

Bolivar Peninsula Special Utility District
Minutes of the Regular Meeting, May 9, 2023

Directors Present

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

Staff Present

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

Others Present

Brenda Flanagan
Rodney Foreman
Kim Simon
Diane Michelle Raczyiski

Item 1 Call to Order: At 6:00 PM Hollis Gassen and 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 April 11th General Meeting:

A motion was made by Bradley Metz and seconded by Mark DeSantis to approve the April 11th meeting minutes as presented. Motion unanimously passed.

Item 4 Committee Reports:

Audit & Finance:

The committee met and reviewed all invoices and bank statements for April and found all items to be in order.

Public Relations Committee

Mark DeSantis updated the Board on five sessions he had with David Harris to present BPSUD information on Bolivar Live. Five part series has been aired.

Personnel & Policy Committee

Sheila presented information from TRWA on 2022 hourly Salary Survey. A motion was made by Mark DeSantis and seconded by Perry Manuel to increase hourly wages by a proposed \$4.00/hour to be effective next pay period. Motion passed unanimously.

Item 5 Public Comments:

- Brenda Flanagan expressed that publishing Board meetings recordings of would be helpful to the community for transparency. She expressed support for consideration of Impact Fee exceptions. She had questions on how one would become a Board member .

- Another member of the general public expressed a need for contractors to be evaluated.
- Rodney Foreman read a statement cataloging a time line on his efforts attempting to obtain water for a proposed resident and development at High Island.
- Another member of the general public commented on the difficulty in obtaining parts from Core & Main, Coburns manufactures. He asked if he could possibly purchase valves from BPSUD as materials are available. Donald Crawford offered to provide phone numbers for suppliers.

Item 6 Manager's Report: The manager's report was presented by Sheila Cunningham, Barbara Cowie 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 April 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 3.21% and 0.47% for April.

* The District has 6,274 active accounts through April. In April, 0 accounts were liquidated and 67 were shut-off for non-payment.

* Total water sales for May were \$398,414.

*The average water bill for 2023 is \$64.44 and the monthly average for April is \$65.44.

* Water pumped was 29.3M gallons and water sold was 19.6M gallons with a loss difference of 9.6M gallons for District flushing, County usage and fire department usage. There were 9 leaks repaired. There was one injury for the month.

3) Review activities:

One vacant position. Employee evaluations are completed. One injury was reported. Information provided to legislators by Sheila Cunningham and Clifford Howard has been useful in changing the definition of RVs in an RV park are considered equivalent to a single connection. This change delays the requirement for upgrading the pumps at the Port Bolivar Plant until a later date. Proposed development in the Port Bolivar Plant service area can commence. The bill is on Governor Abbott's desk for signature. When he signs the bill, it will go into effect that day. If he does not sign the bill, it will become effective on September 1, 2023.

Ribbon cutting ceremonies for the new CB Water Tower was held on April 12th with speeches given by county engineer, Commissioner Darrell Appfel, Commissioner Joe Giusti, members of the GLO, Bolivar Peninsula Board President Hollis Gassen.

4) Finances: Net income for April is \$98,276

Item 7 Update on Capital projects

Sheila reviewed the status of line upgrades in progress or scheduled. Three streets are in the process of beginning work shortly. They are North Tinkle Lane, Van Zant Road and Mabry Road. Three additional roads are in the engineering phase.

Item 8 Update on Vehicle Ordering for 2023

No new information. No action required.

Item 9 Discussion and possible action on loan application and Resolution Expressing Intent to Finance Expenditures to be Incurred

Sheila reviewed the costs the District would incur for Government Capital and Hilltop Securities. A discussion was conducted among the Board of Texas Water Development Board's restricted funds and timing for accessing these funds. Sheila and Mark Ivy to discuss further issues with Government Capital and Hilltop Securities. Sheila and Hollis to discuss with TWDB about accessing restricted funds and timing for repaying funds.

A motion was made by Mark DeSantis and seconded by Bradley Metz to end contract with Hilltop Securities effective May 9th 2023. Motion passes unanimously.

A discussion and review of a proposed Resolution Expressing Intent to Finance Expenditures incurred by the District.

