

Bolivar Peninsula Special Utility District  
Minutes of the Regular Meeting February 09, 2010

**Directors Present**

Lynette Johnson-Hardcastle, President  
George Strong, Vice President  
Vicki Cartwright, Secretary  
Dennis Stafford  
Hollis Gassen  
Brad Vratis  
Roger Welch  
Jack Blume

**Staff Present**

Barbara Cowie, Office Mgr.  
Clifford Howard, Plant Mgr.  
Kenneth Strimple, Field Mgr.

**Others Present**

Guy Goodson  
Kris Makin  
Rick Bourque  
Anton Nelson  
Darlene Nelson

**Item #1 Call to Order:** President Johnson-Hardcastle declared a quorum present and called the meeting to order at 6:03 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 Approval of January 12, 2009 and January 29, 2009 Minutes:** **Ms. Cartwright made a motion to approve the minutes of the January 12, 2009 and January 29, 2009 meetings. Mr. Gassen seconded the motion. Motion passed. (Unanimous)**

**Item #4 Public Comments:** Ms. Darlene Nelson asked for public information regarding the amount of water loss, requested water line maps for the High Island Fire Department, asked how much per gallon does our water cost, 2010 budget, December budget to actual for 2009 and she asked when will the rates be announced.

**Item #5 Committee Reports:** Mr. Blume reported that the Audit and Finance Committee had met and reviewed the check registers, invoices, and bank statements for January and found that all was in order. Mr. Stafford reported that the Audit and Finance Committee had a pre-audit meeting with the Auditors. Mr. Stafford said he felt they would be focusing on the vacancy of the General Manager position and he wouldn't be surprised if there isn't a comment regarding this vacancy.

**Item #6 Manager's Report:** Ms. Cowie gave the Directors a corrected copy of the comparative budget report and the fourth quarter investment report. Ms. Cowie also reported that the District did receive \$198,552.65 from FEMA in January.

Mr. Strimple reported that FEMA has asked him to submit a report of how many feet of water lines were installed, how many meters were installed and what supplies were used in order to receive funding. They are also asking that a scope of work be included with any further submission to FEMA.

Mr. Howard reported he will be attending an Emergency Management Conference in San Antonio in regards to Texas Homeland Security of being prepared.

**Item #7 Presentation of Employee Service Award:** President Johnson-Hardcastle presented Fran Richards a check for her five years of service as a Meter Reader for the District.

**Item #8 Presentation of Director Service Award:** President Johnson-Hardcastle presented a plaque to Mary Ellen Smith in appreciation of her six years of dedicated service as a Board of Director for the Bolivar Peninsula S.U.D.

**Item #9 Discussion of District's Water Loss:** Mr. Strimple reported that some of the leaks this month were due to the freezing weather. Mr. Strong asked if the District bills the individuals that cause water

leaks. Mr. Strimple said that a lot of times the contractors or individuals will call and report a leak but when they get to the site they are no longer there so we have no information to use for billing. Mr. Strimple said that when we have to dig up the roads the County makes those repairs and they do not charge us therefore we do not charge the County when they hit our lines. Also we have not charged Allco because they have helped us out at leaks by being the operator. Mr. Strong asked that a list be provided next month on who has paid for damages. Mr. Stafford prepared a spreadsheet of BPSUD's 2009 operating volumes and this report was included in the Board package. Mr. Stafford said we have been looking at only one month at a time and he prepared this report to give a picture of what the total water loss was for 2009. Mr. Stafford said we are losing a large amount of unaccounted water and he feels that the District may want to contact the Texas Rural Water Association to see if they have someone on staff or know of a company that will assist the District in performing a water audit. It was noted that the total unaccountable water loss for January was only 5.39% which is a big improvement. After a time of discussion President Johnson-Hardcastle stated she will discuss water loss with other managers and vendors at the Texas Rural Water Association's Convention in March.

