

Minutes of the Regular Meeting of the
BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT #2

A regular meeting of the Board of Directors of Bastrop County Water Control and Improvement District #2 was held on Thursday, February 15, 2018, beginning at 6:30 p.m. at the Conference Center, 106 Conference Drive, Bastrop, TX. 78602.

Present BCWCID #2 Board Members:

John Creamer, President
Victor Gonzalez, Vice President
Mary Beth O' Hanlon, Secretary
Sam Kier, Treasurer
Karen Pinard, Director

BCWCID #2 Staff/Other Professionals:

Jim Ouellet, General Manager
Tony Corbett, Attorney
Tyler Walsh, Operations Manager
Alma Rodriguez, District Administrator

- 1.) Call to Order and Establish a Quorum
President Creamer called the meeting to order at 6:30 p.m. A quorum of Board members was present.
- 2.) Pledge of Allegiance
President Creamer led the Pledge of Allegiance.
- 3.) Texas State Flag
President Creamer led the Pledge of Allegiance to the Texas Flag.
- 4.) Public comments/Announcements (The Board respectfully requests that persons limit comments to three (3) minutes. Under the Open Meeting Act, the Board may not deliberate or take action in response to any matter raised during public comment that is not a separate agenda item.)
Rick Cabral resides at 110 Laau Court asked when are the crews going to fix Heleakala and Laau Court. He stated he has submitted several work orders and no work has been done.

Director Kier stated he has been working on the road plan and it is either next year or the year after.

Tyler Walsh stated they will be working in that area within the next couple of weeks.
- 5.) Recognition of District employee Archie Adam Brown for 10 years of service
Jim Ouellet presented Archie Adam Brown with a star in recognition of his 10 years of service.
- 6.) Discussion and possible action regarding scheduling of future meeting dates:

- a. Regular Board of Director's Meeting for Thursday, March 15, 2018 at 6:30 P.M.
- b. Public Road Meeting for Saturday, March 24, 2018 at 9:00 A.M.

President Creamer suggested the Board meeting be moved to Thursday, March 8, 2018 at 6:30 P.M.

Motion: Karen Pinard moved to reschedule the Board meeting to Thursday, March 8, 2018 at 6:30 P.M. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

7.) CONSENT AGENDA: *(Consent Agenda items are generally routine. Unless removed by a member of the Board or General Manager, items listed on the consent agenda may be acted on together and without prior discussion.)*

- a. Approval of minutes from the January 18, 2018 Regular meeting of the Board of Directors; and
- b. Approval of monthly financials report for January 2018

President Creamer stated he spoke with Alma Rodriguez about some corrections to the minutes.

Director Kier stated there is an issue with the Road Construction financials, all the revenues were placed in the month of January for the year. This will be corrected next month. We can go ahead and approve the financials knowing that the revenue line needs to be corrected.

Motion: Victor Gonzalez moved to approve the consent agenda items with the correction noted above. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

8.) Discussion, possible action and updates by General Manager

Repairs on Koolua Drive and Awehi Lane landslide

Repairs are under way to install sheet piling to address the matter. Work is expected to be completed by the end of February. Installation of the road base in the area of the work is part of the repairs.

Road Maintenance Activities

Attached is a summary of recent road maintenance work performed. Roads were graded and material was brought in to smooth surfaces. Enclosed in the packet are correspondents from FEMA authorizing the work on numerous roads. A number of areas need pot hole attention as soon as possible. Tyler has been administering the work and has accomplished a great deal.

Director Kier asked Jim Ouellet to address the comments on Facebook about the road repairs that are being done on the road going to President Creamer's house.

Jim Ouellet stated it was an approved FEMA Project.

Tyler Walsh stated President Creamer had nothing to do with the work being done as a matter of fact President Creamer has always asked me not to do work on his road.

Storage Tank Construction

Tank site is being surveyed for the final plans so we can obtain a zoning variance for the height of the tank.

New Office Building

Five architects were interviewed to provide design services. Follow up information is being received. Would like to have a decision by the end of February. A meeting with the engineer has been setup so we can design the retention pond.

Water Quality

The latest round of TTHM testing indicates the levels have been dramatically reduced through the installation of treatment and better management of the water sources.

Director Pinard asked if that was due to the fact that we are not use a well.

Jim Ouellet stated there are many factors one being the well not being used and we are opening valves to eliminate dead ends.

Election of Officers

Three seats up for election in May will all be contested. The election office has been consulted and the process will be coordinated with the County.

Pension Plan

The pension plan with TCDRS is up and running effective January 1. The process was quite seamless and the representatives from TCDRS have been outstanding.

On the other hand, we are still waiting for the old pension plan administrators to complete their annual work so final figures can be provided.

Employees that are invested in the old pension plan and are no longer active employees will be receiving the valuation they have earned in the same manner present employees will receive the value they have earned. Previous employees will be contacted and informed of their options.

