

GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 12

Regular Meeting August 20, 2018

The Board of Directors (Board) of the Galveston County Municipal Utility District No. 12 (District) convened for a **Regular Meeting, August, 2018** that was open to the public, at 6:00 p.m. at the District's Office located at 2929 Highway 6, Bayou Vista, Texas. A quorum of the Directors was present.

Position 1	Richard Matthews, President	Present
Position 3	John Prince, Vice President	Present
Position 4	Robert Bassett, Secretary/Treasurer	Present
Position 5	Carter Tull, Assistant Secretary/Treasurer	Present
Position 2	Eric Moeller, Director	Present

In attendance: Omega Bay residents: Jim & Laura Lewis, Bill & Elaine Skinner, Danny & Darlene Barnes, Sam & Cheryl Farrell, Patty Shipley, Anastosios Cassimus, E.L. Truettner, Kim Cavaretta, Gloria Roman, David Davis, Robert Michetich, Jerry Patton, John Huston, Gwen Megale; Bayou Vista residents: Richard White, Lori LaBorde, Ken Davis, Stephanie Burt, Jeannie Janota, Landa Cook, Shelby Dill, Sharron Hensley, Eve Bertrams, Bill Spenny, Harry Finley, Lou Wortham, Carol Wortham; District's Engineer-AEI Engineering- Bill Rackley; District's Accountant- Lydia Cook and Robin Crawford; District's Attorney- Michael Bacon and Sharon Ballard-Secretary to the Board.

1. **Call the meeting to order.**

President Richard Matthews called the meeting to order at 6:00 p.m.

2. **First order of business.**

Announcement by the President of the presence of a quorum, that the meeting was duly called, and the notice of the meeting was posted in the manner prescribed by law.

President Matthews announced the presence of a quorum, that the meeting was duly called and the notice of the meeting was posted in the manner prescribed by law.

The Pledge of Allegiance and a Prayer was said.

Mr. Matthews reviewed the President's notes for the month

Jeanie Janota requested the Board consider allowing a dog park to be placed at the MUD #12 exercise park. She presented a cost breakdown of approximately \$10,100.00 The Board can consider the project and vote on allowing the dog park at another meeting.

3. **Consider Minutes and other records of previous Board of Director meetings, including but not limited to:**

a) **Regular Meeting- July 16, 2018**

b) **Special Meeting- August 6, 2018.**

Carter Tull made a motion to approve the minutes of the Regular Meeting held on July 16, 2018.

John Prince seconded the motion.

Motion carried with all in favor.

John Prince made a motion to approve the minutes of the Special Meeting held on August 6, 2018.

Carter Tull seconded the motion. Motion carried with all in favor.

4. **Presentation by the Bayou Vista Fishing Club concerning the lateral canal water flow with possible action by the Board.**

Lori LaBorde presented information on the possible Bayou Vista Fishing Club project concerning the lateral canal water flow. Their concerns are the lack of water exchange/stagnation thus causing fish kills, possible infections to humans who come in contact with the stagnant water. The project would entail the removal of the existing bulkhead extension to open flow in the existing ducts, clear the sediment in front of the existing ducts, attempt to flush existing ducts, a new 6' wide deeper channel west of the existing ducts, channel cut from the lateral canal to the marsh drain, installation of bulkheads on each side of the cut and the installation of pilings in the center to prevent unauthorized boat traffic.

The objectives of the project are to increase water exchange for end canals, reduce stagnation of end canals, improve health of water in end canals, reduce future health concerns and help reduce sedimentation of lateral canal at Highland Bayou.

Concerns were raised in regards to the ownership of the property and obtaining permission from the said owners. Mr. Bacon noted the Board could authorize himself and AEI to determine this information. The Bayou Vista Fishing Club has earmarked \$9,000 to help pay for the project, as well as contractors who will be donating time and materials. They also have volunteers lined up to help with the project. They will be requesting additional funding from the City of Bayou Vista, MUD #12, Scenic Galveston and other sources. There was discussion concerning the use of funds for a project which would mainly benefit the residents of the City of Bayou Vista. The Board requested the Bayou Vista Fishing Club determine the ownership of the property and obtain the necessary permissions and make a presentation at the next meeting.

