

**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 July 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:

Matthew D. Wiggins	President
Peyton Lumpkin	Vice President
Doug Meisinger	Secretary
Steve Mewborn	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; Amanda Beasley of Triton Consulting Group; Jamie Dunlap of Marina Boat Slips; Daniel Conrad; Dan Elkins; and Ronnie Richards.

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 District Rate Order. He stated amending the Rate Order is on every agenda and he requested the

Board remove it from the agenda if there is no action to be taken.

Jamie Dunlap, of Marina Boat Slips in Clear Lake Shores, addressed the Board regarding calculation of her fire fee.

BOARD MEMBER ANNOUNCEMENTS. Director Meisinger informed the Board on July 6, 2020 a man collapsed at Walmart. He stated Chief Steckler was on vacation in Florida and was able to send EMS who then performed CPR and saved the man's life.

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

4. MINUTES. The Board considered the minutes for the meeting of June 15, 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. INTERLOCAL AGREEMENT – WATER WISE. The Board considered approval of an Interlocal Agreement with Harris Galveston Subsidence District for participation in the Water Wise program; the program entails sponsoring education materials for the local elementary school. A copy of the Agreement is attached as Exhibit "A".

Following further discussion by the Board it was moved by Director Meisinger and seconded by Director Lumpkin that the Interlocal Agreement with HGSD be approved; the motion passed, 3-0, with Director Wiggins abstaining.

6. GCWA ALLOCATION AND REQUEST. Wallace Trochesset 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. He reported the District will receive 166,000 GPD of raw water. He added that the request was for an additional 2 MGD, but the District may receive 1 MGD for \$2.5 million, at the buy-in rate. Mr. Trochesset explained

raw water will cost \$51,000 per year for three years and \$358,000 per year after three years. He also stated the District must pay the buy-in fee.

7. **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 40 total calls, 22 fire calls, and 18 first responder calls. Mr. Steckler informed the Board that KVFD is adding a Mutual Aid contract with the Port of Houston.

Mr. Steckler reported COVID-19 has impacted training for the fire department. He also reported the Operations and Strategy Plan for 2021 has been submitted for review.

Director Lumpkin asked if the ESB is selling Engine 2. Mr. Steckler stated the ESB will sell Engine 2.

Following further discussion, it was moved by Director Mewborn and seconded by Director Meisinger that the KVFD report be approved, which motion passed, 3-0, with Director Wiggins abstaining.

8. **INTERLOCAL AGREEMENT WITH CITY OF KEMAH.** The Board next discussed an Interlocal Agreement with the City of Kemah for the provision of fire services to properties not receiving water service. The Board discussed authorizing the attorney to move forward with the Agreement with the City of Kemah.

Following further discussion, it was moved by Director Meisinger and seconded by Director Mewborn to authorize the attorney to move forward with the Interlocal Agreement with the City of Kemah, which motion carried unanimously, 4-0.

9. **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. Ms. Pfeffer noted the District's budget is operating at a surplus of \$160,000.

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 carried unanimously, 4-0.

10. OPERATOR'S REPORT. Johnny Bellamy presented the operator's report, a copy of which is attached as Exhibit "D". There were 1,765 customer connections. Water accountability was at 86.7%. The Wastewater Treatment Plant was compliant and ran at 58% of capacity. Mr. Bellamy informed the Board the District has many old water meters, which may be causing the low accountability. He stated they will assess and address the issue.

Mr. Bellamy reviewed the preventative maintenance schedule and reviewed the repairs.

Mr. Bellamy discussed water terminations. He stated they will send another notification to customers regarding the September 5, 2020 start date for late fees and water terminations.

The Board discussed refunding the customer who disputed calculation of the fire fee.

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

11. RATE ORDER AMENDMENT. The Board next considered amending the District Rate Order regarding the sewer only rates. The Board discussed matching the sewer only rates according to usage for residential and commercial In District users. A copy of the Rate Order is attached as Exhibit "E".

Following further discussion, it was moved by Director Meisinger and seconded by Director Mewborn to amend the Rate Order concerning the sewer only rates, as discussed, 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 "F". He presented for approval Pay Estimate No. 12 from R&B Group, Inc., in the amount of \$60,968.15, for the 0.50 mgd expansion for the Wastewater Treatment Plant. Mr. Trochesset reported they are still investigating a solution to keep all the drainage on site and off Solomon Road.

Mr. Trochesset informed the Board the contractor for the Birch Road Utility Bridge project recently held a pre-construction meeting with Galveston County to kick off the roadway portion of the project.

Mr. Trochesset reported KDM is acquiring one more easement for the SH 146 Utility Relocation.

Mr. Trochesset informed the Board they received Mr. Tinkle's signed easement for the Wastewater Treatment Plant outfall project.

