

**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 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; 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 Merryman mentioned the passing of Jimmy Flannigan, a well-known local man who served on the Board of Bayview MUD and worked on the bulkheads in the area. She discussed her attendance at the AWBD Conference

and the list of recent legislative changes on AWBD.org. Director Meisinger described the Star Spangled Kemah event; he described the Kemah bridge and boardwalk as full of people for five consecutive nights. Director Gale noted the water revenues are up despite the recent rains.

3. **MINUTES.** The Board considered the minutes for the meeting of June 12, 2017. Following discussion, it was moved by Director Merryman and seconded by Director Meisinger 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. Ms. Pfeffer noted the debt service payment which is due on September 1st; she noted she would send the election cost invoices from Galveston County to MUD 51 for reimbursement, according to the Consolidation Agreement.

Following further discussion, it was moved by Director Lumpkin 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.

5. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,726 customer connections. Water accountability was at 79.4%. The wastewater treatment plant reported no permit excursions for the month. He stated a leak was located and repaired at the Holiday Inn, due to a blown gasket.

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.

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. 8 and Final in the amount of \$49,934.60. He discussed the CDBG Waterline and Force Main project, and noted the District will owe \$34,308 for the waterline and \$50,857.30 for the force main, both in Estimate No. 1. He stated the odor control system is installed and online at the wastewater treatment plant. He noted Glenn Gordy had submitted his plans for construction and stated he would review and provide comments.

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; the motion passed 5-0.

7. **SERIES 2017 BOND APPLICATION.** The Board next considered approval of the Series 2017 Bond Application. Mr. Trochesset stated the attorney and financial advisor have reviewed the Bond Application and provided comments, and it is ready to be submitted to the TCEQ. Mr. Richardson presented several documents for approval including the Application for Approval by Texas Commission on Environmental Quality of Project and Bond Issue. The Board also considered the approval of the Resolution Authorizing Application for Approval of TCEQ of Project and Bond Issue for Series 2017 Bonds. A motion was made by Director Lumpkin, seconded by Director Merryman and unanimously carried to approve the Resolution Authorizing Application for Approval of Bond Issue by the Texas Commission on Environmental Quality, the Application for Approval by the Texas Commission on Environmental Quality of Project and Bond Issue Series 2017, and the Certificate As To Financial Feasibility Based on No-Growth For Series 2017 Bond Application, copies of which are attached as Exhibits "D", "E" and "F", respectively. The Board authorized the filing of any other necessary documentation for a 45-day expedited review of the application.

8. **INTERLOCAL AGREEMENT – WATER WISE.** The Board considered approval of an interlocal agreement with Harris Galveston Subsidence District for participation in the Water Wise program; the program entails sponsoring education materials for the local elementary school. Following further discussion by the Board it was moved by Director McDonald and seconded by Director Merryman that the interlocal agreement with HGSD be approved; the motion passed unanimously, 5-0. A copy is attached as Exhibit “G”.

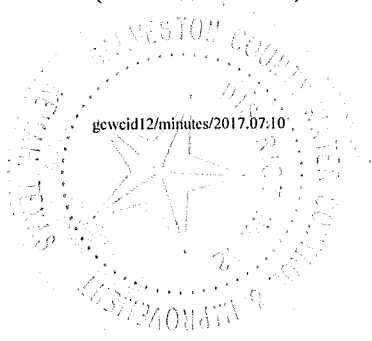
9. **KVFD REPORT.** Director Lumpkin reviewed the KVFD report. There were 86 total calls in the District, with 62 of those calls being EMS-related.

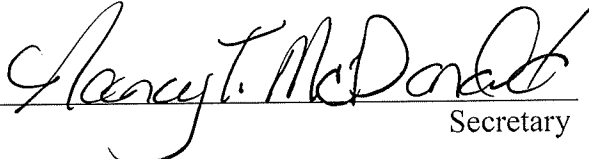
10. **TAX COLLECTIONS REPORT.** The Board noted the Tax Collections Report from Galveston County had not been received. The Board discussed the tax value publication from Galveston County, and the problems associated with the erroneous publication of the District’s tax rate. The Board tabled discussion of the matter.

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

PASSED, ADOPTED and APPROVED this 14th day of August, 2017.

(DISTRICT SEAL)




Secretary