

**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 December 7, 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 Collins.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Ed Holdgraf of Municipal District Services, LLC; David Ferrier of ETI Bookkeeping Services; Wallace Trochesset, of LJA Engineering; Dr. Jan Roach, Scott Gale and Robin Collins, residents.

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.** There were no public comments.
2. **BOARD MEMBER ANNOUNCEMENTS.** Director Gale wished everyone Happy Holidays and stated she is tracking billing discrepancies from AVR on behalf of the KFVD.

3. **MEETING MINUTES.** The Board considered the minutes for the meeting of November 9, 2015. Following further discussion, it was moved by Director Gale and seconded by Director McDonald that the minutes be approved, which motion passed unanimously, 4-0.

4. **BOOKKEEPER'S REPORT / BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2016.** David Ferrier 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 past month. He reviewed the use of bond proceeds and the budget; he presented the revised budget for the fiscal year ending December 31, 2016 for the Board's approval, a copy of which is attached as Exhibit "B".

Following further discussion, it was moved by Director Gale and seconded by Director McDonald that the bookkeeper's report, and those checks as listed thereon be approved, and that the budget for the fiscal year ending December 31, 2016, be approved, which motion passed unanimously, 4-0.

5. **REVIEW OF INVESTMENT POLICY.** Mr. Richardson explained an annual review of the Investment Policy is required by the Public Funds Investment Act. He stated the only change recommended is to update the brokers list. Following a discussion, it was moved by Director Gale and seconded by Director Merryman to approve the Order Reviewing and Confirming Investment Policy with the updated brokers list, which motion carried unanimously. A copy of said Order is attached as Exhibit "C".

6. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "D". There were 1,683 customer connections. He stated the wastewater treatment plant experienced no permit excursions. Water accountability was at 96.5%. He reviewed the preventative maintenance schedule. Mr. Holdgraf noted the bacteriological samples were all good, and he presented the list of accounts scheduled for termination. He noted

there was no GCWA meeting, and that Texas is now out of the long-standing drought conditions, due largely to heavy recent rainfall during “El Nino”.

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

7. **ENGINEER’S REPORT.** Wallace Trochesset presented the engineer’s report, a copy of which is attached as Exhibit “E”. He discussed the Kipp Lift Station and requested authorization for Pay Estimate No. 5 in the amount of \$183,635. He also discussed the request from a resident to raise the fence to reduce the lift station noise; the Board discussed options for foliage or “slats” in the fence, among others and stated they would make contact with the City of Kemah to further discuss the issue. The Board authorized the President to decide upon the best course and proceed after consulting the City. Mr. Trochesset discussed the Lazy Bend Waterline and recommended award of the contract to Resicom, Inc, in the amount of \$681,500. He discussed the SH 2094 Lift Station rehabilitation project and recommended award of the contract to McDonald Municipal & Industrial at \$205,844. The Board discussed the City of Kemah grant and the Contract No. 7215269; the Board authorized the President to sign the letter enabling the grant project to proceed.

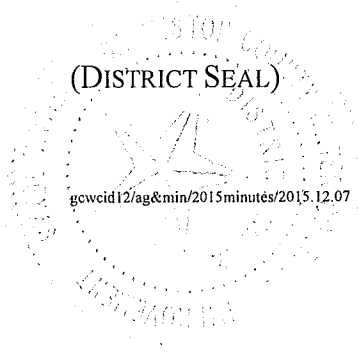
Following further discussion by the Board it was moved by Director Gale and seconded by Director McDonald that the engineer’s report be approved along with the items presented; the motion passed unanimously, 4-0.

8. **ANNUAL EMINENT DOMAIN FILING.** The Board considered authorizing the first annual eminent domain filing. Mr. Richardson explained the new legislation requiring an annual filing regarding eminent domain.

Following further discussion, it was moved by Director Gale and seconded by Director McDonald to authorize the District's first annual eminent domain filing, which motion carried unanimously, 4-0.

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

*PASSED, ADOPTED and APPROVED* this 11th day of January, 2016.



*Nancy McDonald*  
Secretary