

**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 May 8, 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; Wallace Trochesset of LJA Engineering; also, Mark Caldwell of Starfleet Marina; and Chris Doyle and Scott Gale, 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.** Chris Doyle addressed the Board and discussed the difficulty in getting through to the KVFD via telephone on a non-emergency basis. He stated he is offering a “hosted solution” for 4-digit dialing in the City, Water and Emergency services. He

stated the extension numbers can be set up to go to the cell phones of the officers and fire fighters.

Mark Caldwell stated he is looking to expand his development's property and capacity to 200 rooms for about 6-7 acres.

2. **BOARD MEMBER ANNOUNCEMENTS.** Director Lumpkin described an article in the Galveston County Daily News about "MUD 12", which is not the District. Director Meisinger discussed the "medication take back" program, which collected over 100 lbs. of unused medication, which will now be unavailable for potential abuse. Director Gale thanked the Board for their time and attention to the Consolidation and Bond Elections; she noted that both elections passed.

3. **MINUTES.** The Board considered the minutes for the meeting of April 10, 2017. 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. She noted that she would void the Fire Truck lease/purchase payment; the KVFD agreed to pay on behalf of the District according to the recent agreement between the two entities.

Following further discussion, it was moved by Director Lumpkin 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 1,716 customer connections. Water accountability was at 78.8%. He stated the enterococci daily maximum level was exceeded; the lift station was cleaned at the Boardwalk, and the broken-up sludge went to the wastewater treatment plant and

likely caused the permit excursion. He noted that the reservoirs are currently overly full, according to the Brazos River Authority. He presented the 2016 Consumer Confidence Report for the Board's review and approval. Following a discussion, it was moved by Director Meisinger and seconded by Director McDonald that the 2016 Consumer Confidence Report be approved, which motion carried unanimously, 5-0.

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.

6. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "C". He discussed the 12" Waterline Loop project and presented Pay Estimate No. 6 in the amount of \$29,249.00. He discussed the new odor control initiative at the wastewater treatment plant.

Mr. Trochesset discussed a request for capacity commitment from Tim O'Quinn, for 2 connections at 100 Grove Road. He stated Mr. Lloyd Thornton and Mr. Frank Stutzman would like to renew their capacity commitments.

Following further discussion by the Board it was moved by Director Lumpkin and seconded by Director Meisinger 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.

7. **KVFD REPORT.** Director Lumpkin reviewed the KVFD report. There were 56 total calls in the District, with 41 of those calls being EMS-related. The Board discussed the cost of "Marine 1": the KFVD Fire Boat, and the current discussions about repairing or replacing the boat.

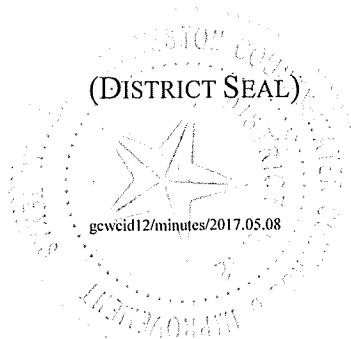
The Board considered an Agreement with the KVFD, pursuant to which the KVFD would pay the next 8 payments on the Lease/Purchase of the Fire Truck (owned in the name of the

District; all previous payment made by the District), and pursuant to which the District will pay the KVFD back for those 8 payments, without interest. Following further discussion by the Board it was moved by Director Lumpkin and seconded by Director McDonald that Agreement with the KVFD be approved; the motion passed 5-0.

8. **TAX COLLECTIONS REPORT.** The Board reviewed the Tax Collections Report from Galveston County. Director Gale discussed the most recent snafu of the GCAD Notices of Appraised Values; the Notices went out during early voting of the recent District elections, and erroneously listed the District's tax rate at double the actual rate. During a Bond Election, this was the worst possible message at the worst possible time, and the Directors and the attorney were forced to spend considerable time and effort contacting the Head Appraiser, seeking and receiving written notice of the error, posting the letter to the District's website, and reassuring voters that the District had not doubled its tax rate. The Board discussed sending Notice of Termination, and seeking bids for a private Tax Assessor - Collector to replace the Galveston County Tax Assessor. Director Merryman stated the private Tax Assessor will cost more, and that she was opposed to the proposed change. Following further discussion by the Board it was moved by Director Gale and seconded by Director Meisinger that notice of termination be given to the Galveston County Tax Assessor Collector, and that the Board should seek bids for a replacement; the motion passed 4-1 with Director Merryman voting against.

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

PASSED, ADOPTED and APPROVED this 12th day of June, 2017.



Nancy T. McDonald
Secretary