached as Exhibit "B". He reported they received 32 total calls, 20 fire calls, and 12 first responder calls. Mr. Steckler added the average response time is 5 minutes 30 seconds.

The Board deferred discussion of the KVFD Contract, the agreements for the KVFD

vehicles and the KVFD monthly assessment fee.

Following further discussion, it was moved by Director Lumpkin and seconded by Director Boswell that the KVFD report be approved, which motion passed, 4-0, with Director Wiggins abstaining.

7. BOOKKEEPER'S REPORT. Kandy Pfeffer presented the bookkeeper's report, a copy of which is attached as Exhibit "C". 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 Lumpkin and seconded by Director Richards that the bookkeeper's report, and those checks as listed thereon be approved, along with the items discussed, which motion passed, 4-0, with Director Wiggins abstaining.

8. OPERATOR'S REPORT. Johnny Bellamy presented the operator's report, a copy of which is attached as Exhibit "D". There were 1,760 customer connections. Water accountability was at 71%. The Wastewater Treatment Plant was compliant and ran at 45.9% of capacity. Mr. Bellamy reviewed the preventative maintenance schedule and reviewed the repairs.

Mr. Bellamy reported they have tested the commercial meters for leaks and determined some meters need to be repaired and some need to be replaced.

The Board agreed to continue waiving late fees and water terminations during the COVID-19 crisis. Mr. Bellamy informed they are including a message on the water bill explaining the safety of the water in relation to COVID-19.

Mr. Bellamy next presented the 2019 Consumer Confidence Report for the Board's review and approval.

Following further discussion, it was moved by Director Meisinger and seconded by Director Richards that the operator's report be approved, along with the items presented, and to approve the Consumer Confidence Report, which motion passed, 4-0, with Director Wiggins abstaining.

9. ENGINEER'S REPORT. Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "E". He reported all punch list items for the Interruptible Service Well project have been addressed. He stated the contractor is currently investigating one of the bearings on the well. Mr. Trochesset added the final paperwork for closing out the project will be sent to the District's office for signature.

Mr. Trochesset presented for approval Pay Estimate No. 9 from R&B Group, Inc., in the amount of \$184,965.00, for the 0.50 mgd expansion for the Wastewater Treatment Plant.

Mr. Trochesset informed the Board a pre-construction meeting for the Birch Road Utility Bridge project is scheduled for April 23, 2020 at 10:00 a.m.

Mr. Trochesset reported the SH 146 Utility Relocation is under design and they are reviewing the TxDOT permit and letters of no objection from the pipeline companies. He stated KDM is in final negotiations on the last two easements along SH146.

Mr. Trochesset presented for approval Pay Estimate No. 1 from Zircon Properties, in the amount of \$381,404.10 for the force main and gravity sewer line.

Following further discussion by the Board it was moved by Director Richards and seconded by Director Lumpkins that the engineer's report be approved, to approve Pay Estimate No. 9 for the Wastewater Treatment Plant expansion, and to approve Pay Estimate No. 1 for the force main and gravity sewer line, which motion passed, 4-0, with Director Wiggins abstaining.

11. CONSIDER AMENDING RATE ORDER. Director Wiggins discussed amending the water rate and sewer rate for commercial accounts in Appendix A to the Rate Order. A copy of the Rate Order is attached as Exhibit "F". He explained out of the 1808 accounts, the rate would not change on 466 accounts, but it would change on the 499 accounts that are over 5,000 gallons usage which are mostly commercial accounts. He stated adding one-cent to each commercial rate was to enable them to be easily identified.

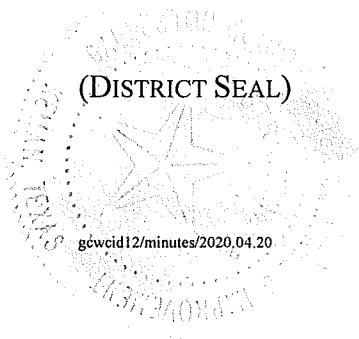
Following further discussion, it was moved by Director Lumpkin and seconded by Director Meisinger to approve amending the commercial water and sewer rates, in Appendix A of the Rate Order, which motion passed, 4-0, with Director Wiggins abstaining.

12. TAX ASSESSOR'S REPORT. The tax assessor's report was not presented at this time; no action was taken.

13. FUTURE AGENDA ITEMS. Director Boswell suggested adding to the agenda discussion of third-party verification of commercial accounts, discussion of the sale of the Delasandri property, and to provide an update on the audit concerning Director Wiggins' properties.

14. ADJOURNMENT. There being no further business, it was moved by Director Richards, seconded by Director Meisinger which motion passed, with Director Wiggins abstaining, that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 18th day of May, 2020.




Secretary