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, November 18, 2021, beginning at 6:30 p.m. The meeting was held at the Bastrop Convention Center.

Present BCWCID #2 Board Members:
Mary Beth O'Hanlon, President
Ron Whipple, Secretary
Butch Carmack, Director
Videoconference
Scott Ferguson, Vice President
Sam Kier, Treasurer
Tony Corbett, Attorney

BCWCID #2 Staff/Other Professionals:
Paul Hightower, General Manager
Tyler Walsh, Sr. Operations Manager
Alma Rodriguez, District Administrator

MEETING DISCUSSION TOPICS

1.) Call to Order and Establish a Quorum
President O'Hanlon called the meeting to Order at 6:30 p.m. and announced there was a quorum of the Board in person. Director Kier and Director Ferguson as well as Tony Corbett are attending the meeting remotely.

2.) Pledge of Allegiance
President O'Hanlon led the Pledge of Allegiance.

3.) Texas State Flag
President O'Hanlon led the Pledge to the Texas State 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.)
Jason Amidan stated he has been in the subdivision for about 5 to 6 years, and he has several questions regarding surveys that have been done in his area. What is the intent? We are planning on investing on retaining walls. Are we allowed to put this on the property line? Do they have intentions on running utilities down this road?

Paul Hightower stated as long as you do not put the retaining wall in the right of way. There are no plans to put utilities in at this time.

Mr. Amidan asked if there was building permits in the subdivision and are they required to have an impact study with each build.

Tyler Walsh responded yes building permits are required but that is handled through the Tahitian Village Architectural Control Committee.

Mr. Amidan asked if builders are being charged for road damage? And he doesn't know how the road fees work but he thinks they should be much more than $204.

President O'Hanlon stated no the builders are not charged for road damage and the District has limitations of road fees according to our state statue.

Jo Egitto informed Mr. Amidan the District has a Road Committee and there are openings on the committee, and we would be happy to have his expertise on the committee if he is looking to get more involved.

5.) Discussion and possible action regarding scheduling of future meeting dates:

a. Regular Board of Director's Meeting scheduled for Thursday, January 20, 2022 at 6:30 p.m. at the Bastrop Convention Center

President O'Hanlon stated the Board doesn't normally have a meeting in December so the next planned meeting will be January 20, 2022 but we may need to have a Special meeting in December.

Paul Hightower asked if the Board would like to set a meeting for the Annual Road meeting and suggested Saturday, March 26, 2022.

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 October 21, 2021 Regular Meeting of the Board of Directors;
b. Approval of minutes from the October 26, 2021 Special Meeting
c. Approval of monthly financial report for September 2021
d. Approval of monthly financial report for October 2021; and
e. Approval of Release of Liens held by District on Real Property.

President O'Hanlon asked if there were any comments regarding the minutes.

Director Carmack stated that in the minutes for the October 26th meeting there was a comment about a standpipe and wanted to know if we are now talking about a standpipe instead of an elevated storage tank.

Paul Hightower stated we are looking into it if we can find a good location between Unit 2 and 4 due to the elevations. A standpipe can be considered an elevated storage tank. The engineering is putting everything together and all the information will be presented to the Board.

President O'Hanlon asked for any comments on the financials for September and October. We tabled the September financials last month due to a comment from Director Kier because we were showing a loss that actually wasn't a loss.

Paul Hightower stated it was a write off of debt that will be adjusted out in the annual audit.

Director Kier asked do we want to make a motion to accept September and October financials. Even though we know that they will be adjusted differently through the audit process.

Paul Hightower responded yes because of year end.

Director Kier stated we have a scheduled meeting with the auditor and bookkeeper at the end of November to get a better understanding of this.

Alma Rodriguez reviewed the release of liens with the Board and also informed the Board that at the November Tax Sale there was 28 lots sold for the amount of $84,450 and 22 lots sold from the Trustee in the amount of $27,000.

Motion: Butch Carmack moved to approve the Consent Agenda items.

Director Kier stated he thinks we should note the financials do not reflect the true income and expense position due to the establishment of the bond fund accounting process.

Butch amended his motion to include the financials do not reflect the true income and expense position due to the establishment of the bond fund accounting process.

Seconded: Ron Whipple. Vote: Four (4) in favor, motion carries.

