

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, June 21, 2018, beginning at 6:30 p.m. at the Conference Center, 106 Conference Drive, Bastrop, TX. 78602.

Present BCWCID #2 Board Members:

Mary Beth O'Hanlon, President
Butch Carmack, Secretary
Sam Kier, Treasurer

BCWCID #2 Staff/Other Professionals:

Tony Corbett, Attorney
Gene Kruppa, Interim General Manager
Tyler Walsh, Operations Manager
Alma Rodriguez, District Administrator

Absent:

Karen Pinard, Director

- 1.) Call to Order and Establish a Quorum
President O'Hanlon called the meeting to order at 6:30 p.m. A quorum of Board members was present.
- 2.) Pledge of Allegiance
President O'Hanlon led the Pledge of Allegiance.
- 3.) Texas State Flag
President O'Hanlon 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.)
Ryan a resident in Tahitian Village stated that he asked Mr. Walsh a question during his presentation last month but didn't see it reflected in the minutes. He asked if he needed to ask that questions in public comments.

President O'Hanlon did tell him to ask his questions.

Ryan stated he initially asked if the District has a waiver regarding the 35 psi.

Tyler Walsh said we have 35 to maintain and 20 in emergency situations.

President O'Hanlon stated the District does not have a waiver but in talking with the Fire Marshall from the City of Bastrop and Bastrop County Emergency Services we are not even required to have a fire hydrant. Basically, what the fire department does when they respond to a fire they bring their fire pumping truck which carries sufficient water for what they call a room and contents fire. The way the fire department wants to use the Districts water is to refill their truck. They carry hoses

that allows them to draw water from any of our hydrants. They do not use our water to fight fires because so much of our system is on 4 inch lines.

Tony Corbett stated that TCEQ rules require 35 psi at the meter for domestic service purposes but under fire conditions they required you to maintain a 20 psi. The District is not seeking to go below those thresholds so there wouldn't be any reason to request a waiver.

Mr. Corbett stated the minutes are required to detail Board deliberations and any action taken but don't require public comments or questions during public comments be included but certainly if the Board wants to included comments or questions they can.

JoAnne Egitto stated she has an interest is having an agenda item on the agenda for next month regarding the egress road that the county plans purposes that would connect ColoVista subdivision to our subdivision.

President O'Hanlon stated she will have it on the agenda for next month and will see if Commissioner Hamner is available to speak with residents regarding the egress road.

Pierre Wilson expressed his gratitude for have a sign put up on Kaaawa maybe that will help people form turning around in our driveways.

5.) **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 May 24, 2018 Regular meeting of the Board of Directors;
- b. Approval of monthly financials report for May 2018;

Alma Rodriguez stated there are a few corrections in the minutes and requested the Board to approve the minutes with amended corrections.

Director Kier stated that he has had a discussion with Alma Rodriguez regarding cash flow on water and wastewater, it appears to be getting a little low. Director Kier recommends that with the 2 CD's coming due July, we renew one and put the other in the money market account because we have some large expense coming up like the new truck and grinder pump purchases.

Motion: Sam Kier moved to approve the consent agenda as amended. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.

6.) Acceptance of resignation from Director Gonzalez

President O'Hanlon announced that Director Gonzalez has tendered his resignation earlier this month so the first thing we need to do is to accept his resignation.

Motion: Sam Kier moved to formally accept Director Gonzalez' resignation.

Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.

7.) Discussion and possible action regarding appointment of replacement director to Board vacancy

President O'Hanlon stated the Board now has to appointment a replacement for the Board. The Board will be accepting applications from anyone interested in the position. The term will be about 2 years to complete Mr. Gonzalez' term. Also, Mr. Gonzalez' had some key role as a board member one being he was the Chair of the Road Committee. We will not vote on a Chair for the committee tonight. That item will be back on the agenda once the Board has filled the vacancy.

Tony Corbett stated there is a 60 day statutory period to fill the position and if the Board fails to appoint someone within 90 days then you lose the ability to appoint someone and TCEQ can appoint someone.

President O'Hanlon stated we now have to establish a timeline and suggested Friday, July 13 as the deadline to turn in applications. Then at the July Board meeting will have an item for appointment of Place 5.

Tony Corbett stated that in reviewing Mr. Gonzalez' resignation is stated it is effective immediately. Mr. Corbett will research this a little further and get with President O'Hanlon on the timeline.

