

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, February 21, 2019, beginning at 6:30 p.m. at the Bastrop Convention Center, 1408 Chestnut Street, Bastrop, TX. 78602.

**Present BCWCID #2 Board Members:**

Mary Beth O'Hanlon, President  
Butch Carmack, Vice President  
Sam Kier, Treasurer  
Scott Ferguson, Secretary  
Karen Pinard, Director

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

Tony Corbett, Attorney  
Paul Hightower, General Manager  
Tyler Walsh, Operations Manager  
Alma Rodriguez, District Administrator

- 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.)  
Kat Smith wanted the Board to know and thank Paul Hightower for supporting the TVPOA office in sort of intense situation in the office. Mr. Hightower defused the situation a bit so they felt more comfortable.  
  
John Creamer resides at 239 Bali Hai thanked the District for the repairs on Lamaloa and asked the District to look at repairing Kamaiki because it is getting pretty rough.  
  
Robert Beck resides at 147 Kaapahu Drive also thanked the District for filling potholes and repairing his road, the crew did an excellent job.
- 5.) Discussion and possible action regarding scheduling of future meeting dates:
  - a. Regular Board of Director's Meeting is scheduled for Thursday, March 21, 2019 at 6:30 p.m.
  - b. Annual Public Road Meeting is scheduled for Saturday, March 30, 2019 at 9:00 a.m.

President O'Hanlon announced the upcoming meeting dates and stated all future meetings will be held at the Bastrop Convention Center.

Paul Hightower stated the annual meeting on March 30<sup>th</sup> will be in the big conference meeting room.

- 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 January 17, 2019 Regular Meeting of the Board of Directors; and
  - b. Approval of monthly financial report for January 2019.

Paul Hightower stated there was a correction to the minutes regarding a statement from Jo Egitto referring to a truck blocking the roadway, it was transcribed as the truck was burned in the fire but actually the truck was parked there removing debris. Also, there are some corrections to the financials revenue on the road construction side and some adjustment to the allocations and bring it back next month.

**Motion: Sam Kier moved to approve the minutes for the January 17, 2019 Board meeting as amended and to table the financials until the March Board meeting. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.**

- 7.) Discussion and possible action regarding Requests for Qualifications for Information Technology (IT) Services and Engineering Services  
Paul Hightower stated the Board asked that we take bids on IT Services. We went out for bids and received 4 phone calls about services but only received 2 bids. Last month, Systemverse gave the Board their presentation and tonight we have our current provider Mark Cortinas with Coeus Networks to give his presentation.

Mark Cortinas owner of Coeus Networks stated in case you are wondering about the name Coeus means the Greek goddess of intelligence. We currently hold the contract for the District. Coeus took over the IT about 2 years ago, at that time MindShift was the IT Company and before MindShift, I previously had the contract when I was in Bastrop. When we came in we evaluated the IT and notice a lot of the documentations and certificates were not renewed so we took care of that. We not only service your IT needs but we handle the phone system as well. The monthly cost with MindShift was \$1,600 and you are currently paying about \$1000 a month for IT Services and for the phone system. Which is about a \$600 savings. The help desk is open from 8:00 am to 6:00 pm and you all have my cell phone number. Backups are running 24/7. Coeus is always managing and monitoring the system. In fact, the system was down on Monday and the District was closed so I contacted Paul. We are about helping out the District. We did all the new cabling for the new building as well as setting up TVPOA as well.

Director Pinard asked if this was an annual contract and about the time and travel?

Mr. Cortinas stated travel time is \$150 an hour and under contract it is \$65. I don't nickel and dime you guys and I very rarely charge for time and travel and this last project there was time and travel on because of the cabling. You are under warranty for the cabling and we wanted to keep that warranty so the company charged time and travel.

Paul Hightower this is an annually contract from March to March.

Mark Cortinas stated if the Board decided to go with another IT company there is a 60 day notice period in the contract.

Director Pinard stated she has known Mark for about 20 years and he has always been very accessible. He is only a phone call away. I have no comparison with this other company I am sure they are just as good. It is real important that we have someone locally.

Mark Cortinas stated we have a home office in Georgetown but we are looking to expand.

President O'Hanlon asked what type of servers we have?

Mr. Cortinas stated you have virtual servers. One is a sequel and the other is a domain.

President O'Hanlon asked what does backup and recovering mean?

Mr. Cortinas stated that means that your server is backed up 13 times a day and that is backed up in the cloud so if your server every goes down we can bring you back up within about 15 to 20 minutes.

Director Kier asked how big is the company?

Mr. Cortinas stated there is 5 in the office and we have a help desk and the network operation side is nationwide which is contracted out.