Mr. Moeller indicated he would like to propose a bond for dredging in the November election. Mr. Bacon noted this would not be considered a dredging project.

5. **Update on the bond by the District's Financial Advisor-Terrell Palmer;**

Mr. Palmer did not attend the meeting. Mr. Bacon reported there was no necessary Bond Application Report because the report is still being prepared by AEI. There will be nothing to report until such time as the Bond Application has been submitted to TCEQ. A question was raised about the Non-potable water project would be included in the bond application. Mr. Bacon noted that this was related to the repayment of elevated water and sewer rates which would be discussed later in the meeting.

John Prince made a motion to accept the bond update as presented by Michael Bacon.

Eric Moeller seconded the motion.

Motion carried with all in favor.

6. **Bookkeeper's Report, including consideration of the following:**

- a) **Ratify the payment of the principal and interest payment in the amount of \$182,377.50 to the Bank of New York Mellon for the Unlimited Tax Bond Series 2014 due September 1, 2018;**
- b) **Financial Statement and Investment Report for July 2018 and**
- c) **Bank transfers;**
- d) **Payment of monthly bills.**

Agenda item # 6 continued.

Mr. Matthews read the summary provided by Lydia Cook.

Carter Tull made a motion to approve the Bookkeeper's Report, including consideration of the following the Ratification of the payment of the principal and interest payment in the amount of \$182,377.50 to the Bank of New York Mellon for the Unlimited Tax Bond Series 2014 due September 1, 2018, the Financial Statement and Investment Report for July 2018 the Bank transfer and the payment of monthly bills.

Bob Bassett seconded the motion.

Motion carried with all in favor.

7. Consider and possible approval of closed accounts with unpaid balances to be written off this fiscal year.

Mr. Matthews noted the write offs were six accounts who left the District owing a combined total of \$390.47. The deposit for those accounts that still had one on file was used to pay against their final bill.

Carter Tull made a motion to approve the writing off of closed accounts with unpaid balances for this fiscal year.

Eric Moeller seconded the motion.

Motion carried with all in favor.

8. Discuss and possible approval of the Operating Budget for fiscal year 2018/2019 commencing October 1, 2018.

The Board discussed and answered questions regarding the Operating Budget.

Mr. Bacon stated that the budget must be adopted by September 30th. He noted the budget can be amended.

Carter Tull made a motion to approve Operating Budget for fiscal year 2018/2019 commencing October 1, 2018.

John Prince seconded the motion.

Motion carried with all in favor.

9. Consider Tax Rate recommendation for 2018 Tax Year and approve all matters related thereto, including the publishing of the Notice of Public Hearing Meeting on the Proposed Tax Rate.

John Prince made a motion to table this agenda item.

Eric Moeller seconded the motion.

Motion carried with all in favor.

10. **Update on the handling of the PUC-Settlement Bond Approval Credit.**

The core of the PUC- Settlement Bond Approval Credit which is tied to the customer's account is that a \$10 credit for 21 months will be applied to that address. The District will handle on a case by case basis requests for reimbursement made to the office by customers who have moved. The District may opt to pay off the settlement if it so desired. Mr. Bacon explained the reason for the \$10 for 21 months vs. a credit of \$30 for 6 months. He noted the Board had no obligation to reimburse the funds. They charged the \$30 to fund a project. The project was funded, which was perfectly legal. The Board wanted to honor previous promises for bond approval vote therefore the credits will be issued. The credit will be noted on the bills as Bond Approval Credit.

Eric Moeller made a motion to accept the update on the handling of the PUC-Settlement Bond Approval Credit as presented.

John Prince seconded the motion.

Motion carried with all in favor.

