

## Bolivar Peninsula Special Utility District Minutes of the Regular Meeting December 13, 2011

### Directors Present

Lynette Johnson-Hardcastle, President  
George Strong, Vice-President  
Hollis Gassen, Secretary  
Chris Makin, Treasurer  
Wayne Turk  
Dennis Stafford  
Roger Welch

### Staff Present

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

### Others Present

Maria Skewis  
Sid Bouse  
Jim Bouse

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. George Strong and cited by all present. Afterwards, a moment of silence was observed.

Item # 3 Approve the Minutes of the November 8, 2011 Meeting: Motion was made by Mr. George Strong to approve the minutes of the November 8<sup>th</sup> meeting. The motion was seconded by Mr. Hollis Gassen. The motion unanimously passed.

Item #4 Public Comments: No public comments.

### Item #5 Committee Reports:

#### Audit & Finance: Report on Review of Check Registers, Invoices and Bank Statements for November 2011.

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 November 2011. All was found to be in order.

Budget & Finance: Report on committee meeting of November 15, 2011 regarding the District's 2012 budget. Mr. Dennis Stafford reported that the committee met on two occasions and will defer the report until item number 9 of the agenda.

Personal & Policy: Mr. Hollis Gassen reported that the committee met and will defer the report until item number 7 of the agenda.

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.

- \* Mr. Jody Ball reported that all items were in order.
- 2) Review System Operational Reports: There was no report.
- 3) Report on FEMA Reimbursement Issues and Payments Received for Facilities and Infrastructure Damaged by Hurricane IKE.
  - \* No checks were received since the November meeting.
- 4) Report on Insurance Payments Received for Facilities Damaged by Hurricane IKE.
  - \*No checks were received since the November meeting.
- 5) Report from General Manager on District water losses:
  - \* Year to date water losses through October is 9.00%.
  - \* For November the new active accounts were reduced from 3,447 to 3,408. The Director's Report has been modified to reflect the current number of active accounts. The District worked with the software company from which the Director's Report is extracted to have the report modified to reflect the correct number of accounts.
- 6) 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.
- 7) Drought Contingency Plans.

The District purchases water from LNVA (Lower Neches Valley Authority). LNVA is now in stage three of their drought contingency plan. However, Bolivar Peninsula SUD is in a Stage one drought contingency plan, which is voluntary water restriction.
- 8) Report on District's Infrastructure Projects
  - \* High Island Plant North – Engineering work is close to completion. Blue prints should be completed shortly.
  - \* Auto and manual line flushers – An agreement for professional services from Schaumburg & Polk, Inc. was included in hand outs during the meeting and will be discussed in item number 8 of the agenda.

Item #7 Consideration and Possible Action to Appoint Ms. Maria Skewis to the Board of Directors for the Bolivar Peninsula SUD: Mr. Hollis Gassen reported that the Policy and Personal Committee met on December 5<sup>th</sup> and interviewed Ms. Maria Skewis. Mr. Hollis Gassen made a motion to appoint Ms. Maria Skewis to the Board of Directors. The motion was seconded by Mr. George Strong. The motion unanimously passed.

Item #8 Consideration and Possible Action to Accept the Engineering Agreements for Replacing the Automatic and Manual Line Flushers Destroyed by IKE (FEMA Projects): Mr. Dennis Stafford made a motion to accept the two engineering agreements for the two FEMA projects for the manual and automatic line flushers. The motion was seconded by Mr. Wayne Turk. The motion unanimously passed.

Item #9 Consideration and Possible Action to Accept the 2012 Budget: Mr. Dennis Stafford reported that the Audit and Finance Committee met on two occasions. The budget is heavily based on the number of active accounts and the projection of new

monthly accounts through 2012. It is projected that the District will begin 2012 with 3,415 active accounts. The projection is for the District to add 15 new accounts per month. During 2010 the district average 42 new accounts per month. During 2011 the District averaged 24 new accounts per month. The projection for 2012 is a slower growth rate for the district. A motion was made by Mr. George Strong to accept the proposed budget for 2012. The motion was seconded by Mr. Hollis Gassen. The motion unanimously passed.

Item #10 Consideration and Possible Action to Accept Engagement Letter from Edgar, Kiker and Cross for the District's Audit for 2011 Fiscal Year: Mr. Jody Ball presented a letter from Edgar, Kiker and Cross to conduct the District's 2011 audit. Mr. Hollis Gassen made a motion to accept Edgar, Kiker and Cross' engagement letter for auditing the District for fiscal year 2011. The motion was seconded by Mr. Dennis Stafford. The motion unanimously passed.

