

**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 special session, open to the public, at its regular meeting place inside the boundaries of the District, on March 19, 2018; whereupon, the roll of the members of the Board of Directors was called, to-wit:

Theresa L. 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 and Johnny Bellamy 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.** There were no public comments.
- 2. BOARD MEMBER ANNOUNCEMENTS.** Director Gale shared her relief that Spring Break on the Boardwalk was over, stating the area had been a “zoo”.

3. **MINUTES.** The Board considered the minutes for the meeting of February 12, 2018. Following discussion, it was moved by Director Merryman and seconded by Director Meisinger 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.

Following further discussion, it was moved by Director Lumpkin and seconded by Director Merryman 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. **RESOLUTION AUTHORIZING SURPLUS FUNDS.** Mr. Richardson presented for approval the Resolution Authorizing Use of Surplus Funds, a copy of which is attached as Exhibit "B". He explained the Resolution authorizes using surplus funds to pay for wastewater treatment plant repairs and improvements at the plant site; the Resolution increases the amount used for the same purpose, at the District's last monthly meeting.

Following further discussion, it was moved by Director Meisinger and seconded by Director Lumpkin that the Resolution Authorizing Use of Surplus Funds be approved, which motion carried unanimously, 5-0.

6. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "C". There were 1,739 customer connections. Water accountability was at 81%; the wastewater treatment plant reported no permit excursions and ran at 72.1% of capacity. Mr. Holdgraf reviewed the preventative maintenance schedule. He stated the operators had located all but one of the lines along SH 146 for the TxDOT project. He stated the lines and lift station had been cleaned at the Boardwalk in preparation for Spring Break. He presented a

letter from a customer in the "League City" area of service, who pays the out-of-District surcharge; the customer receives water from the District but not sewer service. The Board authorized its attorney to correspond with the customer.

Following further discussion, it was moved by Director Lumpkin and seconded by Director Meisinger 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 "D". He discussed the TxDOT requirement for casing of the District lines at five existing crossings of SH 146. He also discussed the Fire Station Water Well Rehabilitation. He discussed the Interruptible Service Well and the necessary Sanitary Control Easements, required from adjacent landowners, including Danny Dror. He stated the Expansion of the Wastewater Treatment Plant was proceeding on schedule.

Mr. Trochesset discussed capacity commitment requests. Alan Watkins requested 1 connection for a residence at 1130 Fay Road, which the Board agreed to grant. Gerald Prickette requested an extension of the 1 connection capacity commitment for 1903 Lawrence Road, and the Board deferred action.

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

8. KVFD REPORT. Director Lumpkin presented the Fire Department Report. There were 57 total calls; 38 of them were for EMS and 19 were fire calls.

9. AMENDMENT TO RATE ORDER. Mr. Richardson presented an amended Rate Order for the Board's approval, a copy of which is attached as Exhibit "E." The Board discussed the increase in the Fire Fee from \$7.00 to \$10.00 per "unit" as defined in the Rate

Order. Following discussion by the Board about the proposed changes, it was moved by Director Meisinger and seconded by Director Lumpkin to approve the Rate Order as amended, which motion passed unanimously.

10. TAX COLLECTOR REPORTS. The Board reviewed the reports from the Galveston County Tax Assessor/Collector from November and December, 2017, and January, 2018.

11. AMENDMENT TO NOTICE TO SELLERS AND PURCHASERS. Mr. Richardson presented the Amendment to Notice to Sellers and Purchasers, a copy of which is attached as Exhibit "F" and explained the document must be amended and filed in the property records when the amount of authorized or issued bonds has 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.

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

PASSED, ADOPTED and APPROVED this 9th day of April, 2018.




Secretary