

**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 May 14, 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; Dan Patel of Palace Inn; also, Joe Murray of KVFD and Glen Gordy, 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. Directors Gale congratulated Ronnie Richards on his recent election to the Board of Directors. Director Lumpkin wished a Happy Mother's Day to all.

3. MINUTES. The Board considered the minutes for the meeting of April 9, 2018. Following discussion, it was moved by Director Lumpkin 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. Ms. Pfeffer noted the surplus funds reimbursement from the capital projects account, to the operations account, was back-dated and included by the auditor, into the recent audit. The change resulted in a positive budget for the fiscal year. She reviewed the 2018 budget with changes.

Following further discussion, it was moved by Director Lumpkin and seconded by Director Meisinger 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 1,746 customer connections. Water accountability was at 79.5%; the wastewater treatment plant reported no permit excursions and ran at 48% of capacity. Mr. Holdgraf reviewed the preventative maintenance schedule. He reported the GCWA had lost power at the plant but had used generators, and there was no interruption of service. The Board noted its previous review and approval of the Consumer Confidence Report.

Following further discussion, it was moved by Director Meisinger and seconded by Director Merryman that the operator's report be approved, along with the items presented, including approval of the CCR, 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 TxDOT requirement for casing of the District lines at five existing crossings of SH 146; he stated he is still locating 4 of the 5 crossings on the West side of the highway. He discussed the Fire Station Water Well Rehabilitation and stated the operator would prefer to postpone the project until after with interruptible service well project is complete and online. He noted design is ongoing for the interruptible service well. Mr. Trochesset stated the Wastewater Treatment Plant Expansion design is ongoing. He stated the amendment has been held up due to the permit renewal.

Mr. Trochesset discussed requests for capacity. David Swago requested 2 connection for 1103 Williams Lane; Jessica Means requested 1 connection for 200 W. 4th St.; Rebecca Dietz requested 1 connection for 514 Narcissus Rd.; Nickie Tipit requested 1 connection for 1104 Delores; all of which were approved by the Board. The Board decided to table consideration of the request for the allocation of 100 connections for Chris Gant at Cien St. and Kipp.

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

7. LONG TERM WATER PLAN / CITY OF BRYAN CONTRACT. Director Gale stated it would be prudent for the Board to seek renewal of the Option Contract with the City of Bryan for 12 more months. Following a discussion by the Board it was moved by Director Meisinger and seconded by Director Lumpkin that the President be authorized to seek renewal of the Option Contract; the motion passed 5-0.

8. TAX COLLECTOR REPORTS. The Board reviewed the reports from the Galveston County Tax Assessor/Collector from April, 2018; the Board noted the District is 96% collected for 2017 accounts.

9. KVFD REPORT. Joe Murray presented the Fire Department Report. There were 56 total calls; 41 of them were for EMS and 13 were fire calls. There were 2 mutual aid calls. He stated the swap of the Ladder Tuck is moving forward. Dan Patel of the Palace Inn asked about the increase in the Fire Fee on the water bill; he stated there has been a \$100 increase in the charge. The Board discussed the increases per unit, which have occurred over time, and described the necessity for the charge for fire protection. The Board noted the increases have affected all of the District's customers.

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

PASSED, ADOPTED and APPROVED this 11th day of June, 2018.

(DISTRICT SEAL)



Secretary