

**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 May 18, 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:

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 except Director Richards.

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; Tim Applewhite of McCall Gibson Swedlund Barfoot, PLLC; Megan Bradley of Triton Consulting Group; and Dick Wood, Carl Joiner, and Daniel Conrad.

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. Daniel Conrad addressed the Board concerning the annexation of properties.

2. BOARD MEMBER ANNOUNCEMENTS. Director Boswell informed the Board that Director Richards is doing well and he will be out of the hospital tomorrow.

Daniel Conrad asked about annexations. Director Wiggins stated the District will have an “open annexation” for Lake Village Subdivision. He added that the District will work on the annexation this summer.

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

4. MINUTES. The Board considered the minutes for the meeting of April 20, 2020. Following discussion, it was moved by Director Meisinger and seconded by Director Lumpkin that the minutes be approved, which motion passed, 3-0, with Director Wiggins abstaining.

5. CONSUMER CONFIDENCE REPORT. Johnny Bellamy 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 Lumpkin that the Consumer Confidence Report be approved, which motion passed, 3-0, with Director Wiggins abstaining.

6. APPROVAL OF AUDIT FOR FISCAL YEAR ENDED DECEMBER 31, 2019. Tim Applewhite presented and reviewed a draft of the audit for the fiscal year ended December 31, 2019. Director Wiggins discussed questions regarding fire fees. He stated the District is only a collection agency and the fire fees should not be considered District income. Mr. Applewhite stated they track the District’s revenue and expenses. Kandy Pfeffer stated she will send the auditor the bookkeeper’s report. She explained the fire fee revenue and expenses were moved to a separate line item.

Following a full discussion, it was moved by Director Lumpkin and seconded by Director Meisinger that the audit for the fiscal year ended December 31, 2019 be approved, which motion passed, 3-0, with Director Wiggins abstaining.

7. ENGAGEMENT OF MARK EYRING, CPA FOR AUDIT OF DIRECTOR WIGGINS' FIRE FEES. The Board next considered the engagement of Mark Eyring, CPA for the audit of fire fees for Director Wiggins' properties. Director Wiggins recused himself from the discussion.

Following further discussion, it was moved by Director Boswell and seconded by Director Meisinger to engage Mark Eyring, CPA for the audit of Director Wiggins' fire fees, which motion passed, 3-0, with Director Wiggins abstaining.

8. GCWA ALLOCATION AND REQUEST. Chris Richardson updated the Board on discussions with the Gulf Coast Water Authority ("GCWA") concerning the "natural allocation" and the request for additional raw and/or treated water. Director Wiggins explained the GCWA can provide the District 1 MGD of raw water if 2 MGD of treatable water is not available. Director Wiggins recommended deferring action tonight since the deadline for the decision is in September.

9. KVFD REPORT. Rob Steckler presented the KVFD report for the Board's review, a copy of which is attached as Exhibit "A". He reported they received 20 total calls, 10 fire calls, and 10 first responder calls. Mr. Steckler added the average response time is 3 minutes 15 seconds.

Director Wiggins stated there have been incredible changes over the last few months. He thanked Rob Steckler, Robert Zuniga and Travis Hudson for their work.

Following further discussion, it was moved by Director Meisinger and seconded by

Director Lumpkin that the KVFD report be approved, which motion passed, 3-0, with Director Wiggins abstaining.

10. 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.

Director Lumpkin asked about payment to R&B Group, Inc. Ms. Pfeffer explained the money is first forwarded to the District from the developer.

Following further discussion, it was moved by Director Lumpkin 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, 3-0, with Director Wiggins abstaining.

11. OPERATOR'S REPORT. Johnny Bellamy presented the operator's report, a copy of which is attached as Exhibit "C". There were 1,760 customer connections. Water accountability was at 82%. The Wastewater Treatment Plant was compliant and ran at 46.1% of capacity. Mr. Bellamy reviewed the preventative maintenance schedule and reviewed the repairs.

Mr. Bellamy reported they are continuing to waive late fees and water terminations during the COVID-19 crisis.

Following further discussion, it was moved by Director Lumpkin and seconded by Director Meisinger that the operator's report be approved, along with the items presented, which motion passed, 3-0, with Director Wiggins abstaining.

12. 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. 10 and Final, in the amount of \$55,196.75, for the Interruptible Service Well project.

Mr. Trochesset next presented for approval Pay Estimate No. 10 from R&B Group, Inc., in the amount of \$296,241.35, for the 0.50 mgd expansion for the Wastewater Treatment Plant.

Mr. Trochesset informed the Board the Notice to Proceed was issued, for June 1, 2020, for the Birch Road Utility Bridge project.

Mr. Trochesset reported KDM is seeking the last final two easements for the SH 146 Utility Relocation.

Mr. Trochesset informed the Board the engineer for the 88-acre development (Formerly Galveston County MUD No. 51) is asking if the District would consider private streets in the development with water and sewer in a gated community. Mr. Trochesset stated he would not recommend private streets. The Board denied the request for private streets.

Mr. Trochesset reported the developer for the Huntington Apartments has requested to upsize his sanitary sewer line to a 12-inch line. He stated based on the number of connections a 6-inch line would work. He added that the original design showed an 8-inch line, but a 12-inch line set at a minimal grade will not have the flow to keep it flushed out. Mr. Trochesset does not recommend against upsizing the sanitary sewer line. The Board denied the request.

Mr. Trochesset stated Mr. Tinkle has indicated the Wastewater Treatment Plant is draining stormwater onto Solomon Street. Mr. Trochesset stated he will look into the issue.

Mr. Trochesset next discussed requests for capacity. He reported Wes Tipton has requested revising his capacity request for one irrigation connection to one connection for water and sewer for a small portable office on his property located at 1105 SH 146.

Following further discussion by the Board it was moved by Director Meisinger and seconded by Director Boswell that the engineer's report be approved, to approve Pay Estimate No. 10 and Final for the Interruptible Service Well, to approve Pay Estimate No. 10 for the Wastewater Treatment Plant expansion, to deny the request for private streets in the 88 acre development, and to approve the revision to Mr. Tipton's capacity request, which motion passed, 3-0, with Director Wiggins abstaining.

13. TAX ASSESSOR'S REPORT. The Board reviewed the tax assessor's report for April 2020 from Galveston County; no action was taken.

14. NEW BUSINESS. Director Boswell informed the Board he is resigning his position as a director. He thanked the Board for their service together. Director Meisinger stated it was an honor to serve together. Director Lumpkin told Director Boswell it was great working with him. Director Wiggins told Director Boswell it was great working with him on the GCWCID No. 12 Board and the Emergency Services Board.

Following further discussion, it was moved by Director Meisinger and seconded by Director Lumpkin to accept the resignation of Director Boswell, which motion passed, 3-0, with Director Wiggins abstaining.

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

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

PASSED, ADOPTED and APPROVED this 15th day of June, 2020.

(DISTRICT SEAL)

gcwcid12/minutes/2020.05.18


Secretary