

**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 February 8, 2016; whereupon, the roll was called of the members of the Board of Directors, to-wit:

| | |
|----------------|---------------------|
| Ed Linck | President |
| Linda Merryman | Vice President |
| Nancy McDonald | Secretary |
| Terri Gale | Assistant Secretary |
| Greg Collins | Assistant Secretary |

All members of the Board of Directors were present except Director Linck.

Also present were: Chris Richardson of Strawn & Richardson, P.C.; Ed Holdgraf of Municipal District Services, LLC; Michelle Lofton of ETI Bookkeeping Services; Wallace Trochesset, of LJA Engineering; Kelly Hutchinson, realtor; Bobken Simonias, developer; Gabriel Torre; Shelia Thorne and Scott Gale, residents.

Whereupon, the Vice 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.** Shelia Thorne asked about copies of materials reviewed by Board members at meetings; she also asked if she had to turn in an application for a place on the general election ballot at the attorney’s office. Chris Richardson advised she could turn in her completed, notarized application at the District office, either in person or by mail.

2. **BOARD MEMBER ANNOUNCEMENTS.** Director Gale noted an increase in the complaints about online billing and asked for an agenda item to discuss the matter. Director Merryman described her attendance at the AWBD winter conference, and noted the dates for the summer conference in Ft. Worth.

3. **MEETING MINUTES.** The Board considered the minutes for the meeting of January 11, 2016. Following further discussion, it was moved by Director Collins and seconded by Director McDonald that the minutes be approved, which motion passed unanimously, 4-0.

4. **BOOKKEEPER'S REPORT.** Michelle Lofton presented the bookkeeper's report, a copy of which is attached as Exhibit "A". The Board reviewed the checks, investments, budget, and energy usage for the past month. She reviewed the use of bond proceeds and the budget. She noted registration for the AWBD summer conference would open on February 15th.

Following further discussion, it was moved by Director Gale and seconded by Director Collins that the bookkeeper's report, and those checks as listed thereon be approved, which motion passed unanimously, 4-0.

5. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,690 customer connections. He stated the wastewater treatment plant experienced no permit excursions. Water accountability was at 99.1%. He reviewed the preventative maintenance schedule. Mr. Holdgraf noted the belt press at the wastewater treatment plant had to be replaced. He described the most recent GCWA meeting and noted water supplies are in good shape; the GCWA was able to negotiate for more water from the Brazos River Authority. Mr. Holdgraft presented a "water cost" worksheet and noted the District could save about \$28,500 by using its ability to pump up to 25 Million gallons from the District's wells.

Following further discussion, it was moved by Director Gale and seconded by Director McDonald that the operator's report be approved, along with the items presented, which motion carried unanimously, 4-0.

6. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "C". He discussed the Kipp Lift Station and presented Change Order No. 2 for \$1,050 for new striping of asphalt. He discussed the Vivian Water Plant and recommended the low bidder to receive the contract award: McDonald Municipal and Industrial, Inc. at \$397,469. He noted the decision to re-bid that project did indeed produce a savings for the District. Mr. Trochesset noted he would add a force main to the CDBG project, and reviewed the proposal. He presented a request for capacity for four (4) connections' worth of water and sewer to an in-District property, which the Board approved.

Bobken Simonias asked for consideration of annexation and service to 10 acres of land outside the District, for 160 connections' worth of water and sewer. Mr. Trochesset stated the District does not have that amount of capacity to commit to any user, and there is a large in-District request waiting for more water. He reviewed the current and maximum available amount of water. Mr. Simonias reviewed his proposal for a development of 160 senior-living units, and noted the property is outside the District, and there is not enough water available. He stated the GCWA told him League City has the water, if the District would annex and purchase the water from League City, it "would work". Mr. Trochesset noted the ongoing negotiations for an interconnect agreement with League City have gone nowhere, and the last noted price for water was \$5.90 per 1,000 gallons, which might make any project not viable. Mr. Simonias noted he would not move forward if the project is not financially feasible, and he asked for the Board's approval to "go to League City". Chris Richardson stated the Board is not stopping Mr. Simonias from attempting to make an arrangement for water from League City; he repeated the District is in ongoing

negotiations for an emergency interconnect with League City, for which the price of water is quite high. Mr. Trochesset noted the project is ¼ mile away from the District's closest sewer line, and the developer would also be responsible for the cost to run the sewer line that distance, as well. Director Merryman noted there is not enough water for in-District users, so the District has recently chosen against annexation of other out-of-District projects.

Following further discussion by the Board it was moved by Director Gale and seconded by Director McDonald that the engineer's report be approved along with the items presented; the motion passed unanimously, 4-0.

7. **KEMAH VOLUNTEER FIRE DEPARTMENT.** Director Gale reviewed the report from the KVFD; there were 63 calls in January, 49 of which were EMS calls.

8. **ORDER SETTING 2016 TAX EXEMPTIONS.** Chris Richardson explained the District set a homestead exemption of 20% last year; this is the highest allowed by law. The District also set an exemption of \$45,000.00 for over 65 and/or disabled individuals last year. Following further discussion, it was moved by Director Gale and seconded by Director McDonald that the Order Setting 2016 Tax Exemptions be approved, setting a 20% homestead exemption, and an exemption of \$45,000.00 for over 65 and/or disabled individuals, which motion carried unanimously, 4-0. A copy of said Order is attached as Exhibit "D".

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

PASSED, ADOPTED and APPROVED this 7th day of March, 2016.

(DISTRICT SEAL)

gcwcid12/ag&min/2016minutes/2016.02.08


Secretary