President O'Hanlon stated we will come back to this item after Executive Session.

After Executive Session President O'Hanlon asked Paul Hightower for his recommendation on IT Services from the 2 proposal he received.

Mr. Hightower stated he is open to either company. In the past, he has heard there has been some response issues with Coeus regarding emails but Coeus has always responded to his request quickly. We use the chat desk. Systemverse seems like a

solid company as well. Both offer full support. Pricing is close. Systemverse does not have a travel charge.

President O'Hanlon stated the email accounts for the committee members do not work right and her personal access into her account she receives a certificate error every time and that is basic management. This has been an issue since June and hasn't been resolved.

**Motion: Sam Kier moved to go with Systemverse because it is cheaper. Seconded: Scott Ferguson.**

**Director Carmack stated he asked questions about transferring service and was told that there were many issues during the transfer of services.**

**Director Ferguson stated that the system is very simple.**

**Paul Hightower stated the biggest issues is going to be getting the passwords for the system and there shouldn't be much down time. Switching the systems will be done on off hours.**

**Director Kier stated didn't the current providers price come in much higher on equipment than Systemverse.**

**Paul Hightower stated it was about 2k higher.**

**Vote: Four (4) in favor, motion carries.**

Tony Corbett stated the Board needs to talk to the Coeus about the 60 day notice period in the contract.

- 8.) Discussion and possible action regarding approval of contract by BEFCO Engineering, Inc. to provide engineering, surveying, and construction administration services relating to 2019 Road Plan Improvement Projects  
Paul Hightower stated this contract is about working out the logistics on the surveying and engineering for the 2.8 miles of road construction are about to start this year. I have had several meetings with the county and BEFCO regarding the contract and we are looking for the most cost-effective way to save the District some money.

President O'Hanlon stated the Board will be discussing this more in Executive Session with the attorney then they will come back to this item.

**Motion: Sam Kier moved to accept the BEFCO contract with the stipulation that the District would approve BEFCO to start task on our request. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.**

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

Paul Hightower reported on the following items:

**9a. Installation of radio read water meters**

As of 2/1/2019 we have approximately 75 meter left for installation.

**9b. Status of TTHM compliance:**

We received the 2<sup>nd</sup> round of samples and according to our results, thought they could have been botched. We decided to run a 3<sup>rd</sup> round of testing and this was completed on January 17<sup>th</sup>. We are hoping to have some results in very soon to move forward on. Once we receive these, we can meet with Charles to discuss the outcome and forward movement. I still believe that aeration is a strong possibility but it equates to a lot more maintenance for the future as well. We can bring all our possibilities to the table and weigh them all out once we have some better results.

**9c. Update on district water plants and lift stations:**

No major projects or updates needed at this time.

**9d. Update on fencing at the maintenance building:**

Issues on the contractor's side has pushed them back a few weeks. We met on-site for a pre-construction meeting and they have started the project. Pending weather, they should have a 3-4 week completion period.

**9e. Overall FEMA update:**

Projects are about 90% complete. Weather & machine complications have slowed down the completion time. A phone line was also hit which put one project to a stop. We hope to have these completed by March pending weather. A couple of the larger projects will require a solid week of good weather for concrete or flowable fill to be used.

**9f. Water, wastewater, road repairs, maintenance & improvement projects update:**

No major updates at this time.

**9g. Employee updates:**

We have filled our #2 position. Ray Warren comes to us with 25 years of experience in ditch and ROW work. He is very experienced in cutting grades, repairing culverts and general backhoe work. He is willing to work for us for 2-3 years full time then offered to help train replacements when such time comes.

We are in the process of hiring someone for our #1 position. He has several years of experience on a maintainer. We will send him to some detailed training classed offered from TxLAP thru the county which will not cost the district any money

other than travel. He will get some hands on and detailed experience for crowning roads among other knowledge.

Also, we are in the process of hiring a young lady to handle our communications and social media side of things. She comes to us with almost 9 years of PR, web hosting, coding and OS experience. She attended school in Virginia for Internet Programming & Design as well as Database Design and Management. I think she will be an asset to have on-board making the transition to a new server and webmail hosting service.

**9h. Employee Communications:**

The first round of county radios have been ordered and due to arrive this month. It will be great to test these with the new road employees coming onboard.

**9i. Inter-Connects with Local Water Suppliers:**

This is still pending. We are waiting on AWSC to complete the feasibility study so that we can determine a rate structure. At the current rates which is what I expect them to be, within a standard flow of 350k a day or roughly 10mg a month, we could expect a \$25,700 monthly water bill. How this would round off against the O&M of an aeration package vs the intended results have yet to be determined.

