

**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 March 7, 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.

Also present were: Chris Richardson of Strawn & Richardson, P.C.; Ed Holdgraf and Jalene Palmer of Municipal District Services, LLC; David Ferrier of ETI Bookkeeping Services; Wallace Trochesset, of LJA Engineering; Tim Applewhite, auditor; and Scott Gale, resident.

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 Gale noted Spring Break would be bringing more traffic and people to Kemah and asked the Directors to pass on the warning for awareness and safety.

3. **MEETING MINUTES.** The Board considered the minutes for the meeting of February 8, 2016. Following further discussion, it was moved by Director Gale and seconded by Director Collins that the minutes be approved, which motion passed unanimously, 5-0.

4. **APPROVAL OF AUDIT FOR FISCAL YEAR ENDED DECEMBER 31, 2015.** Tim Applewhite presented and reviewed a draft of the audit for the fiscal year ended December 31, 2015. He stated the firm's opinion is unqualified, which means there are no material weaknesses identified. Mr. Applewhite noted the more than \$2 Million in net present value savings from the District's issuance of refunding bonds, and stated it is one of the best he has seen.

Following a full discussion, it was moved by Director Gale and seconded by Director Merryman that the audit for the fiscal year ended December 31, 2015 be approved, which motion carried unanimously, 5-0.

5. **BOOKKEEPER'S REPORT.** David Ferrier presented the bookkeeper's report, a copy of which is attached as Exhibit "A". He reviewed the use of bond proceeds and the budget. The Board reviewed the checks, investments, budget, and energy usage for the past month.

Following further discussion, it was moved by Director Merryman and seconded by Director Gale that the bookkeeper's report, and those checks as listed thereon be approved, 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 1,693 customer connections. He stated the wastewater treatment plant experienced no permit excursions. Water accountability was at 87.9%; Mr. Holdgraf noted this figure was likely off because the invoice from GCWA had yet to be received. He reviewed the preventative maintenance schedule. Mr. Holdgraf noted the GCWA would meet the next day and he would attend. He stated the heavy rains lately have the existing GCWA supplies at good levels.

Jalene Palmer discussed online billing questions; Director Gale stated her desire to improve service and fee structures for online bill paying methods. Ms. Palmer stated the online billing service was down for seven weeks; the new system has over 20 ways to pay, with slightly reduced costs, as the user now pays a \$3.50 transaction fee instead of the previous \$5.00. She stated most districts do not subsidize and cover the transaction fees, but the Board is free to do so.

Following further discussion, it was moved by Director Collins and seconded by Director Merryman 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 requested a survey of the lift stations be done to collect information on all the pumps and parts. He stated there are excess bond funds which the District could use for that purpose, at a cost of about \$7,000. He discussed two requests for capacity from Matt Wiggins, one for a 36 unit hotel at 701 Kipp, for 9 connections; and another for a 5 unit addition to Kemah Escape at 810 Kipp, for 2 connections.

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, 5-0.

8. **DISCUSS DISTRICT PROPERTY.** The Board entered a closed session at 7:50 p.m., for the purposes of discussing valuation of District-owned property and to confer with its attorney, and re-entered open session at 8:10 p.m.

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 11th day of April, 2016.

(DISTRICT SEAL)

gcwcid12/ag&min/2016minutes/2016.03.07


Secretary