

**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 June 13, 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 Directors Linck and Collins.

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, Robin Collins, Teresa Vazquez-Evans, Peyton Lumpkin, Doug Meisinger and Shelia Thorne, residents; Kyle Burks, of Kemah City Council; The Honorable Carl Joiner, Mayor of the City of Kemah.

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 offered her congratulations to the new Board and asked for an updated website with minutes. His Honor Carl Joiner stated he is excited

for the new team and the ability for effective communication. Councilman Burks stated he is excited to work together for more water capacity for the area.

2. **CERTIFICATES OF ELECTION AND QUALIFICATION OF NEW DIRECTORS.** Chris Richardson presented Certificates of Election for Nancy McDonald, Doug Meisinger, and Peyton Lumpkin for execution by Director Merryman as the Vice President of the Board of Directors. Directors McDonald, Meisinger and Lumpkin executed their Statements of Elected Officers and took their Oaths of Office for the term of office effective May 7, 2016 through May 2, 2020.

Mr. Richardson reviewed the required DVD training for new directors regarding Open Meetings and Open Records.

3. **ELECTION OF OFFICERS AND EX-OFFICIO MEMBER OF ESB.** It was moved by Director Gale and seconded by Director Lumpkin to nominate Director Gale to serve as President of the Board, which motion carried unanimously.

Next it was moved by Director McDonald and seconded by Director Gale to nominate Director Merryman to serve as Vice President, which motion carried unanimously.

It was then moved by Director Merryman and seconded by Director Meisinger to nominate Director McDonald to serve as Secretary, which motion passed unanimously.

It was moved by Director Gale and seconded by Director Meisinger to nominate Director Lumpkin as the ex-officio member of the Emergency Services Board, which motion carried unanimously.

Finally, it was moved by Director Gale and seconded by Director Merryman to nominate both Directors Meisinger and Lumpkin to serve as Assistant Secretaries, which motion passed unanimously.

4. **BOARD MEMBER ANNOUNCEMENTS.** Director Gale discussed the recent KVFD awards dinner at Opus in Clear Lake Shores, which went very well.

5. **MEETING MINUTES.** The Board considered the minutes for the meeting of May 9, 2016. Following discussion, it was moved by Director Merryman and seconded by Director McDonald 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 "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.

Following further discussion, it was moved by Director Merryman and seconded by Director McDonald that the bookkeeper's report, and those checks as listed thereon be approved, 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 "B". There were 1,695 customer connections. He stated the wastewater treatment plant experienced no permit excursions and operated at 72.5% of capacity. Director Gale asked why the wastewater capacity number was high; Mr. Holdgraf stated there has been infiltration during the recent rains. Water accountability was at 91.1%. He reviewed the preventative maintenance schedule.

Mr. Holdgraf described the well meter test for the Subsidence District, which is now complete. He discussed the Lift Station at the wastewater treatment plant and noted the pumps had failed to prime themselves, leading to a backup at the plant. He discussed issues with two customers' bills and stated the sewer portion of the bill can be adjusted in the event of a leak, but not the water portion, as that capacity is a cost paid by the District. He discussed the recent GCWA meeting and noted there has been so much rain that the Brazos river is full.

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, 5-0.

8. **ONLINE BILLING MATTERS.** The Board tabled this item.

9. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "C". He presented Pay Estimate #4 for Lazy Bend Waterline construction, in the amount of \$105,165.00. He presented Pay Estimate #2 in the amount of \$3,375 and Pay Estimate #3 in the amount of \$75,281.94, both regarding the Lift Station Rehabilitation on FM 2094. He presented Pay Estimate #1 in the amount of \$5400 and Change Order #1 for the "temporary bench mark", both regarding the Vivian Water Plant project.

Mr. Trochesset stated he would be asking Teresa Case of Playful Paws for an easement for the 12 inch waterline loop. He also stated Hugh Seeds is requesting 6 connections for 34 retail units of 600 sq.ft. each, along Aspen Road.

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

10. **APPRAISAL/ POSSIBLE SALE OF DISTRICT PROPERTY.** The Board discussed the appraisal of certain District property, and the possible sale of certain District property. Following a discussion, it was moved by Director Merryman and seconded by Director McDonald to authorize the President of the Board to sign a contract for appraisal, which motion passed unanimously, 5-0.

11. **OPTIONS FOR ADDITIONAL WATER SUPPLY.** Director Gale noted much progress had been made in the last few weeks and multiple options for purchase of additional water supplies exist for the District. There are small cities and other GCWA canal partners which

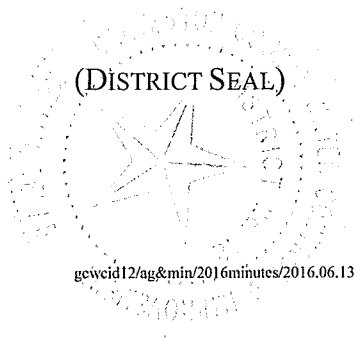
may be willing and able to sell additional capacity; the goal is to at least double the District's existing water supply capacity. She noted she does not know why the District has not heard more from the GCWA since the District's 2013 purchase of some additional capacity from NRG. Chris Richardson noted Kemah Councilman Kyle Burks' participation and hard work on these matters. Following a discussion, it was moved by Director Gale and seconded by Director Meisinger to give authority to the President of the Board to continue negotiations seeking to double the District's existing water capacity, which motion passed unanimously, 5-0.

12. **KVFD REPORT.** Director Gale reviewed the report for the KVFD from May. There were 85 total calls, with 54 being for EMS.

13. **TAX COLLECTIONS REPORT.** Director Merryman reviewed the May report for tax collections by Galveston County Tax Assessor/Collector Cheryl Johnson. The report demonstrated tax collections in excess of 94% for 2015 taxes.

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

PASSED, ADOPTED and APPROVED this 13th day of June, 2016.




Secretary