

Bolivar Peninsula Special Utility District  
Minutes of the Regular Meeting January 12, 2010

**Directors Present**

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

**Staff Present**

Barbara Cowie, Office Mgr.  
Clifford Howard, Plant Mgr.

**Others Present**

Guy Goodson  
Kris Makin  
Jack Haigh  
Anton Nelson  
Darlene Nelson

**Item #1 Call to Order:** President Johnson-Hardcastle declared a quorum present and called the meeting to order at 6:10 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 December 15, 2009 Minutes:** **Mr. Stafford made a motion to approve the minutes of the December 15, 2009 meeting. Mr. Gassen seconded the motion. Motion passed. (Unanimous)**

**Item #4 Public Comments:** Anton Nelson presented the Board with a public information request. President Johnson-Hardcastle asked Ms. Cowie to process his request for information.

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

**Item #6 Manager's Report:** Mr. Strong asked Mr. Howard if the leaks reported on the Managers Report were included in the Directors Report total of water used for fire and flushing lines. Mr. Howard said that they were included in the unaccountable water loss. Mr. Strong asked Mr. Goodson if the District could continue using Jerry Walley Construction to assist in locating and installing services. Mr. Goodson advised the Board that they could continue this work but that the total amount of hours on the contract would need to be adjusted.

**Item #7 District's Water Loss:** This item was discussed under the Managers Report and it was decided by the Board that for awhile we should keep this item on the monthly agendas for discussion.

**Item #8 District Office Building:** Mr. Welch said at the December meeting the Board had decided to have a meeting with Lewis Designs to discuss other building materials but no meeting had been set up. Mr. Welch asked that this item be tabled until a meeting could be scheduled with Lewis Designs. The Board advised Ms. Cowie to contact Mr. Lewis and to schedule a daytime Board meeting for the last week in January.

**Item #9 Revise District Operations Reserve Fund Policy:** **Ms. Cartwright made a motion to revise the District Operations reserve Fund Policy (A-12) to comply with the bond covenant requirements set by the Texas Water Development Board. Mr. Strong seconded the motion. Motion passed. (Unanimous)**

**Item #10 Establish Operations Reserve Fund:** Attorney Goodson stated this is a requirement of the Texas Water Development Board by their Resolution 09-75. Mr. Goodson said these funds are restricted but can be used for major capital cost expenditures but if funds are used they must be replenished. Prior to using any funds from this account you must give TWDB notice. **Mr. Strong made a motion to establish an Operations Reserve Fund account at Moody National Bank and to fund \$150,000.00 to the account and direct funding \$25,000.00 a month until fully funded as required by Texas Water Development**

**Board. These funds will be moved from a non-restricted account and will become restricted funds. Ms. Cartwright seconded the motion. Motion passed. (Unanimous)**

Item #11 Exchange Refunding of Series 2005, 2005A, 2007, 2007A: Mr. Goodson stated that there is around \$240,000.00 that was not used from the four loans. The Texas Water Development Board has agreed that any money left over from the construction accounts can be rolled over into the Operations Reserve Fund account. Mr. Stafford asked will the funds in the Operations Reserve Fund be restricted as to how the District can invest those funds. Mr. Goodson said no it would be whatever the District Investment Policy allows. The District will need to look at the budget every year to adjust the amount that will be required for the Operations Reserve Fund. **Mr. Gassen made a motion to approve the final outlay amount, to accept the funds left over from the four projects and to apply these funds to the Operations Reserve Fund account Ms. Cartwright seconded the motion. Motion passed. (Unanimous)**

Item #12 Approve Engineering Agreement with Dunham Engineering: **Mr. Strong made a motion to approve Dunham Engineering to package the North High Island ground storage tank and the Port Bolivar ground storage tank in a single construction contract with total engineering fees not to exceed \$50,000.00. Mr. Stafford seconded the motion. Motion passed. (Unanimous)**

Item #13 Texas Rural Water Association Annual Convention: **Mr. Strong made a motion to approve Director's attendance and expenses to attend the Texas Rural Water Association's Annual Convention in San Antonio March 24-26, 2010. Mr. Gassen seconded the motion. Motion passed. (Unanimous)**

Item #14 Director's Comments: Mr. Welch asked when is the Board, going to start interviewing for the General Manager position. President Johnson-Hardcastle said the District has received 25 or 26 resumes and interviews will probably have to be done on the weekends. She said when she attends a conference she is checking with other Utility Managers to see if they know any of the candidates. President Johnson-Hardcastle asked Mr. Gassen if he would chair the Personnel Policy Committee. Mr. Gassen said yes he would chair this committee. After the President returns from the TRWA Conference she will make copies of the resumes for Mr. Gassen and at that time he will set up a committee meeting to start the interview process.

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

Item #16 Adjournment: **Ms. Cartwright made a motion to adjourn at 7:36 p.m. Mr. Welch 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, January 12, 2010.

---

Vicki Cartwright, Secretary