

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 15, 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, Vice President  
Sam Kier, Treasurer  
Scott Ferguson, Secretary

**BCWCID #2 Staff/Other Professionals:**

Tony Corbett, Attorney  
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.)  
There were no Public Comments.
- 5.) Discussion and possible action regarding scheduling of future meeting dates:
  - a. Regular Board of Director's Meeting for Thursday, January 17, 2019 at 6:30 p.m.

President O'Hanlon stated there will be no December meeting so the next meeting will be held Thursday, January 17, 2019 at 6:30 p.m.

- 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 18, 2018 Regular Meeting of the Board of Directors; and
- b. Approval of monthly financials report for October 2018.

**Motion: Butch Carmack moved to approve the minutes from the October 18, 2018 meeting. Seconded: Scott Ferguson. Vote: Three (3) in favor, motion carries.**

Director Kier stated last year for November and December we collected \$400k on roads so that should give us enough money to pay back the \$150k that road borrowed from water also we need \$150k for the chip sealing and asked what else we have going on in roads.

Paul Hightower stated the larger items would be the FEMA Projects about \$50 to \$60k.

Tyler Walsh we still have stock materials for the bottom rock.

Director Kier on a cash planning perspective we have to pay the TWDB loan in December and we still have cash in the money market and suggested we put \$150k in a higher rate interest account.

**Motion: Sam Kier authorizes the General Manger after consultation with Municipal Accounts & Consulting to transfer from the money market fund to an appropriate investment. Seconded: Scott Ferguson.**

**Motion: Sam Kier moved to approve the financials as presented. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

- 7.) Discussion and possible action regarding the following items on the General Managers report-

Mr. Hightower reported on the following items:

- a. Report on installation of replacement water meters.  
Original contract was about 422 radio read meters to be installed. As of 11/9/2018 we have approximately 112 left for install. Meters have been ordered for what's been used in-stock and for installs.
- b. Report relating to Status of Trihalomethanes (TTHM) water quality compliance  
The 2nd round of testing has been completed and is currently being reviewed by the engineers. We had some high levels of methane so we are exploring options and discussing what the next steps could be to move forward.
- c. Update on Water System Hydraulic Study  
We are currently waiting on BEFCO for a completed analysis. A meeting is scheduled on January 9th for reviewing.
- d. Report on repair and maintenance of District water plants and lift stations

The wet well and manhole have been completed. The electrical issues at Station #1 have all been taken care of. We are waiting on a sine wave filter to arrive and be installed. Once this is done, the station will be back in operation. All other current electrical projects have been completed and will be testing the phone lines this week for the alarm contacts.

- e. Update on installation of Fencing at District maintenance building  
We have met with the City of Bastrop's planning dept. Everything has been updated for the variances and property lines with BEFCO. We are on the Agenda for the city Council meeting for it to be approved.
- f. Status report for road repairs on Ulupau  
WJC was awarded the contract last month. They have begun construction and moving equipment in. Expected completion is in December.
- g. Status report on all FEMA Projects  
We have started progress on a couple of these projects. We met with WJC and went over the other contractor portion of these as well and expect to have his quotes in the office soon. District employees have started working on our side of the projects as well.
- h. Water, Wastewater and Road Repairs, Maintenance, and Improvement Projects  
Future topics of discussion will be planning for our Unit 3 & 5 drainage study, discussion on a new storage facility or standpipe and communications plan updates.
- i. Road Master Plan Updates  
No update at this time.
- j. Update on Fire Hydrant Repairs  
Repairs are 80% completed to date. Remaining repairs need to be dug up for complete replacement and are being scheduled.
- k. Theft of Wastewater Pump  
We had a theft occur at a residence that was being built on Pahalawe Drive. The system was installed back in July of this year. It was discovered on October 31st when the sewer was backing up after the residents had moved in, causing the customer to call in. Once the crews responded, they found that the wires were cut and pumped had been taken out. A report has been filed with the Sheriff's Office but the replacement cost of the pump doesn't make filing an insurance claim a viable solution.
- l. Employee Communications  
I was asked to look into internal communications between employees and how it's done and/or comp'd for. Currently, the employees use their own cell phones for communications and/or internet/SCADA usage and do not receive any compensation for this. I looked into going back to 2-way radio for communications as well as a Nextel style phone plan. It basically breaks down to a large up-front package price for the 2-way and no monthly fees or a smaller up-front with monthly fees.

