

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, April 19, 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

BCWCID #2 Staff/Other Professionals:

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

Absent:

Karen Pinard, Director

- 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.)
Director Kier stated that due to an oversight on the agenda we do not have an item for the report from the Road Committee so Jo Anne Egitto would like to give a report in Public Comments to the Board.

President Creamer welcomed Jo Anne Egitto.

Mrs. Egitto stated Tuesday was our first historic road meeting. There was so much miscommunication on Alma Rodriguez's role for taking road minutes if she is not able to take the minutes then we would need to assign a secretary on the committee. At the conclusion of the meeting a public information request was turned in but the meeting had adjourned so who is the Public Information Officer for the water district?

Sam Kier replied Jim.

Mrs. Egitto handed the information request to Jim Ouellet.

Action from the Road Committee:

- Revisit the home density study
- The committee would like to have a Board and a chair present the information to the Board

The Road Committee is all about transparency and openness.

Jo Anne Egitto submitted her own public information request to the Board.

Mary Jo Creamer 239 Bali Hali stated she has heard about comments on social media regarding if you are in the Copperas Cove Creek Area you will no longer have to pay road assessment fees, could someone comment on that.

President Creamer stated that will be addressed late in the meeting.

- 5.) Discussion and possible action regarding scheduling of future meeting dates (Creamer):
- a. Regular Board of Director's Meeting for Thursday, May 17, 2018 at 6:30 P.M.

President Creamer stated he doesn't believe that May 17th will be the best day to have a meeting since we have to have a meeting for canvassing the election.

Motion: Mary Beth O'Hanlon moved to have the meeting date changed to May 24, 2018. Seconded: Victor Gonzalez. Vote: Three (3) in favor, motion carries.

Tony Corbett stated he will not be able to attend the meeting on May 24 and the Board would need to have a Special Meeting for the canvassing of the election. There only needs to be 2 Board Members present at the canvassing meeting.

Motion: Victor Gonzalez moved to have a Special Meeting for purpose of canvassing the election on Monday, May 14, 2018 at 4:00 P.M. Seconded: Mary Beth O'Hanlon. Vote: Three (3) in favor, motion carries.

- 6.) 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 March 5, 2018 Special meeting of the Board of Directors;
 - b. Approval of minutes from March 8, 2018 Regular meeting of the Board of Directors;
 - c. Approval of monthly financials report for March 2018; and

President Creamer stated he had a few grammatical errors that he will give to Alma Rodriguez.

Motion: Sam Kier moved to approve the minutes with the noted grammatical errors noted by President Creamer. Seconded: Victor Gonzalez. Vote: Three (3) in favor, motion carries.

- 7.) Discussion and possible action regarding approval of the 2017 Annual Fiscal Year Audit
Audit
Mr. Bob West reviewed the audit with the board and stated last year he gave the Board some recommendations and they were all adopted and implemented. The opinion of the audit is a clean opinion no exceptions. There were no deficiencies found.

Motion: Victor Gonzalez moved to approve the 2017 Annual Fiscal Year Audit. Seconded: Mary Beth O'Hanlon. Vote: Three (3) in favor, motion carries.

- 8.) Discussion and possible action regarding General Manager Reports
Jim Ouellet reported on the following items:

a. Election of Officers

An opportunity to meet all the candidates who have chosen to run for the District Board will be held on Saturday, April 28 from 11 AM to 1 PM. The resolution calling the election has been prepared by Attorney Corbett. It is posted at the Court House, on our website and on the County website.

b. Website Update

The new website is operating. Some content is still being transferred over. Certain time of in house staff will be dedicated to managing the site and embellishing the content.

c. Collection of Delinquent Standby Fees

With the decision to discontinue charging Standby Fees in Unit 6/Pine Forrest, the question on how the Board wishes to address past due accounts needs to be determined.

SOME FACTS:

- Twenty nine (29) properties are presently in the foreclosure process with the County. The total owed to the District from the 29 properties is \$51,402.
- There are another 33 properties that are not in the foreclosure process that owe \$11,315.

There are additional lots for which the District is owed back fees but said lots are owned by the BCWCID2, Bastrop Trustees or the BISD.

QUESTIONS:

- Are we going to collect past dues? If yes, at what monetary level do we pursue such? There is a cost if we initiate the foreclosure process.
- Should the lots that are past due continue to have a late fee applied? Late fees have not been applied for delinquent accounts on January 1, 2018.

