

Bolivar Peninsula Special Utility District
Minutes of the Regular Meeting, July 11, 2023

Directors Present

Perry Manuel
Mark Ivey
Maria Skewis, Secretary
Bradley Metz, Vice President
Hollis Gassen, President
Mark DeSantis
Dean Crooks
Mike Hoover
J. D. Hutchison

Staff Present

Clifford Howard, Plant Mrg.
Barbara Cowie, Office Mrg.

Others Present

Mandi Ivy
Keith Ivy
Jared Defrancis
Brenda Flanagan
Anne Willis
Wade Thompson
Maria Mitchell

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 June 13th General Meeting:

A motion was made by Perry Manuel and seconded by Mark Ivey to approve the June 13th general meeting minutes with correction to the spelling of Mark Ivey's name. Motion unanimously passed.

Item 4 Committee Reports:

Audit & Finance:

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

Mark DeSantis presented preliminary findings of the Audio/Visual committee's progress. Final recommendations will be presented at the August Board meeting.

Item 5 Public Comments:

Brenda Flannigan expressed her opinion that audio/visual availability of Board meetings would be appreciated by community members and home owners.

Mandi & Keith Ivy presented additional information about their situation with new construction and the inability to receive water service.

Item 6 Manager's Report: The manager's report was presented 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 June 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 4.08% and 13.93% for June.

* The District has 6,326 active accounts through June. In June, 0 accounts were liquidated and 54 were shut-off for non-payment.

* Total water sales for June were \$434,305.

* The average water bill for 2023 is \$65.62 and the monthly average for June was \$70.60.

* Water pumped was 42.7M gallons and water sold was 29.9M gallons with a loss difference of 12.9M gallons for District flushing, County usage and fire department usage. There were 4 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 June was a negative \$504,776, which was the result of the District paying the annual LNVA debt service expense of \$700,000.

Item 7 Update on Capital projects

Upgrade of lines on three streets, Mabry, VanZandt and North Tinkle is in progress. The design on the second set of streets for upgrading is nearing completion.

Item 8 Update on Vehicle Ordering for 2023

No new information on a delivery date for a vehicle in 2023. Cliff Howard has been researching bids for vehicles available on car dealer lots. A motion was made by Perry Manuel and seconded by Mark DeSantis to authorize an expense of up to \$72,000 for a Ford F250 truck. Motion passed unanimously

Item 9 Discussion and possible action on BPSUD Mission Statement

Hollis Gassen presented a draft of a BPSUD Mission Statement for consideration. A motion was made by Perry Manuel and second by Mark Ivey to approve the BPSUD Mission Statement as presented. Motion passed unanimously.

Item 10 Discussion and possible action on Johnson Crawford Circle meter application

A general discussion on a customer's situation on Johnson Crawford Circle. Cliff Howard will discuss with Sheila and update the Ivy's. No action required

Item 11 Discussion and possible action on evaluating meter availability

Mark DeSantis presented efforts by the line capacity committee. A discussion and review of process for evaluation of meter applications. Galveston County Building permit office has agreed to require an approval form from BPSUD confirming that capacity is available. Guidelines will be published on the District's website. Status

of line upgrades projects will be published monthly. A motion was made by Perry Manuel and seconded by Mike Hoover to approve line capacity committee recommendations of publication of waterline upgrade schedule, monthly line upgrade projects status and coordination with Galveston County Building permit office. Motion passed unanimously

Item 12 Discussion and possible action on Quarterly Investment Report

Bradley Metz presented the Quarterly Investment Report. A motion was made by Maria Skewis and seconded by Perry Manuel to approve quarterly investment report as presented. Motion passed unanimously.

Item 13 Discussion and possible action on updating Section 17 of Service Policy

A motion was made by Mark DeSantis and seconded by Bradley Metz to approve the updating of Section 17 of Service Policy as presented. Motion passed unanimously.

Item 14 Discussion and possible action on Impact Fee

A discussion ensued on the time requirements for Impact fee applications. A motion was made by Bradley Metz and seconded by Mark DeSantis to clarify the impact fee application to one year for non-active accounts. Motion passed unanimously.

Item 15 Discussion and possible action on loan application

Wade Thompson of Government Capital and Jarrod Defrancis with LJA Engineers presented a timeline and requirements for a loan for the District to continue upgrading water lines. A motion was made by Mark DeSantis and seconded by Mike Hoover to approve \$25,000 for the work authorization for LJA to prepare the loan application. Motion passed unanimously.

Item 16 Discussion and possible action regarding Draft Rate Study

A motion was made by Bradley Metz and seconded by Mark DeSantis to increase the District's monthly base water rates by 5% across all meter sizes effective September 1. Motion passed unanimously.

Item 17 Discussion and possible action regarding Election Order

A motion was made by Perry Manuel and seconded by Dean Crooks to approve the call for an election of three Board members in a joint election with Galveston County. Motion passed unanimously.

Item 18 Consideration and possible action regarding election of Treasurer

Tabled until next meeting in August.

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

Enter closed session at 8:01 PM.

Item 20 Reconvene in open session

Reconvene at 8:14 PM.

Item 21 Consideration and possible action regarding Executive Session

A motion was made by Dean Crooks and seconded by Bradley Metz to follow the attorney's recommendation to continue to arbitration or trial on the real property issue. Motion passed unanimously.

A motion was made by Bradley and seconded by Mark DeSantis to increase the General Manager's salary by 10% effective next pay period. Motion passed unanimously.

Item 22 Director's comments regarding future committee meetings

- Audit and Finance Committee - none
- Personnel and Policy Committee - none
- Public Relations Committee - none
- Audio/Visual Committee – They will meet prior to the August meeting.

Item 23 Director's comments regarding future agenda items

- 1) Audio/Visual committee recommendations
- 2) BPSUD website update
- 3) Election contract

Item 24 Set date for next regular Board meeting for August 8, 2023.

Item 25 Adjournment:

A motion was made by Mark DeSantis and seconded Maria Skewis to adjourn tonight's meeting at 8:24 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 July 11, 2023.

Maria Skewis, Secretary