The advantage to the portable 2-way radios over cell phones is that if someone gets into a bind, hurt, trapped or some emergency where they need help, they

push the button to talk, everyone hears them and can respond to help. I have spoken with 2 companies so far and a rough estimate is in the \$18-23k area for the radios, tower, licensing, etc being contracted out. If we do this in-house with our knowledge, then we are only looking at about \$6-8k area. There is no normal monthly or annual dues or fees other than every 10 years to renew the FCC license for \$225.

A Nextel sprint cell phone package would be \$2500 up-front with a \$200 monthly cost. The Nextels do have the ability to talk to all the other units in the group at the same time similar to a 2-way radio but it's a several step process to do that, similar to going into the phone book and clicking on that group to talk.

Taking off the \$2500 up-front for the Nextel package and dividing the \$200 monthly fee out, it would take a little over 5 years to make up the difference the larger up-front for the radios. In the end, for the safety factor, I feel the 2-way radios are a better and safer route. I'll have more on this for the January 2019 meeting.

m. Inter-Connects with Local Water Suppliers

We have been reviewing details with both Aqua WSC and the City of Bastrop. There has been some meetings scheduled and we will have more updates starting in 2019.

8.) Discussion and Action regarding adoption of Resolution Approving Budget for Fiscal Year 2019

Paul Hightower stated he worked with Directors Kier on some budget updates. The main items were in expenses regarding hiring of new employees, benefits, allocations and salaries.

Director Kier stated in water, revenue exceeds expense by \$78k. Capital Outlay was adjusted to allow for TTHM's which came to a little over \$815k. Budgets adjustments can be made later. There are no water or wastewater rate increases.

**Motion: Sam Kier moved to approve the budget for water as presented. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

Mr. Hightower presented the wastewater budget with the current rates with 18 new wastewater taps. There was not much change in wastewater, an increase was made to what we pay the City of Bastrop for an increase in flow with new taps.

Director Kier stated the wastewater shows a loss of \$163k but you have the depreciation from the wastewater system of \$480k.

**Motion: Sam Kier moved to approve the budget for wastewater as presented. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

Mr. Hightower presented the budget for road maintenance and road construction with a \$2.00 per month increase per lot which is increase road fees from \$180 to \$204 per year.

Director Kier stated the reason for the increase in road fees is because the Road Committee has expressed an interest in having more road maintenance done in 2019. Currently 15% of road constructions fees collected goes to road maintenance and I am proposing that increase to 25% in 2019. This budget includes chip sealing the 2017 and 2018 roads and road construction on 2019 but not chip sealing the 2019 2.5 miles of road until 2020 and hiring 2 people for roads.

There is not much change in the road maintenance budget. We are just waiting on FEMA funds.

**Motion: Sam Kier moved to approve the budget for road construction and road maintenance as presented. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

Mr. Hightower presented the Standby budget. No real changes there is just expense and collection since we no longer bill standby fees.

**Motion: Sam Kier moved to approve the budget for standby. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

- 9.) Discussion and Action regarding adoption of Order Amending Road Fees  
Paul Hightower presented the Order Amending Road Fees.

**Motion: Sam Kier moved to adopt the Order Amending Road Fees for 2019. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

- 10.) Presentation by General Manager relating to potential revisions to District rates, fees and charges for retail water and wastewater services

Mr. Hightower stated as mention during the budget talks we will not be raising water or wastewater rates but he will bring back some information to the Board about commercial rates in January.

Mr. Hightower presented a spreadsheet to the Board regarding the rates. The base rate hasn't been increased since 2014 and the last tier increase was in 2016.

Currently, we are good with our rates in water and wastewater.

No Action Taken

- 11.) Discussion and possible action regarding employee contribution to pension plan  
Mr. Hightower requested the Board keep the employee contribution to the pension plan at 5% instead of increase to 7%.

