

**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 December 10, 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.

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 stated his preliminary plat approval is at City Council in Kemah.

2. BOARD MEMBER ANNOUNCEMENTS. There were no announcements; all members of the Board wished Happy Holidays to everyone in the District.

3. **MINUTES.** The Board considered the minutes for the meeting of November 12, 2018. Following discussion, it was moved by Director Richards and seconded by Director Lumpkin that the minutes be approved, which motion passed unanimously, 5-0.

4. **BOOKKEEPER'S REPORT AND BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2019.** 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 Boswell that the bookkeeper's report, and those checks as listed thereon be approved, along with the items discussed, which motion passed unanimously, 5-0.

The Board reviewed the budget for the fiscal year ending December 31, 2019; The Board discussed the fire truck expenditures for the KVFD. Ms. Pfeffer stated she would use a new line item for "capital expenditures". She noted the current draft of the budget is well in the negative. Mr. Trochesset noted the TxDOT Utility Relocation includes large items the District must pay for.

Following further discussion, it was moved by Director Lumpkin and seconded by Director Boswell that the budget for the fiscal year ending December 31, 2019 be approved, along with the revisions discussed, which motion passed unanimously, 5-0.

5. **REVIEW OF INVESTMENT POLICY.** Mr. Richardson explained an annual review of the Investment Policy is required by the Public Funds Investment Act. He stated the only change recommended is to update the brokers list. Following a discussion, it was moved by Director Richards and seconded by Director Lumpkin to approve the Order Reviewing and Confirming Investment Policy with the updated brokers list, which motion carried unanimously. A copy of said Order is attached as Exhibit "B".

6. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "C". There were 1,743 customer connections. Water accountability was at 95%; the wastewater treatment plant reported no permit excursions and ran at 58.4% of capacity. Mr. Holdgraf reviewed the preventative maintenance schedule and reviewed the repairs.

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, 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, and the Fire Station Well Rehabilitation. He also discussed the Interruptible Service Well; he presented the contracts for signature. He discussed the easement to be obtained from the Galveston Bay Foundation for the Wastewater treatment plant outfall and stated the documents are in the works.

Mr. Trochesset discussed the expansion of the wastewater treatment plant; he said he would be advertising for bids. He discussed Lift Station K near the Boardwalk. He presented proposals for engineering fees for two projects for the Board's approval, which was granted.

Mr. Trochesset discussed requests for capacity. The Board approved the commitment for one connection at 918 FM 518 for a sales trailer.

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

8. **KVFD REPORT.** Director Richards presented and reviewed the report on KVFD activities. There were 20 fire calls, 26 EMS calls and 2 mutual aid calls. President Gale mentioned a new website is being developed for the Department.

9. **ADJOURNMENT.** The Board held a closed session to discuss legal issues with the attorney; the closed session began at 7:55 p.m. and the Board reconvened in open session at 9:00 p.m. There being no further business, it was moved by Director Lumpkin, seconded by Director Richards and unanimously carried that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 14th day of January, 2019.




Secretary