

Bolivar Peninsula Special Utility District  
Minutes of the Regular Meeting, February 15 2023

Directors Present

Perry Manuel  
Maria Skewis, Secretary  
Bradley Metz, Vice President  
Hollis Gassen, President  
Mark DeSantis  
Dean Crooks  
Mike Hoover

Staff Present

Barbara Cowie, Office Mrg.  
Sheila Cunningham, General Mrg.  
Clifford Howard, Plant Mrg.  
Donald Crawford ,Field Mrg.

Others Present

D. C. Greer  
Suzy Chapman  
Brenda Flannigan  
Barney Cases  
Norma Cases  
Bert Carson  
Eric Street

Item 1 Call to Order: At 6:00 PM Hollis Gassen, declared a quorum present and called the meeting to order.

Item 2 Pledge of Allegiance and moment of silence: The Pledge of Allegiance was led by Mark DeSantis and cited by all present. Afterwards, a moment of silence was observed.

Item 3 Approve minutes of the January 10th General Meeting:

A motion was made by Bradley Metz and seconded by Mark DeSantis to approve the January 10th meeting minutes as presented. Motion unanimously passed.

Item 4 Committee Reports:

Audit & Finance: The committee met and reviewed all invoices and bank statements for January and found all items to be in order.

Line Capacity Committee

A motion was made by Mark DeSantis and seconded by Perry Manuel to correct Item 16 in the October meeting minutes. The correction is to change the wording from "line extension" to "line upgrade". Motion passed unanimously.

Impact Fee Committee

Hollis Gassen reviewed the results of two meetings. There were six (6) committee members. Three (3) members representing a business owner, a developer and a real estate broker from the Peninsula. And, three (3) representing BPSUD – Two (2) Board members and one (1) staff member. The Committee recommends:

- 1) Accept LJA's Engineering Proposal for an Impact Fee of \$5,500 only. But, not accept the multiplier factors for different meter sizes.
- 2) The fees should be reviewed every two to five years and adjusted accordingly.
- 3) The fees shall apply to new construction on property that does not have a meter or meter box installed on the property.
- 4) All funds from the Impact Fees are to be strictly used for capital improvements for infrastructure upgrades needed for growth on the Peninsula.

A motion was made by Mark DeSantis and seconded by Bradley Metz to accept the recommendations of the Impact Fee committee with changes as noted;

1) add BPSUD's multiplier factors.

2) the fees are to be reviewed every two years and add BPSUD Factors for multipliers.

This proposal will be presented at Public Hearings on Feb 25<sup>th</sup> for public comment. Motion passed by 6 "yes votes" and one "no vote".

#### Item 5 Public Comments

The Public had questions regarding water line extensions and line upgrades. The Public stated that communications have improved, but they would like for the District to continue to improve communications on boil water notifications and other important notices.

The District updated its time line for line capacity upgrades.

Item 6 Manager's Report: The manager's report was presented by Sheila Cunningham and Clifford Howard. The following items were reported and/or discussed:

1) A Review of Trial Balance, Comparative Budget Report and Account Balance Summary List: The Board reviewed the Trial Balance Report, Comparative Budget Report and the Account Balance Summary through January and found everything to be in order.

2) Review System Operational Reports:

\* District Water Losses. The District experienced a four-month average water loss of 1.93% and gain of 18.2% for January.

\* The District has 6,182 active accounts through January. In January, 3 accounts were liquidated and 57 were shut-off for non-payment.

\* Total water sales for January were \$399,426.

\*The average water bill for 2023 is \$66.73 and the monthly average for January was \$66.73.

\* Water pumped was 24.2M gallons and water sold was 20.2M gallons with a loss difference of 4.0M gallons for District flushing, County usage and fire department usage. There were 3 leaks repaired. There were 0 reportable accidents for the month and 0 injuries.

3) Review activities:

The District is fully staffed.

4) Finances: Net income for January is \$173,718.

#### Item 7 Update on Capital projects

Clifford Howard updated the Board on the status of capital projects. Crystal Beach elevated tank is in service with punch list items being worked on. Warranty work on Singing Sands has been completed. No action required at this time.

#### Item 8 Update on Vehicle Ordering for 2023

No new information. No action required.

Item 9 Presentations by lenders: Government Capital and Sustainability Partners

Presentations to the Board were given by D.C. Greer, Government Capital, and Eric Street, Sustainability Partners, Government Capital presented their service on providing funds to the District for capital improvements to the District's infrastructure. Sustainability Partners focused their presentation on leasing equipment and maintaining the equipment. The Board will further investigate the merits of these proposals.