Item #11 Consideration and Possible Action to Accept 2011 Election Cancellation and Election of Officers: A motion was made by Mr. Dennis to accept the 2011 election cancellation. The motion was seconded by Mr. Wayne Turk. The motion unanimously passed.

A motion was made by Mr. Wayne Turk to retain the seated President, Ms. Lynette Johnson-Hardcastle, Vice-President, Mr. George Strong, and Secretary, Mr. Hollis Gassen. The motion was seconded by Mr. George Strong. The motion unanimously passed.

Mr. Roger Welch nominated Ms. Chris Makin as Treasurer for the District. A motion was made by Mr. Wayne Turk to seat Ms. Chris Makin as Treasurer. The motion was seconded by Mr. George Strong. The motion unanimously passed.

Item #12 Consideration and Possible Action to Add Presidents Day and Columbus Day to the 2012 Holiday Schedule: A discussion among Board members as to the pro's and con's of observing these holidays was conducted. Several board members are requesting additional information from the General Manager as to what other Districts and the State of Texas observe as holidays. A motion was made by Mr. George Strong to table the consideration of these holidays until further information can be provided to the Board. The motion was seconded by Mr. Wayne Turk. The motion passed by a vote of 7 to 1. Mr. Roger Welch voted no.

Item #13 Consideration and Possible Action to Approve Installation of Antennas on District's Water Towers for Internet Use on the Peninsula as Presented by Mr. Jim Bouse: Mr. Jim Bouse presented his plan to provide high speed internet service to the Peninsula. His initial plan is to use the District's elevated water tanks. The Board members engaged in discussions regarding engineering and insurance concerns. There is a concern that the added equipment on the tanks could present corrosion problems to the District's equipment. Mr. Jody Ball will forward a letter to Mr. Bouse that the District received from its insurance carrier outlining concerns. He will use the letter to address these concerns. Mr. Bouse will also contact our engineer to discuss their concerns with locating antennas on the water tanks, as well as, a water supply company in College

Station that have antennas located on their tanks. This was an exploratory meeting with the Board. After additional information has been gathered by Mr. Bouse, the District will consider a future proposal or request additional information to address new concerns that might come to light in reviewing future information provided to the District.

Item #14 Consideration and Possible Action to Attend TRWA Board of Directors Conference in Austin on January 18 – 20, 2012: A motion was made by Mr. George Strong to allow any Directors that want to attend the TRWA Board of Directors Conference in Austin on January 18 – 20, 2012 to contact Ms. Barbara Cowie to make arrangements. The motion was seconded by Mr. Wayne Turk. The motion unanimously passed.

Item #15 Executive Session. Meet in Closed Session as Follows:

(A) Pursuant to section 551.074 Personnel Evaluation and Possible Pay Increases Beginning First Pay Period in January 2012.

The Board ended the open session at 8:00 PM.

Item #16 Reconvene Open Session: The open session was reconvened at 9:01 PM.

Item #17 Consideration and Possible Action Regarding Executive Session: Mr. Dennis Stafford made a motion to authorize the General Manager to exercise his judgment based on employee evaluations to administer up to \$16,000.00 in employee pay increases. The motion was seconded by Mr. Wayne Turk. The motion unanimously passed.

Item #18 Executive Session. Meet in Closed Session as Follows:

Pursuant to section 551.074 Meet with District Attorney to Discuss TML's lawsuit. The Board ended the open session at 9:04 PM.

Item #19 Reconvene in Open Session: The open session was reconvened at 9:38 PM.

Item #20 Consideration and Possible Action Regarding Executive Session: There was no action from the executive session.

Item #21 Directors Comments Regarding Future Committee Meetings:

- Audit and Finance Committee
- Personnel and Policy Committee
- Plant and Product Committee
- Public Relations Committee
- Special Insurance Committee

Item #10 Director's Comments Regarding Future Agenda Items:

- 1) Dedication of the rebuilt office building
- 2) District's annual audit
- 3) Water line crossing over rollover pass

Item #11 Set the Date for Next Meeting: The date for the next regular meeting is January 10, 2012.

Item #12 Adjournment: A motion was made by Mr. Dennis Stafford to adjourn tonight's meeting at 9:58 PM. The motion was seconded by Mr. Wayne Turk. 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 December 13, 2011.

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Hollis Gassen, Secretary