The one time contribution to the 401(k) plan for 2017 will be made once annual testing is completed. Employees must have the value placed in the 401(k) and cannot take the value in cash.

Road Construction Status

Surveys are underway for the roads that were added to the list of 2018 roads.

Add was placed in paper on February 10, 2018 requesting interest on performing road work. We will be contacting all known area road construction entities to inform them of the bid information available. March 9, 2018 is the deadline to receive the bids.

Jim Ouellet review the information for the road Meeting on March 24, 2018. See attached presentation.

Jo Egitto asked who will have the financial burden of the proposed egress route off of Ulupau and how about the increased traffic.

The Board replied the County will.

Director Kier stated we will setup a meeting with Commissioner Hamner and invited MS. Egitto to attend the meeting.

Appointment of Road Committee Member

Courtney Kellogg has offered to represent unit 4 on the Road Committee and she has been assigned the task of going out into the community and bringing back her findings for road maintenance to the committee.

The Board Ms. Kellogg for volunteering to serve on the committee.

Director O'Hanlon asked if there were more openings on the road committee and if this information can be put on the website.

Director Ouellet stated Unit 2 is open and according to the Resolution we need to find someone from that prospective Unit and if not then we can assign someone to the Unit.

President Creamer stated there is one committee member that hasn't attend in months which is Stephen Ross.

Jim Ouellet stated he will contact Mr. Ross.

Jo Egitto stated she attended the road committee meeting the other night when Jim Ouellet appointed Eddy Plummer to the committee.

Jim Ouellet stated we have someone on the committee from Unit 3. First according to the resolution we need to find someone from Unit 2 to fill the vacancy.

A resident asked what does this committee do.

Director Kier stated it is an advisory committee and reports to the Board.

Director Gonzalez stated the committee was formed back in 2010 and these are open meetings.

9.) Election Matters

- a. Consider and take action regarding Adoption of Order Calling Director Election for May 5, 2018;
Considerar la adopción de una Orden de Elección de Directores a celebrarse el 5 de mayo de 2018 y actuar al respecto;
Mr. Corbett stated the Board needs to adopt the order calling for an election the deadline to call for an election is tomorrow.

Motion: Sam Kier moved to adopt the Order Calling a Director Election for May 5, 2018. Seconded: Karen Pinard. Vote: Four (4) in favor, motion carries.

- b. Approve Appointment of Election Agent;
Aprobar la designación del Agente Electoral;

Motion: Sam Kier moved to appoint Alma Rodriguez as the Election Agent. Seconded: Karen Pinard. Vote: Four (4) in favor, motion carries.

- c. Consider and take action regarding Approval of Election Services Contract and Joint Election Agreement with Bastrop County; and
Considerar la aprobación del Contrato de Servicios Electorales y del Convenio de Elecciones Conjuntas con el Condado de Bastrop y actuar al respecto; y

Motion: Karen Pinard moved to approve the Election Services Contract and Joint Election Agreement with Bastrop County. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

- d. Authorize such other action as may be necessary or convenient to proceed with Director Election.
Autorizar toda otra medida que sea necesaria o conveniente para proceder con la Elección de Directores.

Motion: Karen Pinard moved to authorize such other action as may be necessary or convenient to proceed with District Election. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

10.) Discussion and possible action regarding road maintenance, repair and improvement matters:

- a. Status report regarding pending, completed and future road improvement projects;
- b. Discussion relating to draft presentation materials for March 24, 2018 road meeting; and

c. Discussion and possible action regarding financing options to fund and complete additional road improvements within the District - Gonzalez

Jim Ouellet stated that items A and B were discussed in the General Manager's Report but we can discuss item C.

Director Gonzalez stated that after the bond election failed last year he doesn't want to give up on fixing the roads. He suggested forming a road funding committee to ask residents how to start funding road improvements projects.

Director Kier stated he would like the residents of Tahitian Village to come to the Board stating they would like to try again for a bond election.

Director O'Hanlon stated she shares some of their concerns because she is not ready to give up on the idea of repairing the roads.

Director Kier suggested to bring this up at the road meeting then we can have another meeting with those people interested.

Director Pinard stated we are forgetting the fact that the people have spoken and suggested that the Board give it a year.

Director Kier stated you have to remember 62% of the people voted for the bond.

President Creamer stated presenting this at the road meeting in March would be a great idea.

Jo Egitto asked why would a resident who is not sitting on the board, feel competent that representation be fair and equitable considering that at the meeting the other night Jim Ouellet appointed Eddy to the road committee and now it is just a dream or something.

Another resident stated they would not. She stated she has been sitting back as a silent resident and it is embarrassing about the chaos. I am baffled on why you would want to bring back the bond issue when the residents just voted no.

