

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 20, 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

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

Tony Corbett, Attorney  
Paul Hightower, 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 6:31 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.)  
Ron Whipple resides at 129 Mahalua Lane would like to make an agenda item for next month if necessary that the residents be provided sewer rates that other Bastrop county residents pay in lieu of the rates that the Board is going to be considering.  
  
Jo Egitto resides on Mamalu gave a huge shout out to Paul Hightower on his leadership. Mr. Hightower has taken on huge task and she wanted to apologize to Mr. Hightower if at the road meeting I made you feel uncomfortable when I was asking about the work orders. We were trying to merge systems for tracking work orders and just want to make sure we are working diligently on the work orders.
- 5.) Discussion and possible action regarding scheduling of future meeting dates:
  - a. Regular Board of Director's Meeting scheduled for Thursday, July 18, 2019 at 6:30 p.m.

President O'Hanlon announced the meeting date for July. Director Kier will not be in attendance at the meeting.

- 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 May 16, 2019 Regular Meeting of the Board of Directors;
  - b. Approval of minutes from the May 28, 2019 Work Session;
  - c. Approval of monthly financial report for May 2019;
  - d. Approval of quarterly report for period ending March 31, 2019; and
  - e. Approval of Resolution Establishing District Offices and Regular Meeting Places.

Alma Rodriguez stated there is a correction on the financials. The District purchased 2 drainage lots and the memo stated as refunds but they were drainage lots.

Paul Hightower stated the check request were submitted correctly and this error has been corrected.

**Motion: Sam Kier moved to approve the Consent Agenda Items. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

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

Paul Hightower started off by stating we have been working hard with the County and just learned that they will begin road work in the next couple of weeks.

- a. Installation of radio read water meters  
As of 6/1/2019 we have approximately 5 left for install. These are scheduled for major work due to curb stops or other parts needed.
- b. Status of TTHM compliance:  
No major updates. We have been speaking with some different systems and companies in relation to treatment techniques. We are looking into possibly a Potassium Permanganate treatment as well as using a stripper for the gases. These would work in conjunction with the aerator we already have in place, we just aren't sure of the removal rate yet. Numbers are being ran to determine this ratio.

- c. Update on district water plants and lift stations:  
SCADA- We were able to finally get our system moved over to the maintenance building and it is 100% back up, running and online. All alarms have been tested and functional. This was a primary project to have it moved from the old office building to the maintenance building.  
We have officially had to turn Well #3 back on due to usage. Flushing and employee use has increased as well as calls and complaints due to the water.
- d. Water/Wastewater maintenance & improvement projects update:  
No updates at this time.
- e. Roads maintenance & improvement projects update:  
At this time, we are waiting for the County to get started. We have been given a mid-July to August start date for the remaining roads to be chip sealed. We have several roads that were based and ready for completion, have some washout and small drainage issues. We will be making a walk thru with County around the end of June, to address these and get them completed before the paving is to start.
- f. Employee update:  
We currently have 1 employee out on medical leave for an unknown period of time. There has some been some heart complications discovered and his Doctors will not release him until a determination as to his working ability can be assessed. Update: On yesterday he was 100% released from Doctors.

Director Kier asked for a status update for next year's roads.

Paul Hightower stated all surveys and walkthroughs are done just waiting on the County's bidding process.

Director Carmack state his main concern is the District having to spend money twice on the same roads since we are so far ahead of the County. That is bad business. The District needs to stop road construction or look at a turnkey solution.

Paul Hightower stated that is a concern but it could prolong the 5 year plan.

Director Carmack stated on Well # 3 if you strip that what are you doing with the gas?

Paul Hightower stated it would be aerated out.

Director Carmack stressed he would like to be more involved in the THM issue.

- 8.) Discussion and possible action regarding potential water supply interconnect with Aqua Water Supply Corporation

Paul Hightower stated there is no new information on this item. We received the water quality report on their water and the THM's is in the single digits.

9.) Discussion and possible action regarding Office Building Renovation or Construction of New Building

President O'Hanlon stated this is a standing item on the agenda and the Board in past meeting have decided not to renovate the existing building due to the cost. We hired an architect and we had a public work session. The new building site will be by the maintenance building. Mr. Hightower will be showing the drawings prepared by the architect.

Paul Hightower presented the drawings of the new building.

Question: What is the square footage?

Response: 3,463 sq. ft.