7.) Discussion regarding the following items to be presented in the General Manager's report:

Paul Hightower reported on the following:
a. Status of TTHM compliance:
No major updates at this time.

b. Update on district water plants and lift stations:
No updates at this time.

c. W/WW maintenance & Capital Improvements update:
No major updates from last month. We are currently working with BEFCO to get the 2 priority groups (compliance & maintenance) lined out. We are waiting on the packages to go out for bidding
.
d. Roads maintenance & improvement projects update:
19/20 Road Construction: All of the 2019/2020 roads have been chip sealed. As well, we had 11 roads from previous years conveyed to the County and have officially come off of the Road District, which are E. Keanahalululu Lane, Ninole Ct, Nuupia Ct, Kaeleku Lane, Olomana Ct, Pio Ct, Kaimuki Ct, Puu Ct, Keawakapu Dr, Ulupau Circle and Wainanea Ct.

There is 3 more that will convey over by year end, and we will notify the Board when this happens.

20/21 Roads: The team is on schedule and have many of them completed already. Kaelepulu, Katao and Pukoo have already been chip sealed along with last year's roads. The crew is currently working on Group B roads now which is Nanakuli, Mokoleia, Keaau, Kaupa and Koko. Group A construction will finish this year or early next year, then be chip sealed next year. The road crew did an amazing job on these roads. We made great progress with constructing roads in house. We are also making a deal with a roller.

21/22 Roads: Engineering has started on these, and we are underway with the next years plan. Updates to come.

e. Employee update:
No major updates. We finally were able to hire the last fulltime employee for the vacant road position. We are at full staff and so far, doing great. We now have a 4-person road crew plus Tyler as a floater. He spends 90% on the roads and still helps the W/WW side as needed.

f. General Office Update:
New Maintenance Facility: The new shop has been completed. Crews have moved in and organizing it all. They have some general property clean-up and some drainage work to be completed. The gates are being moved over in the next couple weeks. We have outdoor LED lights as well as cameras active at the property, so we feel that we are fairly secure.

8.) Discussion and possible action regarding the Road Committee:
a. Receive Monthly Committee Update
Paul Hightower stated there is not much of an update because we haven't met in a couple of months, but we have been in contact with the committee. We will be meeting in January to prepare for the annual road meeting.

Jo Egitto stated Kathleen Newton wanted to know if we are informing residents as to what roads are completed.

Paul Hightower stated we will have a complete list of all the roads conveyed to the County and will be informing the residents.

Tyler Walsh this is actually day to day process due to the weather.

9.) Discussion and possible action regarding approving contract for information and technology (IT) Services
Paul Hightower stated last month we presented the contract for IT services and the Board suggested that we try to negotiate an extended contract. We discussed a 2-year contract because last year we got into a 3-year contract with the company that does our backups so we can keep everything inline. A 2-year contract with Visual Edge for IT services came in at $1773 a month.

Mr. Hightower stated staff recommends approving the 2-year contract for IT Services with Visual Edge.

Motion: Sam Kier moved to approve the 2-year contract for IT Services with Visual Edge. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

10.) Discussion and possible action regarding retaining a bookkeeping firm to prepare the District's monthly financials
President O'Hanlon stated the District was notified by our bookkeeping firm that they are pairing down the number of clients they have so we need to look for another bookkeeping firm.

Paul Hightower stated we were notified on November 10 that they were resigning their services effective January 31, 2022. They have agreed to work with the auditor at their hourly rate. He has talked to 3 bookkeeping firms so far.

Director Kier suggested talking to the Bastrop Chamber of Commerce.

11.) Discussion regarding water and wastewater rates
Paul Hightower stated this item is for discussion only. Below are the following proposed increases:

RESIDENTIAL WATER:

Tiers/Structure	Current	Proposed
0-3,000	$4.73	$4.87 per 1,000 gallons
3,001 - 5,000	$5.53	$5.70 per 1,000 gallons
5,001 - 10,000	$6.10	$6.28 per 1,000 gallons
10,001 – 20,000	$7.06	$7.27 per 1,000 gallons
20,001 – 30,000	$7.53	$7.76 per 1,000 gallons
30,001 – 40,000	$7.94	$8.18 per 1,000 gallons
40,001 & over	$8.32	DELETE THIS RATE
Water Tap Fee	$3,000	$4,000
¾ x 5/8" Res. Rate:	$34.50	$35.53
¾" Base:	$45.00	$46.35
1" Base:	$112.50	$118.13
1.5" Base:	$225.00	$236.25

