

Bolivar Peninsula Special Utility District Minutes of the Regular Meeting November 8, 2011

Directors Present

George Strong, Vice-President
Hollis Gassen, Secretary
Mary Ellen Smith, Treasurer
Chris Makin
Wayne Turk

Staff Present

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

Others Present

Pam Bosarge
Diana Guidry
Maria Skewis

Item #1 Call to Order: Vice-President George Strong 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. Hollis Gassen and cited by all present. Afterwards, a moment of silence was observed.

Item # 3 Approve the Minutes of the October 11, 2011 Meeting: Ms. Mary Ellen Smith had a correction to Items #6. The noted correction was made. Ms. Mary Ellen Smith made a motion to approve the minutes of the October 11th meeting with the noted correction. The motion was seconded by Ms. Chris Makin. 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 October 2011.

Mr. Wayne Turk reported that the Audit and Finance Committee met earlier today and reviewed the District's check registers, invoices, and bank statements for October 2011. All was found to be in order.

Special Insurance: Report on committee meeting of October 27, 2011 regarding District's insurance renewal. Mr. Hollis Gassen reported that the committee met and reviewed insurance bid proposals from TML (Texas Municipal League) and Capps Insurance. After an extensive review of the bids, the committee voted to select Capps Insurance as the District's insurance carrier.

Budget & Finance: Report on committee meeting of October 27, 2011 regarding the District's 2012 budget. Mr. George Strong reported that the committee met and reviewed the 2011 budget and a proposed 2012 budget. After reviewing several changes, the committee is scheduled to meet on November 2nd to finalize the budget and prepare the

final report to be presented during the Board's December 13th meeting.

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:
 - * District Water Losses. The year to date water loss through October is 6.38%.
 - * For October there were 38 new active accounts. Total active accounts stand at 3,447.
- 3) Report on FEMA Reimbursement Issues and Payments Received for Facilities and Infrastructure Damaged by Hurricane IKE.
 - * The District had received several checks to fund an engineering study for the High Island North Plant, and the funding of the automatic flushers/fire hydrants project.
- 4) Report on Insurance Payments Received for Facilities Damaged by Hurricane IKE.
 - *No checks were received since the October meeting.
- 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) 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 it is asking its customers to implement voluntary water restrictions. LNVA did authorize the District to sale 18.5 million gallons for water to the Houston Audubon Society over a three month period to fill their ponds at High Island on the Smith Oaks Bird Sanctuary.
- 7) Report on District's Infrastructure Projects
 - * High Island Plant North – Engineering work continues in order to refurbish the plant.
 - * The funding for the water line flushers have been approved by FEMA.

Item #7 Presentations of Ten Year Service Awards to Ms. Diana Guidry and Ms. Pam Bosarge: Vice President George Strong thanked Pam and Diana for their dedicated service and presented awards.

Item #8 Consideration and Possible Action to Approve the Third Quarter District's Investment Report: Mr. Hollis Gassen made a motion to approve the District's third quarter investment report. The motion was seconded by Mr. Wayne Turk. The motion

unanimously passed.

Item #9 Directors Comments Regarding Future Committee Meetings:

- Audit and Finance Committee
The Committee will meet to finalize the 2012 budget and prepare a report to be presented at the Board's December meeting.
- Personnel and Policy Committee
Chairman Hollis Gassen reported the District has received one application to fill a Director's position. The committee will meet prior to the December 13th meeting.
- Plant and Product Committee
- Public Relations Committee
- Special Insurance Committee
The committee's work has been completed.

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

- 1) Resolution for imminent domain legislation
- 2) Board member appointment
- 3) Employee evaluations
- 4) 2012 Budget
- 5) Oath of Office for three elected Board members
- 6) Engineering agreement for the fire hydrants/auto flushers projects
- 7) Legal updates
- 8) Review bid package for the North Island Plant

Item #11 Set the Date for Next Meeting: The date for the next regular meeting is December 13, 2011.

Item #12 Adjournment: A motion was made by Ms. Mary Ellen Smith to adjourn tonight's meeting at 6:46 PM. The motion was seconded by Ms. Chris Makin. 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 November 8, 2011.

Hollis Gassen, Secretary