

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, April 16, 2020, beginning at 6:30 p.m. The meeting was conducted by videoconference and telephone.

Present BCWCID #2 Board Members:

Mary Beth O'Hanlon, President
Butch Carmack, Vice President
Scott Ferguson, Secretary
Sam Kier, Treasurer
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. and stated this is the District's first videoconference meeting due to the COVID-19 virus. A quorum of Board members was present.
- 2.) Pledge of Allegiance
- 3.) 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.)

None
- 5.) Discussion and possible action regarding scheduling of future meeting dates:
 - a. Regular Board of Director's Meeting scheduled for Thursday, May 21, 2020 at 6:30 p.m.
 - b. Rescheduling of the Annual Public Road Meeting

President O'Hanlon announced the upcoming meeting date for the May Board meeting and stated it would be held by videoconference as well and the Annual Road Meeting will be scheduled as soon as the Convention Center is open for scheduling.

Paul Hightower also stated that the Road Committee has not had any meetings due to COVID-19.

Director Kier asked if the Annual Road meeting could be held by videoconference.

President O'Hanlon and Mr. Hightower stated they will consider having the meeting using Go To Meeting videoconferencing.

- 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 February 20, 2020 Regular Meeting of the Board of Directors;
 - b. Approval of minutes from the March 23, 2020 Special Meeting of the Board of Directors;
 - c. Approval of monthly financial reports for February and March 2020; and
 - d. Approval of Release of Liens held by District on Real Property.

Motion: Sam Kier moved to approve the Consent Agenda items. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

- 7.) Discussion and possible action regarding approval of the 2019 Annual Fiscal Year Audit

Bob West reviewed the audit with the Board and stated the opinion of the audit was a Clean Opinion on the financial statements. In the packet, there are the adjustments for 2019. The road construction and road maintenance are under the Governmental Activities and the water and wastewater is under the Business-Type Activities. Page 4 of the audit details the road construction projects and the roads conveyed to the County for 2019. The net position for the Governmental funds is \$965,677 and for Business Type Activities it is a little over \$5million. Since the District started with the new retirement plan with TCDRS in 2018 that information can be located on pages 29 -33.

Mr. West asked if there were any questions on the annual report.

Paul Hightower stated they have reviewed the report several times and are very pleased with the report.

Director Kier thanked Mr. West for a good job and asked Mr. West if he was seeing good results between the District and Municipal Accounts as he reviews the financials.

Mr. West stated he has a good working relationship with Municipal Accounts, and they will contact him throughout the year with questions.

Motion: Sam Kier moved to approve of the 2019 Annual Fiscal Year.

Director Carmack stated on the last page on the report his name needs to be corrected.

President O'Hanlon stated we will need an amended motion.

Amended Motion: Sam Kier moved to approve of the 2019 Annual Fiscal Year with the name correction on the last page. Seconded: Scott Ferguson. Vote: Four (4) in favor, motion carries.

- 8.) Discussion and possible action regarding request for waiver of late payment and lien fees of road fees for Unit 02 Block 16 Lot 1626A
Richard Cabral is requesting the waiver of fees due to his son and dad having medical issues and had to step in and help the family out with finances. This is the first time we have ever been late. I moved here in 2012 after my house in Circle D area was burned in the fire.

Paul Hightower reminded the Board that there is an agenda item later in this meeting regarding a policy to deal with this type of situation.

Motion: Butch Carmack moved to table this item until we can discuss Agenda Item # 13. Seconded: Sam Kier. Vote: Three (3) in favor, One (1) Opposition, motion carries.

President O'Hanlon informed Mr. Cabral that they will notify him when this item comes back up for discussion late in this meeting.

Returned to this Item after discussing Item # 14.

Motion: Butch Carmack moved to deny the request for waiver of late payment and lien fees of road fees for Unit 02 Block 16 Lot 1626A. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

- 9.) Discussion and possible action regarding request for waiver of late payment and lien fees of road fees for Unit 03 Block 04 Lot 0100
Steve Martin stated he is asking for a waiver of fees because he paid the road fees on November 30 along with 4 other payments and the District never received their payment. He was not notified until he received the bill for 2020 and it had late and lien fees. He is putting his house on the market soon and wants the liens removed.

Paul Hightower asked Mr. Martin if he had realized that when he reconciled his bank account that the check had not cleared.

Mr. Martin responded he had not realized the check did not clear because he paid it a month in advance.

Director Pinard stated the register is not proof and she will make a motion to deny the request.

Mrs. Martin stated they paid it in full when they realized the check had not cleared.