President Creamer and Director Kier stated we should continue with foreclosure on the 29 lots in foreclosure.

Motion: Sam Kier moved to continue with the foreclosure proceedings on the 29 lots already in the process with the County and to put the delinquent items on the agenda for next month. Seconded: Mary Beth O’Hanlon. Vote: Three (3) in favor, motion carries.

d. Meter Change Outs

A purchase of 200 meters arrived recently. Proactive change outs can be accomplished if and when time allows. When possible, the men will work on the weekends to install the meters.

Jim Ouellet asked Tyler Walsh to dedicate someone to install meters and put other items on hold for now.

e. Hydrant Activity

A listing of hydrants in need of repair has been compiled. An evaluation whether repairs are warranted or a complete replacement of the hydrant needs to be determined on a case by case. Hiring out the repair activities may be necessary due to obligations elsewhere.

Charlie Vick wanted to know why the hydrants were being painted yellow.

Jim Ouellet stated to differentiate hydrants associated with the City.

HYDRANTS IN NEED OF REPAIR – APRIL 2018

<u>Number</u>	<u>Location</u>	<u>Hydrant type</u>	<u>Type of repair</u>	<u>status</u>
1	Kaanapali & Akaloa			
2	Kaanapali & Molokini			

3	Kaanapali & Kulua			
4	Kamakoa & Kawela			
5	Keawakapu & Nicole			
6	East Kikipua			
7	West Kikipua			
8	Pohakuloa			
9	Pohakuloa			
10	Waikakaaua past Pohakuloa			
11	North Pohakea			
12	Akaloa & Wailupe			
13	Margie's Way & Brittany			
14	Puuwaawaa			
15	Kaanapali across from Waialeale			
16	Wainee & Lopa			
17	Homonu			
18	Pahalwae & Pukoo			

HYDRANTS IN NEED OF REPAIR – APRIL 2018

Number	Location	Hydrant type	Type of repair	status
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19	Chocolate Factory			
20	Pahoiki			
21	Kaanapali& Keo Keo			
22	Humana			
23	NanaKuli & Kaupa			
24	197 Alkaloid			
25				
26				

f. Dump Truck

A new Ford 550 dump truck has been ordered. Prices were obtained for a similar truck from Dodge and Chevrolet. All prices were extremely similar and the F-550 came with the most robust dump body and the most powerful engine.

Jim Ouellet stated this is a \$62k purchase so if the Board would approve the purchase as part of the procurement process.

Motion: Sam Kier moved to approve the purchase of the Ford 550 dump truck. Seconded: Victor Gonzalez. Vote: Three (3) in favor, motion carries.

g. Interconnection With City of Bastrop and Aqua Water Supply

The City of Bastrop has stated they will be dropping off a meter that can be installed at plant 1 to allow easy activation of the flow of water if needed for Emergencies.

The city is also interested in an interconnection to serve the medical complex due to an outage that happened last year.

In order to proceed with an interconnection possibilities for Aqua Water, an application fee of \$2,500 needs to be issued.

h. Water/wastewater System Activities

The request for new water and wastewater connections continues to be very active. A great deal of time has been dedicated to installing new taps as well as providing information to builders on costs to install new connections.

Valves have been installed to isolate the Pressure Reducing Valve so as to allow repairs to be made. The replacement of the device is an important component in the water system and will be operational by the first week in May.

i. Addition of Part Time Help

Due to impending changes and an opportunity to improve electronic communication, part time office help will be hired to assist with routine tasks as well as improve the website and other electronic items.

j. Storage Tank Construction

A hearing on a height variance for the tank is scheduled for April 26th. Once the variance is in place, the Board can decide if they wish to proceed with a new tank(s).

Director Kier asked if the District on the agenda for the ACC meeting.

Jim Ouellet stated he gave the information to Amanda.

k. Road Committee Members

Susan Barrie resigned from the Road Committee. There is an opening for a unit 1 representative. A noticed to fill the opening will be posted on the website and emailed to all on our email list.

Alma Rodriguez will post on the website and social media.

l. Proposed Capital & Other Suggestions

WATER

Water mains to loop

1. Akaloa – Riverside over new bridge – connect to Kahana
2. Wapahoehoe – bring out to Lamaloa
3. Close loop on Kahalulu
4. Aloha Lane – close loop

Take very opportunity to loop water mains. The cost to accomplish such often returns a great value on the investment. The above loops are the most obvious. Once these are complete, evaluate the next loop that would be most productive.

