

GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 12

Public Hearing-Regular Meeting

September 17, 2018

The Board of Directors (Board) of the Galveston County Municipal Utility District No. 12 (District) convened for a **Public Hearing -Regular Meeting, September 17, 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: DJ Matthews, Sam & Cheryl Farrell, E.L. Truettner and Warren Kopecky Bayou Vista residents: Tom Lenderman, Shelby Dill, Harry Finley, Lou Wortham, Bill & Jeanne Kidwell, Richard White, Barbie Miller,; District's Engineer- AEI Engineering- Bill Rackley; District's Accountant- Lydia Cook ;District's Attorney- Michael Bacon; District Operator -Randy Ward and Sharon Ballard-Secretary to the Board.

PUBLIC HEARING

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

President Richard Matthews called the meeting to order at 6:04 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 briefly explained the reason for the Board to have held a meeting at 11:00 on August 30th to approve the publishing of the proposed tax rate.

3. **Public comment-Agenda items only.**

1. Questions as to the changing of the format of the agendas concerning public comments
2. Spoke against any tax increase- home values increasing therefore more monies will be collected
3. The necessity of having a balanced set of numbers prior to passing a new tax rate and where had the numbers come from and why were they not on any publications
4. Questions regarding the budget
5. Question regarding Homestead & 65 & Older tax exemption

4. **Consider the proposed tax rate of \$0.247789 per \$100.00 of assessed valuation for the 2018 Tax Year.**

The Board considered the proposed tax rate of \$0.247789 per \$100.00 of assessed valuation for the 2018 Tax Year. No vote was taken as this was the public hearing portion of the meeting.

5. **Adjournment.**

A motion was made by Bob Bassett and seconded by Carter Tull duly put and unanimously carried, the Board adjourned at 6:15 p.m.

REGULAR CALLED MEETING

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

President Richard Matthews moved to agenda item #4 as he stated the meeting had been called to order and the presence of a quorum had been previously noted.

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.

3. **Public Comments- Agenda items only.**

No comments additional comments were made at this time.

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

Mr. Matthews read the update on the bond which had been sent via email. The email read as follows:

Below would be my estimate of the receipt of funds from the sale of a portion of the elected bonds:

October 1	Bond Counsel and Financial Advisor receive the draft of the Bond Application
October 15	Board approves the Bond Application
October 17	AEI submits the Bond Application to the TCEQ
November 15	TCEQ deems administratively complete
February 15	Bond Issue is approved by the TCEQ
February 18	Board approves Notice of Sale, Bid Form and Preliminary Official Statement
March 18	Bonds are sold by competitive bid
April 17	Bond Closing Date – Funds are available to the District

The Bonds will be sold by competitive bid. Any resident that would like to purchase a portion of the bonds should contact their securities broker and express an interest in the bonds. If that broker is unwilling to help, the resident can open an account with the winning bidder and could be reasonably assured that they would receive the bonds.

Please let me know if you have any other questions.

Mr. Palmer was in attendance later in the meeting and briefly addressed the Board and answered residents' questions.

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

a) **Special Meeting of August 30, 2018;**

b) **Regular Meeting of August 20, 2018.**

Carter Tull made a motion to approve the minutes of the Special Meeting of August 30, 2018.

Bob Bassett seconded the motion.

Motion carried with all in favor.

Eric Moeller made a motion to approve the minutes of the Regular Meeting of August 20, 2018.

Agenda item #5 continued.

Bob Bassett seconded the motion.

Motion carried with all in favor.

Lydia Cook requested the Board move to agenda item # 9, the budget.

6. Adopt Order Setting the 2018 Tax Rate approve all matters related thereto.

Lydia had provided the Board with a breakdown of possible tax rate options. The one which she suggested and the Board agreed with was the total being the same at \$0.239511 while the breakdown would change. The debt service will be \$0.67838. The M & O portion will be \$0.171673.

Bob Bassett made a motion to adopt the Order Setting the 2018 Tax Rate at the same as last year (\$0.239511) at \$0.239 and to approve all matters related thereto.

Carter Tull seconded the motion.

Motion carried with all in favor.

7. Approve the Amendment to Information Form and Revised Notice to Purchasers and the filing of same.

Carter Tull made a motion to approve Amendment to Information Form and Revised Notice to Purchasers and the filing of same.

Eric Moeller seconded the motion.

Motion carried with all in favor.

8. Consider the Resolution Accepting Final Appraisal Roll and Levying Taxes for 2018 Tax year.

Carter Tull made a motion to approve the Resolution Accepting Final Appraisal Roll and Levying Taxes for 2018 Tax year.

Bob Bassett seconded the motion.

Motion carried with all in favor.

9. Consider the Resolution Adopting the Operating Budget for fiscal year 2018/2019 commencing October 1, 2018.

Lydia briefly addressed a prior question concerning how she had arrived at the proposed rate. She explained the property tax code is used by the County Tax Assessor's office to formulate the numbers. These numbers were published in the required format by the Tax Assessor in the Galveston Daily News.