11. **Consider putting approved minutes of the previous meeting on the District's website.**

The Board discussed the posting of approved minutes of the previous meeting on the District website. A question was raised if attachments would be included. The Board decided that attachments would not be posted with the minutes, since attachments are public record, they could be requested at any time.

John Prince made a motion to approve the putting of approved minutes of the previous meeting on the District's website.

Eric Moeller seconded the motion.

Motion carried with all in favor.

12. **Consider having an executive summary for legal/operations/financial to be attached to the agenda when agenda is posted on the District's website.**

The posting of the executive summaries being attached to the agenda when the agenda is posted on the District's website was discussed. The executive summaries will be compiled by the various consultants of the District. They are not required to be posted with the agenda. A question was raised if minutes can be posted prior to being approved. Mr. Bacon advised this should not be done. The minutes can be approved and amended at a later date. If there is a material, factual problem with the minutes presented to the Board, the Board can approve an amended set of minutes.

John Prince made a motion to approve the attaching of an executive summary for legal/operations/financial to the agenda when it is posted on the District's website.

Eric Moeller seconded the motion.

Motion carried with all in favor.

13. **Operator's Report, including consideration of the following:**
- a) **Water Treatment Plant and Wastewater Treatment Plant status, including repairs and maintenance, Well Usage Report and Discharge Monitoring Report;**
 - b) **Status of District assets including Vehicle Maintenance Report;**
 - c) **Recommendation for service orders and status of outstanding service orders;**
 - d) **Recommendation for account services, including disconnection of accounts.**

John Prince made a motion to approve the Operator's Report, including consideration of the following: Water Treatment Plant and Wastewater Treatment Plant status, including repairs and maintenance, Well Usage Report and Discharge Monitoring Report; Status of District assets including Vehicle Maintenance Report; Recommendation for service orders and status of outstanding service orders; Recommendation for account services, including disconnection of accounts.

Bob Bassett seconded the motion.

Motion carried with all in favor.

14. **Engineer's Reports**
Approve pay estimates and change order, approve easements, authorize advertisements for bids and approve recommendation of award and contracts as necessary.

Bob Bassett made a motion to approve the Engineer's Reports, pay estimates and change order, approve easements, authorize advertisements for bids and approve recommendation of award and contracts as necessary.

Eric Moeller seconded the motion.

Motion carried with all in favor.

15. **Attorney's Report.**
Mr. Bacon requested the Board meet with him in Executive Session at the end of the meeting.

16. **Public comments.**
Some of the public comments were regarding:
1. The implementation of a curbside recycling program with the current solid waste provider
 2. The possibility of considering the cleaning of the culverts as maintenance instead of dredging
 3. Replacing the billing systems as it appears to be an antiquated system
 4. The dredge report presented by Parsons Engineering not including the culverts. Parsons reported the culverts were included in the report when Mr. Matthews had contacted them
 5. The ability of presenting factual changes on approved minutes and the amendment of same.
 6. The positioning of public comments on agendas
 7. Questions on budget numbers & tax rate
 8. Reimbursement of the Non-potable Water Project monies from bond funds
 9. Time limit on public comments on non-agenda items
 10. Clean-up of garbage in canals- who is responsible for getting the garbage out of canal

Agenda item # 16 continued.

11. Why there were no minutes for the August 8th meeting? There was not a quorum to hold the meeting. A cancellation of the meeting was posted. No meeting was held
12. Tax Assessor statements has a 5 year history on the back of the statement
13. List of approved bond projects- funding of said projects
14. The difference between in bond authorization and bond issuance

17. Other matters that may come before the Board.

There were no other matters.

The Board convened into Executive Session at 8:45 p.m.

18. Adjournment.

A motion was made by Carter Tull and seconded by John Prince duly put and unanimously carried, the Board adjourned at 9:30 pm.

Respectfully Submitted,
Sharon Ballard


Richard Matthews, President


Robert Bassett, Secretary/Treasurer