Complete Meter Conversion

Put other discretionary projects on hold and just complete this effort asap.

Clean wells

In order to improve yield from the wells, they need to be cleaned on a periodic basis. The cleaning activities removes scaling from the screens thereby allowing water to flow more easily into the pump. The actions can save on electrical costs and is an important proactive measure.

The cleaning process can be done in a number of ways. I like to use acid in the process to remove accumulated scale build up on the screens. The well have to be off line for a week or so as the well pumps have to be pulled. It is a good time to replace the well piping since most of the cost is often labor and the pipes have to be taken apart every joint anyway. Best to do in the colder months when demand is low. Do plant 1 first so the entire system can be run from said plant. When well 4 is down, it is not advised to run the plant on well 3 only, due to aesthetic issues.

Build tank(s) - The system will never have fire protection without an adequate supply of water available instantaneously. Adequate storage also is imperative to withstand loss of a water source and to provide time to make repairs. The plans for the proposed tank have been provided to Joseph. I have shared where the 12 inch main needs to go and how it is to be connected. Zoning variance is before the City. It would be ideal to also construct a new tank at plant 2. Duplicate the tank proposed at plant 1. There is a cost savings to construct both at the same time.

Change out to bleach – good idea to get rid of chlorine gas. Contact Bob Watson
bwatson@purifyhouston.com

They offer a plan to rent equipment and deliver bleach at an operationally efficient manner. Just need to construct a small building to house the equipment.

Repair hydrants – There are numerous hydrants that need to be repaired. Contract these out. The District can purchase hydrants at one time to get a discount price. Retain a contractor to perform the work with the District coordinating isolations to make the repairs. Some hydrants can be repaired from above ground. If digging is involved, it is often best to just replace the hydrant instead of trying to repair it. The digging and shut down takes the time and adds to the cost.

Install valves - Every chance a contractor extends a line, make sure adequate valves are installed. Also. Make it a plan to install 5 retrofit valves per year until the system is adequately served. Hire out the work.

Create a GPS mapping system. Hire out a company that can gather the points for all valves and have placed on a digital map. The guys can then have the entire system on a phone or tablet to

find and isolate valves in an emergency. A thorough GPS system is of great value to a utility. Determine whether BEFCO is the right company to maintain and update the GIS maps.

Pump Replacements - the tank is built, evaluate the high service pumps at the plant. With a tank, all that is needed is a soft start feature, no VFD. Size the pumps for 250 gpm or so at a pressure head of 55 psi. Remember, the pumps will no longer be the source of flow capacity, the tank will. The pumps have a great deal of time to replenish the tank in the diurnal cycles. The on/ off will be determined by the water elevation in the tank. Always remember, motors last longer if they cycle less. Let them run a long time once they come on and minimize on/off cycles. This concept should also apply to the ground storage tanks. When the wells come on, allow for a considerable amount of head space so the wells run for an extended period of time so as to minimize cycling.

Operational Practices – Continue with the practice of only using well 3 to meet demands associated with the summer months. With the SCADA system, it is possible to operate the well as a lag well with a substantial difference in the on off cycle. If such is not undertaken, simply operate manually as seasonally required.

Vehicles - A new F 550 dump truck is on the way. I would advise the old GMC dump truck be retired and an additional F- 550 be obtained in the next year.

A vac machine will be a great investment for the District. Such can help with cleaning valve boxes, clearing culverts and digging in areas of difficulty. Discussions are underway with vac machine providers for the most appropriate model and pricing.

m. WASTEWATER

The system is approaching 15 years old. Many of the early grinder pumps are reaching or past their life expectancy. The level of failure of said pumps is expected to escalate in the coming years influencing investment in pump replacements.

Operations Manager Walsh and I met with the pump representatives on April 11. We discussed the value of rebuilding the pumps as a routine operational practice. The representative confirmed our sense that rebuilding pumps of a certain age is not the most cost effective way to proceed. Repairing relatively new pumps has a value if the needed components are not associated with long term deterioration.

Due to the age of the pumps, the monthly “wastewater pump fee” of \$.75 could be raised to help offset the additional costs that is developing.