Director Carmack stated a lot of people had an issue with Mr. Gonzalez not living in the subdivision he was just a property owner, I think we should not consider anyone that does not live in Tahitian Village.

Director Kier stated I am not sure legally you can do that.

Tony Corbett legally you have 2 qualifications you can either be a resident or a property owner whether a board member chooses not to appoint someone who is not a resident is up to them.

Question: Was Director Gonzalez on the committee to vet the new general manager.

President O'Hanlon stated he was and she has asked Director Kier to fill in along with the interim general manager.

President O'Hanlon introduced Gene Kruppa.

8.) Election of Officers and Road Committee Chairman

President O'Hanlon stated she will feel more comfortable with waiting until we fill the Board vacancy so we can have a person with the most interest and commitment to the road committee to serve but asked for a motion for a Vice President just in case one is needed.

Motion: Sam Kier moved to appoint Butch Carmack as Vice-President and Secretary. Seconded: Mary Beth O'Hanlon. Vote: Three (3) in favor, motion carries.

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

a. Regular Board of Director's Meeting for Thursday, July 19, 2018 at 6:30 P.M.;

b. Reschedule August meeting date

After Board discussion on trying to find dates for a quorum at the next meeting TVPOA suggested for the July meeting they could meet on Thursday and the Board could have their meeting on Tuesday.

Director Carmack stated the road committee has expressed interest in moving their meeting up one week before the Board meetings so they can transcribe minutes.

Some road committee member were not aware of changing the dates.

A road committee member stated if the minutes are going to be transcribed and approved then we could move the meeting to a week before but if they are just going to be handwritten notes then there would be no need to move the road committee dates.

Director Kier suggested that the meeting dates of Tuesday, July 17th and Tuesday, August 14 at 7:00 p.m. right after the Road Committee meetings.

President O'Hanlon stated in the future if we are having an issue with a quorum we will not meet for that month.

10.) Discussion and possible action on hiring a General Manager

President O'Hanlon stated we have received 10 application and resume for the general manager position. Director Kier is filling in for Director Gonzalez. The committee will be meeting next week and we will be narrowing it down to the top 3 or 4 and start the interviewing process then we will bring 2 before the Board for a final decision. We are trying to get this done as quickly as possible.

11.) Receive reports from President O'Hanlon regarding meetings with community groups –

a. Meeting with Bastrop Fire Chief Mark Wobus

President O'Hanlon stated they had a meeting with the Fire Chief Mark Wobus and Josh Gill with Bastrop County Emergency Services. They were very complimentary on the work being done on the District's fire hydrants. They love the yellow paint because they are so easy to find in the dark. There is an agenda item later in the meeting regarding hydrants repairs and upgrades. We also talked about our capital improvement projects with the water tank.

Director Kier encouraged the residents to support the idea to put an ESD #2 truck at the fire station in Tahitian Village so if you want to influence your County Commissioner or County Judge.

- b. Meeting with Tahitian Village Property Owners Association and Tahitian Village Architectural Control Committee

We had meetings with Mac Simpson and Randy McDonald regarding some concerns we all have. One topic was drainage and the impacts on new builds. The drainage issues impact our homes and the roads.

Mac Simpson stated we had great conversations and we are all headed in the right directions. We are looking at building guidelines and how to keep culverts cleaned out.

12.) Discussion and possible action regarding the following -

- a. Hydrant repair status
Tyler Walsh stated several hydrants has been repaired and parts have been ordered. Once we get the parts in then we will start repairs.
- b. Status of meter change outs
Gene Kruppa stated the on the installation of radio read water meters. There are about 422 radio read meters to be installed. Tyler Walsh has indicated that it will take about 9 weeks to complete the installation when started. Meter installation will begin with the employment of an additional helper-presently underway.
- c. Hiring a firm to install meters
Tyler Walsh is waiting on a contract/proposal.
- d. Status of new dump truck acquisition
Alma Rodriguez stated the new dump truck will be delivered this week.
- e. Status update on Drainage for Unit 5
Gene Kruppa stated on Wednesday, June 13, 2018, Tyler, Andy and I made several location visits to inspect drainage issues. The main conclusion is to obtain and secure all required drainage easements; restrict the sale of identified drainage lots; and make some drainage ditch improvements at various locations. Tyler will check with the easement procurement to allow for the construction of a drainage ditch in Unit 5 and Tyler will review the widening of the drainage channel in Unit 3 and modification to various drainage ditch back slopes.

f. Status of Road Projects – 2017 & 2018

Gene Kruppa reported on the following:

- On June 13, Mel, Andy, William Cook, Tyler and I reviewed several of the 2017 roadways for minor corrections and acceptance by the County. County will assist to make some changes for acceptance. Gene recommended that on Konahuanui and Moku Manu the road needs to be moved to be put in the proper position at the intersection. The road is about 10 to 15 feet on his property.

