

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors of the San Leon Municipal Utility District met in regular session, open to the public, on Wednesday, October 17, 2018, at 6:30 p.m. at the District's regular meeting place at the San Leon Volunteer Fire Department 337 12th Street, San Leon, Texas. Constituting a quorum, the following members of the Board were present, to-wit:

Joe Manchaca, President	Tyson Kennedy, Vice President
Kelly Neason, Asst. Secretary	Keith Gossett, Director

Not Present: Kenneth Bishop, Treasurer

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Andrew Miller, District Manager, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer, Perry Larvin, District's Security.

Call Meeting to Order;

Meeting called to order at 6:30 pm.

Comments from District Residents;

W. Jakubas discussed the moratorium, hiring the District Manager and the hiring of an additional person to enforce violations regarding anything that is attached to the system until we have more revenue.

Approve Election of Officers;

Table until next meeting.

Consider and Approve a Proposed Development at 8th and Ave. C for Thomas Downing;

J. Manchaca said that there is a moratorium on multi-development until the sewer capacity gets resolved. T. Downing said that he is proposing to build individual cottages (250 square feet) per each lot. J. Manchaca said that the Board will have their decision in the morning regarding your proposed cottages. K. Keller will make sure there are adequate water and sewer lines to your property; you will need to go to the county to get your permits and make sure you have all of the regular inspections done.

Consider and Approve Health Insurance for the District Employees;

Oscar discussed the proposed rates for the self-funded insurance program for the District employees, was the same benefits and approximately 25% reduced from the prior rates. There was a possibility that the District could have received a refund, but there was no refund to receive back because of the District \$24,000 in the hole with this self-funded program. Aetna's renewal rate is 6.9% increase for the same plan that the employees have now. With the self-funded plan, even with a deficit of \$24,000 at the end of the year it clears and starts brand new. There are numerous plans with Aetna to choose from and there are 60 other plans available.

J. Manchaca said that the board needs to see the cost of these other plans and what they do and don't cover; at this point, the board needs to gather the employees and say to them this is what the District is going to do, who is going to stay and who will go. There was much discussion regarding the health insurance for the employees. Robert Rodriguez with Colonial discussed the plan and stated that they have a better cost and is identical in coverage with Special Insurance Services. Benefits are paid directly to the insured not the insurance company. There was discussion regard MDLIVE program, you can go live with the doctor or physician's assistant. Tabled until next meeting.

Approve the Minutes of the Regular Meetings on September 18, 2018, and September 19, 2018;

Tyson Kennedy made the motion to approve the Minutes of the Regular Meetings on September 18, 2018, and September 19, 2018, seconded by Keith Gossett. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report;

Hal Walker presented the Engineer's Report to the Board. WWTP Expansion; Site plans are completed and will be setting up a meeting with K. Keller and A. Miller regarding the site plans. WWTP Emergency Generator; met with the electrical engineer on 20th of September at the plant; he said that we can size the emergency generator for the plant expansion and we requested additional information on what it would be to put in a diesel versus natural gas for testing purposes. WWTP Permit; it has been reviewed, there is nothing out of the ordinary except when the treatment plant expands there needs to be additional testing for toxicity and the plant will also require a type B licensed operator. I & I Flow Monitoring; in the past, there were discussions about setting monitors in several manholes to find out where the worst infiltration is coming in from, bids from contractors and possibly purchasing the equipment so the District can do it. There is a company that has a new type of tracker that does the same as the Hach equipment; it will measure the flow and let us know where the flow is. A package of three (3) units are just under \$5,000, also includes the applications for laptop or phone and the software. Update on I & I Flow; the month of September had over twenty-six inches of rainfall and the District is still good with TCEQ. Kelly Neason made the motion to approve the Engineer's Report, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report;

Ken Keller presented the Field Superintendent's Report to the Board. The accountability is at 2%. Still working on the transmission line at the bridge. Keith Gossett made the motion to approve the Field Superintendent's Report, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

District Manager's Report;

Quarterly meeting with GCWA for the mainland operations coming up before our next meeting. There was an increase in GCWA charges for this month invoice. The emergency radios should be here by the end of the month. Met with the County regarding two issues; 14th Street a resident stated that the roads were not being maintained and told the customer that it was not County maintained, 15th there was an issue a neighborly dispute regarding the county right away. Received a letter from TCEQ regarding the drought contingency plan reminding us to keep it updated. Met with fire department Chief this month, he found a grant that opens up every once in a blue moon and so we are working through applying for that. If TCEQ approves the fire department increases that we recommended to adopt, we would be looking at about \$9,000.00 a month increase for the fire department.

There were thirty-six requests for taps this month and only 18 were immediately available with five paying for improvements. One of the lift stations had a toy shark making the pumps stop. Preconstruction meeting regarding the controls and mezzanine in the tower; received a notice to proceed this past month, so within a couple weeks, they should be on site to start. The contract is scheduled to finish in April 2019, but maybe sooner than that and monthly meeting as it goes. Call from Phoenix, they should be here on October 29th to do the painting in the tower. Sent grease trap letter to Gilhooley's and they said all is set up right, but we are going to meet with them to make sure it's adequate. A customer had a \$1,000 bill said there was no leak, so we profiled their meter and gave a credit on the sewer charge.

Consider and Approve the Office Manager's Report;

Janice Hoffman presented the Office Manager's Report to the Board. There was much discussion regarding revenues, expenses and why the District was in the red again. J. Manchaca said that anything that is not mandatory because of a broken line or blockage; if there isn't enough revenue to offset it from this point on it needs to stop. Kelly Neason made the motion to approve the Office Manager's Report; seconded by Keith Gossett. All in favor, motion carried unanimously.

Discuss and Follow up on Outstanding Issues;

There were no outstanding issues.

Director's Report;

There was nothing to report.

Recess into Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government Code;

Recess into Executive Session at 7:49 pm.

Return to Regular Session and Act on Matters Discussed in Executive Session;

Returned to Regular Session at 8:22 pm and acted on matters discussed in Executive Session. There was much discussion in Executive Session. Kelly Neason made the motion to approve Frank Bignac to have two (2) units connected immediately with two (2) additional units connect every two (2) months, discussed in Executive Session, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

Adjourn Meeting;

Tyson Kennedy made the motion to adjourn the meeting at 8:24 pm, seconded by Keith Gossett. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



Kelly Neason
Assistant Secretary, Board of Director