**Motion: Sam Kier moved to keep the employee contribution to the pension plan at 5% for 2019. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

- 12.) Discussion and possible action regarding Resolution Approving 2019 Road Fee Exemptions

Alma Rodriguez presented the Resolution for 2019 Road Fee Exemptions.

**Motion: Sam Kier moved to approve the Resolution for 2019 Road Fee Exemptions. Seconded: Mary Beth O'Hanlon. Vote: Three (3) in favor, motion carries.**

- 13.) Discussion and possible action regarding annual review of the District Investment Policy and Investment Strategies  
Mr. Hightower presented the District's Investment Policy to the Board for their approval.

**Motion: Sam Kier moved to approve the District Investment Policy and Investment Strategies for 2019. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

- 14.) Discussion and possible action to authorize the General Manager to procure new vehicles within the purchasing authority already approved by the Board  
President O'Hanlon stated we need to get some new vehicles to add to our fleet some of the vehicles are old and need to be replaced. Mr. Hightower already has the authority for buying power up to \$50k and bidding process.

Mr. Hightower stated he has spoken to the attorney about the bidding process.

**Motion: Sam Kier moved to authorize the General Manager to execute his purchasing power up to \$50k to acquire vehicles to add to the fleet and bring back to the board his process for purchasing the vehicles. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

- 15.) Discussion and possible action on hiring two staff persons for road work  
President O'Hanlon we have talked about this before but we want to make it formal on hiring 2 employees to work strictly on roads.

**Motion: Mary Beth O'Hanlon directed the General Manager to hire 2 employees to work strictly on roads. Seconded: Sam Kier. Vote: Three (3) in favor, motion carries.**

- 16.) Discuss and possible action to schedule and prepare for the 2019 annual road meeting  
President O'Hanlon stated we need to set a date for the annual road meeting that is usually held the 3<sup>rd</sup> week in March. This meeting will need to be posted.

Director Kier suggested Saturday, March 30<sup>th</sup>.

Tentatively the annual road meeting was set for March 30<sup>th</sup>.

- 17.) Discussion and possible action regarding request from Gracie Hull to waive lien and late fees on Unit 05 Block 06 Lot 0478

**Motion: Sam Kier moved to deny the request from Gracie Hull. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

Director Kier stated he had a discussion with Paul Hightower as to why these request come to the Board. They should go to management then if not resolved then can come to the Board.

Need to add an agenda item regarding chain of command on request from customers.

18.) Discussion and possible action regarding the following matters from the Road Committee –

a) Monthly meeting update

Scott Ferguson stated the road committee is compiling information on the homes density study we are waiting on some items for Unit 3 but should have it completed very soon.

Pierre Wilson brought up a question about builders building pier and beam houses with concerns about the draining.

Scott Ferguson expressed his thanks to the road committee for all their work on the home density updates.

President O'Hanlon stated the road committee has been trying to quantify what road work is costing the District.

Mr. Hightower stated there are different variables for road maintenance but we can get something together so we can start tracking the process.

19.) Board suggestions on future agenda items-

- a. Commercial water and sewer rates;
- b. Establish advisory committee with representatives of the Property Owners Association and the District relating to future uses or disposition of reserve properties
- c. Establishment of Capital Improvement Plan
- d. Request of Qualifications for information technology (IT) Services and Engineering Services
- e. Other future agenda items
- f. Chain of command decision for request from customers to have fees waived

Paul Hightower stated commercial rates will be on the January agenda.

20.) Discussion and possible action regarding filing liens on all delinquent road construction and standby accounts as of December 31, 2018

Alma Rodriguez asked the Board if they would like to have liens filed as of December 31 of this year or as of the January Board meeting.

**Motion: Sam Kier moved to have liens assessed as of the January Board meeting. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

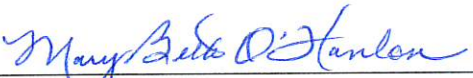
- 21.) Discussion and possible action regarding Release of Liens held by District on Real Property  
Alma Rodriguez presented the Release of Liens.


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

- 22.) Adjourn

**Motion: Sam Kier moved to adjourn the meeting. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

MEETING ADJOURNED AT 8:26 P.M.

  
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Board Director

  
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Date