

MINUTES OF REGULAR MEETING OF  
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS

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COUNTY OF GALVESTON

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The Board of Directors of the San Leon Municipal Utility District met in regular session, open to the public, on Wednesday, August 21, 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:

Joe Manchaca, President  
Kelly Neason, Asst. Secretary

Kenneth Bishop, Treasurer  
Keith Gossett, Secretary

Not Present: Tyson Kennedy, Vice President

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Andrew Miller, District Manager, Hal Walker, District's Engineer Chris Lane, District's Financial Advisor and Perry Larvin, Security.

Not Present: Steve Don Carlos, District's Attorney

**Call Meeting to Order:**

Meeting called to order at 6:30 pm.

**Comments from District Residents:**

Dan Sumpter had comments and questions regarding the letter received about the rate increase for the San Leon Volunteer Fire Dept. There were no other comments from District residents.

**Call Public Hearing concerning Adoption of the District Tax Rate and Authorize Publication of Notice of Public Hearing, take Record Vote on Proposed Tax Rate:**

C. Lane discussed the proposed draft documents. C. Lane said they are in the process of issuing Bonds so you can include that Bond issue in this year tax rate; so the debt service to \$0.45 and the O & M down to \$0.18, a total of \$0.63. There were four (4) Board members for, none (0) against and one (1) not present and setting the 2019 tax rate at \$0.63. Ken Bishop made the motion to call a public hearing and authorize publication notice of a public hearing for the proposed tax rate, seconded by Kelly Neason. All in favor, motion carried unanimously.

**Consider discussion from Boyd Thomure:**

Boyd Thomure asked the Board to consider waiving the \$25 reconnect fee if the customer has been a good paying customer for the last six (6) years. Look into a reduced rate for the over 65 customers on a fixed income and the customer would have to apply for it. To have a separate fund to be established to assist in paying the monthly bill for the household due to illness or family hardship and they would need to apply for this also. Something to think about and look into.

**Consider and Approve a Proposed Development at 24<sup>th</sup> and Ave N for John Arena:**

Item tabled, J. Arena is not present.

**Consider and Approve a Proposed Development at 11<sup>th</sup> and Ave K for R. Saldierna:**

R. Saldierna discussed his proposal to build ten (10) small cottages and said that the property is big enough he can build ten (10) more on the back. Timeline on the initial ten (10) would be about a year. Tabled until next meeting.

**Approve the Minutes of the Regular Meeting for July 17, 2019;**

Minutes of the Regular Meeting for July 17, 2019.

**Consider and Approve the Engineer's Report;**

Hal Walker presented the Engineer's Report to the Board. Bond Report; had a conversation with Daniel Harrison with TCEQ, he assured that everything was running smoothly on the application and that it has moved out of administration and management reviews, but this afternoon we received a call from management and they had some questions regarding the water capacity. The state criteria is .6 gallons per minute, per single-family connection and the District does use that much every day. Work on the WWTP Generator looks good so far and Costello approves the payment to McDonald Electric for the amount of \$32,124.60.

**Consider and Approve the Field Superintendent's Report;**

Ken Keller presented the Field Superintendent's Report to the Board.

**Consider and Approve the Office Manager's Report;**

Janice Hoffman presented the Office Manager's Report to the Board.

Kelly Neason made the motion to approve of the Minutes to the Regular Meeting for July 17, 2019, the Engineer's Report, the Field Superintendent's report and the Office Manager's report, seconded by Keith Gossett. All in favor, motion carried unanimously.

**Discuss and Approve of Pay Est. No. 3, from C. F. McDonald Electric Inc.;**

Ken Bishop made the motion to approve of the Pay Est. No. 3 from C. F. McDonald Electric in the amount \$32,124.60, seconded by Kelly Neason. All in favor, motion carried unanimously.

**Review and Discuss Sludge Haul Proposals;**

A. Miller presented to the Board five (5) proposals for sludge haulers. Sludge haul proposals table until next meeting.

**Review and Adopt Amended Rate Order;**

A. Miller stated on page 2 regarding the PEX plumbing the District already approves PEX plumbing for interior, it should say that the District will approve PEX for exterior plumbing. A. Miller said that we wanted to confirm with the Board how we need to approach multi-commercial accounts; if there needed to be a base rate of \$20.00 plus the \$5.00 per occupied unit. J. Manchaca said that is correct. Keith Gossett made the motion changes to the rate order with the fire department rate changes, seconded by Ken Bishop. All in favor, motion carried unanimously.

**District Manager's Report;**

We will be getting the District emergency radios from Galveston County dispatch; they are finishing up the programming. Working with Ken on a solution for Topwater; they are at the end of the waterline, so when the District is flushing lines, they have low to no water pressure. Taps for this month; there were thirty-eight (38) taps requested, twenty-one (21) were available and seventeen (17) were unavailable and quoted for line improvements. Three (3) of the quotes were for r. v. parks. A. Miller said we are evaluating on a case by case bases when there is two-inch (2") water lines that are at the capacity and working with TCEQ about getting variances in certain situations. Working on a street light survey so we can do a night run to see which one needs repairs.

**Discuss and Follow up on Outstanding Issues;**

There were no outstanding issues.

**Director's Report;**

There were no Directors Reports.

**Recess into Executive Session Pursuant to Section 551.071, 551.072 and 551.074 of the Texas Government Code:**

Recess into Executive Session at 7:32 p. m.

**Return to Regular Session and Act on Matters Discussed in Executive Session:**

Returned to Regular Session at 7:39 pm and acted on matters discussed in Executive Session. There were discussions regarding one (1) employee's annual appraisal in Executive Session and the Board agreed on what was discussed. The Board discussed having all of the employee's annuals to be done once a year at the beginning of January. There was nothing approved, discussions only.

**Adjourn Meeting:**

Keith Gossett made the motion to adjourn the meeting at 7:39 pm, seconded by Ken Bishop. All in favor, motion carried unanimously.

Approved:

Attest:

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Joe Manchaca  
President, Board of Directors

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Keith Gossett  
Secretary, Board of Directors