

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, March 16, 2017, beginning at 6:30 p.m. at the Conference Center, 106 Conference Drive, Bastrop, TX. 78602.

Present BCWCID #2 Board Members:

John Creamer, President
Karen Pinard, Vice President
Sam Kier, Treasurer
Tammy Eden, Secretary
Victor Gonzalez, Director

BCWCID #2 Staff/Other Professionals:

Jim Ouellet, General Manager

AGENDA

- 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.) The next Board of Director's meeting will be held on Thursday, April 20, 2017 at 6:30 P.M.
President Creamer announced the next Board of Director's meeting will be held on Thursday, April 20, 2017 at 6:30 P.M.
- 5.) CONSENT AGENDA: (Consent Agenda items are generally routine.) Unless removed by a member of the Board, items listed on the consent agenda will be acted on together.
 - a. Approve minutes of the February 16, 2017 Regular Board meeting
 - b. Approval of monthly financial reports for February 2017

Jim Ouellet stated there are no balance sheets enclosed. In talking to the auditor \$65,000 was transferred to road maintenance but was not sure if debited from cash in the road construction account. The financials will have to be tabled.

Motion: Sam Kier moved to approve the minutes from the February 16, 2017 Regular Board meeting and table the financials for February 2017. Seconded: Victor Gonzalez. Vote: Three (3) in favor, motion carries.

- 6.) Public comments/Announcements (The Board respectfully requests you limit your comments to three (3) minutes)
John Brannan resides at 131 Ohana Court thanked the District for the road work on his road and said it was the first time in 28 years he liked what he was seeing.

Don Fee asked about the road coming from ColoVista.

The Board responded that is a County project and will be funded with some funds related to the fire.

Director Kier and Jim Ouellet have a meeting with Commissioner Hamner in April for more information on the road.

Gary Williamson resides at 115 Akala wants to know how often the water is tested because his dogs will not drink the water.

Jim Ouellet responded the District does monthly bacteria test and the state preforms other test on a yearly basis.

7.) Discussion, possible action and updates given by General Manager

a. **Total Trihalomethanes (TTHM)** – A contract was signed to install equipment to address the water quality issue associated with Trihalomethanes. The cost is \$34,000 and will not require taking the tank off line. We will evaluate the performance for a year. The contractor will use the site as a special test case and as such, they will be providing considerable before and after samples so we can measure effectiveness.

Eventually, we will then take the tank off line for painting, and if necessary, install additional equipment at that time.

We are optimistic that the treatment equipment will not only address the TTHM's but also reduce the need for the amount of chlorine presently being added. The system will also remove the naturally occurring methane gas which is a contributing variable to the TTHM problem.

b. **Road Maintenance / Construction activities** – I see an opportunity to construct roads in such a manner where we control the day to day activities associated with labor and materials. This would be the opposite of establishing specific plans up front and then soliciting bids on said plans with little control once bid. The traditional bidding process also includes significant upfront costs for engineering, performance bonds, etc and you are at the mercy of the bids submitted.

If we simply bid a per diem rate for a company to perform duties as directed using certain types of road maintenance and construction equipment, we are capable of controlling our costs and the quality of the work.

We can also bid the cost to provide materials directly to the District with certain expectations such as the ability to deliver 30 truckloads per day of materials directly to the point of application.

If we can form an alliance with the County to simply perform all the chip sealing for at least 10 miles of roads per year at a cost we could not find elsewhere, we could accomplish a great deal due to the efficiencies achieved.

The specifications which the County would require would need to be discussed and understood up front so they will in fact take over the roads upon completion.

I have discussed the aforementioned with attorney Corbett, and his initial opinion is that we can proceed as mentioned. Depending on what the County charges us for chip sealing, we can install roads at a very attractive price in a short period of time.

- c. **Annual Audit** – The Audit is well under way. A thorough discussion can occur upon completion of the audit.

- d. **Repairs on Koolua Drive and Awehi Lane landslide** – Agreements have been signed for a soil sample bore on Awehi as well as the design work for the sheet piles on Koolua and Awehi.

Plans have also been established for what the final road will look like on Koolua. The plan includes the final grade of the sheet piles along with bar ditches and slope of road.

A bid package is being put together and we hope to have this out to bid by April.

