

**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 May 13, 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; Bob Stokes of Galveston Bay Foundation; and Matt Wiggins, Glen Gordy, Bill Kerber 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. Scott Gale commented on the great job the Board is doing.

Glen Gordy thanked Wallace Trochesset, the engineer.

2. BOARD MEMBER ANNOUNCEMENTS. Director Lumpkin wished all of the mothers in attendance a Happy Mother's Day.

Director Boswell discussed the barge collision and the aftermath. He stated the incident was not as bad as it could have been.

Director Richards stated the press release regarding the water quality was excellent. He recommended more transparency and communication.

Director Meisinger stated the Board will miss Director Gale. Director Gale stated she has enjoyed nine years of service on the Board.

3. MINUTES. The Board considered the minutes for the meeting of April 8, 2019. Following discussion, it was moved by Director Lumpkin and seconded by Director Meisinger that the minutes be approved, which motion passed unanimously, 5-0.

4. FLOOD INSURANCE PROPOSALS. The Board next considered the proposals for flood insurance for three (3) District structures from Victor O. Schinnerer.

Following further discussion, it was moved by Director Richards and seconded by Director Boswell to approve the flood insurance proposal with Victor O. Schinnerer, 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.

Ms. Pfeffer informed the Board she will close the Compass Bank Money Market account and transfer the debt service funds to Texpool.

Following further discussion, it was moved by Director Richards 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 1,746 customer connections. Water accountability was at 98.2%. The wastewater treatment plant reported no permit excursions and ran at 50.9% of capacity. Mr. Bellamy reviewed the preventative maintenance schedule and reviewed the repairs.

Mr. Bellamy discussed the ATS switch that was struck by lightning. He reported an insurance claim is pending. The cost of the switch is \$12,000.

Mr. Bellamy next discussed the Gulf Coast Water Authority ("GCWA"). He informed the Board the GCWA will be purchasing water storage and looking to sell raw water to member districts. Director Gale recommended the Board express interest in the maximum amount available to the District.

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

7. CONSUMER CONFIDENCE REPORT. Mr. Bellamy presented the 2018 Consumer Confidence Report for the Board's review and approval. Following further discussion, it was moved by Director Meisinger and seconded by Director Richards that the Consumer Confidence Report be approved, which motion carried unanimously, 5-0.

8. ORDER DECLARING OFFICIAL INTENT TO REIMBURSE. The Board tabled this item.

9. ENGINEER'S REPORT. Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "C". He discussed the 3rd Street Waterline Relocation project. He presented three bids for the Board's review. Mr. Trochesset recommended awarding the contract to the low bidder, Tackle Construction, Inc., in the amount of \$40,342.00.

Mr. Trochesset presented for approval Pay Estimate No. 3, in the amount of \$402,282.25, for the Interruptible Service Well. He also presented a request from Bart Timms, who lives next to the well construction site, for reimbursement of \$237.30 for a two-night hotel stay.

Mr. Trochesset discussed the 0.50 mgd Sewage Treatment Plant expansion. He stated the contractor has mobilized and some of their equipment is on site.

Mr. Trochesset informed the Board that Mr. Gordy has requested that his lift station and force main be accepted by the District for operations and maintenance. He stated they are currently reviewing his lift station plans.

Mr. Trochesset discussed the Bel Road extension. Mr. Trochesset reported there are two conflicts with the storm sewers and the District's waterline with the project. He explained with the District's valves they can isolate the waterline, but it shuts off water to Walmart and the Shoppes at Kemah. He stated one or two valves need to be added to keep the water on at those locations as well as water service for everyone else. Mr. Trochesset further stated one valve will cost \$13,000.

Mr. Trochesset introduced Bob Stokes, with the Galveston Bay Foundation, to address questions regarding the easement negotiations. Director Lumpkin stated the Board budgeted an amount for the easements, which is not the same as the Galveston Bay Foundation's demand. Director Boswell stated the District granted an out-of-district water connection.

Mr. Trochesset presented for the Board's review and approval a proposal for the preparation of the bond issue report and submittal of the bond application to TCEQ.

The Board approved the commitment for Frank Ball, at 115 West 5th Street, for 1 single-family residence connection, in District.

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, which motion carried unanimously, 5-0.

10. KVFD REPORT. Director Gale reported she met with the engineer and the architect for the Fire Station. She stated the cost of the feasibility study is \$8,750, for long term updates. Following further discussion, it was moved by Director Richards and seconded by Director Boswell to approve the cost of the feasibility study for the Fire Station, which motion carried unanimously, 5-0.

The Board discussed Lee Hart, a community member who was known for answering fire calls. Director Gale recommended re-naming the Fire Station to Lee Hart Memorial Fire Station. Following further discussion, it was moved by Director Gale and seconded by Director Meisinger to approve re-naming the Fire Station to Lee Hart Memorial Fire Station, which motion carried unanimously, 5-0.

11. TAX ASSESSOR'S REPORT. The Board reviewed the tax assessor's report from Galveston County showing 94.6% collected for 2018 taxes; no action was taken.

12. APPOINTMENT OF SUCCESSOR DIRECTOR. The Order Accepting the Resignation of a Director and Appointing a Successor was considered for approval, a copy of which is attached as Exhibit "D". It was noted that Matt Wiggins was in all ways qualified to assume the position of director to fill the unexpired term of Director Teri Gale.

Following further discussion, it was moved by Director Gale and seconded by Director Lumpkin to approve the appointment of Matt Wiggins as Director, and to approve the Order Accepting the Resignation of a Director and Appointing a Successor, which motion carried, with Director Meisinger opposed. Mr. Wiggins took his Oath of Office and executed his Statement of Appointed Officer.

13. FUTURE AGENDA ITEMS. The Board requested the following items to be placed on the agenda: (1) consider amending the Rate Order; (2) consider use of FEMA funds to rent generators; and (3) consider the sale of land on Delasandri.

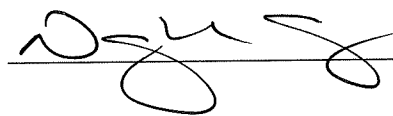
CLOSED SESSION. The Board met in closed session, beginning at 8:20 p.m. and ending at 8:35 p.m., to meet with the attorney. The Board resumed in open session.

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 10th day of June, 2019.

(DISTRICT SEAL)

gewcid12/minutes/2019.05.13


Secretary