

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, February 20, 2019, 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:

Tyson Kennedy, Vice President	Kenneth Bishop, Treasurer
Kelly Neason, Asst. Secretary	Keith Gossett, Secretary

Not Present: Joe Manchaca, President

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 and Avery Aanderud, Security.

Call Meeting to Order;

Meeting called to order at 6:30 pm.

Discuss, Consider and Approve Services at 2243 Broadway for Dale Brown;

D. Brown said he requesting residential water and sewer for the two (2) lots he has next to the District's property at 2243 Broadway. T. Kennedy said there is water. A. Miller said that there is an 8" water line, but there are no sewer lines running through there at this time; septic needed with County of Galveston's approval. Ken Bishop made the motion to approve of the residential water tap for 2243 Broadway only, seconded by Keith Gossett. All in favor, motion carried unanimously.

D. Brown said he asked for a proposal on water and sewer for Cindy Palmer Lane and down Ave. G and wants to know how that is coming. A. Miller said that the District is not continuing that because the road is not county maintain and will not run lines. There were many discussions regarding D. Brown's development on Cindy Palmer and Ave. G.

Discuss, Consider and Approve a Development of RV Spaces at 2710 Ave H for Linda Solook;

There was discussion regarding Bond Election for the upgrade to the Waste Water Treat Plant and the moratorium. There was discussion regarding L. Solook coming before the board several times, once for R.V.'s, then for cottages and the last time for R.V.'s. The board approved the six (6) cottages March 2016, but she changed to eight (8) R.V.'s. There was much discussion regarding Linda Solook's development. Kelly Neason made a motion to approve Linda Solook's RV park since it was already approved as cottages in March 2016, seconded by Ken Bishop. All in favor, motion carried unanimously.

Discuss, Consider and Approve Proposed Development at 606 9th for Danny and Tina Hillger;

Tabled

Discuss, Consider and Approve Proposed Development at 824 24th for Robert Saldierna;

There were discussions regarding R. Saldierna's development at 824 24th Street. Tabled, the Board will need to see a specific proposal or schedule.

Approve the Minutes of the Regular Meetings for January 16, 2019 and the Special Meeting for February 12, 2019;

Keith Gossett made the motion to approve the Minutes of the Regular Meeting for January 16, 2019 and Special Meeting for February 12, 2019, seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report;

Hal Walker presented the Engineer's Report to the Board. Expansion of the WWTP; is currently working on the structural design. Replacement of the WWTP Emergency Generator; the project design and goes into advertising tomorrow. Will be having a non-mandatory pre-bid at the Waste Water Plant on the 7th of March and a bid opening for the project on March 14th and will report the bid results at the next Board meeting. WWTP Permit Application Renewal; still waiting to hear back from TCEQ regarding comments made by E. Brandon. As of today, the permit has not progressed. Ken Bishop made the motion to approve the Engineer's Report, seconded by Kelly Neason. All in favor, motion carried unanimously.

Approval of Resolution for Reallocation of Bond Funds;

Ken Bishop made the motion to approve the Resolution for Reallocation of Bond Funds, seconded by Kelly Neason. 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 unaccountable water is 9%. There were 16 taps installed for the month of January. Kelly Neason made the motion to approve the Field Superintendent's Report, seconded by Keith Gossett. All in favor, motion carried unanimously.

District Manager's Report;

GCWA had their Mainland Advisor Committee meeting on the 12th of February. They have a schedule chlorine maintenance on March 25th through April 8th and that is an annual thing they do once a year to help clean out the lines. GCWA's engineer is retiring this year and working on bring up one of the junior engineers to come on to the projects; Upcoming 5 million projects that were unexpected, TxDOT is working on Highway 3 and will require them to relocate all of their lines in the area and TxDOT is not reimbursing. We will be seeing that somewhere in the 2020/2021 budget that will start coming as a shared to all GCWA and their customers; GCWA is amending and re-stating their contracts; Discussed Americas Water and Infrastructure Act of 2018; Met with County of Galveston to determine the status of the District's tax collections and we are about almost 73% collected; Had a discussion with Moody regarding the District's Bond rating, the District has an A3 rating, which is good for the District; Discussed the AWBD conference; Twenty-nine (29) requests for service, seventeen (17) were available, Twelve (12) were quoted for line upgrade; MoS had the kick starter project on the iTrackers and haven't heard from the sales rep, he has not responded to emails or phone calls; The elevated storage tank mezzanine is on track for the April 2019 deadline; Update the District GIS with the 2018 County plats; Waste Management decrease the rate on the invoice for the port o pot at 6th Street; Working with H. Walker on the WWTP expansion bond issue and generator; Contract with Decker, there was a miscommunication on the rate change; Community involvement with the residents; Discussed the notice letters that the District is sending out about up coming county enforcements with two (2) residents; Discussed the outstanding receivables and upcoming projects.

Consider and Approve Reimbursement Resolution from the 2017 Bond;

Ken Bishop made the motion to approve the Reimbursement Resolution from the 2017 Bond in the amount of \$946,123.60 into the Operating Reserve, seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve the Office Manager's Report;

Janice Hoffman presented the Office Manager's Report to the Board. Ken Bishop made the motion to approve the Office Manager's Report, seconded by Kelly Neason. All in favor, motion carried unanimously.

Discuss, Consider and Approve Blackboard's Contract and Renewal;

Keith Gossett made the motion to approve to renew the contract with Blackboard Connect, seconded by Kelly Neason. All in favor, motion carried unanimously.

Discuss and Follow up on Outstanding Issues;

There were no outstanding issues.

Director's Report;

There were no Directors reports.

Comments from District Residents;

Riccardo Berrones said he is building a home at the 2400 block of Rue Da Lafitte and he is almost done, when he came to the water office to pay for his taps he was told that he couldn't get taps until he paid to upgrade the 2" line because there are too many connections on that line. There were discussions regarding Riccardo Berrones line upgrade, Bond Election, letters received regarding RV permit requirements, David Jetelina asking about the information he requested, the veteran said he didn't get the water turned on for two weeks, Arlene Dickinson asked if the District was going to increase the rates again and she received one of the letters regarding RV's. There were discussions about using the bond funds to upgrade these 2" lines to 6" to accommodate new growth and not having the resident responsible to pay the cost of the line upgrades.

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

Recess into Executive Session at 8:11 p. m.

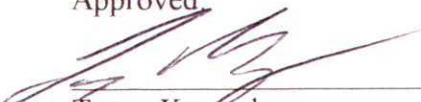
Return to Regular Session and Act on Matters Discussed in Executive Session;

Returned to Regular Session at 8:24 pm and acted on matters discussed in Executive Session. There was much discussion in Executive Session. Kelly Neason made the motion to approve the three (3) Employee annual appraisals as discussed in Executive Session, seconded by Ken Bishop. All in favor, motion carried unanimously.

Adjourn Meeting;

Kelly Neason made the motion to adjourn the meeting at 8:25 pm, seconded by Ken Bishop. All in favor, motion carried unanimously.

Approved:



Tyson Kennedy
Vice President, Board of Directors

Attest:



Keith Gossett
Secretary, Board of Directors