- e. **Outsourcing of Monthly Water bill Production and Mailing** – A meeting was held with Matrix Printing Solutions on March 15. The meeting was held at Aqua Water as they also use Matrix for monthly production of the water bills. Patricia and I attended and we are very encouraged with this opportunity to improve efficiency in our operations. The plan is to have the proposal in place by the end of May. We will also include late notices on the outsourcing schedule. Yearly mailing of road meeting notices, road fee invoices as well as annual water quality reports will also be outsourced thereby saving a great deal of time and money.

- f. **District Lots for Sale** – The effort to sell lots for what we hoped was fair market value did not work out very well. We received bids on only two lots. We did sell one lot for \$15,000 and a second lot for \$3,500. We also collected the past due fees owed to the District.

If it is the desire of the Board to move the lots back into private hands and obtain the resulting road fees, the Board may wish to consider the following findings:

- I spoke to Attorney Corbett, and he said we could sell any lots for whatever we wish now that we have placed two notices in the paper informing the public the lots are available. Although we did not receive the interest we wished, we now have a better feel for the “fair market value” to cover our responsibility to our customers.
- Attorney Corbett also suggested that we have an appraiser offer a blanket statement that the average price of the lots we have is equal to X. Whatever X is, we just sell the lots to whomever walks through the door for the fees owed to us plus X. The appraiser will offer an additional “opinion” of fair market value to address our obligations.

The aforementioned approach is simply a way to move the lots from a nonrevenue asset to a positive cash flow entity. The drainage lots we will keep or we can sell if we are granted an entire easement on the lot for drainage purposes.

- g. **Legislative Activity** – Senate Bill 749 remains in place with the hope of moving forward to authorization. The bill did not receive a companion bill from the House as representative Cyrier chose not to sponsor such. Director Gonzalez continues to seek support on the house side.
- h. **Driveway and Culvert Policy** – It is apparent that the Driveway and Culvert Policy which the District implemented in 2014 has been loosely applied by the District as well as builders. The unfortunate aspect of such is that continuous damage could have been reduced if the Policy was upheld to address its intended purpose.

Effort has been underway to hold builders responsible to apply the Driveway and Culvert Policy as they agreed to when they took out a culvert permit. The Policy is a well written and encompassing document that will have significant value for all the residents if applied.

If the Board so desires, I will be following up on as many culverts as possible that were installed in the last few years to ensure the culvert policy was upheld to serve the interests of the residents.

- i. **FEMA Repairs – Culverts and Roads** – We received 3 bids to repair and replace 9 culverts under roads. The prices ranged from \$130,000 to \$65,000. The low bidder was 304 Construction and work is scheduled to commence on Monday March 20, 2017. The initial 9 locations are expected to be completed in 14 working days. Plans have been established which will result in road crossing which will withstand heavy rains. While we have the contractor, we will also look at additional opportunities to improve drainage facilities on roads scheduled to be improved.
- j. **Lost Pines Nature Trail** – The question of whether the District could provide maintenance on District owned land was presented to Attorney Corbett. He was confident that the District is allowed to in fact perform maintenance and upkeep on land the District owns. Any suggestion to the contrary would be erroneous. We have been asked by the Lost Pines Nature Trust to install security bollards to prevent vehicles from circumventing the gate and doing damage to the property.
- k. **Other** – I will work on language for the Board to review pertaining to the encouragement of residents to purchase water from the District and not to drill a well. SCADA system work to start next week.
- l. **Utility Easements** – It is understood that each lot in Tahitian Village has a default utility easement of 5 feet on either side of a property line. It is understood that this easement is granted to Bluebonnet Electric. The District may have an interest in utilizing such an easement to install drainage lines where beneficial.

I contacted Mr. Johnny Sanders of Bluebonnet to discuss having access to the aforementioned easements as needed. He said we are more than welcome to install bar ditches in the easements as they do not ever expect to use the easements. If we wish to install a pipe, just let him know and he can have permission granted to us expeditiously.

m. March – 1 irrigation permit, 1 swimming pool permit, March e billing 391

Future agenda items

- a. Discussion on commercial rates
- b. Water and wastewater extensions will be the responsibility of developers/builders who will hire District approved contractors and install facilities in strict accordance with District specifications. We will no longer serve as the administrator of the projects but will have exceptionally specific standards and inspect the work at the cost of the contractor. Attorney Corbett will review for any contract language as it pertains to warranty items.
- c. Presentation on how to improve online billing and online payment participation will be presented at the April meeting.
- d. Discussion on transitioning from chlorine gas to bleach. Details being worked out with provider. Final costs will be evaluated.
- e. How to provide an incentive for payment of annual road in an expedited manner.

