

**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 April 10, 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; David Ferrier of ETI Bookkeeping Services; Joseph Ellis, McCall Gibson Swedlund Barfoot, PLLC and Mark Havran of LJA Engineering; also, Mark Caldwell of Starfleet Marina and Ed Linck, resident.

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.** Ed Linck addressed the Board and discussed the Galveston Bay Coalition of Watersheds. He suggested the District could be involved; he described his involvement with the Jarboe Bayou portion.

Mark Caldwell addressed the Board regarding Starfleet Marina. He stated he is looking to develop a hotel with 200 rooms, a restaurant and meeting hall/ banquet facilities. He stated he is requesting an extension of his capacity commitment for 120 connections, plus 80 additional connections.

2. **TOWN HALL – ELECTIONS.** Mark Havran reviewed the projects listed in the Bond Election Report for the \$12,650,000 election for bond authorization. He noted the force main on Kipp Street project has begun and would be reimbursed from bond funds, if the election is successful. He described the League City Interconnect, the expansion of the wastewater treatment plant, the extension of water and sewer to the MUD 51 area, the upgrade of the water well at the fire station and the interruptible service water well. Director Gale noted the expansion and extensions which would be funded by developer reimbursement bonds, and noted the value of the developments would have to be on the ground prior to the issuance of those particular bonds. She noted the District is considering developer reimbursement bonds for the first time.

3. **BOARD MEMBER ANNOUNCEMENTS.** Director Meisinger discussed the Bay Area Alliance for Youth and the efforts against drug and alcohol abuse. He described April 29th as a “medication take back” day to remove medicines from homes so that children cannot abuse prescription medications. He noted Statewide Services had cut off the water supply at 7:00 a.m. on a work/school morning, causing outrage from affected customers. He noted the people said they were not informed. Director Gale asked everyone to vote on May 6th. She noted the League City Interconnect meeting went well.

4. **MINUTES.** The Board considered the minutes for the meeting of March 20, 2017. Following discussion, it was moved by Director Meisinger and seconded by Director McDonald that the minutes be approved, which motion passed unanimously, 5-0.

5. **BOOKKEEPER'S REPORT.** David Ferrier presented the bookkeeper's report, a copy of which is attached as Exhibit "A". He 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 Meisinger that the bookkeeper's report, and those checks as listed thereon be approved, along with the items discussed, which motion passed unanimously, 5-0.

6. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,711 customer connections. Water accountability was at 85.5%. He stated bacteriological samples were negative; he presented the quarterly BIO test results. He reviewed the preventative maintenance schedule. Mr. Holdgraf noted the chlorine burnout of the water lines began on April 3rd, to kill algae. He reviewed the annual drinking water quality report. He noted rags in the sewer line caused a discharge, producing a permit excursion at the wastewater treatment plant.

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

7. **REVIEW AND CONFIRM IDENTITY THEFT POLICY.** Mr. Richardson presented the Order Reviewing and Confirming the District's Identity Theft Policy, a copy of which is attached as Exhibit "C". Mr. Richardson and Mr. Holdgraf recommended no changes to the Policy; there were no incidents of ID theft identified. Following discussion by the Board it was moved by Director Lumpkin and seconded by Director McDonald to confirm the District's Identity Theft Policy; the motion passed unanimously, 5-0.

8. **ENGINEER'S REPORT.** Mark Havran presented the engineer's report, a copy of which is attached as Exhibit "D". He discussed the 12" Waterline Loop project and presented Pay Estimate No. 5 in the amount of \$70,110.00. He stated the contractor will be fixing Mr. Dror's property. He presented a proposal to update and renew the permit for the wastewater treatment plant; the current permit will expire in October of 2018.

Mr. Havran presented requests for capacity commitments:

- | | |
|---------------------|---------------------------|
| 1. Jerald Prichette | 1 connection |
| 2. Frank Ball | 2 connections |
| 3. Mark Caldwell | 120 connections (renewal) |

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 and the approval of the noted capacity commitment requests; the motion passed 5-0.

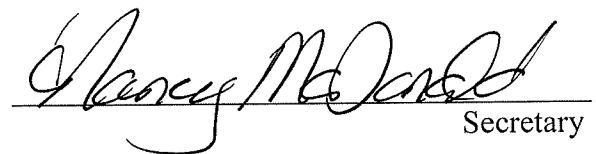
9. **KVFD REPORT.** Director Lumpkin reviewed the KVFD report. There are 67 total calls in the District, with 41 of those calls being EMS-related.

10. **TAX COLLECTIONS REPORT.** The Board reviewed the Tax Collections Report for March from Galveston County.

11. **ADJOURNMENT** There being no further business, it was moved, seconded and unanimously carried that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 8th day of May, 2017.

(DISTRICT SEAL)


Secretary

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