Mr. Trochesset presented for approval Pay Estimate No. 3 and Final, in the amount of \$30,483.30, for the 10-inch force main and the 15-inch gravity sewer for the Zircon property.

Mr. Trochesset discussed the 10-foot water line easement through Alan Croker's property for a future 8-inch waterline from Cien to Solomon Road. He stated Mr. Croker is receptive to the easement. Mr. Trochesset requested the Board authorize the attorney draft the easement.

Mr. Trochesset next discussed requests for capacity. He presented a request from Manvinder Cheema for 83 connections for a hotel development at SH 146 and 6th Street. The Board deferred action on the request.

Mr. Trochesset presented a request from Anthony Tran for two connections for two separate single-family residences on a 4-acre tract located along Winfield Lane, north of South Kemah Drive. He stated the property is out-of-district.

Mr. Trochesset presented a request from Sal Campise for one connection for a single-family resident located at 1151 Kipp Avenue.

Mr. Trochesset next presented a request from Greg Barra/Randi Whitley for 21 connections for a beer brewery restaurant located at 902 FM 2094. He stated the owner will pay the connection fee.

Following further discussion by the Board it was moved by Director Meisinger and seconded by Director Mewborn that the engineer's report be approved, to approve Pay Estimate No. 12 for the Wastewater Treatment Plant expansion, to approve Pay Estimate No. 3 and Final for the 10-inch force main and the 15-inch gravity sewer for the Zircon property, to approve the capacity request from Anthony Tran, to approve the capacity request from Sal Camprise, and to approve the capacity request from Greg Barra, which motion passed, 3-0, with Director Wiggins abstaining.

13. SALE OF SURPLUS PROPERTY. The Board considered the sale of surplus property on Delasandri. The Board authorized negotiation with realtors to list the property.

Following further discussion, it was moved by Director Meisinger and seconded by Director Mewborn to authorize negotiation with realtors to list the surplus property, which motion passed, 3-0, with Director Wiggins abstaining.

14. EMERGENCY WATER SUPPLY AGREEMENT WITH CITY OF LEAGUE CITY. The Board next considered the Emergency Water Supply Agreement with

the City of League City, a copy of which is attached as Exhibit "G". Mr. Trocheset explained this is a one-way agreement where League City will supply water to the District in an emergency.

Following further discussion, it was moved by Director Meiginer and seconded by Director Mewborn that the Emergency Water Supply Agreement with the City of League City be approved, which motion passed, 3-0, with Director Wiggins abstaining.

15. TAX ASSESSOR'S REPORT. The Board reviewed the tax assessor's report for June 2020 from Galveston County. The District has collected 97.15% of its 2019 taxes. No action was taken.

16. DIRECTORS ELECTION. Chris Richardson informed the Board the biennial Directors Election was scheduled for the uniform election date of Saturday, May 2, 2020, but was postponed to Tuesday, November 3, 2020 due to the proclamation of the Governor to suspend provisions of the Texas Election Code and the Texas Water Code, in response to COVID-19. The Amended Order Calling Directors Election and Notice of Election were presented for the Board's review and approval, a copy of the Order is attached as Exhibit "H". Following further discussion, it was moved by Director Meisinger, seconded by Director Mewborn, and unanimously carried that the Amended Order Calling Directors Election be approved; that the Notice of Election be approved; to authorize entering into an agreement with Galveston County for election services; and that the attorneys be authorized to post notice as required by law, which motion passed, 3-0, with Director Wiggins abstaining.

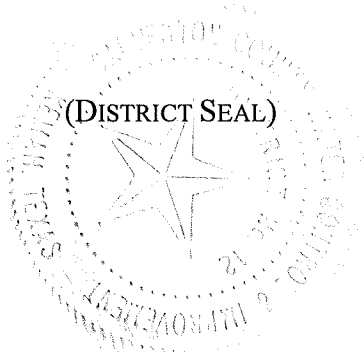
17. DESIGNATION OF OFFICE LOCATION OUTSIDE DISTRICT. The Board next considered approval of the Order Designating Office Sites Outside the District. Mr. Richardson stated Strawn & Richardson is moving its offices to 1155 Dairy Ashford Road, Suite

875, and the District needs to designate that address as an office and meeting place outside the District boundaries. Following further discussion, a motion was made by Director Meisinger, seconded by Director Mewborn to approve the Order Designating Office Sites Outside the District, a copy of which is attached as Exhibit "I" and authorize publication of the related Notice, which motion passed, 3-0, with Director Wiggins abstaining.

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

19. ADJOURNMENT. There being no further business, it was moved by Director Meisinger, seconded by Director Mewborn which motion passed, 3-0, with Director Wiggins abstaining, that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 17th day of August, 2020.



gwcid12/minutes/2020.07.20



Secretary