

Bolivar Peninsula Special Utility District Minutes of the Regular Meeting January 11, 2011

Directors Present

Lynette Johnson-Hardcastle, President
George Strong, Vice President
Mary Ellen Smith, Treasurer
Hollis Gassen, Secretary
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

Sandra Carpenter
Greg Cobb

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

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

Item # 3 Approval of December 14, 2010 Meeting Minutes: Dennis Stafford made a motion to approve the minutes of the December 14th meeting. The motion was seconded by Mr. Hollis Gassen. The motion passed. (Unanimous)

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

Item #5 Committee Reports:

1) Audit & Finance: Mr. Dennis Stafford reported that the Audit and Finance Committee met and reviewed the District's check registers, invoices, and bank statements for December 2010. 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:

- * A review of Trial Balance, Comparative Budget Report and Account Balance Summary List. All items appeared to be in order.
- * Reviewed System Operational Reports and Director's Report.
- * For December there were 26 new accounts. Total accounts are 3,172.
- * Report on FEMA Reimbursement Issues and Payments Received for Facilities and Infrastructure Damaged by Hurricane IKE. No payments were received during December.
- * Report on Insurance Payments Received for Facilities Damaged by Hurricane IKE. No insurance payments were received during December.
- * Report from General Manager on District Water Losses. There was an unaccounted water loss during December of negative 12.96%.

* 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.

Item #7 Consideration and Possible Action to Appoint New Directors to Fill Vacant

Seats: The District is advertising via its monthly water bill to present customers and in the Beach Triton for applicants to fill the two (2) vacant seats on the Board. The selection committee is requesting that the applicants submit a resume with their applications. This item will remain as an agenda item for the February meeting.

Item #8 Consideration and Possible Action to Approve Peninsula 19 Development: The development has not received its bonds. Until the District receives the bonds it can not approve the Development's request. Mr. George Strong made a motion to postpone further action on Peninsula 19 Development until all the paper work is furnished. The motion was seconded by Ms. Mary Ellen Smith. The motion passed. (Unanimous)

Item #9 Consideration and Possible Action to Accept Bids for rebuilding the District's Shop/Garage: The District requested bids for rebuilding the shop/garage. The District received two bids - Pat Rogers and Tri-Point Construction. The scope of work is to replace the metal siding with heavier gauge material, hurricane clips on the walls per FEMA's requirement, new roll up doors, new windows, wiring and lighting fixtures. The lowest bid was submitted by Pat Rogers. A motion was made by Ms. Mary Ellen Smith to accept the lowest bid from Pat Rogers. The motion was seconded by Mr. Dennis Stafford. The motion passed. (Unanimous)

Item #10 Consideration and Possible Action to Solicit Bids for Scrap Meters: Thirty-one hundred meters that were damaged by Hurricane IKE have been replaced. The District is seeking bids to scrap these meters. There have been numerous inquires for these meters. The District estimates that by scrapping the meters, it could receive \$15,000 to \$20,000. Motion was made by Mr. George Strong for the District to solicit bids for the scrap meters. The motion was seconded by Mr. Hollis Gassen. The motion passed. (Unanimous)

Item #11 Consideration and Possible Action to Provide Assistance in Moving a Flush Valve Located at 2792 Gulfview Lane in Tideland's Addition: The flush valve is located on the county's right of way in middle of a proposed driveway. This is inhibiting the property owner's access to his lot, and could cause future issues with the valve being damaged. There were discussions as to where the valve was prior to Hurricane IKE in relation to the house. The District's General Manager opposes the District absorbing the cost to relocate the valve, since it was there prior to the house being constructed. The cost to relocate the valve is \$500.00. Mr. George Strong suggested that the costs should be shared between the District and the property owner. Mr. Brad Vratiss made a motion that the District should absorb the cost to relocate the flush valve. The motion was seconded by Mr. Roger Welch. The motion passed by a vote of 5 yeas and 2 nays. The nay votes were cast by Mr. George Strong and Ms. Lynette Johnston-Hardcastle.

Item #12 Consideration and Possible Action to Solicit Bids for Purchasing New Vehicles through the District's Capital Improvement Projects: The District has three vehicles with high mileage and maintenance costs during 2010. During the District's budget process for 2011, funds were allocated in the capital improvement projects to replace these vehicles. There were discussions whether the Districts has a vehicle replacement policy and when vehicles should be replaced. The General Manager will research the District's policy on vehicle replacement. If the District elects to replace the vehicles, there are two windows of opportunity. To obtain 2011 vehicles, they will have to be ordered by March 1st. If not ordered by March 1st, the District will have to wait until year's end for the 2012 year vehicles. A motion was made by Ms. Mary Ellen Smith go out for bids for three new vehicles. The motion was seconded by Mr. Dennis Stafford. The motion passed by a vote of 6 yeas to 1 nay. The nay vote was cast by Mr. Roger Welch.

Item #13 Consideration and Possible Action to Accept an Insurance Proposal from the Texas Water Conservation Association Risk Pool: After a review of the District's insurance coverage, it was apparent that the District and the Board needs a better understanding as to what is covered by insurance and what are the events that trigger the insurance companies to make payments. What is covered by business interruption insurance, and what are the events that need to occur for the insurance companies to pay these claims? The General Manager will ask Texas Municipal League to review the District's assets; what is covered and what is not; and what events trigger business interruption. Once this is understood the General Manager will present his finds to the Board. This same process will occur with the Texas Water Conservation Association Risk Pool. A motion was made by Mr. Hollis Gassen to table this item until additional information can be gathered by the General Manager and presented to the Board. The motion was seconded by Mr. George Strong. The motion passed. (Unanimous)

Item #14 Consideration and Possible Action to Send District Representatives to the Texas Rural Water Annual Association (TRWA) Annual Meeting and Conference: This meeting and conference rotates between San Antonio and Austin. It is scheduled in Austin when the Texas Legislature is in session. This provides opportunities for the attendees to meet and discuss water issues with their representatives. Comments from pass participants were very favorable regarding this conference. A motion was made by Mr. George Strong to allow Board members and/or the District office personnel to attend the TRWA Annual Meeting and Conference on March 23 – 25 in Austin. The motion was seconded by Mr. Brad Vratil. The motion passed. (Unanimous)

Item #15 Review, Update and possible action on the District's Office Building Construction: Lewis Design Group will meet with the District's office personnel to finalize the location of electrical outlets, computer connections and telephone line connections. The District received a work project sheet from FEMA with approval for addition funds to elevate the building. With a little luck the District will be able to go out for bids in February. This item will remain on the agenda for information, update and possible future action.

Item #16 Review, Update and possible action on Texas Municipal League (TML)

Lawsuit: There is no action or update at this time. A meeting is scheduled with the District's contracted lawyer on January 12, 2011 to discuss the lawsuit's status and current expenses. This item will remain on future agendas.

Item #17 Directors' Comments Regarding Future Agenda Items:

- 1) Update the District's Web site
- 2) Quarterly Investment Report
- 3) District's Depository Bank
- 4) Report on the vehicles the District is requesting to replace. One sheet per vehicle with the mileage and repair costs for 2010

Item #23 Set the Date for the Next Regular Meeting: The date for the next regular meeting is February 8, 2011.

Item #24 Adjournment: A motion was made by Ms. Mary Ellen smith to adjourn tonight's meeting at 7:11 PM. The motion was seconded by Mr. George Strong. The 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 on January 11, 2011.

Hollis Gassen, Secretary