

Bolivar Peninsula Special Utility District
Minutes of the Regular Meeting July 13, 2010

Directors Present

Lynette Johnson-Hardcastle, President
George Strong, Vice President
Al Altemus, Treasurer
Dennis Stafford
Brad Vratis
Roger Welch

Staff Present

Jo E. Ball, General Mgr.
Barbara Cowie, Office Mgr.
Clifford Howard, Plant Mgr.
Kenneth Strimple, Field Mgr.

Others Present

Rick Bourque
Don Wood
Carol Henschke
Jack Haigh

Item #1 Call to Order: President Johnson-Hardcastle declared a quorum present and called the meeting to order at 6:11 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 June 8, 2010 Minutes: Mr. Ball stated he had a correction to the minutes. He reported that last months agenda had stated the incorrect code for the Executive Session it should have been 551.071. **Mr. Stafford made a motion to approve the minutes of the April 14, 2010 meeting with this correction. Mr. Strong seconded the motion. Motion passed. (Unanimous)**

Item #4 District CCR: Mr. Ball reported that the District Consumer Confidence Report is a good report and that all of the limits are within the state requirements.

Item #5 Public Comments: Ms. Carol Henschke stated that she has purchased two lots on Ocean Sand Drive. She said that Ocean Sand does not have a water line on that street. She asked why she has to pay for a line extension. She said that she feels that it is unfair and that she is being discriminated against because she is going to have to pay installation of a line on the only street in her subdivision that does not have a water line. Ms. Henschke was informed by the President that a policy to take care of her concern was on the agenda under item #11.

President Johnson-Hardcastle read a letter from a Mr. Robert Straus. Mr. Straus' mother owns property at 398 Atkinson and he wants to ask for a waiver of the \$450.00 reinstatement fee. He said he can not find any notification that she received that stated she would have to pay a reinstatement fee.

Item #6 Committee Reports: Mr. Stafford stated that the Audit & Finance Committee had met to review the District check registers, invoices, and the bank statements for June and all was found to be in order.

Mr. Altemus reported that the Plant & Product Committee had met to review the bids for the new District office. Mr. Altemus said the District had received nine bids. Greg Lewis, with Lewis Designs, had estimated the cost for the new office to be \$500,000.00. The lowest bid was \$749,777.00 and the highest was \$1,102,193.00. The committee is going to meet with Mr. Lewis to see if he can explain why the bids were so much higher than the estimated cost. Mr. Altemus said the committee would like to table item #9 on the agenda which is to take action on these bids until they have had their next meeting.

Item #7 Manager's Report: Mr. Ball reported that the total number of accounts for July is 3009 and that the unaccountable water loss for this month is 6%. He told the Board that the meter to assist in locating water loss has been received. Mr. Ball reported that the District is installing its own notification system for notifying District customers for emergencies and he gave the Directors a copy of the District's Emergency Response Plan and Hurricane Preparedness Plan. He stated that the comparative budget is in line with the projected 2010 Budget and that he will be meeting with the Audit & Finance Committee to review and add some items such as his moving expense and his new District truck which were not included in the 2010 Budget.

Item #8 Approve Quarterly Investment Report: Mr. Stafford presented the District's second quarterly investment report. He reported that the District had earned \$23,324.20 in interest this quarter. **Mr. Stafford made a motion to approve the second quarter investment report. Mr. Vratiss seconded the motion. Motion passed. (Unanimous)**

Item #9 District Office Bids: Mr. Altemus said the committee wishes to table this item until they have a meeting with the Architect Mr. Greg Lewis. This item was tabled.

Item #10 Approve Director's Resignation: President Johnson-Hardcastle read Ms. Vicki Cartwright's letter of resignation. She said the Board has 60 days to fill this vacancy and that the position would be advertised. **Mr. Altemus made a motion to accept the resignation from Vicki Cartwright. Mr. Vratiss seconded the motion. Motion approved. (Unanimous)**

Item #11 Approve Line Extension Refund Agreement: Mr. Ball explained that at his prior employment they had a policy in which the customer would pay all fees for a line extension. Then the District would count how many lots were on the street and divide the cost per lot. As customers signed up for service at those lots a refund would be given back to the customer who had paid all the cost for the line extension. This would be tracked by the Office Staff with list of line extension customers and when someone applied for one of the lots a refund would be sent to the customer who had paid all the up front cost. Mr. Ball had included a draft copy of a line extension refund agreement in the Board packages for the Directors to review. Mr. Ball told the Board that this draft had been reviewed by the District's Legal Counsel. After some discussion on the language which appeared to not be appropriate for this District, **Mr. Strong made a motion to adopt this line extension refund agreement with the changes noted and to bring a copy back to the next meeting. Mr. Stafford seconded the motion. Motion passed. (Unanimous)**

Item #12 Report from Public Insurance Adjuster: Mr. Don Wood stated that all flood has been settled. He said that TWIA did release the depreciation so flood and wind are both finished. He is going to the excess carrier TML Intergovernmental Risk Pool and he feels there may be two to three million of excess coverage by his estimates.

Item #13 Unclaimed Funds: **Mr. Strong made a motion to approve submitting \$131.43 to the State Comptroller as unclaimed funds. Mr. Vratiss seconded the motion. Motion passed. (Unanimous)**

Item #14 Update on Wastewater Study: Mr. Bourque said that the Texas Water Development Board had given an extension of December 2012 to complete the Wastewater Study. The County has provided a resolution to match the funds but the project is tied to grant funds. The Board needs to determine if the District wants to be apart of this process. Mr. Strong asked Mr. Ball if a letter had been written to the Galveston County Commissioner. Mr. Ball said he would check with Attorney Guy Goodson to see if a letter had been sent.

Item #15 Directors Comments:

Items to place on the August agenda are:

1. The Status of The District's Discussions with BUS
2. Order Calling the Election
3. Revised Budget
3. Include the Doppler Meter in the Manager's Report
4. The District Office Building

Item #16 Set the Date for Next Meeting: The next regular meeting was set for August 10, 2010.

Item #17 Adjournment: **Mr. Altemus made a motion to adjourn the meeting at 7:35 p.m. and 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, July 13, 2010.

Dennis Stafford, Director