

**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 August 11, 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 except Directors Gale and Linck.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Ed Holdgraf of Municipal District Services, LLC; Michelle Lofton of ETI Bookkeeping Services; Wallace Trochesset of LJA Engineering; David Smalling, RBC Capital Markets, LLC; Virginia Lootens and Alison Putman.

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.** Virginia Lootens addressed the Board about her property at 311 Miller; she stated she had spent over \$300,000 on her lot and new home, and is currently in a dispute with the builder, US Construction. The builder has shut the valve off on

the water meter, and placed a lock on it. Ms. Lootens stated she does not want the District to allow the builder to take control over a District facility; she stated the District is condoning the action of the builder. She requested removal of the lock, and that water service be established in her name.

Alison Putman, Ms. Looten's daughter, addressed the Board. She stated her concern for the use of the water meter as a weapon, and stated the builder is a bully. She asked the Board to stand up to the bully, decide to cut the lock, and establish water service in her mother's name.

2. **DIRECTOR ANNOUNCEMENTS.** There were no Director announcements.
3. **MINUTES OF MEETINGS.** The minutes of the meeting of July 14, 2014 were presented for the Board's review and approval. Following further discussion, it was moved by Director McDonald and seconded by Director Kerber that the minutes be approved, which motion carried unanimously, 3-0.
4. **KEMAH VOLUNTEER FIRE DEPARTMENT REPORT.** No report was presented.
5. **TAX ASSESSOR'S REPORT.** No report was presented.
6. **DISCUSS 2014 TAX RATE, SET PUBLIC HEARING DATE AND AUTHORIZE PUBLICATION OF NOTICE OF SAME.** David Smalling presented the 2014 Tax Rate Recommendation as prepared by the financial advisor, RBC Capital Markets, a copy of which is attached as Exhibit "A". Mr. Smalling recommended the Board maintain the current tax rate of \$0.30 for debt service.

Following a full discussion, a motion was made by Director Kerber, seconded by Director McDonald and unanimously carried to authorize the tax assessor-collector to publish the tax rate calculation as required by law with a debt tax rate of \$0.30 and to set a public hearing date of September 8, 2014.

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.

Following further discussion, it was moved by Director Kerber and seconded by Director McDonald that the bookkeeper's report, and those checks as listed thereon be approved, which motion passed unanimously, 3-0.

8. **OPERATOR'S REPORT.** Ed Holdgraf presented the operator's report, a copy of which is attached as Exhibit "C". There were 1662 connections and no excursions at the wastewater treatment plant. Water accountability was 82%. Mr. Holdgraf discussed the renewal of the subsidence district permit (at 25 million gallons). He reviewed the preventative maintenance schedule. Mr. Holdgraf discussed main line leaks, which were repaired. He noted the operator would be cleaning the lift stations. He also noted the District will be on tank and well water on September 9<sup>th</sup> when the GCWA shuts off the water for 18 hours, for repairs.

Following further discussion, it was moved by Director McDonald and seconded by Director Kerber that the operator's report be approved, along with the items presented, which motion carried unanimously, 3-0.

9. **ENGINEER'S REPORT.** Wallace Trochesset presented the engineer's report, a copy of which is attached as Exhibit "D". The report contained no action items.

Following further discussion by the Board it was moved by Director Kerber and seconded by Director McDonald that the engineer's report be approved; the motion passed unanimously, 3-0.

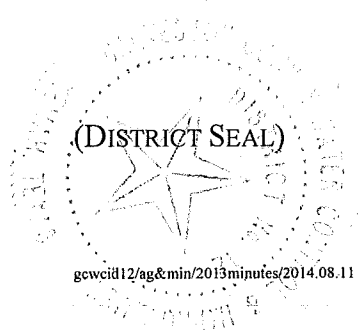
10. **ORDER DESIGNATING OFFICE SITES.** Chris Richardson presented an Order Designating Office Sites Outside the District and explained that the attorney's office is an office of the District, and that the office will be moving to the eight floor of the same building.

He stated the law requires published notice of a change in office sites and asked for authority to do so.

Following further discussion by the Board it was moved by Director Kerber and seconded by Director McDonald that the Order be approved; the motion passed unanimously, 3-0.

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 8th day of September, 2014.



*Nancy McDonald*  
Secretary