Mr. Martin stated it is paid in full now and wants the lien released because he is transferring back to Oregon and needs to sell his house.

Mr. Hightower stated it will be released and we cannot be responsible for the mail service.

Motion: Karen Pinard moved to deny the request for waiver of late payment and lien fees of road fees for Unit 03 Block 04 Lot 0100. Seconded: Scott Ferguson. Vote: Four (4) in favor, motion carries.

10.) Discussion and possible action regarding request for waiver of late payment and lien fees of road fees for Unit 04 Block 07 Lot 1394

Motion: Sam Kier moved to deny the request for waiver of late payment and lien fees of road fees for Unit 04 Block 07 Lot 1394. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

11.) Discussion and possible action regarding the following items to be presented in the General Managers report:

a. Status of TTHM compliance:

We have received test results back from testing the smaller well and the water has shown to be a pure and excellent quality water. There was zero DBPs, even after a 2-day hold to allow for sedimentation or quality changes, there was none. All samples submitted, came back wonderful!

Our next step is to test the larger well, which we will have to get a drilling company to install a temporary pump into. The larger 20" casing will give us a greater flow opportunity but as a worse (better) side, the one tested has an 8" casing, which with a jetted style motor and going a little deeper in the aquifer thru a shale layer, we could get upwards of 400 gpm possibly. At present time, it only has 110 gpm capability and is a shallow well but the GW District feels we are already pulling some excellent water.

I am talking to one of our contractors about the complexity of the line and running up the ROW for just about the entire project. I believe we will have some issues with getting easements in one area, so I am preparing for worse case using the ROW. We will be posting an RFP to take bids for the construction of a transmission line, from the well area to our station. We will keep the chlorine on-site at our current station and pump the raw water into the station, to blend and be treated. This water will be pumped thru Aqua WSC area, so we will have to work with them as well but being a non-potable transmission only, I do not foresee any issues from them or TCEQ.

We will also be getting with Befco, to have them draw up the plans and measurements for the specs of the line, to be published for the RFP. The GW District agrees that doing this, will be our best bet and we can abandon the current THM well or have it used as a non-potable fill line only. This can be discussed more in the future as we move forward.

b. Update on district water plants and lift stations:

The tank painting and construction project for Station 1 has started. They have brought in materials and started the exterior remodel portion to the ground storage tank.

c. Water/Wastewater maintenance & improvement projects update:

No updates currently. We have chosen to halt all future Capital projects until we move past the Covid-19 issue, other than the current water tank project being tasked.

d. Roads maintenance & improvement projects update:

Currently the road crews are pushing ahead with maintenance, potholes, and ditches. We are short 1 person so our new hire Travis, has been helping until we can get it filled in.

New Road Construction: WJC has started construction and has 3 roads just about finished, those being Mokulua, Kipapa and Waimalu. They are cleaning the edges up and getting the culvert work finalized. They have also started installing culverts on the 2nd batch along Keawakapu. We have conducted the first walk through with County and Engineering, and all work to date has been acceptable. Mel is hoping to start paving in May, they will begin in Unit 3 off Lovers Lane.

e. Employee update:

We have hired a PT position for the office. We initially had offered 2 people the positions on a PT basis so we could see how it worked out, one never showed up to complete the process. Mike came aboard and has been doing a great job in the position. He has picked up on things quickly and Alma has had him going through old files to find discrepancies or accounts that have not been followed up on correctly.

f. Convention Center update for future meetings

The CC has cancelled all meetings until July 15th. This is 1 day before our July meeting, so at this point, we will have to conduct the May, June & July meetings using this video format. Unless Tony has a better or different recommendation, we would not be able to post the agenda for an in-person meeting for July, then by

some chance, the cancellation with the City gets extended. I think we are safer scheduling the next 3 months by tele-video conference.

- 12.) Discussion and possible action concerning Establishment of Interim Policies, Procedures and Restrictions relating to District Employees, Operations and Services to limit the Development, Contact and Spread of COVID-19:
- a. Modification of District policies relating to late payment fees and termination of utility services;
 - b. Modification of District employment and payroll policies, including On-call, Paid Time Off, and other employment policies; and
 - c. Other matters related thereto.

Paul Hightower stated this has been a learning process and we have been talking to our attorneys and Tony Corbett has recommended that we put in place some interim policies, so we have a true guidance.

Tony Corbett stated with respect to the utilities side of this most utilities that he works with are suspending the late fees and disconnection of services for non-payment due to the pandemic and the circumstances. There are some regulatory authorities that is ordering the waiver of disconnection and Mr. Corbett recommends that the District follow those practices and on an interim basis suspend the disconnection for non-payment and not to levy late fees.

