

**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 October 9, 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.** A resident discussed the sewage backup on the property at the Hula Hut at 505 Bradford; the owner was looking to recover some of the cleanup expenses. Mr. Holdgraf informed the Board the operators had been called out to investigate the sewer backup. He stated the plumber for the owner went to the site, as did the operators for the

District, who jetted the District line. He stated the District engineers met with the owner's plumber. Mr. Holdgraf stated the issue is that the owner's sewer line does not make a straight connection with the District's line. He stated the District's pipe-bursting contractor did not connect that sewer tap. He stated he would address the matter further in the operator's report.

2. **BOARD MEMBER ANNOUNCEMENTS.** There were no Board member announcements, other than Director Lumpkin's statement, "Go Astros!"

3. **MINUTES.** The Board considered the minutes for the meeting of September 11, 2017. Following discussion, it was moved by Director Merryman and seconded by Director Lumpkin that the minutes be approved, which motion passed unanimously, 5-0.

4. **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 other matters in her report. The Board reviewed the checks, investments, budget, and energy usage for the past month.

The Board reviewed the preliminary budget for 2018. Director Gale discussed the KVFD fire truck issue; the Board will continue to ask the KVFD to pay for its own fire truck out of its own budget. The Board tabled action on the budget for 2018.

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.

5. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,727 customer connections. Water accountability was at 101.4%. The wastewater treatment plant reported no permit excursions for the month. He presented the "flushing valve report" on the fire hydrants in the District. Mr. Holdgraf discussed the issue at the Hula Hut at 505 Bradford; he stated the District's contractor likely made the

mistake, and recommended the Board reimburse the owner's expenses of \$1,475, and the Board approved.

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

6. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "C". He discussed the 12" Waterline Loop project and stated the fill dirt was placed, and seed applied, on Mr. Dror's property on October 5th. He noted the City of Kemah is seeking a check from the District for its portion of the CDBG Waterline/ Force Main project, in the amount of \$301,587. He stated he is awaiting the final memorandum of approval from the TCEQ, for the District's 2017 Bond Application. He presented a request for capacity from Rudy Ackerman, for duplexes at 803 and 805 Bradford St., for a total of 4 connections.

Mr. Trochesset discussed the potential for annexation of out-of-District areas and reviewed a map with the Board of Directors; he stated the property descriptions will be sent out for title determination, as the owners and lienholders will need to sign the annexation petitions.

Director Gale stated she had spoken with Bill Monacelli about the land formerly contained in MUD 51. She stated he is still trying to progress on the Phase I retail and Phase II apartments; he is asking to front the money for an expansion of the wastewater treatment plant to provide the capacity for the developments. She noted the District would not issue reimbursement bonds until the taxable value is on the ground, according to the reimbursement agreement. The Board authorized the President to negotiate toward an agreement for wastewater treatment plant expansion financing.

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

7. **LONG TERM WATER PLAN.** The Board reviewed the First Amendment to the FM 517 Booster Pump Station Interlocal Agreement, with the GCWA. Following a discussion by the Board it was moved by Director Meisinger and seconded by Director Lumpkin that the Amendment be approved; the motion passed 5-0.

8. **TAX COLLECTIONS REPORT.** The Board reviewed the tax reports from Galveston County for August and September, as well as the quarterly tax collection report from Linebarger, delinquent tax counsel.

9. **APPROVE AMENDMENT TO NOTICE TO SELLERS AND PURCHASERS.** Chris Richardson presented the Amendment to Notice to Sellers and Purchasers, a copy of which is attached as Exhibit "D" and explained the document must be amended and filed in the property records when the amount of authorized bonds is changed; all Directors present are required to sign the document. Following further discussion, it was moved by Director Merryman and seconded by Director Meisinger that the Amendment to Notice to Sellers and Purchasers be approved, which motion passed unanimously, 5-0.

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

*PASSED, ADOPTED and APPROVED* this 13th day of November, 2017.

(DISTRICT SEAL)

  
Secretary

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