

**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 June 12, 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, Pat Hall of EquiTax; Mark Ciavaglia, delinquent tax attorney with Linebarger; and Hubert Ekstrom and Chris Doyle, 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.** Hubertt Ekstrom addressed the Board about 11 residents in the Kemah Village Townhomes who are seeking annexation. He presented information about the individual homeowners to the Board. He expressed his desire to have the

properties annexed to reduce administrative costs and public confusion about the out-of-District surcharge.

2. **BOARD MEMBER ANNOUNCEMENTS.** Director Merryman wished Director McDonald a Happy Birthday! Director Meisinger reported there were a new Miss Kemah and Miss Kemah Teen crowned; he stated it was a nice community event. Director Gale noted there is hot and dry weather expected; she reported the KVFD/ESB will be looking at their strategic plan due to the growth expected in the area.

3. **MINUTES.** The Board considered the minutes for the meeting of May 8, 2017. 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. **PRESENTATION REGARDING 4-DIGIT DIALING.** 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. Director Lumpkin stated Mr. Doyle should be asking the KVFD for installation of the phone services; Director Meisinger stated the ESB would be the entity to make such decisions.

5. **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 the profit and loss statement shows that water and sewer revenues are lagging and need to come up. Ms. Pferrer stated sewer collection costs have been higher than the budget; the District is now \$260,000 over budget. She stated the KVFD truck lease payments are currently listed as a liability, and she would discuss the matter with the auditor.

Following further discussion, it was moved by Director Meisinger and seconded by Director Lumpkin 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 1,721 customer connections. Water accountability was at 81.7%. He stated there is an underground leak on Bradford with water going into the sewer line. The crews are digging in several places to find the source. The Board discussed the fence around the lift station in Kemah Oaks, which seems to have termites. Mr. Holdgraf stated the chain link fence inside the wooden fence is the District's fence; the HOA has always maintained the wooden fence on the exterior.

Following further discussion, it was moved by Director Merryman and seconded by Director Meisinger that the operator's report be approved, along with the items presented, 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 discussed the 12" Waterline Loop project and presented Pay Estimate No. 7 in the amount of \$70,875.00; he also presented Change Order No. 2, which was a reduction of \$8,330. He noted Mr. Dror has signed the acknowledgement regarding the installation of the replacement fence. He discussed the new odor control initiative at the wastewater treatment plant.

Mr. Trochesset discussed a request for capacity commitment from Robin Collins, for 2 connections at Leaward Circle, Lots 2 & 3.

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.

8. **KVFD REPORT.** Director Lumpkin reviewed the KVFD report. There were 84 total calls in the District, with 65 of those calls being EMS-related.

9. **TAX COLLECTIONS REPORT.** The Board reviewed the Tax Collections Report from Galveston County.

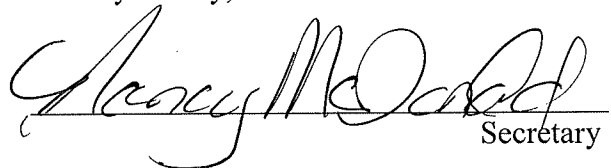
Pat Hall presented a report from the time during which EquiTax was the District's Tax Assessor/ Collector, approximately 5 years ago. She stated she is proposing to give a report and have a representative attend the monthly meetings quarterly, or as needed. Director Gale asked about the fee structure for just sending reports; Ms. Hall reviewed the fees.

Mark Ciavaglia of Linebarger presented a delinquent tax report, showing the District has a high percentage of tax collections for recent years. He stated there are many small businesses which end up with personal property on the tax rolls. He noted 62% of the District is over 65 or disabled. He noted the reports from the Galveston County Tax Assessor/ Collector are not very user-friendly. Director Gale asked why the Board has received so few reports since switching to Linebarger in 2012. Mr. Ciavaglia stated that was his fault. He noted the reports on the collections were from the Tax Assessor's office, but the litigation statistics are his business, after the previous year's taxes are turned over to him for collection on July 1<sup>st</sup>. He stated the collections are high and the work is being done; the reports should be given.

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

*PASSED, ADOPTED and APPROVED* this 10th day of July, 2017.

(DISTRICT SEAL)

  
Secretary

gcwcid12/minutes/2017.06.12