

**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 April 8, 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.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Johnny Bellamy of Municipal District Services, LLC; Kandy Pfeffer of ETI; Wallace Trochesset of LJA Engineering; Tim Applewhite of McCall Gibson Swedlund Barfoot, PLLC; Mark Musameche; and Glen Gordy, Bart Timm, Curt Otten, 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. Wallace Trochesset reviewed the bond projects that are included in the bond election.

Glen Gordy stated the hotel developer will pay for utilities.

Bart Timm discussed the drilling noise.

Curt Otten introduced himself as the Clear Lake Shores Mayor to be.

2. **BOARD MEMBER ANNOUNCEMENTS.** Director Meisinger stated the District had experienced water outages and the operator's office had addressed them immediately and effectively.

3. **MINUTES.** The Board considered the minutes for the meeting of March 4, 2019. 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. **APPROVAL OF AUDIT FOR FISCAL YEAR ENDED DECEMBER 31, 2017.** Tim Applewhite presented and reviewed a draft of the audit for the fiscal year ended December 31, 2018.

Following a full discussion, it was moved by Director Meisinger and seconded by Director Richards that the audit for the fiscal year ended December 31, 2018 be approved, which motion carried unanimously, 5-0.

5. **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.

Following further discussion, it was moved by Director Boswell 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.

6. **OPERATOR'S REPORT.** Johnny Bellamy presented the operator's report, a copy of which is attached as Exhibit "B". There were 1,747 customer connections. Water

accountability was at 98.8%. The wastewater treatment plant reported no permit excursions and ran at 62.8% of capacity. Mr. Bellamy reviewed the preventative maintenance schedule and reviewed the repairs.

Mr. Bellamy reported the ATS switch was struck by lightning. He also reported there were three lift pump repairs.

Director Gale stated the surcharge was incorrectly billed to Kemah Village. She stated the townhomes were annexed into the District in 2017. The Board agreed to refund \$1,833.00 to Kemah Village. Director Gale suggested billing the townhomes individually, even without the ability to cut-off service. The Board tabled this item.

Mr. Bellamy reviewed the Consumer Confidence Report.

Mr. Bellamy next presented a letter to the Board from Holiday Inn requesting an adjustment to their average bill due to the high usage. He stated, if approved, the adjustment would be \$6,500. Mr. Bellamy added that Holiday Inn requested meter testing and the meters showed 97% accuracy. The Board did not take any action.

Mr. Bellamy explained the annual chlorine burn from the Gulf Coast Water Authority water.

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. REVIEW AND CONFIRM IDENTITY THEFT POLICY. Mr. Richardson presented the Order Reviewing and Confirming the District's Identity Theft Policy, a copy of which is attached as Exhibit "C". Mr. Richardson and Mr. Bellamy recommended no changes to the Policy; there were no incidents of ID theft identified. Following discussion by the Board it

was moved by Director Richards and seconded by Director Boswell to confirm the District's Identity Theft Policy; the motion passed unanimously, 5-0.

8. ORDER REVIEWING AND CONFIRMING THE DROUGHT CONTINGENCY PLAN. Mr. Richardson presented the Order Reviewing and Confirming the District's Drought Contingency Plan, a copy of which is attached as Exhibit "D". Following discussion by the Board it was moved by Director Lumpkin and seconded by Director Boswell to confirm the District's Drought Contingency Plan; the motion passed unanimously, 5-0.

9. ENGINEER'S REPORT. Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "E". He discussed the TxDOT Utility Relocation. Mr. Trochesset presented a proposal for review and approval for the design of the utility relocations.

Mr. Trochesset next discussed the Fire Station Well Rehabilitation. He stated the project will go to construction after the Interruptible Service Well is in service.

Mr. Trochesset presented for approval Pay Estimate No. 1, in the amount of \$30,077.00, and Pay Estimate No. 2, in the amount of \$247,142.50, for the Interruptible Service Well.

Mr. Trochesset discussed requests for capacity. Mark Musameche addressed the Board requesting 205 connections for apartments at FM 518, which is outside the District. Mr. Musameche stated he will not begin construction for at least six months. He offered to pay his share of the infrastructure costs, even without reimbursement. He also offered to be annexed into the District. The Board tabled this item.

The Board approved the commitment for Archie Patterson, at 504 7th Street, for 1 single-family residence connection, in District. The Board also approved extending Lloyd Thornton's capacity commitment for 20 connections, outside the District.

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, which motion carried unanimously, 5-0.

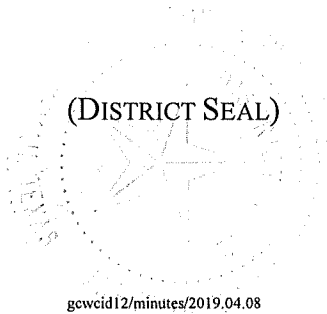
10. EASEMENT ACQUISITION. The Board tabled this item.

11. KVFD REPORT. The KVFD report was not presented at this time.

12. TAX ASSESSOR'S REPORT / RESOLUTION FOR FEE CHANGE. The tax assessor's report from Galveston County was not presented at this time.

13. 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 13th day of May, 2019.




Secretary