Question: Have you broken it out by cost? For Example: How much the covered parking going to cost?

Response: No, we have not. We will have an option for bidding out items separately due to cost.

Question: Is the conference room going to be big enough for the meetings?

Response: No, we ran some figures and it would add about \$60k to the price so we decided that we would continue to rent the Convention Center for the meetings.

Question: The roof is very pitchy does it offer a lot of storage space?

Response: Yes, it will offer quite a bit of storage. We are looking at getting rid of our storage building.

Question: Looks like a very generous size lobby, are you anticipating an increase in customers but you are also adding a drive thru?

Response: Nothing is set in stone. The reason the lobby is that size is because we need space for all the large maps that many customers come in to look at the maps.

Director Kier asked if the new building codes that Bastrop is adopting give any relief to cost.

Paul Hightower stated that has not been discovered yet.

Director Kier is just wondering if there is somewhere in the county we can build.

Mr. Hightower stated the only other property we could build on would be by the wells site off McAllister which is in Pine Forest.

Question: What are we looking at as far a building materials? Have you thought about reclaimed wood, metals and carpeting? Reduce reuse process?

Response: No, we haven't this is very preliminary.

Question: The ridge of the roof runs north and south, I am just thinking about solar opportunities?

Response: I am not sure about the cost and but we can look at it.

President O'Hanlon thanked everyone for the questions and comments.

The Board directed Paul Hightower to go back to the architect to get drawings for the McAllister property.

- 10.) Discussion and possible action on Potential Sale/Offers for the old District building and Land on which the building is located

Paul Hightower stated we received an offer for the office building and the lot we own at the corner of Olaa and Mauna Kea in the amount of \$334,750 from the people that purchased the tennis courts, apartments and the restaurant. The net from the sale would be about \$306,966. The District will have a lease back for the temporary office building around \$400 to \$500 a month. It is a pretty generous offer. There is not a timeline but they are wanting to move quickly.

Question: Does this include the parking lot where Clean Sweep is held?

Response: Yes, it does.

Director Kier asked if we could Table this item until we can discuss in Executive Session.

President O'Hanlon stated this item is Tabled for now.

After this item was discussed in Executive Session there was no motion in regards to the sale of the building but the Board is directing the General Manger Paul Hightower to work with our general counsel to do all the steps necessary to for a public entity to sale a piece of property. Hopefully, this will be completed by the next meeting.

- 11.) Discussion and possible adoption of an Order amending wastewater rates and fees for residential and commercial customers

Paul Hightower explained how he came up with the calculations and also stated he was looking at future businesses coming into the area.

Mr. Hightower's proposal for wastewater rates would be for residential \$96.00 per month and for commercial the rate would be \$96.00 per month plus a volumetric rate at \$6.03 per \$1,000.

President O'Hanlon stated for the past several months we have been talking about raising commercial rates so are you talking about commercial rates only.

Director Kier stated he agrees with Paul's recommendation because of the capital plans.

President O'Hanlon asked for a motion so they can discuss this item.

**Motion: Sam Kier moved to accept Paul Hightower's recommendation to raise residential and commercial wastewater rates. Seconded: Butch Carmack.**

President O'Hanlon stated she understands the reason for the rate increase due to our aging system and we cannot upgrade or modernized it with the current rates. What she is concerned about is there has been at least 3 meetings discussing commercial rates we have not had an agenda item regarding residential rates and I really believe in giving our residents a heads up about what we are doing. I am ready to take action on commercial rates but not residential. I wasn't expecting residential increase.

Mr. Hightower stated this came about as they were discussing the commercial rates and we can just take action on the commercial rates until the residents have an opportunity to ask questions regarding rates.

**Amended Motion: Butch Carmack moved to accept Paul Hightower's proposal for commercial wastewater rates and table the residential wastewater rates for future discussion. Seconded: Scott Ferguson.**

Director Kier stated if you are going to delay it a month or two you are not going to change the numbers. The water resident have been absorbing the cost of wastewater. It is a necessary evil.

President O'Hanlon stated she would like to have the residents have time to contemplate it.

Comment: Give statistics as to when the last wastewater rate increase was.

Comment: Get creative. Give the homeowner an opportunity to buy the grinder with a maintenance plan. Look at alternatives.

Director Kier stated we have discussed that before but we would still have a loss. If we can somehow motivate builders to build in the burn area because that area is primarily in the wastewater area. We need more customer base.