The manufacturer will be sending information on a program which provides value for the replacement of older pumps. The program provides discounted pricing for customer loyalty.

Ultimately, the cost of new pump installations as well as the replacement of failing pumps will be a more significant expense going forward. With respect to new installations, the Impact Fee may need to be increased in next year’s budget to maintain the present proportions of value associated with such.

The three lift stations were all built to serve a population much greater than exists today. It would be my advice that if a large pump fails, replace it with a smaller pump which is more cost effective. The rate at which wastewater enters the lift stations is very slow. There is no need to have pumps which empty the wet wells in a short period of time. Allow the pumps to cycle less and run for a longer period of time. They will be more efficient and save expense. All of the aforementioned is dependent on the ability to make the existing railings compatible with a smaller pump.

Lift stations (wet wells) are subject to corrosion and the concrete needs to be protected to reduce the effect of the sulfuric acid. It is a great value to periodically have the interior of the wet well coated with a protective sealant to avoid expedited deterioration of the concrete. Such can be done at the present time.

n. OPERATIONAL ITEMS TO CONTINUE / COMMENCE

Keep outsourcing the water and road bills. Huge savings on money and time.

Outsourcing accounting – working out great.

Hire a grader on occasion to improve roads – it is the most economical way to “maintain” large segments of roads.

Continue to outsource semi-annual mowing the road sides.

o. ITEMS TO CONSIDER

Charging folks \$5 to keep their information “private” when they sign up for service doesn’t feel right to me. I would just let them make the choice at no charge.

When new customers sign up for service, it seems cumbersome relative to other utilities. The deed requirements, two folks on account, etc. Perhaps it is time to revisit the process to bring to modern times.

Consumer Confidence Report – needs to be completed by July 1. The simple one from the state can be handed out or one like last year can be done. It takes time to do, may be easier to do the easy one this year. The template is in place for the professional version. Bastrop Copier assisted with the layout, artistic qualities and coordinated the printing and mailing. If the simple style is used, do not mail it in house. Use the mailing company that does the newsletter and our bills to mail out.

Quarterly News Letter – Someone needs to become the author. The template is easy to use.

401 (k) – As soon as possible, eliminate “Pension Advisors” from anything to do with the District. Synergy has been informed of the need to obtain an alternative entity to perform the routine administrative work for the 401 K. Once the old Pension plan is finally complete, the change can be made.

- 9.) Discussion and possible action regarding award of contract for 2018 Road Construction Projects

Motion: Sam Kier moved to approve the road construction contracts to Cook and Evans Construction. Seconded: Victor Gonzalez. Vote: Four (4) in favor, motion carries.

- 10.) Discussion and possible action regarding the acquisition of additional land and construction of new administration office building
Director Kier stated Jim Ouellet has been working with a group of architects to construct the new office building over by the maintenance building but we will need to acquire an additional lot for drainage due to a detention pond and also a 4,000 sq. ft. building would be about \$800k and we were hoping to stay within the confines of what we would get from the sale of the building. Going into this project we made a commitment that we would not use capital funds to build a new office building.

Director Kier recommends that we still acquire the additional lot but hold off on the project for now.

Motion: Sam Kier moved to kill the project of building a new office building but to acquire the additional lot that is needed for the detention pond. Seconded: Victor Gonzalez. Vote: Four (4) in favor, motion carries.

- 11.) Discussion and possible action regarding the potential sale of District Office building

Motion: Sam Kier moved to take the sale of office building off the market. Seconded: Mary Beth O'Hanlon. Vote: Three (3) in favor, motion carries.

- 12.) Discussion and possible action regarding the District's personnel policies relating to background checks and drug screening
Director Kier was reviewing the HR policy and I was wanting to know if we can enhance the policy regarding background check and drug screenings and also if it could give some guidance to management because the current policy is so vague.

Tony Corbett stated he hasn't looked at the policy but if the Board supports the concept he would be happy to work with the Board and would bring back some recommendations. Mr. Corbett also stated he works with an outside employment counsel in Austin and he would be happy to have her give some recommendations to the Board.

Motion: Sam Kier moved to Table Item # 12 until recommendations are is available. Seconded: Mary Beth O'Hanlon. Vote: Three (3) in favor, motion carries.