8.) Update on Annual Road Meeting
Jim Ouellet stated it was a very successful road meeting.

President Creamer stated the people in attendance was very receptive to bonds.

9.) Discussion and possible action regarding approval of the District's 5 year road plan
This item was voted on at the March 11, 2017 Public Road Meeting.

No Action needed.

10.) Discussion and possible action regarding compensation to Adam Brown for his trailer
Jim Ouellet stated the District was using a trailer that belonged to an employee (Adam Brown) it was stolen from the maintenance building so we need to compensate him.

Director Eden stated we also need a policy about using employee equipment.

Motion: Karen Pinard moved to approve to reimburse Adam Brown for his stolen trailer not to exceed \$2,555. Seconded: Tammy Eden. Vote: Four (4) in favor, motion carries.

11.) Discussion and possible action regarding allowing the GM to have discretionary on whether to place lien on property for failure to pay road fees

This item was tabled so Jim Ouellet could bring a proposal back to the Board at the April meeting.

Motion: Victor Gonzalez moved to table this item so Jim Ouellet could bring a proposal back to the Board at the April meeting. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

12.) Discussion and possible action regarding request from Linda Torgerson to have late and lien fees waived

Motion: Sam Kier moved to deny the request from Linda Torgerson. Seconded: Karen Pinard. Vote: Four (4) in favor, motion carries.

- 13.) Discussion and possible action regarding request from Don Schmidt to have late and lien fees waived

Motion: Karen Pinard moved to deny the request from Don Schmidt. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

- 14.) Discussion and possible action regarding request from Ashley Philpo to have late and lien fees waived

Motion: Sam Kier moved to deny the request from Ashley Philpo. Seconded: Karen Pinard. Vote: Four (4) in favor, motion carries.

- 15.) Discussion and possible action regarding request from Steve and Chandra Soucek to have late and lien fees waived

Motion: Karen Pinard moved to deny the request from Steve and Chandra Soucek. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

- 16.) Discussion and possible action regarding request from Elvin Clark to waive late fees on his water bill

Motion: Sam Kier moved to deny the request from Elvin Clark. Seconded: Karen Pinard. Vote: Four (4) in favor, motion carries.

- 17.) Use of tablets for Directors meetings - discussion
The Board asked Jim Ouellet to gather the information on pricing and bring it back to the Board at the April meeting.

- 18.) Board suggestions on future agenda items
This was discussed with Item # 7.

- 19.) Release of Liens

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

The Board acknowledged Jim Ouellet for the great job he is doing.

- 20.) The Board of Directors will meet in a closed/executive session pursuant to Texas Government Code, Chapter 551 Section 551.074 – Deliberation of personnel matters

President Creamer announced that the Board will be going into Executive Session at 8:21 p.m.

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

The Board reconvened into open session at 8:36 p.m.

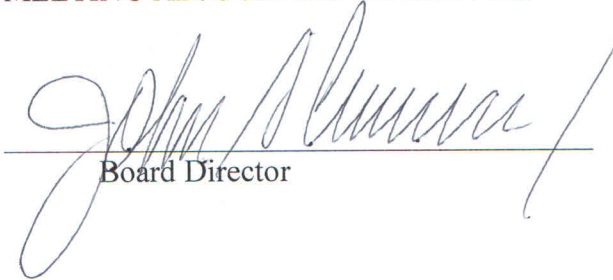
No action was taken in Executive Session.

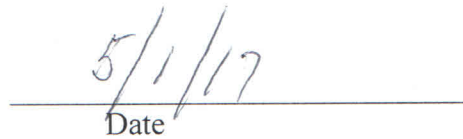
Motion: Karen Pinard moved to have the General Manager address the matter and no further action required. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

22.) Adjournment

Motion: Karen Pinard moved to adjourn. Seconded: Tammy Eden. Vote: Four (4) in favor, motion carries.

MEETING ADJOURNED AT 8:38 P.M.


Board Director


Date