2" Base	$360.00	$378.00

RESIDENTIAL WASTEWATER:

Tiers/Structure	Current	Proposed
WW Rate	$88.00	$90.00
WW Tap Fee	$8,500.00	$9,500.00

RESIDENTIAL & COMMERCIAL W/WW BORE FEE:

Flat Rate	$850	$1250

COMMERCIAL 5/8 x 3/4 WATER: (20 current)

Tiers/Structure	Current	Proposed
0-3,000	$3.83	$4.02 per 1,000 gallons
3,001 - 5,000	$4.32	$4.54 per 1,000 gallons
5,001 - 10,000	$4.75	$4.99 per 1,000 gallons
10,001 – 20,000	$5.29	$5.55 per 1,000 gallons
20,001 – 30,000	$5.72	$6.01 per 1,000 gallons
30,001 – 40,000	$6.10	$6.41 per 1,000 gallons
40,001 & over	$6.48	DELETE THIS RATE

Water Tap Fee	$3,000	$4,000
3/4 x 5/8" Comm. Rate:	$35.00	$36.75

COMMERCIAL 1" WATER: (3 current)

Tiers/Structure	Current	Proposed
0-7,500	$3.50	$3.68 per 1,000 gallons
7,501 - 12,500	$3.90	$4.10 per 1,000 gallons
12,501 - 25,000	$4.25	$4.46 per 1,000 gallons
25,001 – 50,000	$4.70	$4.94 per 1,000 gallons
50,001 – 75,000	$5.10	$5.36 per 1,000 gallons
75,001 – 100,000	$5.40	$5.67 per 1,000 gallons
100,001 & over	$5.70	DELETE THIS RATE

Water Tap Fee	$2,940	$4,000
3/4 x 5/8" Comm. Rate:	$87.50	$91.88

COMMERCIAL 1.5" WATER: (2 current)

Tiers/Structure	Current	Proposed
0-15,000	$3.50	$3.68 per 1,000 gallons
15,001 - 25,000	$3.90	$4.10 per 1,000 gallons
25,001 - 50,000	$4.25	$4.46 per 1,000 gallons
50,001 – 100,000	$4.70	$4.94 per 1,000 gallons
100,001 – 150,000	$5.10	$5.36 per 1,000 gallons
150,001 – 200,000	$5.40	$5.67 per 1,000 gallons
200,001 & over	$5.70	DELETE THIS RATE

Water Tap Fee	$3,450	$4,650
1.5" Comm. Rate:	$175.00	$183.75

COMMERCIAL 2" WATER: (3 current)

Tiers/Structure	Current	Proposed
0-24,000	$3.50	$3.68 per 1,000 gallons
24,001 - 40,000	$3.90	$4.10 per 1,000 gallons
40,001 - 80,000	$4.25	$4.46 per 1,000 gallons
80,001 – 160,000	$4.70	$4.94 per 1,000 gallons
160,001 – 240,000	$5.10	$5.36 per 1,000 gallons
240,001 – 320,000	$5.40	$5.67 per 1,000 gallons
320,001 & over	$5.70	DELETE THIS RATE

Water Tap Fee	$4,000	$4,850
2" Comm. Rate:	$280.00	$294.00

COMMERCIAL WASTEWATER: (14 current)

Tiers/Structure	Current	Proposed

WW Rate	$96.00	$100.00
WW Tap Fee	$8,500.00	$9,500.00

President O'Hanlon asked that this item be placed on the website.

A resident asked if there was a limit on raising rates.

Tony Corbett stated the board has what's called original rate jurisdiction, which means the District can set whatever rates and fees and charges you want, but if 10% or more of the customers in any affected customer class file a petition with the PUC within 90 days that triggers the public utility commissions. What is called their appellate jurisdiction so then they would determine what are the just and reasonable rates. So, originally, you can set whatever rates you want, but if enough customers, timely file a petition, it's subject to review then they will decide the rates.

12.) Discussion and possible action regarding adoption of Resolution Approving Budget for Fiscal Year 2022
Paul Hightower stated we had a budget workshop and went through the proposed budget in detail, and he reviewed the final budget with the Board.

Director Kier suggested that Paul Hightower knows what cash he will end up with at the end of there year.