Director Gonzalez stated he doesn't want to sit back and do nothing because we all want better roads.

Director Kier stated we don't know why people voted against the bond and suggested that they get a group of people together to tell them why they voted against the bond.

A resident stated it is people's opinion and she takes it as somewhat harassing and this needs to originate from the people not from the Board.

Sone one suggested putting a link on website for comments.

Director Kier stated he wants to know what was missed. Was it communication?

Jim Ouellet stated he will look into it.

Mike Gudell suggested survey monkey.

- 11.) Discussion and possible action regarding adoption of Order Approving District Investment Policy and Investment Strategies

Jim Ouellet stated we have already adopted the policy and the strategies are on page 8 of the financials.

Director Kier stated there were changes that needed to be made to the invest policy and Autumn Philips was going to formulate that.

Tony Corbett stated the Board is required to adopt a formal written investment policy that specifies the authorize investments and has to be reviewed annually.

Motion: Karen Pinard moved to table this item until the March 8, 2018 Board meeting. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

- 12.) Discussion and possible action relating to termination of prior employee pension plan and disposition of 2017 employee contributions

Jim Ouellet stated this item was discussed in the General Manager's Report.
No Action Taken.

- 13.) Discussion and possible action regarding Interlocal Agreement with Bastrop County relating to completion of 2017 Road Improvement Projects and 2018 Road Improvement Projects

Jim Ouellet stated the County has proposed an Interlocal Agreement which completes the paving of all the roads we worked on in 2017 but they are not in a position to commit to finishing the road in 2018 that we proposed.

Director Kier stated Commissioner Hamner was taking the Interlocal Agreement to Commissioner's Court on February 26 so we will need to table this item.

Motion: Karen Pinard moved to table this item until the March 8, 2018 Board meeting. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

- 14.) Discussion and possible action regarding revisions to the District's Employee Handbook

Jim Ouellet stated in the packet there was a summary page of the recent updates.

Director Pinard suggested that Tony Corbett review the suggested updates.

Tony Corbett stated from a legal prospective you are not required to advertise employment in any way.

Jim Ouellet suggested the Board to give their comments and suggestions at the next meeting.

Motion: Karen Pinard moved to table this item until the March 8, 2018 Board meeting. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

- 15.) Discussion and possible action regarding road maintenance and standby fees:
- a. Status report regarding billing and collection of road maintenance fees;
 - b. Request by Sheila Boyland to have lots in Pine Forest Subdivision made contiguous and for a refund of Standby Fees paid – Boyland; and
 - c. Possible action by the Board regarding the collection and/or reimbursement of road maintenance and standby fees.
 - a.) Unit 6
 - b.) Non-profits

Director Pinard stated that we cannot no retro actively go back to 1999 for a refund.

Sheila Boyland stated she was not notified until December that she could make the lots contiguous and feels that the District has been collecting fees from her unfairly because the District did not make her aware of the process. Alma Rodriguez made me aware of the process.

Alma Rodriguez stated that she did inform Ms. Boyland about the process to make her lots contiguous.

Director Kier suggested that Director Pinard and Alma Rodriguez meet and bring it back in the Board in March.

Item C will be discussed in Executive Session.

Motion: Karen Pinard moved to table this item until the March 8, 2018 Board meeting. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

- 16.) Board suggestions on future agenda items-
- a. Commercial water and sewer rates; and
 - b. Other future agenda items.

No other future agenda items were suggested.

- 17.) Discussion and possible action regarding Release of Liens held by District on Real Property
Alma Rodriguez presented the Release of Liens.

**Motion: Karen Pinard moved to approve the Release of Liens. Seconded: Sam Kier.
Vote: Four (4) in favor, motion carries.**

- 18.) The Board of Directors will meet in a closed/executive session pursuant to Texas Government Code, Chapter 551 (Texas Open Meetings Act), to discuss the following:
- A.) Section 551.071 – Consultation with legal counsel regarding a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act
 - a.) False and threatening statements posted on social media relating to the District, District officials, and/or District Employees; and
 - b.) Collection of District fees and charges, including road maintenance fees and standby fees; and fees collected from non-profits.
 - c.) Compensation of District employees.
 - B.) Section 551.072 - Deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the District in negotiations with a third person; and
 - a) Unit 6 Ownership and Ownership Interest
 - b). Sale of 106 Conference Drive
 - C.) Section 551.074 – Deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of public officers or employees

President Creamer announced at 7:45 p.m. that the Board will meet in Executive Session regarding the listed items in Agenda item #18.

- 19.) The Board of Directors will reconvene into open session to discuss, consider, and/or take any actions related to the executive session noted herein, or regular agenda items.

The Board Adjourned Executive Session at 9:42 p.m.

No action or decision made in Executive Session.

Director Kier stated that No Action will be taken for False and threatening statements posted on social media relating to the District, District officials, and/or District Employees.