Mr. Strimple said that a lot of the water loss for 2009 was due to the debris companies which were hitting the water lines multiple times a day. Also we still have meters out in the system that hasn't been located and they could be leaking or customers could be using the water but not signed up for service. This brought up a discussion on priority and scheduling of the field work and what is necessary to get the meters installed for the customers which applied for service in the month of December. Mr. Strimple said that the Jerry Walley Construction company is still installing water lines and they are assisting in locating and installing water meters for these customers but is very difficult to locate some of the services. There was discussion on automatic meter reader systems (AMR). Mr. Howard said that the FEMA representatives had said we could submit to FEMA as an upgrade for mitigation to purchase AMR (automatic meter reading) meters instead of the standard meters we are using. FEMA would only pay 75% of the cost of the meters instead of 90% for this type of meter. These AMR meters can be easily located because they have GPS. After a time of discussion Mr. Strimple was asked to give a report next month on an action plan of what he may need to accomplish getting all the meters that are on hold located and installed.

Item #10 District Office Building: President Johnson-Hardcastle told the Directors that she, staff and Mr. Lewis had met with FEMA representatives. The FEMA representative said that it is in the system that they are obligated for \$310,438.08 to the District. They said changes can be made to what has been previously submitted but if any changes are made they will have to be submitted as an amendment to FEMA for their approval. Mr. Lewis, Lewis Design Group, stated in his email to the Board that he will change the construction documents to reflect concrete block construction and floor slab per the FEMA project worksheet. He will incorporate a bid alternate for the insulated concrete wall construction in the documents so that we can get a separate bid for this construction method. Then he will be ready to send these plans and our worksheet comparisons to FEMA for their comments. After FEMA approves the next step will be advertising for bids. Mr. Lewis said he anticipates he will be ready to send the plans to FEMA for comments in three weeks and hopefully ready to send for bids in four to five weeks. **Mr. Strong made a motion to submit the paperwork to FEMA and to send in the amendment for the alternate bid for the insulated concrete wall construction. Mr. Blume seconded the motion. Motion passed. (Unanimous)**

Item #11 Approve Quarter Investment Report: Mr. Stafford stated the total earnings for the fourth quarter was \$5,850.68. Mr. Stafford said that he thought the investment officers should take a fresh look at where we can get a better return. He said TexStar has served us well when interest rates were up but we are going to look into other investment options. He would like to have on next months agenda an item to review and approve the District Investment Policy which we are required to do each year. **Ms. Cartwright made a motion to approve the fourth quarter investment report. Mr. Gassen seconded the motion. Motion passed. (Unanimous)**

Item #12 Update from Legal Counsel: Mr. Goodson reported that the close out of the bonds has been completed. The February bond payments have been made and the Texas Water Development Board has allowed us to put the unused funds from the bonds into the Operations Reserve account. Mr. Goodson said he believes the Debt Service Reserve account has been fully funded and that the District should continue to fund the \$25,000.00 a month until the Operations Reserve account is fully funded.

**Item #13 Approve Addition of Two Control Valves for High Island North Project: Ms. Cartwright made a motion to approve a supplemental authorization to Schaumburg & Polk, Inc. for addition of two control valves to the High Island North Plant project. Mr. Stafford seconded the motion. Motion passed. (Unanimous)**

**Item #14 Director's Comments:** Below are items to include on the next month agenda:

1. Mr. Gassen requested an item for update on the General Manager search.
2. Mr. Strong requested that the Public Adjuster be asked to come and give an update.
3. Mr. Stafford asked that we review and approve the District Investment Policy.
4. Mr. Strimple will make an action plan and give the Board an update.

**Item #15 Set the Date of the Next Meeting:** The date for the next regular meeting is March 9, 2010.

**Item #16 Adjournment: Mr. Gassen made a motion to adjourn at 8:15 p.m. Mr. Vratis 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, February 9, 2010.

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Vicki Cartwright, Secretary