

**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 January 14, 2019; 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 Meisinger.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Ed Holdgraf and Johnny Bellamy of Municipal District Services, LLC; Wallace Trochesset of LJA Engineering; and Glen Gordy, resident.

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 Galveston County had approved the road for his property.

2. GBT REALTY CORP. / SHOPPES OF KEMAH WATER TANK. Ivan Lozina of GBT Realty asked about the agreement with the District to install a water tank for fire

suppression purposes at the Shoppes of Kemah. He requested a three month extension and stated the tank is to be delivered on March 1st . He stated the first tank design had been wrong, but they have been hard at work. The Board considered the matter and stated its intention to leave the agreement in place, with penalties continuing to accrue, but to waive all penalties contained in the agreement, after the water tank is installed and passes inspection. It was so moved by Director Lumpkin, and seconded by Director Boswell, and unanimously carried, 4-0.

3. BOARD MEMBER ANNOUNCEMENTS. Director Richards announced his intention to step down as the liaison for the District to the Fire Department ESB Board, and he recommended Paul Boswell to take his place. It was moved by Director Richards, and seconded by Director Gale, to appoint Paul Boswell as the ESB representative for the District, which motion carried unanimously, 4-0.

4. MINUTES. The Board considered the minutes for the meeting of December 10, 2018. Following discussion, it was moved by Director Richards and seconded by Director Boswell that the minutes be approved, which motion passed unanimously, 4-0.

5. BOOKKEEPER'S REPORT. Kandy Pfeffer was absent; President Gale 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.

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.

6. OPERATOR'S REPORT. Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,743 customer connections. Water accountability was at 84.4%; he explained there had been a fire hydrant repair which had resulted in a large

amount of lost water. 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. Johnny Bellamy described damage and a sinkhole at the manhole at the wastewater treatment plant.

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

7. **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, and stated he had met with TxDOT representatives on January 8th. He stated more locations on the waterline on SH 146 would have to be looked at, to determine if they are in or out of the road right of way.

Mr. Trochesset discussed the Fire Station Well Rehabilitation and the Interruptible Service Well; he stated Notice to Proceed had been given on January 14th. He also 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 stated KDM Services will be seeking acquisition of another tract on behalf of the District and presented a revised agreement, which the Board approved.

Mr. Trochesset discussed the expansion of the Wastewater Treatment Plant; he stated the bid opening would be on January 24th. He also discussed Lift Station K near the Boardwalk.

Mr. Trochesset discussed requests for capacity. The Board approved the commitment for Keith Crews, for one connection at 707 Bay Avenue for a single family connection.

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

8. KVFD REPORT. Director Gale stated the ESB is moving its meeting to the 3rd Monday of the month.

9. TAX ASSESSOR'S REPORT. The Board reviewed the tax assessor's report from Galveston County; no action was taken. The Board noted the County Tax Assessor is lowering fees and would consider the approval of the required Resolution approving the charges at the next meeting.

10. DELINQUENT TAX PENALTY. Chris Richardson presented to the Board a Resolution Authorizing Delinquent Tax Penalty, a copy of which was attached as Exhibit "D". Mr. Richardson explained the Resolution allows the District to attach the collection penalty on personal property accounts beginning April 1, and to real property accounts, July 1. Following further discussion, it was moved by Director Richards and seconded by Director Boswell that the Resolution Authorizing Delinquent Tax Penalty be approved, which motion carried 4-0.

11. AUTHORIZE ANNUAL SPECIAL PURPOSE DISTRICT FILING. Mr. Richardson stated the Legislature in Senate Bill 625 has mandated a form to be filled out and filed on the Comptroller's website, listing certain financial information about some districts, including water districts. Following discussion, it was moved by Director Lumpkin, and seconded by Director Boswell, to authorize the annual Special Purpose District Filing, which motion carried unanimously, 4-0.

12. RENEWAL OF WINDSTORM INSURANCE. The Board considered the renewal of the windstorm insurance package. Following discussion, it was moved by Director

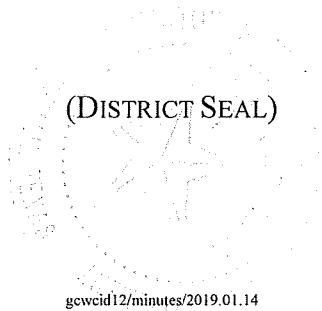
Richards, and seconded by Director Lumpkin, to approve the renewal of the District's windstorm insurance, which motion carried unanimously, 4-0.


13. ORDER CALLING BOND ELECTION. The Board considered approving the Order Calling Bond Election and the Notice of Bond Election, copies of which are attached as Exhibits "E" and "F", respectively. Mr. Richardson recommended the Board authorize entering into an agreement with Galveston County for election services.

Following further discussion, it was moved by Director Richards and seconded by Director Lumpkin that the Order Calling Bond Election and Notice of Bond Election be approved, to authorize entering into an agreement with Galveston County for election services, and further that the attorneys be authorized to post notice of the election as required by law, which motion carried unanimously, 4-0.

14. ADJOURNMENT. 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 11th day of February, 2019.




Secretary