**9j. GM Vehicle Update:**

In November, the board voted to purchase a GM vehicle with a \$40k cap. After much thought and price shopping, we purchased a 2018 Ford Explorer for \$27,500. This offers a little more room and comfort when traveling to schools etc. and has been offered to the office employees as well for running errands or attending schools when needed.

Mr. Hightower also stated the District has received notice from TCEQ that they have renewed our Superior Water Rating.

- 10.) Discussion and possible action regarding Office Building Renovation or Construction of New Building, including Potential Sale or Development of the District Land on which the building is located

President O'Hanlon stated Mr. Hightower has been gathering information for the Board on our many options for the office building.

Mr. Hightower stated he spoke with Mike Kamerlander from the Bastrop Economic Development Corporation regards Director Kier's idea of a public-private partnership. Mr. Kamerlander stated he is not sure about the drive in this area, but it would be a good idea and he would reach out to some developers and get back with him.

Mr. Hightower read a letter that Mr. Kamerlander wrote to Paul. The letter stated that BEDC was interested in working with the District and that getting access to highway 71 would be a good idea.

Mr. Hightower stated that the property in front of the wells is 2 parcels so the District would have to have it's that area replatted before they could build. The building could be metal but there is a 50% rule on any side that is facing or adjacent to any street or residential zoning district shall have 50% of siding, masonry, wood or glass. Mr. Hightower is still waiting on clarification on questions.

Director Kier stated they are building a new office building next to Dollar General and he read that the building is 5000 square feet and the cost was \$600,000 so he suggested Paul see what type of building it is and suggested Paul try to contact Sac N Pac.

President O'Hanlon reminded the Board that we have had many discussions about the building but have made no formal actions. We need to come up with a plan. Do we need to form a committee to help Paul with all the options?

Mr. Hightower stated he would like to nominate President O'Hanlon and Director Pinard.

Director Pinard stated her concern is the traffic on Tahitian Drive by the Walgreens but she also likes the office being by the maintenance building, but drainage is the issue in that area.

Director Kier stated this also needs to be coupled with committee we are forming dealing with the capital improvements and water issues.

**Motion: Mary Beth O'Hanlon moved to create a committee to begin studying our options pros and cons and data needed to make a decision around replacing or rebuilding our office building. The committee will consist or Karen Pinard and myself, the committee function in conjunction with the committee looking at the capital improvements. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.**

- 11.) Discussion and possible action regarding Commercial Wastewater Rates  
Paul Hightower stated the District has 18 commercial accounts but has 23 services because the apartments have five wastewater connections. This is informational only. The District currently has a flat rate for wastewater for \$86.00 per month. We are the highest in the area. The TRWA formula was used to come up with suggested rates. We have been taking a bit hit on wastewater for replacing the pumps from the hair salon.

Director Kier stated the current wastewater rates cover the debt and what we are paying to the City of Bastrop for pumpage.

President O'Hanlon stated this was great information.

Director Kier suggested Paul Hightower make a proposal to the Board on commercial wastewater rates.

Mr. Hightower asked the Board if they had any input, thoughts or suggestions.

Director Kier stated personally he thinks commercial should pay a fee for their usage above what residential customers pay.

Director Pinard stated it needs to be consistent.

Tony Corbett stated you need to establish a different customer class for commercial wastewater for those 18 customers.

President O'Hanlon stated she is looking for a fair and equitable commercial rate structure but something that goes beyond for customer that are costing us and are residential a considerable amount of money.

Mr. Hightower stated he will sit and have discussion with Tony Corbett for his thoughts.

- 12.) Discussion and possible action regarding investment of District Funds  
Paul Hightower stated Director Kier suggested we take the amount we should have in reserve for the loan and put it into CD's. The amount is about \$435,000. We asked Municipal to get some rates on CD's for us. Those rates are in your packet. The best rate 2.29% from Frontier Bank for 2 years. We can take the money from the money market account.

Director Kier stated we would take the 2 money market for the \$177k and take \$258 from the First National Bank TWDB account which would get us to the \$435k and roll those funds into a 2-year CD at 2.29%. The contract with TWDB stated we must have a reserve account in the amount of \$435k mark as restricted cash which is one year of our payment.

Tony Corbett asked the Board if they have investigated TX Pool. It is an Interlocal Government Investment pool that only public entities are eligible for. It is 100% liquid and about a month ago it was paying 2.25% and was going up. You may want to contact Municipal Accounts about TX Pool.

Director Kier stated he likes the idea of putting the money aside with the capital planning that we need to do.

No motion needed we will bring this back next month.

President O'Hanlon stated the next 3 items on the agenda are Interlocal Agreements between the District and the County we will take final if needed after Executive Session but we did want to talk about them briefly.