President O'Hanlon stated we will bring this back next month with more information.

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

- 12.) Discussion regarding potential future revisions to retail water rates and fees for residential and commercial customers  
Paul Hightower stated this is also in line with our 10 year capital plan. We have an aging system and need some upkeep on our system. There are lines that need to be replaced and several dead ends that will need to be looped. Director Kier and I have been talking with Chris Lane regarding funding for these projects.

Mr. Hightower stated this is something that we need to start discussing and we will be bringing more information to the Board.

Director Kier stated we need to do comparisons with other MUD's in the area and tax rates.

Comment: There needs to be some community education.

President O'Hanlon stated there is no action to be taken tonight for this item.

- 13.) Discussion and possible action regarding adoption of Grease Trap Ordinance  
Paul Hightower presented the Grease Trap Ordinance. There was a lot of discussion with Tony Corbett because I wanted the fees to be higher. This is going to target new businesses as well.

**Motion: Sam Kier moved to accept the Grease Trap Ordinance. Seconded: Butch Carmack.**

Director Ferguson stated the violation rates seem low and thinks the fines should be higher.

After discussing the violation rates the fine scheduled was changed to first violation \$250, second violation \$1,000 and third violation \$1,500.

**Amended Motion: Sam Kier moved to accept the Grease Trap Ordinance with the following fine schedule as to first violation \$250, second violation \$1,000 and third violation \$1,500. Seconded: Butch Carmack. Vote: Three (3) in favor, motion carries.**

- 14.) Review of Texas County and District Retirement System (TCDRS) plan and contributions for 2020  
Paul Hightower stated this is the District employee's retirement plan. District employees contribute 5% of their paycheck every week to the fund. There are options to increase the contribution percentage to 6% or 7%. Keep in mind each percentage it increases it also increases the budget about \$10k. In order to increase the percentage we would need to educate the employees because they might not be prepared for the increase.

Mr. Hightower suggested that we do a 6% for 2020 and 7% for 2021.

Director Kier stated the reason we picked 7 a couple of years ago was that the county is at 7% and we try to keep in line with the County.

There is no action on this item. We will bring something back to the Board by the end of the year.

15.) Discussion and possible action regarding the following matters related to the Road Committee –

a) Monthly meeting update,

Director Ferguson stated at the meeting held on June 11, an item was brought up about a couple of roads that will need to be repaired before the chip sealing process. The District has stock piled materials to prepare for the chip seal. Tyler Walsh stated there was 140 work orders that have been closed. On the Unit reports there was several issues that were brought up about pot holes due to the heavy rains and these have been given to the Operations Manager. The District will need to purchase 9 signs for the roads that are impassable. The committee discussed ways to streamline the home density study and they are still working on a solution for easier work order tracking.

Paul Hightower added Pahoiki Lane was left off the list for chip sealing but it will be chip sealed.

Director Carmack stated he drove up Keanahalululu Lane and it is really bad, can you have the road crew do repairs on that road.

Paul Hightower replied “yes”.

President O’Hanlon announced at 8:33 p.m. that the Board will meet in Executive Session regarding the following items.

- b) Adoption of Amended Resolution Establishing the Road Committee and Setting forth the Rules and Duties Thereof,
- c) Road Committee Membership,
- d) Operations, Role and Functions of Road Committee, and
- e) Establish alternative or additional means to secure public involvement in District Road Projects.

*[This item may be discussed by the Board in Executive Session in order for the Board to seek legal advice and opinions from its legal counsel pursuant to Section 551.071 of the Texas Open Meetings Act.]*

**The Board Adjourned Executive Session at 9:28 p.m.**



**No action or decisions were made in Executive Session.**

President O'Hanlon stated the Board discussed the original Resolution Establishing the Road Committee and they have technically been out of compliance with the Resolution. It requires 2 Board members and we are spread pretty thin and we cannot have 2 Board members on the committee so we have asked our attorney to work on a revised resolution that we will bring to the Board at the next Board meeting. The Road Committee will continue as a citizen advisory committee with members appointed by the Board. We are thinking the Board will no longer serve on the committee.

- 16.) 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. Other future agenda items.

No additional items were added to future agenda items.


- 17.) 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.**

- 18.) Adjourn

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

MEETING ADJOURNED AT 9:36 P.M.

  
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Board Director

  
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Date