Motion: Sam Kier moved to adopt Resolution Approving Budget for Fiscal Year 2022. Seconded: Ron Whipple. Vote: Four (4) in favor, motion carries.

13.) Discussion and possible action regarding annual review and approval of the District Investment Policy and Investment Strategies
Paul Hightower stated this is a normal item for us every year but the way it is stated the bookkeeping firm is our Investment Officers and how do we need to proceed with this. This will be an item for Tony Corbett because we need to make sure we are in compliance.

Tony Corbett stated by state statute to districts, are the boards legally obligated to review and approve an investment policy, including the investment strategies each year so he suggested two options you could approve it as is, and before Mac leaves at the end of January, once you know who the successor bookkeeper is, you can adopt an amendment, at that time, an updated policy which reflects the new bookkeeper effective February one as the investment policy. Another alternative would be to approve it, but identify Director Kier or somebody else who's willing to serve as the investment officer in the policy and again, change it when there's a successor bookkeeper who's willing to serve the investment Officer, there is a timeframe for taking the investment training. It's within 12 months after taking office, so if it was a board member, I think we will have a successor in place before that period elapses but, bottom line I would recommend you either adopt it as is and then adopt an updated policy when you know the successor bookkeeper or adopt it with the name of a Director and again subsequently update it when you

have the name of a bookkeeper you guys can amend this as frequently as you want each year, but you could adopt a policy each year to comply with the statue.

Director Kier stated he agrees with Mr. Corbett, and he has already taken the Public Funds Investment training.

Motion: Butch Carmack moved to approve the District Investment Policy and Investment Strategies with MAC as Investment Officer until the end of January then appoint Director Kier as the Investment Officer until April if a bookkeeper has not been hired. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

14.) Discussion and possible action regarding Engagement Letter from West Davis and Company to audit the District's financial statements for 2021 Fiscal Year
Paul Hightower stated this is an annual item and staff recommends approving the Engagement Letter from West Davis and Company to audit the District's financial statements for 2021 Fiscal Year. Staff has a good working relationship with Bob West.

Motion: Butch Carmack moved to approve the Engagement Letter from West Davis and Company to audit the District's financial statements for 2021 Fiscal Year. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

15.) Discussion and possible action regarding adoption of Order Setting Road Fees for 2022
President O'Hanlon stated we are going to combine Items 15 and 17.

Paul Hightower stated after reviewing the road work and progress we have made this year staff recommends no increase in the Road Construction fees, fees will remain at the same rate of $204 per year per lot for 2022 and Staff also recommends approving the exemption Resolution for 65 and older and disability exemptions.

Motion: Ron Whipple moved to approve the Order Setting Road Fees for 2022 and Resolution for 2022 Road Fee Exemptions. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

16.) Discussion and possible action regarding approval of Interlocal Agreement with Bastrop County relating to 2021/2022 road improvement projects
Paul Hightower stated this is also an annual item for the road improvement projects and for borrowing equipment form the County. Mr. Corbett has reviewed the agreement. Staff recommends approving the Interlocal Agreement with the County so we can continue to move forward on road construction projects.

Motion: Ron Whipple moved to approve the Interlocal Agreement with Bastrop County relating to 2021/2022 road improvement projects. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

17.) Discussion and possible action regarding adoption of Resolution Approving 2022 Road Fee Exemptions
This item was approved with Item # 15.

18.) Discussion and possible action regarding filing liens on all delinquent road fee accounts as of January 20, 2022.
Paul Hightower stated staff recommends approving filing of liens on all delinquent road accounts as of January 20, 2022.

Motion: Sam Kier moved to approve the filing of liens on all delinquent road fee accounts as of January 20, 2022. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

19.) Discussion and possible action regarding District monthly board meetings
President O'Hanlon stated this item is to make sure we have a quorum on site for the monthly meetings and it is my understanding we will have a quorum for the January meeting.

Paul Hightower stated Director Kier will be remote and Director Ferguson will be in attendance at the meeting.

20.) Board suggestions on future agenda items
Director Whipple would like to an agenda item regarding the Dark Sky Initiative

Director Carmack would like to add an item regarding revisiting the discussion on free replacement of the grinder pumps.

21.) Adjourn

Motion: Butch Carmack moved to adjourn the meeting. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

MEETING ADJOURNED AT 8:01 P.M.

Mary Beth O'Hanlon
Board Director

Jan 20, 2021
Date