Motion: Sam Kier moved to support moving the road to the proper position at the intersection at Konahuanui and Moku Manu. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.

- William Cook will provide some estimates to Tyler for concrete work and ditch excavation needed for County acceptance.
- Tyler will follow up on easements to allow for construction of drainage ditch from installed culvert pipes.
- The main objective for the district is to improve roadways to County/City standards and have that entity accepted the improved roadway for future maintenance.
- The 2018 roadway project with WJC is making good progress. According to the County, all work is acceptable. All the density tests passed on Tuesday, June 12. William Cook estimated about 2 weeks to complete WJC's roadway project. This is only about half of the 2018 roadway project.
- It is expected that the County will accept all the 2017 and 2018 roadways after some work is completed and the roadways paved by County. Also, Ulupau needs a small area to be paved by County for acceptance.
- There has been some issues with getting trucks with materials to the job site. There was also a price change because the large trucks are not able to make it to the job site. This issues has been resolved but has delayed the project some. Director Kier asked Gene Kruppa to contact the vendor about the pricing.
- Received an estimate from WJC regarding work on Makaha. The proposal was for \$41,000 for road maintenance and \$26,000 for materials.

Director Kier stated we cannot afford that but could you get a bid for just the hill portion.

Gene Kruppa will reduce the scope of and come back with another bid.

Alma Rodriguez stated the Consumer Confidence Report will be mailed next week.

A resident asked if the water test results could be put on the website.

President O'Hanlon stated it is public information so it will be on the website.

13.) Discussion and possible action on water and wastewater system improvement projects:

a. Tank installation at Conference Drive;

Gene Kruppa stated on the construction of a new water standpipe/storage tank. I have spoken with Jerry Kyle who represented the water district with the TWDB loan. He has indicated that we will need to contact TWDB to use any surplus funds. The only issue I am aware of would be additional money to make TTHM corrections at plant #2. The aeration/tank mixer on the tank was completed and Tyler will take samples to measure the TTHM results and determine if any additional action is required.

Director Kier asked what is the process.

Mr. Kruppa stated first we need to establish what we really need the height, size and type. A hydraulic study will need to be completed first then we can submit plans to TCEQ for approval then we can go out for the bidding process then construction. Which will put us about next spring.

b. Emergency generator; and

c. Other Water and Wastewater System Improvements.

Gene Kruppa stated the Board needs to have a hydraulic study completed which will give you a lot of information the last study was done in 2010. For example, flows, pressures, looping the system and upgrading the lines. A hydraulic study will be roughly about \$25,000.

Motion: Sam Kier moved to approve a hydraulic study be completed for the amount of \$25,000. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.

Mr. Kruppa stated as we approach the 10th anniversary of the wastewater system, I have asked Alma to develop a list of grinder stations with their respective ages and show last time changed out. I will recommend that the district start changing out the older grinders. This will assist in limiting after hours/weekend calls for non-functional grinder stations.

Brian Phenegar, with EI 2, has been contacted to invite him and his assistant to come to the District to conduct a school for pump repairs. There has been some time since some of the employees were certified. This will be a good and valuable tool for the employees to see the most efficient method to repair grinder pumps and installation methods. We will also discuss pricing of grinder stations to determine if there is an incentive to purchase more at any time. They will come to Bastrop and conduct the school at the District warehouse.

Tyler Walsh has indicated that Lift Station #2 of the original 3 main lift stations needs repairs to the electrical system and wet well coating system. We are gathering estimated costs and met with the coating rep. last week – June 14.

We have also inspected the two remaining lift stations - # 1 and 3 and requested coating estimates.

Gene Kruppa reported regarding the warehouse property we are soliciting estimates for a security fence around the warehouse properties. Depending on the ultimate cost, the method of awarding the contract for services will be determined.

- 14.) Discussion and possible action for a potential small park area on Airstrip Road proposed by Tahitian Village Property Owners Association
Mac Simpson with TVPOA would like to start the conversation about a cleaning up the area where the County and the WCID uses this area for a staging area for materials. We would like to have a small park and some hiking trails. TVPOA would like to have a mutual agreement to make a small park

Tony Corbett stated the Board can enter into a License Agreement.

