

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

Directors Present

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

Staff Present

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

Others Present

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 September 13, 2011 Meeting: Ms. Mary Ellen Smith had a correction to Items #6. Ms. Chris Makin had two corrections to Item #8. The corrections were noted. Ms. Mary Ellen Smith made a motion to approve the minutes of the September 13<sup>th</sup> meeting with the noted correction. The motion was seconded by Mr. George Strong. The motion unanimously passed.

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

Item #5 Committee Reports:

Audit & Finance: Report on Review of Check Registers, Invoices and Bank Statements for September 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 September 2011. All were found to be in order.

Special Insurance: Report on the September 22, 2011 Committee Meeting Regarding District Insurance Renewal. Mr. Dennis Stafford reported that the committee reviewed three bids it had received. One bidder was asked to review and resubmit his bid based on the District's value it has placed on equipment. Two bidders had based their quotes on the value of the equipment assigned by the District. The committee will have a common basis to evaluate the three companies. A committee meeting will be scheduled within the next two weeks.

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 the Budget Committee has not met.
- 2) Review System Operational Reports and Director's Report
  - \* The Manager's redesigned report. The Board made several suggestions to add or change to the report. These items were noted by the General Manager and will be included in the November report.
  - \* District Water Losses. Year to date water losses through September is 9.07%.
  - \* For September there were 41 new active accounts. The District's active accounts are 3,409.
- 3) Report on FEMA Reimbursement Issues and Payments Received for Facilities and Infrastructure Damaged by Hurricane IKE.
  - \* No checks have been received since the September meeting. The District has applied for advance funds, and should be receiving some of these funds shortly.
- 4) Report on Insurance Payments Received for Facilities Damaged by Hurricane IKE.
  - \* No checks have been received since the September meeting. However, the District has been holding an insurance check from TML (Texas Municipal League) in the amount of \$49,000.00. The District will deposit the check, since TML has removed the stipulation that if the District deposited the check, all claims with TML would be settled.
- 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
  - \* High Island Plant North – The project has been approved by FEMA. The documents for bidding the project should be completed by the next Board meeting, and will be released for bids.
  - \* The District has a meeting on October 25, 2011 with an engineering company to release the fire hydrants and automatic water line flushers for bids.
  - \* The District's office building is in the final stages of completion. The District will move into the building on October 15<sup>th</sup>.
- 7) Report on LNVA (Lower Neches Valley Authority) Drought Conditions – LNVA has a meeting scheduled for October 18<sup>th</sup> to develop new drought contingency plan. The District's General Manager will attend the meeting. LNVA is into their Stage 2 Drought Contingency Plan. This places BPSUD into Stage 2 Drought Contingency Plan. The District is asking its customers to follow the District's Stage 1 Drought Contingency Plan, which states:
  1. Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of midnight and 10:00 a.m. and 8:00 p.m. to midnight on designated watering days.

2. All operations of the Bolivar Peninsula Special Utility District shall adhere to water use restrictions prescribed for Stage 2 of the Plan.
3. Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Item #7 Consideration and Possible Action to Appoint New Directors to Fill Vacant Seats: Mr. Hollis Gassen reported there were no applications filed for the vacant Director's positions.

Item #8 Condition and Possible Action to Approve Certification of Unopposed Candidates: A motion was made by Mr. George Strong to approve the certification of unopposed candidates. The motion was seconded by Ms. Mary Ellen Smith. The motion unanimously passed.

Item #9 Consideration and Possible Action to Approve Order of Cancellation of District Election: A motion was made by Ms. Mary Ellen Smith to approve the order of cancellation of District Election. The motion was seconded by Mr. George Strong. The motion unanimously passed.

Item #10 Consideration and Possible Action to Approve Engineering Agreements for High Island North Plant: A motion was made by Mr. George Strong to approve the engineering agreement for High Island North Plant as submitted by Schaumburg & Polk, Inc. The motion was seconded by Mr. Hollis Gassen. The motion unanimously passed.

Item #11 Consideration and Possible Action to Approve Driveway Repairs after Major Leak: The driveway damage was the result of a water leak due to shifting ground that separated the pipe joints under a customer's concrete driveway. A motion was made by Ms. Mary Ellen Smith for the District to repair the driveway at a cost not to exceed \$1,000.00. The motion was seconded by Mr. Dennis Stafford. The motion unanimously passed.

Item #12 Consideration and Possible Action to Approve Changes to District Budget for 2011 and/or 2012: A motion was made by Mr. George Strong to table this item until the next Board meeting. The motion was seconded by Mr. Hollis Gassen. The motion unanimously passed.

Item #13 Director's Comments Regarding Future Committee Meetings:

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

Item #14 Director's Comments Regarding Future Agenda Items:

- Review the District's 2012 proposed budget
- Insurance report out


- Update TML lawsuit

Item #15 Set the Date for Next Meeting: The date for the next regular meeting is November 8, 2011.

Item #16 Adjournment: A motion was made by Ms. Mary Ellen Smith to adjourn tonight's meeting at 7:10 PM. The motion was seconded by Mr. Hollis Gassen. 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 October 11, 2011.

  
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Hollis Gassen, Secretary