

Bolivar Peninsula Special Utility District
Minutes of the Regular Meeting March 10, 2008

Directors Present

Lynette Johnson-Hardcastle, President
George Strong, Vice President
Al Altemus, Treasurer
Harold Guidry, Secretary
Jack Blume
David Fortenberry
Mary Ellen Smith
Dennis Stafford

Staff Present

Jennifer McKnight, Gen. Mgr.
Barbara Cowie, Office Mgr.
Kenny Strimple, Plant Mgr.
Clifford Howard, Utility. Mgr.

Others Present

Guy Goodson
Rick Bourque
Jack Haigh
Mike Hurlbert
Gene Straatmeyer
Maria Skewis
John Aguilar
Greg Lewis
Sal Corrao
Alby Corrao
John Moon

Item #1 Call to Order: President Johnson-Hardcastle declared a quorum present and called the meeting to order at 6:00 p.m.

Item #2 Pledge and Moment of Silence: The Pledge of Allegiance was cited by all present and Mr. Blume led the invocation.

Item #3 Minutes: **Mr. Altemus made a motion to approve the minutes of the special meeting on February 5, 2008 and the regular meeting on February 12, 2008. Mr. Stafford seconded the motion. Motion passed. (Unanimous)**

Item #4 Public Comments: None

Item #5 Committee Reports: *Audit & Finance:* Mr. Blume stated that the committee met today to review the check register, revenue accounts, bank statements, and invoices and found all was in order. *Personnel & Policy:* Ms. Smith stated that the committee met to interview candidates for the vacated Board of Directors' position. She stated that this item will be discussed in executive session and she will defer her report until then.

Item #6 Manager's Report: Ms. McKnight presented the Manager's Report.

Item #7 TCEQ Lead Violation Update: Ms. McKnight presented an update to the Board regarding the notice of violation received in September 2007 from the Texas Commission on Environmental Quality (TCEQ) regarding lead. Ms. McKnight stated that out of 30 samples collected at residences, more than 10% had lead content over the action level of 0.0241 mg/L. She stated that the lead is not in the District's water or water lines, but leaches from the plumbing in private residences. She stated that all the samples exceeding the action level were from homes built prior to 1986, which was the year lead solder was banned. Ms. McKnight stated that the District is currently performing a corrosion control study to find a treatment technique to prevent lead from leaching from plumbing lines. She stated that the study is being performed with the Lower Neches Valley Authority and that preliminary results indicate that a good treatment method would be to add a phosphate based chemical to the water. She stated that the cost will be approximately \$25,000 to \$30,000 per year for the treatment but that it has additional benefits as well as corrosion control. She stated that the chemical being considered also helps to maintain the chlorine residual in the water system and could possibly reduce the amount of chlorine currently used. Ms. McKnight stated that the District has five years to complete the study and start treatment, but her goal is to achieve compliance by September 2008.

Item #8 TCEQ Waste Disposal Violation: Ms. McKnight stated that based on a customer complaint, the TCEQ performed an inspection at District sites during January 2008. She stated that the complainant indicated that the District did not remediate the Crystal Beach plant site properly after oil filters were buried and that additional items were buried at the High Island plant sites. She stated the District received a notice of violation dated February 8, 2008 from the TCEQ and that it required a response by March 7, 2008. She stated the TCEQ required that the District provide a report of the remediation in Crystal Beach and perform an assessment of the High Island plant sites to determine if anything was buried at the sites. Ms. McKnight stated she completed and mailed the response on March 4, 2008. She stated that regarding the Crystal Beach site, she documented the prior remediation and collected confirmation samples that indicated the site was cleaned properly. Regarding the High Island sites, Ms. McKnight stated she interviewed employees, prior Board members, and residents of the High Island community

and she reviewed historical documents to verify information and create a timeline. Ms. McKnight stated that the assessment revealed that at the High Island elevated site, there may have been municipal solid wastes buried following Tropical Storm Frances in 1998. Ms. McKnight stated that a large hole was dug at the site by the County to obtain and deliver dirt to a waterline break between Winnie and High Island as the storm was passing through. Although the hole was partially refilled, it was not completely filled and storm debris may have been placed in the hole. Ms. McKnight stated the hole remained open until late 2001 or early 2002 and that wastes may have been placed in the hole. Ms. McKnight stated that she informed the TCEQ that the District will hire an environmental engineer to determine the best plan of action for dealing with the site. She stated this could include cleaning up the site or deed recording the waste at the site. Ms. McKnight stated she will begin the proposal process to find an environmental engineer and the Board will be able to select one by the May meeting. She stated the engineer will be required to decide the plan of action by September 2008.