Paul Hightower stated for today we only have Items 13 and 15 to discuss.



- 13.) Discussion and possible action regarding approval of Interlocal Agreement with Bastrop County for the use of road maintenance equipment  
Paul Hightower stated this Interlocal Agreement addresses the use of County equipment, this has been reviewed and Judge Pape has signed the agreement. The County is going to provide the equipment and training and the District will provide the personal to work on the roads. The equipment includes a grader, roller and water truck as needed.

President O'Hanlon asked if the attorney has reviewed and amendments made is there a need to go into Executive Session.

Tony Corbett wanted to review the Interlocal Agreement before any decision is made.

Director Kier asked if we have the insurance policy ready.

Paul Hightower responded yes, TML is just waiting on the Interlocal Agreement.

**Motion: Sam Kier accept the Interlocal Agreement with the County for the use of road maintenance equipment. Seconded: Scott Ferguson. Vote: Four (4) in favor, motion carries.**

- 14.) Discussion and possible action regarding approval of Interlocal Agreement with Bastrop County relating to 2019/2020 road improvement projects

This was Tabled.

- 15.) Discussion and possible action regarding approval of Interlocal Agreement with Bastrop County relating to Ulupua Road Cost and Sharing  
Paul Hightower stated this is going to be a cost sharing project. This is different from the past ILA's. The District will responsible for the engineered plans and surveys as well a purchasing the culverts and installation of culverts. The county will be responsible for all materials and labor for the project.

Tony Corbett stated that it is different from the past ILA's this will be a County project but the District will provided some services.

Director Kier asked what size culvert and what is the cost for engineering?

Paul stated it is a 48 inch culvert and not sure yet about the engineering, we are still working on the cost.

President O'Hanlon stated we will discuss this in Executive Session.

**Motion: Karen Pinard moved to Table Item # 15. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.**

Tony Corbett informed Commissioner Hamner there were a couple of issues on the ILA and Mr. Hightower will be contacting you about.

- 16.) Discussion and possible action relating to acquisition of Unit 5, Lot 942, Block 14, Tahitian Village, including purchase of such property or conveyance of real property in exchange for such property  
Paul Hightower stated this a lot that should have been marked has part of the drainage plan but it was missed we have offered to purchase this lot from her but it would need to be discussed in Executive Session.

**Motion: Butch Carmack moved to make an offer on Unit 5 Block 14 Lot 942 and pay any expenses the owner is out on the property. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.**

- 17.) Executive Session-

- a. Pursuant to Section 551.071 of the Texas Open Meetings Act, the Board will consult with its attorney in Executive Session to seek legal opinion and advice regarding the contracts that are referenced in Agenda Item Nos. 7, 8, 13, 14 and 15;
- b. Pursuant to Section 551.071 of the Texas Open Meetings Act, the Board will consult with its attorney in Executive Session to seek legal opinion and advice regarding the District's Road Committee, including committee membership and operation matters; and
- c. Pursuant to Section 551.072 of the Texas Open Meetings Act, the Board may deliberate the purchase, exchange, or value of real property; and
- d. The Board may also discuss in Executive Session any other item referenced on this Agenda when authorized pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code, of the Texas Open Meetings Act.

President O'Hanlon announced at 8:25 p.m. that the Board will meet in Executive Session regarding the listed items in Agenda item #17.

- 18.) Discussion and possible action regarding matters discussed in Executive Session.

The Board Adjourned Executive Session at 9:18 p.m.

No Action or decisions were made in Executive Session.

President O'Hanlon stated they will go back to the items they put on hold for discussion for executive Session.

- 19.) Discussion and possible action regarding the following matters related to the Road Committee –
- a) Monthly meeting update;
  - b) Proposed updates to 5-year road plan; and
  - c) Committee Membership.

Director Ferguson stated the Road Committee met last week and had a very productive meeting. Some residents attended the meeting to bring up some issues with their roads and the crew was able to appease them. The Committee made some updates to the 5-year plan. The plan will be sent to the Board for their review.

**Motion: Scott Ferguson moved to remove Stephen Ross from the Road Committee. Seconded: Karen Pinard. Vote: Four (4) in favor, motion carries.**

- 20.) Board suggestions on future agenda items-
- a. Establish advisory committee with representatives of the Property Owners Association and the District relating to future uses or disposition of reserve properties
  - b. Establishment of Capital Improvement Plan
  - c. Other future agenda items.

No additional items were added.

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

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

- 22.) Adjourn

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

MEETING ADJOURNED AT 9:41 P.M.

Mary Beth O'Hendon  
Board Director

March 27, 2019  
Date