- 13.) Discussion and possible action to ask BEFCO and Legal Counsel to review Road Districts Annual Submission of Master Plan for completeness and recommend corrective actions if required
Director Kier stated he would like to work with the attorney and Befco Engineering to make sure we are complying with the legislation.

Motion: Sam Kier moved to Table Item # 13 and to continue working on this item. Seconded: Victor Gonzalez. Vote: Three (3) in favor, motion carries.

- 14.) Discussion and possible action regarding further technical enhancements to the Board of Directors meetings
Director Kier stated he would like to maybe install a screen and a projector to enhance the way we conduct out meetings for more transparency.

Alma Rodriguez stated she would contact our IT person.

Motion: Sam Kier moved to have Alma Rodriguez contact the IT Company for quotes and to table Item # 14 until the May 14, 2018 Board meeting. Seconded: Victor Gonzalez. Vote: Three (3) in favor, motion carries.

- 15.) Discussion and possible action regarding updating the District's electronic funds transfer (EFT) Policy
Jim Ouellet would like to add the credit card form Roscoe State bank to the EFT Policy to avoid any late fees due to timing issues.

Motion: Sam Kier moved to update the EFT Policy to include the roscoe credit cards and also to have someone look at the Roscoe agreement to have them adjust their due dates or we can move the credit card to another bank. Seconded: Mar Beth O'Hanlon. Vote: Three (3) in favor, motion carries.

- 16.) Discussion and possible action regarding potential capital improvement projects to be funded with existing District funds
Director Kier stated Jim gave a good background we just need to have prices, ranges and priorities.

Jim Ouellet stated he would embellish the worksheet.

Director Kier stated we need to have some of the money release form escrow that we borrowed for some of the capital projects.

President Creamer asked Jim Ouellet to work on getting the money released.

- 17.) Discussion and possible action regarding status reports and recommendations by the Road Committee at future Board of Directors' meetings
Director Kier stated that every month we want to make sure we get a report from the road committee meeting.

Motion: Sam Kier moved to have a standing item on the agenda regarding discussion and possible action from the Road Committee. Seconded: Victor Gonzalez. Vote: Three (3) in favor, motion carries.

- 18.) Discussion and possible action regarding warranty period on road improvement projects
Jim Ouellet stated this is something that we have to work out with the County. The warranty period needs to be transferred at the time of the chip seal. This would be for projects moving forward.

Tony Corbett stated we need to have a discussion with the County.

No Action Taken.

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

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

Motion: Victor Gonzalez moved to approve the Release of Liens. Seconded: Sam Kier. Vote: Three (3) in favor, motion carries.

- 21.) 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 551.074 – Deliberate the appointment, employment, evaluation, reassignment, duties, discipline relating to the General Manager and other District employees.

President Creamer announced at 8:20 p.m. that the Board will meet in Executive Session.

- 22.) 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.

- A.) Discussion and Possible Action regarding resignation of General Manager;
- B.) Discussion and Possible Action regarding Appointment of Interim General Manager; and
- C.) Discussion and possible action regarding Road Construction management and oversight in the event of resignation of General Manager.

The Board Adjourned Executive Session at 9:07 p.m.

No action or decision made in Executive Session.

Motion: Sam Kier moved to reluctantly accept the resignation of General Manger Jim Ouellet on June 4, 2018. Seconded: Victor Gonzalez. Vote: Three (3) in favor, motion carries.

Motion: Sam Kier moved to authorize President Creamer to commence the search for an interim General Manager by contacting Texas First and Befco and bring back his recommendations to the Board at the next Board meeting. Seconded: Victor Gonzalez. Vote: Three (3) in favor, motion carries.

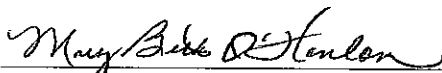
Motion: Sam Kier moved to authorize President Creamer to commence the search for a Road Construction Manager which could also be the interim General Manger by contacting Texas First and Befco and bring back his recommendations to the Board at the next Board meeting. Seconded: Victor Gonzalez. Vote: Three (3) in favor, motion carries.

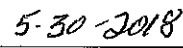
Susan Barrie thanked Jim Ouellet for the incredible job he has done for the District.

23.) Adjourn

Motion: Victor Gonzalez moved to adjourn. Seconded: Sam Kier. Vote: Three (3) in favor, motion carries.

MEETING ADJOURNED AT 9:12 P.M.


Board Director


Date