

**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 12, 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; Wallace Trochesset of LJA Engineering; and Steve Ruthstrom of the KVFD.

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.** Shelia Thorne, District resident asked for more notice of water outages as they occur; she asked for coordination with the City of Kemah on a recent variance the City granted for a 12-acre site in South Kemah.

2. **DIRECTOR ANNOUNCEMENTS.** Director Kerber congratulated Directors Merryman and Gale on their recent election victory. Directors Merryman and Linck discussed possible future desalination efforts to increase water supply along the Texas gulf coast.

3. **MINUTES OF MEETINGS.** The minutes of the meeting of April 14, 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, 4-0-1, with Director Kerber abstaining.

4. **KEMAH VOLUNTEER FIRE DEPARTMENT REPORT.** Steve Ruthstrom presented the report. He described the calls in the District during the last month, with an average response time of 4:42 minutes. He also described mutual aid calls and ongoing training efforts, as well as activities in the District. Mr. Ruthstrom described the efforts to update the radio communications, and described two mutual aid calls in Bay Cliff. He described the ongoing mold remediation efforts at the fire station. Director Gale discussed the widening of SH 146; Mr. Ruthstrom stated six to eight feet of the front of the fire station property would likely be affected.

5. **BOND APPLICATION, SCHEUDLE FOR SALE.** The Board discussed the tentative schedule for the sale of bonds. Following further discussion, it was moved by Director Gale and seconded by Director McDonald that the schedule for the sale of bonds be approved, and that the consultants be authorized to begin preparation of the Preliminary Official Statement for the bonds, which motion carried unanimously, 5-0.

6. **TAX ASSESSOR'S REPORT.** Chris Richardson presented the Galveston County Tax Assessor's report for April, a copy of which is attached as Exhibit "A". The District has collected 95.93% 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, 5-0.

7. **BOOKKEEPER'S REPORT.** Michelle Lofton presented the bookkeeper's report, along with the investment report, a copy of which is attached as Exhibit "B". The Board reviewed the checks presented for approval, investment report, budget, and energy usage. Director Merryman asked about "TexPool Prime" as a possible depository for District funds; Ms. Lofton stated the interest rates do not warrant a transfer.

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

8. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "C". There were 1648 connections and no excursions at the wastewater treatment plant. Water accountability was 80.7%. Mr. Holdgraf stated the GCWA has been in discussions with the Brazos River Authority for the purchase of an additional 500,000 acre/feet of water as in the past, but the BRA will now only sell 50,000 acre/feet, due to serious drought conditions. He stated the District may need to go to Stage 2 on the Drought Contingency Plan. The Board discussed conservation efforts and cooperation with the cities about landscaping regulations; few people realize the very high percentage of water being used for irrigation.

Following further discussion, it was moved by Director Kerber and seconded by Director McDonald that the operator's report be approved, which motion carried unanimously, 5-0.

9. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "D". He discussed the Water Plant Ground Storage Tank rehabilitation and presented the contracts for execution.

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

10. **SMART METERS.** Director Linck noted the ongoing testing of commercial meters.


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

*PASSED, ADOPTED and APPROVED* this 9th day of June, 2014.



(DISTRICT SEAL)

gwcid12/ag&min/2013minutes/2014.05.12

  
Secretary