

**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 July 11, 2016; whereupon, the roll was called of the members of the Board of Directors, to-wit:

Terri Gale	President
Linda Merryman	Vice President
Nancy McDonald	Secretary
Doug Meisinger	Assistant Secretary
Peyton Lumpkin	Assistant Secretary

All members of the Board of Directors were present.

Also present were: Chris Richardson of Strawn & Richardson, P.C.; Ed Holdgraf and Jalene Palmer of Municipal District Services, LLC; Michelle Lofton and Kandy Pfeffer of ETI Bookkeeping Services; Wallace Trochesset, of LJA Engineering; and Scott Gale and Shelia Thorne, 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.** Shelia Thorne asked about the “non-leak” at the wastewater treatment plant; Mr. Holdgraf stated he would address that issue during his report.

2. **BOARD MEMBER ANNOUNCEMENTS.** Director Gale discussed the fact that the drought is over but high heat remains; she discussed the recent AWBD conference in Ft. Worth and stated the legislative content was lacking. Director McDonald noted the District experienced a happy and fun Fourth of July celebration.

3. **MEETING MINUTES.** The Board considered the minutes for the meetings of May 16, 2016 and June 13, 2016. Following discussion, it was moved by Director Merryman and seconded by Director McDonald that the minutes be approved, which motion passed unanimously, 5-0.

4. **BOOKKEEPER'S REPORT.** Kandy Pfeffer presented the bookkeeper's report, a copy of which is attached as Exhibit "A". She reviewed the use of bond proceeds and the budget. The Board reviewed the checks, investments, budget, and energy usage for the past month.

Following further discussion, it was moved by Director Merryman and seconded by Director McDonald that the bookkeeper's report, and those checks as listed thereon be approved, which motion passed unanimously, 5-0.

5. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,695 customer connections. He stated the wastewater treatment plant experienced no permit excursions and operated at 55.4% of capacity. Water accountability was at 94.5%. He reviewed the preventative maintenance schedule.

Mr. Holdgraf stated the reservoirs are at 100% and he described the aquatic testing. He stated there was not a leak at the wastewater treatment plant; there was cleaning and materials were actually being pumped into the plant.

Following further discussion, it was moved by Director Merryman and seconded by Director Lumpkin that the operator's report be approved, along with the items presented, which motion carried unanimously, 5-0.

6. **ONLINE BILLING MATTERS.** Jalene Palmer stated MDS will be going from 4 to 24 options for electronic payment, and she presented several agreements and amendments to the MDS agreement, adjusting for the new manners of payment available to customers. She stated the new options would be available in two weeks if the Board approved and executed the various enabling documents. The Board discussed methods for informing the customers including mail inserts and notice on the website. Ms. Palmer stated she would do an email blast to anyone who gave an email address to the operator's office.

Following further discussion, it was moved by Director Meisinger and seconded by Director Merryman that the agreements and amendments for the electronic payment options be approved and executed, which motion carried unanimously, 5-0.

7. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "C". He presented Pay Estimate No. 2 for the Vivian Water Plant in the amount of \$48,510. He discussed a capacity request from Bill Yates of Clear Lake Shores for one connection for a residence at 912 Birch.

Following further discussion by the Board it was moved by Director Lumpkin and seconded by Director McDonald that the engineer's report be approved along with the items presented; the motion passed unanimously, 5-0.

8. **APPRAISAL/ POSSIBLE SALE OF DISTRICT PROPERTY.** The Board discussed the appraisal of certain District property, and the possible sale of certain District property. Director Gale noted the appraisal of the property has been received. She noted there are prospective buyers and the Board should allow for them to make an offer. She stated she would like for the engineer's surveyor to clarify the amount of land and money offered for the taking of some of the property by TxDOT; as the amount of money seems low. Director Gale stated the Fire Station may need wider bays for newer and larger trucks, but otherwise the department is not

looking for a large change. She asked the Board to engage an architect for the purpose of providing an estimate for a new station.

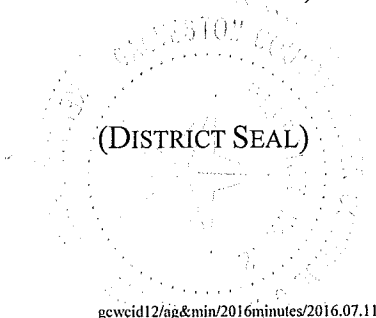
Following a discussion, it was moved by Director Meisinger and seconded by Director Lumpkin to authorize the President of the Board to engage an architect to provide a cost estimate for a new fire station, which motion passed unanimously, 5-0.

9. **OPTIONS FOR ADDITIONAL WATER SUPPLY.** Director Gale noted much progress had been made in the last few weeks and multiple options for purchase of additional water supplies exist for the District. She stated the District is exploring options for purchasing released upstream effluent water rights from a small city; the water rights could then be assigned to GCWA.

10. **KVFD REPORT.** Director Gale reviewed the report for the KVFD from May. There were 90 total calls, with 57 being for EMS.

11. **ADJOURNMENT.** The Board entered closed session to hear advice from its attorney, and to discuss possible sale of District property, and 8:04 p.m., and reconvened in open session at 8:45 p.m. There being no further business, it was moved and seconded and unanimously carried that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 8th day of August, 2016.



Nancy McDonald
Secretary

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