

**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 January 9, 2017; whereupon, the roll of the members of the Board of Directors was called, 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 of Municipal District Services, LLC; Kandy Pfeffer of ETI Bookkeeping Services; and Wallace Trochesset of LJA Engineering.

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 Happy New Year to All. She discussed the upcoming budget workshop on January 23rd, and stated the District

would likely need to increase water and sewer rates, and call bond and developer elections connected to the possible consolidation with MUD 51.

3. **MEETING MINUTES.** The Board considered the minutes for the meetings of December 12, 2016. Following discussion, it was moved by Director Meisinger and seconded by Director Lumpkin 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. Director Meisinger discussed the cost of the web hosting arrangement for the District's website; he discussed the \$14.00 invoice for the re-assignment of the District's domain name. He asked the Board to authorize the renewal of the web hosting contract for 2 years at \$5.99 per month, and the Board agreed.

Following further discussion, it was moved by Director Meisinger and seconded by Director McDonald that the bookkeeper's report, and those checks as listed thereon be approved, along with the items discussed, 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 1,703 customer connections. He stated the wastewater treatment plant experienced no permit excursions, operating at 45.6% of capacity. Water accountability was at 89.9%. He stated bacteriological samples were negative. He reviewed the preventative maintenance schedule. Mr. Holdgraf presented a comparison of water rates with other nearby providers, showing the District compares favorably, with relatively low rates.

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, 5-0.

6. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "C". He presented Pay Estimate No. 6 for the Vivian Water Plant, in the amount of \$38,967.30; he presented Pay Estimate No. 1 for the 12" Waterline Loop on FM 518 in the amount of \$23,892.50.

Mr. Trochesset presented requests for capacity commitments:

1. Jim Evans	Kemah Market Place	27 connections
2. Kent Oliver	Boat dock, 730 West Shore	1 connection
3. Bob Rolf	Home, 815 Hawthorne	1 connection

Mr. Trochesset also presented a letter agreement for \$8,000 for LJA Engineering to work on the re-rate of the water facilities, seeking more available connections from the existing system. Director Gale asked Mr. Trochesset to consider any other infrastructure items which should perhaps be included in an engineering report for the upcoming bond election.

Following further discussion by the Board it was moved by Director Meisinger and seconded by Director McDonald that the engineer's report be approved along with the items presented and the approval of the capacity commitment requests; the motion passed 5-0.

7. **AGREEMENT FOR CONSOLIDATION WITH GC MUD NO. 51.** Director Gale discussed her conversations with developer Bill Monacelli; MUD 51 would like for the District to move forward and call a consolidation election and developer reimbursement election for May of 2017.

8. **OPTIONS FOR ADDITIONAL WATER SUPPLY.** The Board discussed the Booster Pump Agreement with GCWA; Director Gale noted some discrepancies and stated the agreement would be considered at the meeting on January 23rd, along with the Interruptible Water Supply Agreement, also with the GCWA. She discussed budgetary constraints related to the agreements, which would also be discussed at the meeting on January 23rd.

9. **KVFD REPORT.** Director Lumpkin reviewed the report for the KVFD from May. There were 65 total calls, with 43 being for EMS; the total calls for 2016 was listed as 781. There were two mutual aid calls, three Fire Marshall issues in Kemah and one in Clear Lake Shores. The Board discussed the proposed purchase of a new Marine 1 Fire Boat by the KVFD.

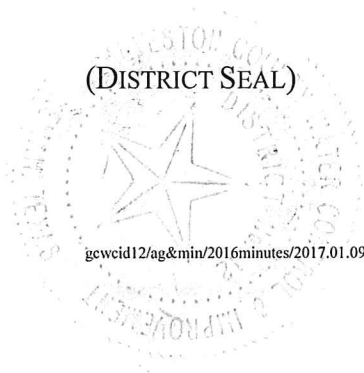
10. **TAX COLLECTIONS REPORT.** There was no Tax Collections Report.


11. **DELINQUENT TAX PENALTY.** Chris Richardson presented to the Board a Resolution Authorizing Delinquent Tax Penalty, a copy of which was attached as Exhibit "D". Mr. Richardson explained the Resolution allows the District to attach the collection penalty on personal property accounts beginning April 1, and to real property accounts, July 1. Following further discussion, it was moved by Director Lumpkin and seconded by Director Meisinger that the Resolution Authorizing Delinquent Tax Penalty be approved, which motion carried 5-0.

12. **RENEWAL OF TWIA WINDSTORM INSURANCE.** Mr. Richardson presented to the Board the renewal documents for the District's TWIA Windstorm Insurance. Following further discussion, it was moved by Director Meisinger and seconded by Director Merryman that the renewal documents for the District's TWIA Windstorm Insurance be approved, which motion carried unanimously, 5-0.

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

PASSED, ADOPTED and APPROVED this 23rd day of January, 2017.




Secretary