

**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 November 12, 2018; whereupon, the roll of the members of the Board of Directors was called, to-wit:

Theresa L. Gale	President
Peyton Lumpkin	Vice President
Doug Meisinger	Secretary
Ronald M. Richards	Assistant Secretary
Paul B. Boswell	Director

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

Also present were Chris Richardson of Strawn & Richardson, P.C.; Ed Holdgraf, and Johnny Bellamy of Municipal District Services, LLC; Kandy Pfeffer of ETI; Wallace Trochesset of LJA Engineering; and Glen Gordy, Scott Gale and Matt Wiggins, 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.** Glen Gordy it may be next year before the plat for his project is approved.

**2. BOARD MEMBER ANNOUNCEMENTS.** There were no announcements.

3. **MINUTES.** The Board considered the minutes for the meeting of October 8, 2018. Following discussion, it was moved by Director Meisinger and seconded by Director Boswell that the minutes be approved, which motion passed, 4-0.

4. **BOOKKEEPER'S REPORT.** Kandy Pfeffer reviewed the bookkeeper's report, a copy of which is attached as Exhibit "A". She reviewed the use of bond proceeds, the checks for payment, investments, budget, and energy usage for the past month. She presented a draft budget for fiscal year ending December 31, 2019 for consideration next month. Following further discussion, it was moved by Director Boswell and seconded by Director Lumpkin 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/ AMEND OPERATOR'S CONTRACT/ AMEND RATE ORDER.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,742 customer connections. Water accountability was at 99%; the wastewater treatment plant reported no permit excursions and ran at 95.7% of capacity. Mr. Holdgraf reviewed the preventative maintenance schedule and noted the many repairs. He stated the plant had lost power on October 31st, and the emergency generator cycled on and remained in operation for about 23 hours.

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, 4-0.

The Board considered amending the Operator's contract. Ed Holdgraf stated the basic change is in the base fee. Following further discussion, it was moved by Director Meisinger and seconded by Director Lumpkin that the amendment to the operator's contract be approved, which motion carried unanimously, 4-0. A copy of said amendment is attached as Exhibit "C".

The Board considered amending the District's Rate Order according to the amendment of the Operator's contract. Following further discussion, it was moved by Director Gale and seconded by Director Lumpkin that the amendment to the Rate Order be approved, which motion carried unanimously, 4-0. A copy of the Rate Order is attached as Exhibit "D".

**6. ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "E". He discussed the TxDOT requirement for casing of the District lines at five existing crossings of SH 146, and the Fire Station Well Rehabilitation. He also discussed the Interruptible Service Well; he recommended award of the project to Principal Plant Services at a contract price of \$1,141,105.00.

Mr. Trochesset discussed the expansion of the wastewater treatment plant. He discussed Lift Station K near the Boardwalk.

Mr. Trochesset discussed requests for capacity. The Board approved the commitment for Kyle Hockersmith's request for one connection at 411 Pine in Clear Lake Shores. Mr. Trochesset discussed the plans he received from the "Hamdy" hotel group; he stated they are seeking 75 connections which the District does not have to commit, for an out-of-District hotel.

Following further discussion by the Board it was moved by Director Lumpkin and seconded by Director Boswell that the engineer's report be approved along with the items presented; the motion passed 4-0.

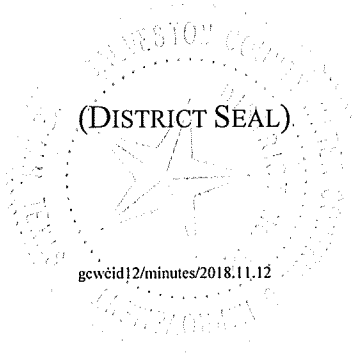
**7. KVFD REPORT.** President Gale presented and reviewed the report on KVFD activities. There were 28 fire calls, 46 EMS calls and 11 mutual aid calls. She discussed the fire truck financing and stated the old fire truck had been sold for \$200,000.

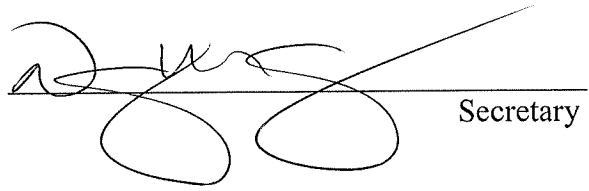
**8. AUTHORIZE ANNUAL EMINENT DOMAIN FILING.** Chris Richardson asked for authorization to complete the District's annual eminent domain filing with the State Comptroller's office. Following further discussion by the Board it was moved by Director

Lumpkin and seconded by Director Meisinger that the attorney be authorized to complete the annual eminent domain filing; the motion passed unanimously, 4-0.

9. **ADJOURNMENT.** There being no further business, it was moved by Director Lumpkin, seconded by Director ~~Boswell~~ and unanimously carried that the meeting be adjourned.

*PASSED, ADOPTED and APPROVED* this 12th day of November, 2018.



  
Secretary