

**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 September 11, 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. **CONDUCT 2017 TAX RATE PUBLIC HEARING.** The Board President called to order the Public Hearing on the 2017 Tax Rate. The Board noted that no taxpayer appeared to take part in the Public Hearing. The Board President then closed the Public Hearing.

3. **APPROVE 2017 DEBT TAX RATE.** The Board considered setting the 2017 Debt Service Tax Rate, and reviewed the recommendation from the financial advisor. The Board agreed to set a debt service tax rate of \$0.26, for a total tax rate of \$0.26 (the District does not have a maintenance tax). A copy of the Order Setting 2017 Debt Service Tax Rate is attached as Exhibit "A". Following discussion, it was moved by Director Merryman and seconded by Director McDonald to set the 2017 Debt Tax Rate at \$0.26, for a total rate of \$0.26, and to approve the related Order, which motion carried unanimously, 5-0.

4. **BOARD MEMBER ANNOUNCEMENTS.** The Board discussed the effects of Hurricane Harvey. Director Meisinger thanked all the operators and the first responders for their service. Director Lumpkin noted all the good neighbors who came out and helped people in need. Director Gale thanked Ed Holdgraf and the operators for their quick restoration of service.

5. **MINUTES.** The Board considered the minutes for the meeting of August 14, 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.

6. **BOOKKEEPER'S REPORT.** Kandy Pfeffer presented the bookkeeper's report, a copy of which is attached as Exhibit "B". She reviewed the use of bond proceeds and the budget. She noted the District is currently \$180,000 over budget. Ms. Pfeffer, the attorney and the engineer for the District discussed the \$500,000 in escrowed funds, which have been released by the TCEQ for construction payments for the 12-inch waterline project. The Board reviewed the checks, investments, budget, and energy usage for the past month. The Board noted some election costs would be reimbursed by the developer for MUD 51.

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.

7. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "C". There were 1,729 customer connections. Water accountability was at 94.1%. The wastewater treatment plant was 45.6% utilized and reported no permit excursions for the month. He noted there were no problems at the plant during Hurricane Harvey. He described a sewer backup on Vivian St.; the insurance company is attempting to lay blame for the backup on the District. There was only one house on the street which experienced a backup; Mr. Holdgraf noted the homeowner's insurance should pay for the costs as it is not the District's responsibility.

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

8. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "D". He discussed the 12" Waterline Loop project and stated he would coordinate the placement of fill dirt on Mr. Dror's property. He noted the TCEQ draft memo approving the District's Bond Application is expected soon. He discussed a request for capacity for Ms. Alex Watson, for 2 connections for a restaurant at 518 Lawrence Rd.

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; the motion passed 5-0.

9. **LONG TERM WATER PLAN.** Director Gale noted there is no real update from the GCWA; Mr. Holdgraf stated the GCWA is repairing one reservoir after the hurricane.

10. **KVFD REPORT.** Director Lumpkin reviewed the KVFD report. There were 90 total calls in the District, with 50 of those calls being EMS-related. He discussed the 2,300 man-hours logged by the KVFD during Hurricane Harvey. The Board discussed the KVFD's

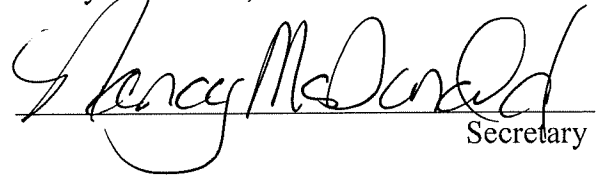
request for reimbursement for services; they are seeking third-party insurance reimbursement of their costs where applicable.

11. **TAX COLLECTIONS REPORT.** No tax report was received.

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

*PASSED, ADOPTED and APPROVED* this 9th day of October, 2017.

(DISTRICT SEAL)

  
Secretary

gewcid12/minutes/2017.09.11