

Bolivar Peninsula Special Utility District Minutes of the Regular Meeting August 9, 2011

Directors Present

Lynette Johnson-Hardcastle, President
Hollis Gassen, Secretary
Chris Makin
Mary Ellen Smith
Dennis Stafford
Wayne Turk

Staff Present

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

Others Present

Maria Skewis

Item #1 Call to Order: President Lynette Johnson-Hardcastle declared a quorum present and called the meeting to order at 6:02 PM.

Item # 2 Pledge of Allegiance and Moment of Silence: Pledge of Allegiance was lead by Mr. Dennis Stafford and cited by all present. Afterwards, a moment of silence was observed.

Item # 3 Approve the Minutes of the July 12, 2011 Meeting: Ms. Mary Ellen Smith had minor corrections to Items #3, #12 and #15 to the minutes. The noted corrections were made. Ms. Mary Ellen Smith made a motion to approve the minutes of the July 12th meeting with the noted corrections. The motion was seconded by Mr. Wayne Turk. The motion unanimously passed.

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

Item #5 Committee Reports:

Audit & Finance: Mr. Dennis Stafford reported that the Audit and Finance Committee met earlier today and reviewed the District's check registers, invoices, and bank statements for July 2011. All were found to be in order.

Item # 6 Manager's Report: The manager's report was presented and the following items were reported/discussed:

- 1) Review of Trial Balance, Comparative Budget Report and Account Balance Summary List was conducted.
 - * All items were in order. Mr. Jody Ball stated that there are several items in the budget that will require mid-year adjustments. He and the budget committee chairman will schedule a meeting to address these items, as well as, conduct a mid-year review of the budget.
- 2) Review System Operational Reports and Director's Report

- * Report from the General Manager on District Water Losses. There was an unaccounted water loss during June of 32.85%. The General Manager reported there were two main line water leaks during the month.
 - * For June there were 37 new active accounts. Total active accounts stand at 3,353.
 - * The General Manager will revise the Director's report to make it more meaningful to the Directors.
- 3) Report on FEMA Reimbursement Issues and Payments Received for Facilities and Infrastructure Damaged by Hurricane IKE.
- * No checks were received since the District's last meeting.
 - * The District received a letter from FEMA stating that they will reimburse the District \$39,100.00 for a generator that will provide electric during power outages for the office and office elevator.
 - * The General Manager is applying for advance funds for the fire hydrants/flushers and the High Island North Plant projects.
- 4) Report on Insurance Payments Received for Facilities Damaged by Hurricane IKE.
- * No checks were received since the District's last meeting.
 - * The General Manager provided an update on the District's law suit against the Texas Municipal League (TML). TML had requested additional information from the District. This request is being reviewed by legal council prior to the District submitting additional information to TML.
- 5) Update on BUS Activities.
- * Bolivar Utility Services, LLC updated and submitted a list of subdivisions they are currently servicing; along with a list of subdivisions they are permitted to serve.
- 6) Report on District's Infrastructure Projects
- * There have been several delays in the construction of the office building. The delays are the results of the sub-contractors. These issues are being addressed by the General Manager.

Item #7 Consideration and Possible Action to Appoint New Directors to Fill Vacant Seats: Mr. Hollis Gassen reported that two packages were picked up, but as of today the District has not received any completed applications.

Item #8 Consideration and Possible Action to Change Insurance Coverage: This item was tabled until insurance quotes are received from Mr. Edwards, and the information has been reviewed by the District's Insurance Committee.

Item #9 Consideration and Possible Action to Open, Accept or Reject Bids for Salvage Vehicles.

The District has received four (4) sealed bids for the three (3) salvage vehicles. The bids were opened during the meeting by Mr. Hollis Gassen and presented to the Board. The winning bid was submitted by Mr. Pat Rogers for \$3,600.00 for all three vehicles. A motion was made by Ms. Mary Ellen Smith to accept Mr. Pat Rogers bid of \$3,600.00 for

the salvage vehicles. The motion was seconded by Mr. Wayne Turk. The motion unanimously passed.

Item #10 Consideration and Possible Action Regarding Attendance to the Fall Management Conference in San Antonio: After a review of the Conference's agenda, there was a consensus that the District would not send a representative to the Conference. A motion was made by Ms. Mary Ellen Smith for the District not to pay any travel expenses for anyone to attend the Fall Management Conference. The motion was seconded by Mr. Dennis Stafford. The motion unanimously passed.

Item #11 Consideration and Possible Action to Approve the District's Quarterly Investment Report: The investment report was reviewed and discussed by the Board. Ms. Mary Ellen Smith expressed her appreciation for Mr. Dennis Stafford's and Mr. George Strong's work on the District's Finance Committee. A motion was made by Mr. Hollis Gassen to approve the District's Quarterly Investment Report as presented. The motion was seconded by Ms. Mary Ellen Smith. The motion unanimously passed.

Item #12 Review Presentation for the Texas Water Development Board Meeting Scheduled for August 31, 2011 at 2:00 PM in Austin; The meeting's purpose is to update the Texas Water Development Board with the District's Hurricane IKE recovery progress. Mr. Dennis Stafford presented a thirteen (13) page proposed presentation to the Board. The Board made several change recommendations to the presentation. The changes will be reviewed by the presenters and incorporated into the presentation as necessary.

Item #13 Consideration and Possible Action to Approve a Resolution to Enter into a Joint Election Agreement with Galveston County for November 8, 2011 Director's Election: A motion was made by Ms. Mary Ellen Smith to enter into a joint election agreement with Galveston County for the November 8, 2011 election for three (3) Director positions. The motion was seconded by Mr. Hollis Gassen. The motion unanimously passed.

Item # 14 Consideration and Possible Action to Approve an Election Order to Call Director's Election November 8, 2011 and Any Ballot Propositions as Applicable: A motion was made by Mr. Wayne Turk to approve an election order to call the Director's Election November 8, 2011 and any ballot propositions as applicable. The motion was seconded by Mr. Hollis Gassen. The motion unanimously passed.

Item #15 Director's Comments Regarding Future Agenda Items:

- 1) Update the Board on the District's web site
- 2) Provide the Board with an update on insurance quotes from Mr. Edwards.
- 3) Update the Board on the August 31st meeting with the Texas Water Development Board.

Item #16 Set the Date for Next Meeting: The date for the next regular meeting is September 13, 2011.

Item #17 Adjournment: A motion was made by Ms. Mary Ellen Smith to adjourn tonight's meeting at 7:38 PM. The motion was seconded by Mr. Dennis Stafford. The motion unanimously passed.

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 on August 9, 2011.

Hollis Gassen, Secretary