

**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 10, 2019; whereupon, the roll of the members of the Board of Directors was called, to-wit:

Peyton Lumpkin	Vice President
Doug Meisinger	Secretary
Ronald M. Richards	Assistant Secretary
Paul B. Boswell	Director
Matthew Wiggins	Director

All members of the Board of Directors were present except Director Wiggins.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Johnny Bellamy of Municipal District Services, LLC; Kandy Pfeffer of ETI Bookkeeping Services; Wallace Trochesset of LJA Engineering; Ty Turner of Morris & Associates; Mark Musameche, Developer; and Glen Gordy, Terri Gale and Scott Gale, District residents.

Whereupon, the meeting was called to order and evidence was presented that public notice of the meeting was given in compliance with the law.

1. PUBLIC COMMENTS. Ty Turner informed the Board Landry’s is looking to add a marine gas station.

2. BOARD MEMBER ANNOUNCEMENTS. Director Meisinger discussed the

death of Chris Reed, Kemah's Chief of Police.

3. **MINUTES.** The Board considered the minutes for the meetings of May 13, 2019 and May 15, 2019. Following discussion, it was moved by Director Richards and seconded by Director Meisinger that the minutes be approved, which motion passed unanimously, 4-0.

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 the report. The Board reviewed the checks, investments, budget, and energy usage for the past month. Ms. Pfeffer also presented the Unclaimed Property Report of funds escheated to the State.

Following further discussion, it was moved by Director Boswell and seconded by Director Richards that the bookkeeper's report, and those checks as listed thereon be approved, along with the items discussed, which motion passed unanimously, 4-0.

5. **OPERATOR'S REPORT.** Johnny Bellamy presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,746 customer connections. Water accountability was at 88.7%. The Wastewater Treatment Plant reported no permit excursions and ran at 50.3% of capacity. Mr. Bellamy reviewed the preventative maintenance schedule and reviewed the repairs.

Mr. Bellamy reported an insurance claim was filed on the generator transfer switch. He stated they are awaiting a response from the insurance company.

Mr. Bellamy stated he will attend the Gulf Coast Water Authority meeting tomorrow.

Mr. Bellamy informed the Board time and money is being spent to locate the lines for the TxDOT State Highway 146 utility relocation.

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

6. ORDER DECLARING OFFICIAL INTENT TO REIMBURSE. Mr. Trochesset stated he will wait on bond funds before moving forward with the projects included in the pending Bond Application. The Board tabled this item.

7. ENGINEER'S REPORT. Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "C". He reported the 3rd Street Waterline Relocation project is complete.

Mr. Trochesset presented for approval Pay Estimate No. 4 in the amount of \$34,200.00 for the Interruptible Service Well.

Mr. Trochesset reported they are currently in the design process of the Birch Road Utility Bridge. He stated they will continue to coordinate with the bridge engineer.

Mr. Trochesset informed the Board they met with the Bay Foundation engineers to discuss the location of their interim utilities for water and sewer. He presented for approval the schematic layout for the location.

Mr. Trochesset stated he anticipates submitting the Bond Application documents to TCEQ after the July Board meeting.

Mr. Trochesset reported he and the operator met with the Gulf Coast Water Authority ("GCWA") to discuss raw water and re-rated water. He stated Ivan Langford asked the District to submit a letter requesting how much re-rated water the District would like to acquire from the GCWA. Mr. Trochesset presented the letter for the Board's review, which requests an additional one million gallons per day from the re-rating of the Thomas S. Mackey Water Treatment Plant.

Mr. Trochesset discussed requests for capacity. The Board approved the commitment for Matt Wiggins, for 6 connections, for 6 cottages located at 705 7th Street, in District. The Board approved the commitment for Ty Turner, for 7 connections for a convenience store and fueling station at the Boardwalk, located at Texas Avenue and Avenue A. The Board approved the renewal of the capacity commitment with Glen Gordy for his development.

Mark Musameche addressed the Board requesting 204 connections for an out-of-district apartment complex. He offered to pay \$600,000 without reimbursement. Mr. Musameche stated he would like to be annexed into the District. Director Lumpkin stated the District may not have 204 connections available. The Board tabled this item.

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

8. KVFD REPORT. Director Boswell presented the KVFD report for the Board's review.

9. AMENDMENT TO RATE ORDER. The Board tabled this item.

10. TAX ASSESSOR'S REPORT. The Board reviewed the tax assessor's report for April from Galveston County showing 96.06% collected for 2018 taxes; no action was taken.

11. AMENDMENT TO NOTICE TO SELLERS AND PURCHASERS. The Board next considered approving the Amendment to Notice to Sellers and Purchasers, a copy of which is attached as Exhibit "D". Mr. Richardson explained the Amendment updates the information for the amount of bonds authorized as a result of the 2019 Bond Election.

Following further discussion, it was moved by Director Richards and seconded by Director Bowell that the Amendment to Notice to Sellers and Purchasers be approved, which

motion carried unanimously.

12. DISCUSS SALE OF SURPLUS PROPERTY WITHIN DISTRICT. The Board noted there is a five acre tract of land to be sold on Delasandri. The City of Kemah is interested in purchasing less than one acre.

CLOSED SESSION. The Board met in closed session, beginning at 8:00 p.m. and ending at 8:15 p.m., to meet with the attorney. The Board resumed in open session.

13. DISCUSS USE OF FEMA FUNDS TO RENT GENERATORS. The Board tabled this item.

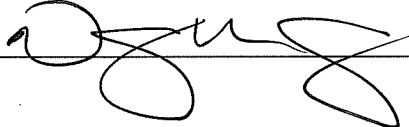
14. APPOINTMENT OF SUCCESSOR DIRECTOR. The Board tabled this item.

15. FUTURE AGENDA ITEMS. There were no future agenda items requested.

16. ADJOURNMENT. There being no further business, it was moved by Director Richards, seconded by Director Boswell and unanimously carried that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 8th day of July, 2019.




Secretary