Item #9 Allco Request Regarding Retainage: Mr. Guidry made a motion to approve ceasing the collection of retainage on Contract Number 1 for Texas Water Development Board Project Nos. 60910 and 61039, as allowed by Article 6 of the contract. Mr. Blume seconded the motion. Motion passed. (All for except Strong against)

Item #10 Bank Depository Proposals: Mr. Strong made a motion to approve the proposal and begin contract negotiations with Moody National Bank for District Depository Services. Mr. Altemus seconded the motion. Motion passed. (Unanimous)

Item #11 Contract Extension with Hydro-Guard: Mr. Fortenberry made a motion to approve extending the contract with Hydro-Guard for purchase of automatic flushing devices until November 1, 2008. Mr. Guidry seconded the motion. Motion passed. (Unanimous)

Item #12 Credit Agency Reporting of Bad Debt: Ms. McKnight explained the actions that would be involved in reporting bad debt to collection agencies. She stated that the cost would exceed the current amount of bad debt and that it may be better to review this item at a later date if bad debt increases. President Johnson-Hardcastle tabled this item. No action taken.

Item #13 Executive Session: The open meeting was closed at 7:05 p.m. to meet in closed or executive session pursuant to §551.071 of the Texas Open Meetings Act to conduct private consultation with legal counsel as to pending or contemplated litigation or settlement offers regarding employment claims of Michael Hurlbert and pursuant to §551.074 of the Texas Open Meetings Act to deliberate the appointment of a Director to fill vacant position.

Item #14 Reconvene Open Session: The open meeting was reconvened at 7:32 p.m.

Item #15 Action on Executive Session: Mr. Altemus made a motion to appoint Ms. Maria Skewis to the vacant position on the Board of Directors. Mr. Guidry seconded the motion. Motion passed. (Unanimous)

Item #16 Administration of Oath to Appointed Director: Mr. Guy Goodson swore Ms. Skewis into office.

Item #17 Director's Comments: Mr. Fortenberry congratulated Ms. Skewis. Mr. Stafford welcomed Ms. Skewis and stated he looks forward to working with her. Mr. Altemus welcomed Ms. Skewis and stated he looks forward to working with her also. Mr. Strong welcomed Ms. Skewis to the Board. He stated that he commented earlier tonight about all the State agencies that have been contacted to investigate the District and that they have found nothing remiss. He stated that these investigations are costing the District a lot of time and money. He stated that TXDOT was recently contacted to determine what the District is doing with the pipe in their right-of-way and when they learned it would be abandoned there they agreed that was appropriate. Mr. Strong stated that he assumes there are many more State agencies and that he does not know who these complainants plan to contact next, but that it is costing the District money. He stated that for those who are complaining in the Beach Triton that the District is spending money foolishly your actions are causing the District to have to spend money foolishly. President Johnson-Hardcastle stated she is pleased the District will now be in compliance with the American with Disabilities Act requirements for the building and feels the remodeled building looks great. She stated she is looking forward to the convention in San Antonio. Mr. Guidry stated it was a very difficult choice for the Board as many qualified individuals applied for the vacant Director position. He stated he appreciates everyone that was interested and thanked them for their time interviewing. He stated he hopes they will consider running for the Board in November. Ms. Smith stated she is sure the Board will learn a great deal at the convention and welcomed Ms. Skewis to the Board. Mr. Blume welcomed Ms. Skewis to the Board.

Item #18 Next Meeting: President Johnson-Hardcastle set the date for the next meeting on Tuesday, April 8, 2008.

Item #19 Adjournment: **Ms. Smith made a motion to adjourn at 7:41 p.m. Mr. Guidry 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, March 10, 2008.

Harold Guidry, Secretary