Lydia reviewed the amended budget with the Board.

Bob Bassett made a motion to approve the Resolution Adopting the Amended Operating Budget for fiscal year 2018/2019 commencing October 1, 2018.

Carter Tull seconded the motion.

Motion carried with all in favor.

~~Mr. Matthews moved to agenda item #6.~~

10. **Investment matters, including:**

- a) **Adopt Order Regarding Annual Review of Rules, Policies and Code of Ethics for the Investment of District Funds.**

Carter Tull made a motion to adopt the Order Regarding Annual Review of Rules, Policies and Code of Ethics for the Investment of District Funds.

John Prince seconded the motion.

Motion carried with all in favor.

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

- a) **Financial Statement and Investment Report for August 2018;**
b) **Bank transfers;**
c) **Payment of monthly bill.**

Lydia Cook reviewed the Financial Statement and Investment Report with the Board. Bob Bassett made a motion to approve the bank transfers suggested by Lydia Cook.

Eric Moeller seconded the motion.

Motion carried with all in favor.

Carter Tull made a motion to accept the Bookkeeper's Report as presented.

John Prince seconded the motion.

Motion carried with all in favor.

12. **Consider and possible approval of a fund designation for the financial reserve for an amount to satisfy approximately 9 months of expenditures.**

Michael Bacon & Lydia Cook advised the Board on the necessity of approving a fund designation for a financial reserve. The Board discussed increasing the amount to cover 12 months of expenditures. Lydia will work on the numbers and have the information at the next meeting. The Board agreed they could change the fund designation once they have the information but they wished to approve the fund designation for the financial reserve for an amount to satisfy approximately 9 months of expenditures.

Carter Tull made a motion to approve the fund designation for the financial reserve for an amount to satisfy approximately 9 months of expenditures.

Bob Bassett seconded the motion.

Motion carried with all in favor.

13. **Consider the annual letter of engagement:**

- a) **Accountant.**

This item was tabled. Lydia will have the letter of engagement available at the next meeting.

14. **Engineer's Reports**

Approve pay estimates and change order, approve easements, authorize advertisement for bids and approve recommendation of award and contracts as necessary.

Bill Rackley read the attached September 2018 Engineer's Report.

John Prince made a motion to approve the awarding of the contract for the Wastewater Treatment Plant Rehabilitation and Odor Control Project to R & B Group for \$1,295,300.00

Bob Bassett seconded the motion.

Motion carried with all in favor.

The Board is requiring that a supervisor from AEI & R&B Group be on site at all times when work is being done.

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

John Prince seconded the motion.

Motion carried with all in favor.

15. **Operator's Report, including consideration of the following:**

- a) **Water and Wastewater Plant status, including repairs and maintenance, Well Usage Report, and Discharge Monitoring Report;**
- b) **Status of District assets, including Vehicle Maintenance Report;**
- c) **Recommendations for service orders and status of outstanding service orders;**
- d) **Recommendations for account services, including disconnection of accounts.**

Randy Ward reviewed the Operator's Report with the Board.

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

John Prince seconded the motion.

Motion carried with all in favor.

16. **Discuss the AWBD mid-winter conference to be held in Austin, Texas-Friday- January 25th thru Saturday, January 26th 2019.**

Mr. Matthews and Mr. Moeller indicated they will attend the AWBD mid-winter conference to be held in Austin, Texas-Friday- January 25th thru Saturday, January 26th 2019.

17. Attorney's Report.

Michael Bacon provided an update on the PUC settlement. The Base line settlement agreement was to issue a \$10 credit a month per customer for 21 months. He recommends considering accelerating the payment of the credit when financially feasible at a future date. He also suggested the District decide on a case by case basis those persons who have moved in or out receiving a credit.

He noted he had suggested the Board have a non-agenda public comment agenda item at the top of the agenda for people who have new concerns which are not on the agenda. Have a public comment at the end.

There is no restriction on answering questions. They may want to defer to the most appropriate person who would have the knowledge.

Richard Matthews noted the only times the Board can discuss the items on the agenda are at the meeting.

Mr. Matthews requested that Mr. Bacon provide a summarization of the formal PUC Settlement to the Board. The District has already met the base line settlement agreement. Anything else would be a case by case situation.

Carter Tull made a motion to accept the Attorney's report.

Eric Moeller seconded the motion.

Motion carried with all in favor.

18. Public Comments.

The residents commented on the items below and the Board addressed the items.

1. The format and subsequent adherence to the format to allow residents to speak
2. The repayment of the \$10 Bond Approval Credit
3. The budget numbers do not balance

19. Other Matters that may come before the Board.

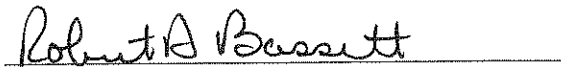
There were no other matters.

20. Adjournment.

A motion was made by Carter Tull and seconded by Eric Moeller duly put and unanimously carried, the Board adjourned at 8:05 pm.

Respectfully Submitted,
Sharon Ballard


Richard Matthews, President


Robert Bassett, Secretary/Treasurer