

**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 March 10, 2014; whereupon, the roll was called of the members of the Board of Directors, to-wit:

Linda Merryman	President
Ed Linck	Vice President
Nancy McDonald	Secretary
Terri Gale	Assistant Secretary
Bill Kerber	Director

All members of the Board of Directors were present.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Ed Holdgraf and Jalene Palmer of Municipal District Services, LLC; Michelle Lofton of ETI Bookkeeping Services; and Mark Havran of LJA Engineering.

Whereupon, the President called the meeting to order and evidence was presented that public notice of the meeting was given in compliance with the law.

1. **PUBLIC COMMENTS.** There were no public comments.
2. **DIRECTOR ANNOUNCEMENTS.** Director Merryman discussed an upcoming webinar for conservation water rates; Director McDonald described the GCWA

meeting about conservation and the Water Efficiency Network; Director Linck noted the District's accountability is low at 76%.

3. **MINUTES OF MEETINGS.** The minutes of the meeting of February 10, 2014 were presented for the Board's review and approval. Following further discussion, it was moved by Director Gale and seconded by Director Linck that the minutes be approved, which motion carried unanimously, 5-0.

4. **KEMAH VOLUNTEER FIRE DEPARTMENT REPORT.** Chief Brent Hahn presented the report. He described the calls in the District during the last month, with an average response time of 4:37 minutes; and EMS calls, with an average response time of 4:29 minutes. He also described mutual aid calls and ongoing training efforts, as well as activities in the District. Following discussion by the Board, it was moved by Director Kerber and seconded by Director McDonald to approve the KVFD report, which motion carried unanimously, 5-0.

5. **TAX ASSESSOR'S REPORT.** Chris Richardson presented the Galveston County Tax Assessor's reports for January and February, copies of which are attached as Exhibits "A" and "B", respectively. The District has collected 92.54% of its 2013 taxes.

6. **BOOKKEEPER'S REPORT.** Michelle Lofton presented the bookkeeper's report, a copy of which is attached as Exhibit "C". The Board reviewed the checks, investment report, budget, and energy usage. The Board also reviewed the checks presented for approval.

Following further discussion, it was moved by Director Gale and seconded by Director Kerber that the bookkeeper's report, and those checks as listed thereon be approved, which motion passed unanimously, 5-0.

7. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "D". There were 1646 connections and no excursions at the wastewater treatment plant. Water accountability fell to 76%. Mr. Holdgraf stated he would

begin testing of commercial meters to assess low accountability. He reviewed the preventative maintenance schedule and described the repair of the break in the main line in front of Kemah City Hall. Mr. Holdgraf stated the GCWA has a committee working on Drought Contingency Plan requirements, with the goal being to standardize all plans for GCWA participants. He noted the area is not out of the drought, despite recent rains. He stated the operator is no longer accepting cash payments at the office. Director Merryman discussed a letter from a customer regarding a water line break, and requesting an adjustment to the sewer portion of the bill. Mr. Holdgraf stated he would adjust the bill upon receipt of a plumber's bill for the repairs, with the Board's approval.

Mr. Holdgraf presented the Amendment to the GCWA contract for approval, with the concurrence of the District's attorney. A copy of the Amendment is attached as Exhibit "E".

Following further discussion, it was moved by Director Gale and seconded by Director Linck that the operator's report be approved and to approve the Amended to the GCWA contract, which motion carried unanimously, 5-0.

**8. ENGINEER'S REPORT.** Mr. Havran presented the engineer's report, a copy of which is attached as Exhibit "F". He discussed the pending Bond Application, which has been designated "administratively complete" by the TCEQ. Chris Richardson described the steps in the process for issuing bonds and funding, which would likely be final in August or September of 2014. Mr. Havran described a request for out-of-district service for 250 connections – or 75% of currently available capacity – which the Board considered and denied. Director Merryman described her ongoing discussions with Ivan Langford of the GCWA regarding possible purchase of additional capacity from other GCWA participants.

Following further discussion by the Board it was moved by Director Gale and seconded by Director McDonald that the engineer's report be approved; the motion passed unanimously, 5-0.

9. **SMART METERS.** Director Linck noted the low accountability features and stated it shows the need for smart meters.

10. **ADJOURNMENT.** There being no further business, it was moved by Director Gale, seconded by Director Kerber and unanimously carried that the meeting be adjourned.

*PASSED, ADOPTED and APPROVED* this 14th day of April, 2014.

  
Secretary

