

**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 April 11, 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; and Scott Gale and Shelia Thorne, 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.** A resident of 1434 Bay Shore Drive discussed the waterline project in the area; he stated the line was broken as work was done by the City of Kemah as it dug into the easement on his street. He stated the whole road was moved due to the desire of a "public official" to keep their flowers, and now it is a hazard. He said the Board spent money

on such a thing; the workers did not speak English. Ed Holdgraf stated the supervisor at least attempted to speak with the resident; the supervisor knocked on the door. He stated the grass will be replaced, and explained the line in question serves the wastewater treatment plant. He stated all will be cleaned up and replaced at the end of the project.

Huber Ekstrom of Kemah Village Townhomes discussed the surcharge on the water bills and the possibility of having residents “opt out” of the surcharge. Chris Richardson explained the history of the surcharge and stated the residents were given several opportunities to sign annexation petitions, to come into the District, but a few refused to sign. He stated the in-District residents pay taxes and the out-of-District residents pay the surcharge; the amount paid is actually the same. Mr. Ekstrom explained the Kemah Village townhomes have an accounting issue where they must pay the surcharge as part of the water bill for the entire complex, and then try to pass the cost on to the owners of the townhomes.

2. **BOARD MEMBER ANNOUNCEMENTS.** Director Gale noted the “Meet the Candidates” night to be held on April 19, 2016 at Jimmie Walker’s. She stated Water Board candidates are welcome. She noted the passing of Charles Shiver and Jack Walker. Director McDonald stated the residents of Lazy Bend seem pleased with the work on the water lines and streets, which appears to have been well-coordinated.

3. **MEETING MINUTES.** The Board considered the minutes for the meeting of March 7, 2016. Following further discussion, it was moved by Director Gale 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”. She reviewed the use of bond proceeds and the budget. She noted the \$51,000 check from the GCWA was a refund of costs anticipated for repair,

which proved to be much lower. The Board reviewed the checks, investments, budget, and energy usage for the past month.

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 1,693 customer connections. He stated the wastewater treatment plant experienced no permit excursions and operated at 42.5% of capacity. Water accountability was at 86%. He reviewed the preventative maintenance schedule. Mr. Holdgraf noted the GCWA is applying for a grant for their Drought Contingency Plan Update. He noted there would be a chlorine odor in the water from April 15-April 29, due to annual maintenance. He discussed the FM 2094 Lift Station and stated power was lost; CenterPoint made repairs but the generator was in use for two days. The bar screen at the wastewater treatment plant was also repaired.

Mr. Holdgraf described the repair to the waterline on Bay Shore Drive; he stated the problem is that there are no drawings and the lines go in odd directions. He further stated he does not know why the 2" line is there; it appears the 6" line was placed and connected to the 2" line. Mr. Holdgraf stated the City of Kemah widened the road, so the line had to be moved.

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

6. **REVIEW AND CONFIRM IDENTITY THEFT POLICY.** Mr. Richardson presented the Order Reviewing and Confirming the District's Identity Theft Policy, a copy of which is attached as Exhibit "C". Mr. Richardson and Mr. Holdgraf recommended no changes to

the Policy; there were no incidents of ID theft identified. Following discussion by the Board it was moved by Director Gale and seconded by Director Collins to confirm the District's Identity Theft Policy; the motion passed unanimously, 4-0.

7. **ONLINE BILLING MATTERS.** Director Gale stated she met with Jalene Palmer and stated this summer should bring additional bill payment options; she stated she would like to announce the new options with a flyer in the water bills. Director Gale noted the cost per transaction to the customer is falling.

8. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "D". He presented Pay Estimate No. 3/Final for Sanitary Sewer Rehabilitation in the amount of \$2,585.65, along with a balancing change order for the project. He presented Pay Estimates Nos. 7, 8 and 9/Final for the Kipp Lift Station. Mr. Trochesset also presented Pay Estimates Nos. 1 and 2 and Change Order No. 1 for the Lazy Bend Waterline project. He presented Change Order No. 1 for the FM 2094 Lift Station Rehabilitation, in the amount of \$3,750.

Mark Wheat requested capacity for 8 acres outside the district, for a single connection's worth of capacity, which the Board approved. Teresa Case requested a renewal of capacity commitment for 3 connections for Playful Paws, which the Board approved. Mark Caldwell requested 120 connections worth of capacity for Phase I of the Star Fleet Marina project, likely a 100 room hotel with a restaurant, which the Board approved.

Libby Cadillo requested capacity for 26 acres located outside the District, which the Board refused.

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.

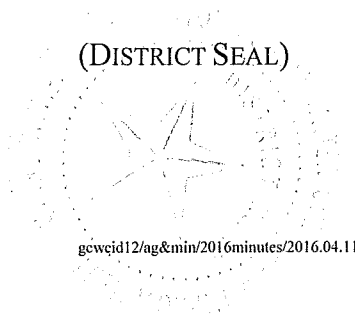
9. **KVFD REPORT.** Director Gale reviewed the reports for the KVFD from February and March. There were 61 total calls in February, with 38 being for EMS; there were 59 calls in March, of which 45 were for EMS. She noted the Fire Marshalls are now wearing body cameras, and the KVFD has been within their budget for some time.

10. **TAX COLLECTIONS REPORT.** The Board reviewed the February and March reports for tax collections by Galveston County Tax Assessor/Collector Cheryl Johnson.

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

PASSED, ADOPTED and APPROVED this 9th day of May, 2016.

(DISTRICT SEAL)



gcwcjd12/ag&min/2016minutes/2016.04.11


Secretary