Motion: Karen Pinard moved approve the Modification of District policies relating to late payment fees and termination of utility services recommended by our attorney. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

Tony Corbett stated the other part of this is in regard to personnel which Paul Hightower will be able to share more details. From his understanding there are some Operators that may not be working their standard hours and there is a question whether the District could still make payment to those individuals. There are some constitutional provisions that are relevant to that question. There is a provision in the constitution that prohibits the donation of public funds. For instance, merely providing compensation to an employee for not working would be an unconstitutional payment of public monies. If we are going to try to structure an arrangement where we want to retain these employees and continue to pay them even though they might not be otherwise able to provide the typical services they do due to the pandemic then we need to make that a term of your personnel policy that can be done depending on your employee and what they do, paying them to be On Call during those periods or otherwise putting in place this type of payment process on an interim basis during an emergency and if this is something that the Board supports then he will work with Paul Hightower.

Mr. Hightower stated with the pandemic the recommendation from the Governor's office was for us to create a protocol with the workers in the field of no more that 10 people and the CDC recommendation of splitting your work group up and then in between these work groups you could sanitize the areas. Vehicles have been

assigned to these employees so they will be responsible for cleaning and sanitizing. These 2 work groups are alternating shifts. It seems to work well. We are just having the concerns about paying the employees because in speaking with the Board when this first started we stated we were going to continue to pay employees in case they had to be off of a period of time. We need to make the best decision for our employees and have an interim policy.

Motion: Karen Pinard moved to authorize Paul Hightower and Tony Corbett to work on a policy to Modify the District's employment and payroll policies, including On-call, Paid Time Off, and other employment policies. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

Tony Corbett stated they will include President O'Hanlon on the conversation regarding the policy.

Director Kier asked if they could also add something regarding paying an employee if they do not have any sick time and is out due to COVID.

Director Carmack stated most companies right now have a 14-day payment plan on top of their paid time off.

Mr. Corbett stated we can put something in the policy on an interim basis that allows any employee to seek additional paid time off with approval by the General Manager.

13.) Discussion and possible action regarding District Policies relating to Assessment of Late Fees and Lien Fees associated with a Customer's Failure to Timely Pay Annual Road Fees

President O'Hanlon stated this is regarding customers that fail to pay on a timely manner.

Paul Hightower presented a policy he drafted using information he found on the IRS website and from the Public Utility Commission. He feels there are some instances that requires relief from penalties.

President O'Hanlon stated this is a drafted policy for review. The thinking was that if we can come up with a policy because in the past, we have not forgiven the penalties.

Director Carmack asked Tony Corbett this policy opens the Board to say yes to everyone that comes to the Board.

Tony Corbett stated from a legal prospective the District won't be stopped, it has the authority to carry each on its merits but from a practical prospective Butch your point is well taken, once customers realize this it is likely to open up the flood gates. His concern is the phrase "sound reason" it can be construed in a lot

of ways. For example, tonight the person that dropped the bill in the mail. One person can say that is absolutely a sound reason because he always pays his bills on time and it is beyond his control what the post office does. It puts the District and the staff in an interesting prospective to consider that. The standard is just very broad and generally policies work better if they are pretty explicit and there is not a lot of digression, it makes staffs job easier.

Director Kier stated if the policy is well written and crisp it will work well.

Director Pinard stated it is our job to sit there and listen to everyone. This just leaves us open to different situations. Director Pinard also stated she would give a penalty relief when all the other taxing entities allow penalty relief for a reasonable cause.

Director Kier stated he wanted a policy so that staff has something to give customers.

Jo Egitto stated her concern is that it really opens up a gray area and HIPPA violations in regard to medical situations.

Director Ferguson stated this is a slippery slope and can the District be sued because we did it for one person and not the other.

Tony Corbett stated you can always be sued but it puts you in a difficult place because you did it for this person and not the other. Is there any circumstance that the Board would waive fees?

Paul Hightower stated there was the situation back in February, this couple was a military family and they were not getting their mail properly and because the way the lot was sold to them they thought the fees were incorporated with county taxes. I thought they had a valid reason and I thought there was something we could do for them.

President O'Hanlon stated she is hearing that the Board is not interesting in pursuing this item any further.

- 14.) Discussion and possible action regarding Construction of New Office Building
Paul Hightower stated he is working with the architect to move forward on the building. Plans have been drawn up and I have received recommendations on a project manager. Once we make our decisions about the plans of the building, we will set up a meeting with the City of Bastrop.

