



CAPE ROYALE UTILITY DISTRICT

1330 CAPE ROYALE DRIVE
COLDSRING, TEXAS 77331

TELEPHONE: (936) 653-4861
EMAIL: WATER@EASTEX.NET

The board of directors (The Board of Cape Royale Utility District of San Jacinto County, Texas) held a board meeting on December 16, 2021 at 3:00pm at the district conference room, 1330 Cape Royale Drive, Coldspring, San Jacinto County, Texas.

Present from the Board: Dale Toronjo, Richard Masterson, Alex Onjanow, Douglas Pulgini and Lynn Watkins.

Present from the District: Larry Clark, Heather McCann, Mike Jacobs

1. Call to order
2. No visitors were present.
3. There were no customer comments or request this month
4. The minutes of the previous board meeting were reviewed and approved as written.
5. Larry Clark presented the General Managers' Report. Larry presented a study that had concluded of monthly water rate comparisons for various surrounding municipal districts. The findings show that the CRUD water and trash rate is the lowest of other municipalities in the comparable area. Larry also presented a CRUD operating expense and revenue review for 2022 and beyond that indicates a projected deficient amount of \$315,720.00 in the coming year. Not including the current office administration expense. And does not include the current posted inflation rate of 6.2%.

A discussion continued as to the current condition of CRUD's water supply infrastructure and the increasing demands for repairs and replacement due to age and projected longevity of the system. Larry explained the rate increase procedures, application process and public notification guidelines as outlined by the Texas Public Utility District. Alex Onjanow motioned that CRUD begin the preliminary request for application with the PUC to begin the rate increase process. Richard Masterson 2nd the motion. The motion was approved.
6. As for the recycling initiative, a discussion continued concerning the increasing magnitude of cardboard sent to the dumpsters by residents. It was agreed that initially CRUD will begin with a recycling project in cooperation with either San Jacinto County Precinct 1 or Precinct 3 to allow time to evaluate the community's support, the operational process and daily/monthly volume requirements before budgeting capital expenditures for machinery and equipment.
7. Mike Jacobs presented the Operators Report with no issues.
8. Heather McCann presented December 2021 Tax Assessor's
9. Heather McCann presented the December 2021 Bookkeeper's Report
10. No other pending business
11. Meeting was adjourned by Dale Toronjo at 3:54pm
12. Next meeting will be held January 20th, 2022 at 3:00pm.

Submitted by: Douglas Pulgini