

**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 14, 2014; whereupon, the roll was called of the members of the Board of Directors, to-wit:

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|----------------|---------------------|
| 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 except Director Kerber.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Ed Holdgraf of Municipal District Services, LLC; Michelle Lofton of ETI Bookkeeping Services; Chief Brent Hahn of the KVFD; Joseph Ellis of McCall Gibson Swedlund Barfoot, PLLC, auditor; and Wallace Trochesset 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 McDonald discussed the recent GCWA event in League City. She stated more information is coming in June regarding possible

upcoming projects and issues of water capacity. Director Gale discussed the recent AWBD breakfast on subsidence issues. Director Merryman discussed the recent watermaster hearing in Austin; she stated she attended along with Ivan Langford of the GCWA. She stated there will be a watermaster, south of Possum Kingdom; it will take 12 to 18 months to get the system in place.

3. **MINUTES OF MEETINGS.** The minutes of the meeting of March 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, 4-0.

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 5:21 minutes; and EMS calls, with an average response time of 3:50 minutes. He also described mutual aid calls and ongoing training efforts, as well as activities in the District. He described an issue with delayed response due to traffic at the recent Crawfish Festival. Chief Hahn updated the Board regarding an incident with a "party bus" from Beaumont/Orange, when teenagers were drinking prior to attending their prom; the teens were detained and their parents were called. Following discussion by the Board, it was moved by Director McDonald and seconded by Director Gale to approve the KVFD report, which motion carried unanimously, 4-0.

5. **APPROVAL OF AUDIT FOR FISCAL YEAR ENDED DECEMBER 31, 2013.** Joseph Ellis presented and reviewed a draft of the audit for the fiscal year ended December 31, 2013. He stated the firm's opinion is unqualified, which means there are no material weaknesses identified. Mr. Ellis reviewed the financial statements and discussed the GASB 34 requirements.

Following a full discussion, it was moved by Director Gale and seconded by Director Linck that the audit for the fiscal year ended December 31, 2013 be approved, which motion carried unanimously, 4-0.

6. **TAX ASSESSOR'S REPORT.** Chris Richardson presented the Galveston County Tax Assessor's report for March, a copy of which is attached as Exhibit "A". The District has collected 94.78% of its 2013 taxes. Following discussion by the Board, it was moved by Director Gale and seconded by Director McDonald to approve the report, which motion carried unanimously, 4-0.

7. **BOOKKEEPER'S REPORT.** Michelle Lofton presented the bookkeeper's report, along with the quarterly investment report, a copy of which is attached as Exhibit "B". 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 Linck that the bookkeeper's report, and those checks as listed thereon be approved, which motion passed unanimously, 4-0.

8. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "C". There were 1646 connections and no excursions at the wastewater treatment plant. Water accountability was 80.2%. Mr. Holdgraf stated he is testing all commercial meters. Director Linck described an issue his neighbor had with his sprinkler; Director McDonald noted the District has always used more water than its allotment from the GCWA, and each year the GCWA has been able to purchase more water from the Brazos River Authority, but there will be none this year.

Following further discussion, it was moved by Director Gale and seconded by Director McDonald that the operator's report be approved, which motion carried unanimously, 4-0.

9. **ORDER REVIEWING AND CONFIRMING THE IDENTITY THEFT POLICY.** Chris Richardson presented the Order Reviewing and Confirming the District's Identity Theft Policy, a copy of which is attached as Exhibit "D". Mr. Richardson and Mr. Holdgraf recommended no changes to the Policy; there were no incidents of ID theft identified. Following discussion by the Board it was moved by Director Linck and seconded by Director McDonald to confirm the District's Identity Theft Policy; the motion passed unanimously, 4-0.

10. **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 "E". Following discussion by the Board it was moved by Director Gale and seconded by Director Linck to confirm the District's Drought Contingency Plan; the motion passed unanimously, 4-0.

11. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "F". He discussed the Water Plant Ground Storage Tank Interior Rehabilitation project; the low bidder was Blastco Texas Inc. at \$37,000; he recommended award of the bid. Mr. Trochesset discussed a request for out-of-District service from Wycoff Development, for an office/warehouse at Sue and Anders Lane, in the amount of four equivalent connections.

Following further discussion by the Board it was moved by Director Gale and seconded by Director McDonald that the engineer's report and the items presented therein be approved; the motion passed unanimously, 4-0.

12. **SMART METERS.** Director Linck noted the low accountability features and stated it shows the need for smart meters; he stated he is seeking pricing for a minimum of 500 meters.

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

PASSED, ADOPTED and APPROVED this 12th day of May, 2014.




Secretary