

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 17, 2021, beginning at 6:30 p.m. The meeting was conducted by videoconference and telephone.

**Present BCWCID #2 Board Members:**

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

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

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

**MEETING DISCUSSION TOPICS**

- 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
- 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.)  
John Shirley stated we lives on W. Riverside Dr and has travels Waipahoehoe and the road is in very bad shape and has only been graded once since June of last year and we would like to have the road repaired.

Tyle Walsh stated with all the rain it has created a lot of damage to the roads in Tahitian Village but Waipahoehoe is scheduled for repairs next week then we will move over to Keawakapu.

Lorenzo McQueen stated the area around Keawakapu needs to be mowed and also in bad need of repairs. The roads are so bad they are messing up his car. The rains are just washing away the road materials.

Paul Hightower stated we have a limited road crew of 4 people and the Board approved 2 more employees and we are trying to get things taken care of. We do the road repairs in order and we do have a plan. Your area is scheduled for repairs next week. We will be putting down crushed concrete which should hold up better.

Mr. McQueen asked what the definition of paving was because he considers black top being paved and that is not what is being put on the roads.

Mr. Hightower stated the County does the paving and they put down a 2 coarse white rock.

President O'Hanlon pointed out to Mr. Queen that the District recently received an Attorney General's opinion that clarifies the road work done in this community are to the standards, as described by the County so this is why the County has the decision on how the roads will be paved. The 2-layer chip seal is considering a paved road. Which means at the point that we pave a road to County specifications by law, the County has to take over the maintenance of that road. The whole goal here is to get all of the roads in Tahitian Village eventually paved and in the hands of the County and the county will maintain them to whatever standards are in place for the county at that time.

Director Kier commented that caliche is not chip seal. With chip seal there is a base that goes down then more materials than they apply an oil and stone. It looks like asphalt, but it is not.

Mr. Hightower stated this is more cost effective.

President O'Hanlon encouraged everyone to look at the 5 Year Road Plan that is on the District's website.

Mr. Queen stated this process is wasting money if the roads are not going to be paved for another 3 years.

President O'Hanlon stated the District has limited funds. They can only use what is collected for that year. Several years ago, the District had a bond election as we could get the roads done soon but the citizens of this community voted against the bond issue, so we only have the funds we collect. We can only pave about 2 miles of road a year with our road fees.

Mr. Shirley thanked all the Board members for serving their community.

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

- a. Regular Board of Director's Meeting scheduled for Thursday, July 15, 2021 at 6:30 p.m.

President O'Hanlon announced the next Board meeting will be held on July 15, 2021 at 6:30 p.m.

Paul Hightower asked Tony Corbett if he has heard any news on the Governor's end to the emergency declaration regarding Open Meetings.

Tony Corbett stated he looks at the Governor's website from time to time and has not seen anything. This has been on a month-to-month basis, but a number of his clients have transitioned back to in person meetings, so it is certainly within the discretion of the Board.

President O'Hanlon stated we want to make sure that we are in compliance with the rules but as you know, we do not have our own meeting place at this particular time, so if we go back to a person meeting, we have to go back to the convention center and start negotiating for a meeting place.

Paul Hightower stated he will be looking for meeting places and bring a list back to the Board at the next 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 20, 2021 Regular Meeting of the Board of Directors;
  - b. Approval of monthly financial report for May 2021; and
  - c. Approval of Release of Liens held by District on Real Property.

**Motion: Sam Kier moved to approve the Consent Agenda Item A. Seconded: Butch Carmack. Vote: Three (3) in favor, One (1) abstention, motion carries.**

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

Alma Rodriguez reviewed the Release of Liens.

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

- 7.) Discussion regarding the following items to be presented in the General Managers report:

Paul Hightower reported on the following:

**a. Status of TTHM compliance:**

As we reported last month, after all the testing was completed, we have finally found a solution which is installing a Granular Activated Carbon filter. We did publish for bids and received 2 bid packets. There is an action item below to vote on this. We are looking at an installation sometime late this year or early next year.

**b. Update on district water plants and lift stations:**

No updates at this time.

**c. W/WW maintenance & Capital Improvements update:**

We have a meeting scheduled next week to meet with BEFCO and go over the Tahitian line project so that we can get it moving forward. Surveys have been completed.

**d. Road maintenance & improvement projects update:**

**19/20 Road Construction:** At this time, we are waiting for County to get started on their paving.

**20/21 Roads:** The team is working diligently on this. Things were going great at first, until we had a supervisor out for 3 weeks under covid restrictions and then the rain hit us. It definitely caused some down time even with the contractor. The team is hitting it hard, and we did bring in a grader/contractor to help get things moving. The county had taken their chipper back which slowed the tree progress, but they are back on track now. Right now, we are looking around the August timeframe for the reclaimer. Tyler's team is working in culverts which required an excavator.

**e. Employee update:**

2 updates with employees, we had 1 turn in a notice to go work for another water company and then the next day, another employee walked out on us. We have ads out now to get the positions filled as soon as we can.

The new ladies in the office are doing quite well with their training.

**f. General Office Update:**

**New Maintenance Facility:** The project is going well. Building is completed, rock facade around it is up, garage doors are in, and it is coming along nicely. The interior is getting finished out this month and moving forward. Should be completed in July sometime.

Director Kier asked in regards to the 2 employees leaving is there is anything the Board needs to do in order to retain employees?