Motion: Director Kier moved to deny the request from Steve Box regarding non-profits exempt status from road construction fees. Seconded: Mary Beth O'Hanlon. Vote: Three (3) in favor, One (1) Abstention, motion carries.

Motion: Director Kier moved to cease the collection and billing of standby fees for Pine Forest. Seconded: Karen Pinard. Vote: Four (4) in favor, motion carries.

Motion: Director Kier moved to approve the sale of 10 lots in Pine Forest Unit 6. Seconded: Mary Beth O'Hanlon. Vote: Zero (0) in favor, Four (4) Opposed, motion fails.

Motion: Director Kier moved to approve the release of the escrow money to the buyer of the proposed 10 lots and instruct Tony Corbett to notify the buyer of such. Seconded: Karen Pinard. Vote: Four (4) in favor, motion carries.

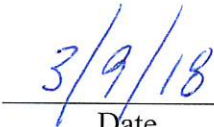
20.) Adjourn

Motion: Victor Gonzalez moved to adjourn. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

MEETING ADJOURNED AT 9:45 P.M.



Board Director



Date

ROAD CONSTRUCTION SUMMARY – FEBRUARY 2018

- Approximately 1504 Homes in Road District
 - 884 Homes on Finished Roads (59%)
 - 162 Homes on Roads constructed in 2017 that are substantially complete – just need final grading, minor adjustments and chip seal and superficial work
 - Once the 2017 roads are completed with chip seal, an additional 11% of residents will be on a paved road bringing the total number of residents on a paved road to 70%.
 - The approximate cost to complete the roads constructed in 2017 was \$764K (As expected, roads with high number of driveways per mile adds cost)
 - 3.5 Miles in Process
 - 100 Homes in **2018** construction season - Revised miles of roads to complete certain areas where work is being performed - **2.64 Miles**

62 Homes in 2019 Revised Plan - 2.3 Miles

56 Homes in 2020 Revised Plan 1.9 Miles

38 Homes in 2020/21 Revised Plan 1.7 Miles

- Home Density Still Maintained as the Main Criteria as well as connectivity
- Now adding small areas to complete a neighborhood if it can still be transferred to County

Road Summary

- Problems Identified in 2017
 - Late start – productivity not what expected
 - County was all out on their FEMA projects and could not chip seal this year. Lost employees due to competition from oil fields
 - Hurricane Harvey delayed work and required transfer of resources away from roads
 - High Home Density (184 Homes) Creates More Effort (# driveways and culverts etc)
 - Need Improved Project Plan and Oversight of Contractors
 - County / WCID to Improve communication on completion criteria
- 2018
 - County will complete 2017 roads, chip seal – 3.5 miles
 - District will install road base, culverts, bar ditches on 2.64 miles of roads then hand over to the County for final grading and paving
 - County will make every attempt to complete paving the 2.64 miles- all depends on other obligations
 - Revised approach to contractor engagement – bid each road pursuant to work needed to complete. District will continue to provide materials. Notice went in the paper February 10.
 - Assign WCID Personnel to more closely direct work of contractors

Road Meeting

- Consistent Collections in 2017 vs 2016 (\$1.036M) Collected - 109% collected
 - Current and prior year collected
 - Expect \$200K reimbursement from FEMA (past work and landslides)
 - Cash Balance \$504K as of 12/31/17
 - Road bills arriving in mailboxes February 14
- Raised Rates to \$180 per lot from \$156 per lot
 - \$150,000 to complete 2017 roads – chip seal
 - \$650,000 to Complete 2018 roads – 2.64 miles (\$246,000 per mile)
 - \$250K to Complete Landslides on Awehi and Koolua (Approximately \$80,000 will be reimbursed)
 - \$350K Maintenance and G&A
- Total invested in new roads = \$1,500K
- Expect to collect a minimum of \$1,045,000 in road fees in 2018.
 - Cash Balance @ 12/2018 Estimated at \$200K

Date For Annual Road Meeting -- Saturday March 24th
9AM

Establish 2018 Revisions to Plan

Establish Minimum Roads to be included in 2019 &
2020

Bids for work due back in by March 9 – should have
relatively firm prices to complete all 2018 roads

Material supplier is holding firm on road base costs at
this time

2018 road construction

<u>Road</u>	<u>feet</u>
Pahoiki Lane	1640
Kou Ct	160
Kulua ct	850
Kimo Ct	400
Ahumoa Drive	900
North Pahihi Drive	1450
Kaena Lane	800
Papawai Drive	2430
Koae Ct	220
Huelo Ct	350
Kaliu Ct	360
Kaenapapa Lane	800
Awehi Lane	1320
Upola Ct	500
Ohana Ct	850
Haou Ct	450
<u>Paia ct</u>	<u>450</u>
Total Feet	13930
Miles	2.64