Director Kier asked if Mr. Hightower thinks the new building can be done at a reasonable price.

Mr. Hightower responded he still thinks this can be accomplished at a reasonable price since we have saved quite a bit on the design phase and we are doing some of the drainage work in house and hopes to get an exception granted from the City since we have already proven it is not a major flow area. The plans right now are for a metal building and we can discuss whether we want fill brick or rock.

Director Carmack stated he has heard several metal buildings are having issues obtaining insurance in Bastrop and wants Mr. Hightower to check on the insurance.

Mr. Hightower stated he will check with TML on the insurance.

President O'Hanlon stated that Director Pinard and herself are serving on the building committee and to let them know if he needs any help.

Mr. Hightower asked does the Board want to keep the facility inside Tahitian Village?

President O'Hanlon and Director Pinard stated they would like to stay in Tahitian.

Director Kier stated he would like to stay in Tahitian as long as we can afford to stay in Tahitian but if the price comes in like it did before we should just find a place in the city to rent.

15.) Review and possible action regarding revisions of the 5-year plan of the Master Road Plan

President O'Hanlon stated the 5 Year plan gets approved at the Annual Road Meeting, it has not been approved but we do have a plan that Paul will review.

Mr. Hightower stated the presentation has been updated and the Road Committee has worked extremely hard updating the plan. This is just a preview for the Board.

Director Kier stated he wants to make sure the Board is okay with spending money on the second year that was locked in. Not sure if there needs to be a motion or not.

President O'Hanlon stated she was not comfortable approving the whole plan since we have not had our Annual Road Meeting yet.

Mr. Hightower stated the Year 2 only had a slight change, but we kept it small.

Motion: Sam Kier moved to approve Paul Hightower to continue with the road plan year October 2020 to September 2021 that was presented last year with minor revisions. Seconded: Butch Carmack. Vote: Three (3) in favor, One (1) Abstention, motion carries.

16.) Discussion regarding Culvert Fees for a second driveway during new road construction

Paul Hightower stated this will be his first full year with road construction projects and several issues have come up with people that have more than one access point to their property. When we come in and pave a road, we are taking that access point away from them and making them come in a pay for a permit and additional culvert, I am just not sure I fully agree with this. A couple of years ago we started making the customer pay for the additional culvert. The County is allowing them to use some of the older culverts.

Director Kier stated he is unclear about what Mr. Hightower is asking.

Mr. Hightower stated we are taking away their additional access.

Director Pinard stated she is not understanding what is being asked and asked Mr. Hightower are you asking the District to supply the additional culvert?

Mr. Hightower stated we are reusing some of the old culverts and they would only have to pay the permit fee.

Director Kier stated if they have a legal second driveway

Tyler Walsh stated the culvert permit processing is relatively new so before the permit process customers just put in driveway any way they wanted. We only count for the one entry way. This is mostly for the older homes.

Director Pinard stated if they have a second driveway, they need to pay for the second driveway.

President O'Hanlon stated she is not in agreement with this. They need to go through the permitting fee.

No Motion or Action was taken on this item.

- 17.) Discussion on possible future Interlocal Agreement between District, Bluebonnet Electric Cooperative, and Bastrop County for mulching services

Paul Hightower stated this is on hold right now due to COVID-19, but he would like to leave this item on the agenda.

- 18.) Discussion and possible action regarding Road Committee vacancies

Paul Hightower stated Unit 2 Jo Egitto's term has expired, and she wants to serve another term on the Road Committee and Mr. Stigall would like to fill the Unit 3 position. Mr. Stigall attends many of the meeting and is very active.

Motion: Karen Pinard moved to accept the applications for Road Committee members as Unit 2 Jo Egitto and Unit 3 Gregory Stigall. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

President O'Hanlon take everyone for their willingness to serve on the committee.

Jo Egitto stated that Unit 1 is still vacant, and it can be added to the next month agenda.

19.) Discussion and possible action regarding the Road Committee

a) Receive Monthly Committee update,

Paul Hightower stated the committee has not met since February. There no additional updates.

20.) Board suggestions on future agenda items
No additional suggestions.

21.) Adjourn

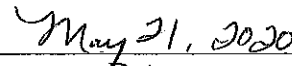
Motion: Butch Carmack moved to adjourn the meeting. Seconded: Sam Kier. Vote: Four (4) in favor, motion carries.

Director Pinard congratulated Patricia Lujan on her 10 years of service.

MEETING ADJOURNED AT 8:20 P.M.



Board Director



Date