Mr. Hightower stated not in this case. The one employee that went to another water company stated he does not want to operate a shovel he wants to be more of just an operator driving around in a truck. The other employee walked out because he did not like rebuilding sewer pumps.

Director Kier stated he just wanted to make sure there is nothing the Board needed to look at regarding benefits.

Mr. Hightower stated the District offers a great benefits plan.

- 8.) Discussion and possible action regarding the Road Committee:
  - a. Receive Monthly Committee Update  
Paul Hightower stated the Road Committee did not have a meeting this month but will get back on schedule next month.
- 9.) Discussion on future capital improvement projects and financing analysis by SAMCO Capital Markets

Paul Hightower stated we have received the initial soft approval from TCEQ, and they attorneys have reviewed the package, and everything looks good. The application was approved for \$6,775,000 at an 3.78% net effective Interest Rate for a \$800,554 20-year life of the Note. It is a little more than we were expecting. Mr. Hightower and Director Kier will be meeting next week to review and discuss this item.

Director Kier stated when we made this application we estimated everything on the high side. This estimate was based on public placements but if we go with private placements the interest will go down and we will have some savings.

Tony Corbett stated it is very common to use an intentionally high interest rate, because of the commission's intentionally determining feasibility, and with the expectation that the actual interest rate at which the bonds are so it will be much less. Because otherwise, you would have to go back and get their approval if the interest rate was higher. So, I fully anticipate that the actual interest rate will be lower than what is included in the application to TCEQ.

Director Kier mentioned to Mr. Corbett that the document warns people about spending money before they get the bond is that to cover yourself?

Mr. Corbett stated you do not have the bond monies until you go through the process and you will have to get an Attorney Generals opinion.

Director Kier stated a few months ago we made a motion to spend money.

Mr. Corbett stated when you are spending money you are not doing that with respect to the bond money, you are using your general funds to do that. The Resolution that was passed would authorize subsequent reimbursement. That is outside the scope of what TCEQ is referring to.

10.) Discussion and possible action regarding approval for purchase of an Activated Carbon Unit at Station 2 for treatment of disinfection byproducts (TTHMs) in District water supply

Paul Hightower stated we received 2 quotes for an Activated Carbon Unit. Tigg quote was for \$226,135 and Worth Hydrochem was for \$396,300. All initial test was done by Tigg. Both have the same plans and specs. Staff recommends that we purchase the Activated Carbon Unit for Station 2 from Tigg.

Director Kier asked if that price included the first carbon filter.

Paul Hightower responded yes; the filter is \$44,615. The total price included delivery and installation. The District will have to do some concrete work and also work to tie the system in.

Director Ferguson asked what the plan was for winterizing the unit since it is very thin material.

Mr. Hightower stated we will be wrapping it and may build a structure around the unit.

**Motion: Sam Kier moved to approve staff's recommendation to accept the quote from Tigg in the amount of \$226,135. Seconded: Scott Ferguson.**

Director Carmack asked about the Scope Disclaimer that states the pricing excludes lifting and unloading the equipment or installation and interconnection of the equipment.

Paul Hightower stated the first page of the proposal stated installations is included.

Director Carmack stated there is a contradiction in their proposal.

The Board asked Tony Corbett for guidance.

Tony Corbett stated we absolutely need to get clarification and that this is more of a proposal than a contract. If your intention is to enter into a formal construction contract, we need to make sure to include any warranty or other provisions.

Mr. Hightower stated the warranty is set forth in the rest of the documentation I have received with the drawings and requirements.

Mr. Corbett stated I think we definitely need to get clarity, and make sure what is clear, what is in, and what is out, because there could definitely be uncertainty. And therefore, the possibility that they end up after the fact stating something is not included based on this disclaimer, because you have got two conflicting provisions so we should get clarity.

Mr. Corbett suggested that Mr. Hightower meet and have a discussion about whether this document itself is sufficient, or we should incorporate this into a more formal contracts, so that the warranty and other documents that they gave you are part of the parties' contract.

Mr. Hightower agreed.

**Director Kier amended his original motion to authorize the General Manger to work with our attorney to move forward on creating a contract that clearly specifies the details.**

**Seconded: Butch Carmack.**

Director Ferguson wanted to point out under shipping and handling it also states you are responsible for unloading the equipment.

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

- 11.) Discussion and possible action regarding approval of 2021/2022 Road Construction surveys completed by BEFCO Engineering  
Paul Hightower stated staff recommends approving the 2021/2022 Road Construction proposal for surveys to be completed by BEFCO Engineering. There are approximately 2.74 miles of road in this project. The proposal came in at \$87,000 for the survey portion, \$68,000 for the civil engineering for a total of \$154,000. Then everything else is broken down hourly, which is the way we had requested it before. The bid process is a \$10,000 lump sum, which is what has been the last four years, and then everything else after that is hourly as requested.

**Motion: Sam Kier moved to approve the proposal from BEFCO Engineering to complete surveys for the 2021/2022 Road Construction Projects. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.**

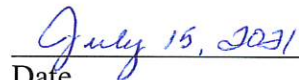
- 12.) Board suggestions on future agenda items  
Director Whipple stated he would like to have an Agenda Item to discuss a Public Funds Investment Policy and Investing funds.

- 13.) Adjourn

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

MEETING ADJOURNED AT 7:36 P.M.

  
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Board Director

  
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Date