Item 10 Discussion and possible action on loan application

The Board agreed to abandon the loan application with TWDB in favor of other lenders.

Item 11 Discussion and possible action regarding Reinvestment of Funds

The District's Finance Officer is investigating the possibility of moving money currently in low paying CD's to higher yielding CD's. The District current has CDs with Moody Bank that are paying 1.0%. TexStar's current CD rate is 4%. Fidelity has a Money Market Fund whose rate is adjusted, with no fees and is insured up to \$500K. A motion was made by Perry Manuel and seconded by Dean Crooks to liquidate Moody CD account 8661 and reinvest the funds with Sunbelt to Fidelity Money Market Fund pending approval by the District's outside auditor. Motion passed unanimously. A Second motion was made by Mark DeSantis and seconded by Dean Crooks to move Moody CD account 8976 to higher rate 4.2% to another account with Moody Bank. Motion passed unanimously.

Item 12 Discussion and possible action regarding Public Hearings scheduled for Feb 25th

Information from Sheila Cunningham regarding public hearings scheduled for Feb 25<sup>th</sup>. There will be two public hearings on the 25<sup>th</sup>. The first will be held at High Island High School at 10:00 am. The second will be held at Crenshaw school at 2:00 pm.

Item 13 Discussion and possible action to approve Release of Temporary Construction Easement

A motion was made by Mike Hoover and seconded by Mark DeSantis to release temporary construction easements as presented. Motion passed unanimously.

Item 14 Discussion and possible action regarding adding Reserve Fee option

A presentation was made by Sheila Cunningham to implement a volunteer reserved service charge. This is a charge that a potential home builder can reserve the right to place a water meter on a lot for future construction. A motion was made by Mark DeSantis and seconded by Mike Hoover to adopt a volunteer Reserve Service charge at the present base rate for 5/8" meters. Motion passed unanimously.

Item 15 Discussion and possible action regarding filing a complaint against Entergy regarding power outage

A presentation was made by Dean Crooks on drafting a complaint letter to send to Entergy regarding their power outage in December. The motion was defeated by 2 “yes votes” and 5 “no votes”.

Item 16 Discussion and possible action regarding audit status

The District’s annual audit is scheduled to be presented to the Board at its April meeting.

Item 17 Discussion and possible action regarding resignation of Board member/Treasurer

Chris Makin sent a letter of resignation to BPSUD Board. A motion was made by Maria Skewis and seconded by Mark DeSantis to accept the resignation letter. Motion passed unanimously.

Item 18 Discussion and possible action regarding election of Board Treasurer

No action at this time.

Item 19 Discussion and possible action regarding attendance at TRWA Rural Water Con Conference

TRWA Conference is scheduled in March and will be held in Austin, which will include visits to State Capitol for members to meet with legislators and comment on current bills that will have effects on water Districts. A motion was made by Maria Skewis and seconded by Bradley Metz to authorize attendance by 2 staff members and 2 Board members. Motion passed unanimously.

Item 20 Executive Session: Meet in closed session as follows at 9:11PM

A). Pursuant to 551.072 Deliberation Regarding Real Property

Item 21 Reconvene in open session at 9:25PM

Item 22 Consideration and possible action regarding Executive Session

No action required

Item 23 Director’s comments regarding future committee meetings

- Audit and Finance Committee – audit progressing next month
- Personnel and Policy Committee – working on new board member
- Public Relations Committee – 5 part series with David Harris, Bolivar Live and attendance at monthly breakfast meetings

Item 24 Director’s comments regarding future agenda items

- 1) Results of Public Hearings on February 25<sup>th</sup>
- 2) Impact fees
- 3) Capitol Improvement Plan for line capacity & funding

- 4) New truck status
- 5) Entergy easement issue
- 6) Audit status
- 7) Plan for neighbor communications for line upgrade projects
- 8) Process to highlight late notices to customers
- 9) Consideration of publishing recordings of board meetings

Item 25 Set date for next regular Board meeting for March 14, 2023.

Item 26 Adjournment:

A motion was made by Maria Skewis and seconded Bradley Metz to adjourn tonight's meeting at 9:42 PM. Motion passed unanimously.

CERTIFICATION

I, the undersigned, do here by certify the above to be a true and accurate record of the Bolivar Peninsula Special Utility District Board of Directors' meeting conducted on February 15, 2023.

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Maria Skewis, Secretary