A motion was made by Mark DeSantis and seconded by Dean Crooks to approve the resolution as presented with exception to Section 2 to add "not to exceed value of 10M".

Item 10 Discussion and possible action on implementation of Impact Fees and consideration of exceptions

A recommendation was communicated to the Board from Kate Leverett to hold a District workshop for discussion and possibly action on implementation of Impact Fees. Sheila will schedule the workshop.

Item 11 Discussion and possible action regarding Draft Rate Study

Hollis presented an updated Draft on the Base Rate Study.

Item 12 Discussion and possible action regarding Approval of Reimbursement Agreements

Sheila presented line upgrades reimbursement process.

A motion was made by Mark DeSantis and seconded by Mark Ivy to approve 9-line upgrade reimbursement agreements that have been received. Motion passed unanimously.

A motion was made by Mark DeSantis and seconded by Mike Hoover to require engineering and bid process for future line upgrade reimbursement projects. Motion passed unanimously,

Item 13 Discussion and possible action regarding Acceptance of Bid Proposal for Waterline Upgrades

LJA Engineering opened bids on May 5th.

A motion was made by Mark DeSantis and seconded by Maria Skewis to authorize approval of a bid proposal by ISJ Underground Utilities for Base Bid, Alt-1 and Alt-2 as presented. Motion passed unanimously.

Item 14 Discussion and possible action regarding Hurricane Preparedness Plan review

Sheila reviewed the District's Hurricane Preparedness Plan. A table top exercise is scheduled for next week.

Item 15 Discussion and possible action regarding GM's participation in TRWA Emerging Leaders program

A motion was made by Maria Skewis and seconded by Mark DeSantis to approve the District's General Manager to participate in TRWA's Emerging Leaders program to include a 2-night stay in Austin for orientation meetings. Motion passed unanimously.

Item 16 Discussion and possible action regarding Moody Bank contract renewal

A motion was made by Bradley Metz and seconded by Mike Hoover to accept Moody Bank's contract renewal as presented. Motion passed unanimously.

Item 17 Discussion and possible action regarding Acceptance of Villas at Rollover Bay (Phase 2 Cedar section)

A motion was made by Mark DeSantis and seconded by Bradley Metz to approve the acceptance of the Villas at Rollover Bay (Phase 2 Cedar section) as presented. Motion passed unanimously.

Item 18 Discussion and possible action regarding publishing recordings of board meetings

Michelle Raczynski, made a very informative presentation on how to host virtual and in-person events. Hollis recommended a committee of Mark DeSantis, Mark Ivy and Dean Crooks to evaluate and provide recommendation to the Board. A motion was made by Perry Manual and seconded by Mark Ivy to establish the committee to evaluate and provide recommendations to Board by July at the earliest and no later than August on publishing recordings of Board meetings. Motion passed unanimously.

Item 19 Executive Session: Meet in closed session as follows

A) Pursuant to 551.072 Deliberation Regarding Real Property

B) Pursuant to 551.074 Personnel

General session was closed at 8:20 PM.

Executive session was opened at 8:21PM.

Executive was closed at 9:05 PM.

General session was reconvened at 9:07 PM.

A motion was made by Dean Crooks and seconded by Mike Hoover to enter into contingency agreement for representation by the law firm of Poter Hedges, LLP regarding real property. Motion passed unanimously.

A motion was made by Perry Manual and seconded by Bradley Metz to increase the General Manager's salary by 4% effective next pay period. Motion passed unanimously.

Item 20 Director's comments regarding future committee meetings

- Audit and Finance Committee
- Personnel and Policy Committee
- Public Relations Committee
- Line Capacity Committee

Item 21 Director's comments regarding future agenda items

- 1) Workshop on impact fee
- 2) Loan application
- 3) Mission statement
- 4) Government Capital
- 5) Rate Study draft

Item 22 Set date for next regular Board meeting for June 13, 2023.

Item 23 Adjournment:

A motion was made by Maria Skewis and seconded Bradley Metz to adjourn at 9:14 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 May 9, 2023.

Maria Skewis, Secretary