



CAPE ROYALE UTILITY DISTRICT

1330 CAPE ROYALE DRIVE
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Public Meeting Minutes

The board of directors (The Board of Cape Royale Utility District of San Jacinto County, Texas) held a board meeting on February 17th, 2022 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 and Douglas Pulgini.
Present from the District: Larry Clark, Heather McCann, Mike Jacobs

1. Call to order 3:00pm
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. Heather McCann presented and explained the Annual Report to Texas Comptroller pursuant to Senate Bill 625 (Texas Local Government Code, Chapter 203, Subchapter D). This is an annual report that CRUD is required to submit to the Texas Comptroller.
*Richard Masterson made the motion to submit the report. Alex Onjanow 2nd the motion. The motion was passed by unanimous vote approved.
6. Heather McCann presented the Order for Election of Directors with respect to the two (2) open Directors positions for the District. The election is scheduled for May 7th, 2022. Deadline to submit Application for a place on the official ballot as a candidate is February 18th, 2022.
*The Order was authorized and signed by the President Dale Toronjo and attested by the Secretary Douglas Pulgini.
7. Larry Clark presented the CRUD 2022 Rate Review and Schedule Options for implementation of the rate increase. The presentation included various options for implementation schedules, historical data on previous rate increases, 2021-22 vendor price adjustments and surrounding community's rate comparisons. It was recommended and agreed that in order to maintain the current standard of excellence in services and water quality; a projected 50% base rate increase over the next three (3) years is required. This is from the current rate of \$61.13 to the projected \$90.88 essentially to sustain future infrastructure and equipment requirements. The rate increase schedule is as the following.
 - 2022 30% increase to \$78.97
 - 2023 10% increase to \$84.91
 - 2024 10% increase to \$90.88 (not adjusted for future inflation)The 2022 increase will become affective with the April 2022 statements. Resident/customer notifications of the new rate increase will be mailed and included in the March customer billing statements.
*Alex Onjanow made the motion to approve the rate increase plan and implementation schedule. Richard Masterson 2nd the motion. The motion was passed by unanimous vote.



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8. As for the recycling initiative, a discussion continued concerning the progress of the project. After Larry Clark's meeting with Mark Nettuno, the Precinct 4 Commissioner, it was established and agreed that initially CRUD will begin the recycling project in cooperation with San Jacinto County Precinct 4 in Point Blank, Texas. This cooperative arrangement with the Precinct 4 will allow time to evaluate the community's response and support, and the operational process and daily/monthly volume requirements before budgeting future capital expenditures for machinery and equipment.

9. Larry Clark presented the latest status of the marina lily pad project initiated by Mr. Bruce Shields. This potential Cape Royale Marina improvement project is currently supported by community volunteers and funded by local contributors and not the CRPOA or CRUD. The lily pond improvement project is situated on an existing CRUD drainage easement. It was suggested by Larry Clark that CRUD may want to consider passing the easement to the POA to remove CRUD from any financial or liability obligations. Discussions on this issue are ongoing and will continue with Steve Robert of the CRPOA and Bruce Shields.

10. Mike Jacobs presented the Operators Report with no issues.

11. Heather McCann presented January 2022 Tax Assessor's Report

12. Heather McCann presented the January 2022 Bookkeeper's Report

*Motion to accept all reports was as presented by Alex Onjanow. Richard Masterson 2nd the motion and passed by unanimous vote.

13. No other pending business

14. Meeting was adjourned by Dale Toronjo at 3:44pm

15. Next meeting will be held March 17th, 2022 at 3:00pm.

Submitted by: Douglas Pulgini