

**MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS**

THE STATE OF TEXAS §
COUNTY OF GALVESTON §
GALVESTON COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 12 §

The Board of Directors of Galveston County Water Control & Improvement District No. 12 (the “District”) met in regular session, open to the public, at its regular meeting place inside the boundaries of the District, on October 12, 2015; whereupon, the roll was called of the members of the Board of Directors, to-wit:

Ed Linck	President
Linda Merryman	Vice President
Nancy McDonald	Secretary
Terri Gale	Assistant Secretary
Greg Collins	Assistant Secretary

All members of the Board of Directors were present except Director Gale.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Ed Holdgraf of Municipal District Services, LLC; Michelle Lofton of ETI Bookkeeping Services; Wallace Trochesset, of LJA Engineering; and Teresa Case, landowner/businesswoman.

Whereupon, the President called the meeting to order and evidence was presented that public notice of the meeting was given in compliance with the law.

1. **PUBLIC COMMENTS.** Teresa Case asked about capacity for her dog boarding facility on a 5 acre tract in South Kemah. She stated she needs to bring a sanitary sewer line to the property, which will cost about \$83,000; or else she could place a lift station and use a

grinder pump. Ed Holdgraf stated the customer would need to maintain the pump and lift station if it is private, but there are several such stations currently in use.

A commercial real estate broker asked about potential service to a tract on SH 96 and Anders Lane, which needs water and sewer utilities. Wallace noted the out-of-District location, and what would be required, including a demand for projected usage, and the developer would have to pay for the line(s) to reach the property, as there is no reimbursement offered. He noted there would not be enough capacity to serve apartments, and there are no guarantees about whether the District will have enough water to serve the tract. The Board discussed and noted the District does not have much excess capacity to commit to developers; the Board is monitoring the GCWA for potential additional resources, as it is the regional water supplier.

2. **MEETING MINUTES.** The Board considered the minutes for the meeting of September 14, 2015. Following further discussion, it was moved by Director Collins and seconded by Director McDonald that the minutes be approved, which motion passed unanimously, 4-0.

3. **BOOKKEEPER'S REPORT.** Michelle Lofton presented the bookkeeper's report, a copy of which is attached as Exhibit "A". The Board reviewed the checks, investments, budget, and energy usage for the month of June. She reviewed the use of bond proceeds and the budget; she noted the District is currently ahead of its projected budget. She presented and discussed the proposed budget for the fiscal year ending December 31, 2016; the Board reviewed and tabled the matter.

Following further discussion, it was moved by Director Merryman and seconded by Director Collins that the bookkeeper's report, and those checks as listed thereon be approved, which motion passed unanimously, 4-0.

4. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,682 customer connections. He stated the

wastewater treatment plant experienced a permit excursion due to an inspection in which 7 samples were required, but only 6 were supplied; he noted all samples were within acceptable limits. Water accountability was at 94.1%. He reviewed the preventative maintenance schedule. Mr. Holdgraf noted the GCWA meeting date is the 2nd Tuesday of the month.

Following further discussion, it was moved by Director Merryman and seconded by Director McDonald that the operator's report be approved, along with the items presented, which motion carried unanimously, 4-0.

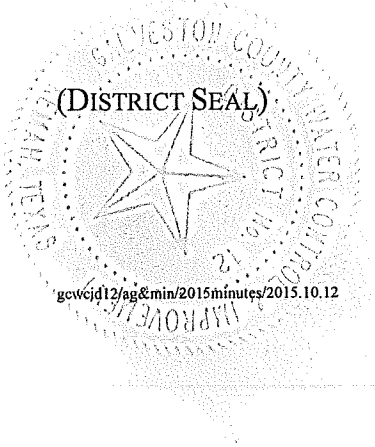
5. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "C". He discussed the Kipp Lift Station and requested authorization for Pay Estimate No. 3 in the amount of \$77,158.05. He requested authority to advertise for the Lazy Bend Waterline Rehabilitation project. Mr. Trochesset presented an initial, 6-month contract for odor control at the Wastewater Treatment Plant; with \$1,500 set-up costs, and \$750 costs per month. He noted the City of Kemah had been approved for the Community Development Block Grant. He also noted a request for water capacity for an out-of-District tract, for 22 homes, but the Board did not take action to commit capacity. Mr. Trochesset discussed the Auto Zone development next to ALDI; that developer will need to pay Walgreens developers, for pro-rata capacity in the trunk sewer line.

Following further discussion by the Board it was moved by Director Merryman and seconded by Director Collins that the engineer's report be approved along with the items presented; the motion passed unanimously, 4-0.

6. **KVFD REPORT.** The Board reviewed the KVFD report. There were 69 calls in the District; 46 were EMS calls.

7. **ADJOURNMENT.** There being no further business, it was moved by Director Merryman, seconded by Director McDonald and unanimously carried that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 9th day of November, 2015.



Nancy McDonald
Secretary