Tyler Walsh stated he will start to get this area cleaned up.

President O'Hanlon stated she looks forward to working with TVPOA on this project.

- 15.) Discussion and possible action regarding final true-up on prior Pension Plan settlement

Director Kier stated that Kathy Davis with Pension Advisors had the role of shutting down the existing pension plan when we established the new plan and what we found was a shortfall in the pension funding for about \$68,000. The shortfall came as a result of employee turnover in 2010. The Pension Advisors provided a full service (for a fee) but the District decided that they would not use this full service. Instead the District paid for Pension Advisors to do only the compliance testing and 5500 IRS disclosures only. They were very clear on the call that this would not have happened if they had provided the full fiduciary service.

In order to close the pension plan down we will need to fund to by \$68,000. This is money the District would have paid anyway from 2010 to 2017 but we are spending it as one lump sum.

Motion: Sam Kier moved to approve paying the funds for these 6 individual accounts that require to be funded for \$68,202.13. Seconded: Mary Beth O'Hanlon.

Director Carmack want to know how we can prevent this from happening again.

Director Kier stated there need to be procedure controls in place.

Vote: Three (3) in favor, motion carries.

- 16.) Discussion and possible actions related to additional methods to receive resident input and open discussion with the Board of Directors
President O'Hanlon asked Tony Corbett for guidance on this she stated she is looking for some kind of a forum for input from residents.

Tony Corbett stated you can establish a day and a time that you will be available to meet with residents but it cannot be a quorum and no decisions can be made. You can also solicit comments from residence. The legislature allowed District's to establish an online message board. This is for directors only. The City of Austin has a message board and he encouraged the Board to take a look at theirs. You can have conversations with other directors but no decisions can be made. The public cannot make a comment.

- 17.) Discussion and possible action regarding Delegation of Approval Authority relating to purchases, contracts, goods and services up to \$25,000
Alma Rodriguez stated the Board approved the Delegation of Approval for the District Administrator and Operations Manager for purchases up to \$15,000 but we would like to true it up to the state statue of \$25,000.

**Motion: Sam Kier moved to approve delegations authority of purchases, contracts, goods and services up to \$25,000 with Board approved budget for the District Administrator and Operations Manager until a General Manager is in place.
Seconded: Mary Beth O'Hanlon. Vote: Three (3) in favor, motion carries.**

- 18.) Discussion and possible action regarding Road Committee updates
President O'Hanlon stated Director Carmack and she attended the Road Committee Meeting. It was a very good meeting and she made a punch list of items to report on at the next meeting. .

President O'Hanlon reported:

The committee reviewed the policy that formed the road committee and received a list of County roads and City roads.

A motion was made and passed to acquire District email accounts for committee members.

There is a slide in the road presentation that is not readable that the committee would like to have on the website.

Alma Rodriguez stated it is on the website.

President O'Hanlon gave Tyler Walsh a list of roads that were on the road maintenance list.

Tyler Walsh stated that if the road is on the road project list then that road work order does get closed out because the county will be repairing the road before the completed the project.

The committee wants collection information regarding road fees available at the road meeting.

There was also discussion about damaged culverts and who is responsible for them.

The drainage ditches in Unit 3 for the road project were not cut correctly and it causes the water to stand in the ditch and not to flow correctly.

- 19.) Board suggestions on future agenda items-
- a. Commercial water and sewer rates;
 - b. Establish advisory committee with POA and BCWCID on future uses of reserves
 - c. Establishment of Capital Plan (once new GM in place)
 - d. Other future agenda items.

President O'Hanlon stated we have one agenda item to add and that is an item regarding the egress road that the county plans purposes that would connect ColoVista subdivision to our subdivision.

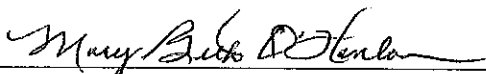
- 20.) Discussion and possible action regarding Release of Liens held by District on Real Property
Alma Rodriguez presented the Release of Liens.

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

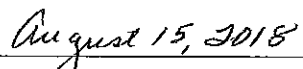
- 21.) Adjourn

Motion: Sam Kier moved to adjourn. Seconded: Mary Beth O'Hanlon. Vote: Three (3) in favor, motion carries.

MEETING ADJOURNED AT 8:40 P.M.



Board Director



Date