

Bolivar Peninsula Special Utility District
Minutes of the Regular Meeting August 18, 2009

Directors Present

Lynette Johnson-Hardcastle, President
George Strong, Vice President
Vicki Cartwright, Secretary
Al Altemus, Treasurer
Dennis Stafford
Hollis Gassen

Staff Present

Barbara Cowie, Office Mgr.
Clifford Howard, Plant Mgr.
Kenny Strimple, Field Mg.

Others Present

Rick Bourque
Guy Goodson
Pat Vondra
Jim Vondra
Chris Makin
Darlene Leal

Item #1 Call to Order: President Johnson-Hardcastle declared a quorum present and called the meeting to order at 6:06 p.m.

Item #2 Pledge and Moment of Silence: The Pledge of Allegiance was cited by all present and a moment of silence was observed.

Item #3 Minutes: **Mr. Altemus made a motion to approve the minutes for the meeting held July 14, 2009. Ms. Cartwright seconded the motion. Motion passed. (Unanimous)**

Item #4 Public Comments: There were no public comments.

Item #5 Committee Reports: Mr. Stafford reported that the Audit and Finance Committee met and reviewed the check registers, invoices, and bank statements for July and found that all was in order.

Item #6 Manager's Reports: The manager's report was presented and the following items were discussed.
*System Operational Report and Director's Report
*Trial Balance, Comparative Budget Report, and Account Balance Summary List.
*Report on FEMA reimbursement issues and payments received for facilities and infrastructure damaged by Hurricane Ike.

Item #7 Joint Election Agreement: **Mr. Strong made a motion to approve a resolution to enter into a Joint Election Agreement with Galveston County for November 3, 2009 Director's Election. Ms. Cartwright seconded the motion. The motion passed. (Unanimous)**

Item #8 Election Order: **Ms. Cartwright made a motion to approve an election order to call Director's Election November 3, 2009. Hollis Gassen seconded the motion. The motion passed. (Unanimous)**

Item #20 Order to Reduce Number of Directors: **Mr. Altemus made a motion to adopt an Order of the Board of Directors for the reduction in the number of Directors from eleven (11) to nine (9) by the year 2011. One will be reduced at the general election in November, 2009, and in 2011. Mr. Stafford seconded the motion. The motion passed. (Unanimous)**

Item #9 Report from Legal Counsel: Attorney Guy Goodson gave a report on the exchange refunding of Series 2005, 2005A, 2007, 2007A Water System Revenue Bonds of the District. Mr. Goodson said he had heard from the Attorney General's office and they told him the bonds could not be exchanged at this time due to the fact they have not fully delivered. They will not be fully funded until this November. Mr. Goodson said the term of the bonds will not be extended but the payments will be restructured by an interest rate reset.

Item #10 Request Restatement of Debt Service: **George Strong made a motion to ratify and approve (i) request for financial assistance from the Texas Water Development Board for reinstatement of**

debt service (principal payments) on Series 2005, 2005A, 2007 and 2007A Water System Revenue refunding of the Bonds. Al Altemus seconded the motion. Motion passed. (Unanimous)

Item #11 Approve Closing Memorandum: President Johnson-Hardcastle has been given prior approval to sign the Closing Memorandum and Restatement costs for Series 2005, 2005A, 2007, 2007A Water System Revenue Bonds of the District.

Item #12 Notice to Wells Fargo Bank: **Mr. Gassen made a motion to ratify and approve Notice to Wells Fargo Bank, N.A. and Depository Trust Corporation of restatement of debt service for Series 2005, 2005A, 2007, 2007A Water System Revenue Bonds of the District. Ms. Cartwright seconded the motion. Motion passed. (Unanimous)**

Item #13 Reduce Total of Restricted Customer Deposits: This item was tabled.

Item #14 Attendance to TCEQ Conference: **Mr. Stafford made a motion to approve President Johnson-Hardcastle's attendance to the Texas Commission Environmental Quality Public Drinking Water Conference in Austin and to approve her expenses. Ms. Cartwright seconded the motion. Motion passed. (Unanimous)**

Item #15 Attendance to TRWA Conferences: **Ms. Cartwright made a motion to approve Director's attendance and expenses for the Texas Rural Water Association ("TRWA") Fall Conferences in San Antonio September 30th – October 1st at Dallas November 4-5th or the TRWA District Conference at Horseshoe Bay September 3-4th. Mr. Altemus seconded the motion. Motion passed. (Unanimous)**

Item #16 District Credit Card: **Mr. Strong made a motion to approve the use of a District credit card for the Office Manager, Field Manager and the Plant Manager for District purchases with the same requirements as the District Purchase Policy. Mr. Strong seconded the motion. Motion passed. (Unanimous)**

Item #17 Recertification of 2008 Minutes: **Mr. Altemus made a motion that Ms. Cartwright, Secretary, by her signature recertify the 2008 minutes from January to August which were destroyed by Hurricane Ike. Mr. Stafford seconded the motion. Motion passed. (Unanimous)**

Item #18 Deletion of Business Interruption Insurance: This item was tabled.

Item #19 Update on Projects: Rick Bourque with Schaumburg & Polk, Inc. gave an update on the District projects. Mr. Bourque said they have started putting water into the new Bolivar elevated tank and it should be in service within another month.

Item #21 Executive Session: The open meeting was closed at 7:22 p.m. to allow the Board to meet in closed or executive session pursuant to §551.072 of the Texas Open Meetings Act for deliberation regarding purchase or sale of real property.

Item #22 Reconvene Open Session: The open meeting was reconvened at 7:36 p.m.

Item #23 Possible Action Regarding Executive Session: **No action taken.**

Item #24 Director' Comments regarding future agenda items: No comments.

Item #25 Next Meeting : The next regular meeting was set for Tuesday, September 8, 2009.

Item #26 Adjournment: **Mr. Altemus made a motion to adjourn the meeting at 7:37p.m. Ms. Cartwright seconded the motion. Motion passed. (Unanimous)**

CERTIFICATION

I, the undersigned, do certify the above to be a true and correct record of the meeting of the Board of Directors of the Bolivar Peninsula Special Utility District, August 18, 2009.

Vicki Cartwright, Secretary