

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

August 7, 2020

The Board of Directors (the "Board") of Bastrop County Municipal Utility District No. 1 (the "District") met on the 7th day of August, 2020, in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, and the roll was called of the members of the Board being present by telephone:

Nick Textor	President
Linda Roberts	Vice President
William Tullis	Secretary
Jerry B. Patterson	Assistant Vice President
Jane T. Sevier	Assistant Secretary

and all of the above were present except Director Tullis, thus constituting a quorum.

Also attending the teleconference were Teri Mealy, resident of the District; John Crumine of PFM Group; Terry Holland of Myrtle Cruz, Inc.; Hal Lanham, Tammy Hargett, and Amanda Rodriguez of AWR Services, Inc. ("AWR"); Bradley Loehr of Befco Engineering, Inc.; David Patterson of Assessments of the Southwest, Inc. ("ASW"); and Kathryn Garner and Janet Swartz of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Garner reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at <https://www.districtdirectory.org/agendapackets/bastropcmud1>.

PUBLIC COMMENT

Ms. Garner offered any members of the public attending the meeting by telephone the opportunity to make public comment. There were no comments from the public.

CONSIDER OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC AND RATIFICATION OF ANY EMERGENCY ACTIONS, IF NECESSARY

The Board concurred that there were no COVID-19 epidemic emergency actions for ratification.

MINUTES

The Board considered approving the minutes of the July 8, 2020, meeting. Following review and discussion, Director Roberts moved to approve the minutes of the July 8, 2020, meeting. Director Sevier seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS AND TAX REPORT

Mr. Holland reviewed the bookkeeper's report, including the bills submitted for approval, transfers, investment report, energy report, and year-to-date budget, a copy of which is attached. The Board reviewed the monthly tax report for August, 2020, from the Bastrop County Tax Office, a copy of which is attached. Mr. Holland stated that a \$60.47 deposit for Harris County Municipal Utility District No. 438 ("HC MUD 438") was erroneously deposited into the District's account. He stated he has prepared a check in the amount of \$60.47 to HC MUD 438 to return the funds. Mr. Holland stated he has also prepared an additional check to AWR in the amount of \$300.00. After review and discussion, Director Patterson moved to approve the bookkeeper's report, investment report, and checks presented for payment, including the additional checks to HC MUD 438 and AWR. Director Roberts seconded the motion, which passed by unanimous vote.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2021

Mr. Holland reviewed a proposed budget for fiscal year end September 30, 2021, a copy of which is attached to the bookkeeper's report. Director Textor requested that Mr. Lanham and Mr. Loehr work with Mr. Holland on the proposed budget. The Board agreed to discuss adoption of the proposed budget for the fiscal year end September 30, 2021, at the September Board meeting.

SENATE BILL 2 TRANSPARENCY REQUIREMENTS AND AGREEMENT FOR SERVICES OF TAX ADVISOR

The Board tabled discussion on this agenda item.

DISCUSS WATER CODE TAX PROVISIONS AND 2020 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2020 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2020 tax rate. Ms. Garner discussed recent legislative changes to the "truth-in-taxation" property tax calculations and tax levy process for water districts in Chapter 49, Texas Water Code. She stated that such legislation established three main categories for water districts, based on a district's development status and/or tax rate. Ms. Garner reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water

Code. She stated that the legislation allows a “developed” district to use alternate notice and calculation procedures following a declared disaster.

Discussion ensued regarding the District’s development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2020 tax year.

Following review and discussion, Director Patterson moved to adopt a Resolution Regarding Development Status for 2020 Tax Year establishing the District as a Developing District for the 2020 tax year pursuant to Section 49.23603, Texas Water Code, and providing that the District will follow the tax notice and calculation procedures provided by Section 49.23602(d), Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District’s official records. Director Sevier seconded the motion, which passed by unanimous vote.

Mr. Crumine reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2020 debt service tax of \$0.3680 per \$100 of assessed valuation and a maintenance and operations tax rate of \$0.5210 per \$100 of assessed valuation, based on the District’s initial 2020 certified value. A copy of the debt service tax rate analysis is attached. The Board then discussed the District’s operation and maintenance tax rate. Ms. Garner discussed the two-step process for setting the District’s tax rate.

Director Roberts left the teleconference.

After discussion, Director Patterson moved to (1) set the public hearing date for September 4, 2020; and (2) authorize ASW to publish notice in a newspaper of general circulation in the District of the District’s meeting on September 4, 2020, to set the proposed 2020 total tax rate of \$0.91 per \$100 of assessed valuation. Director Sevier seconded the motion, which passed by unanimous vote.

Mr. Patterson discussed the certified values and the uncertified values in the District. The Board requested Mr. Patterson review the District’s tax roll and discuss the roll with the Board at the next meeting.

RENEWAL OF THE DISTRICT’S INSURANCE POLICIES

Ms. Garner stated that the District’s insurance policies with the Texas Municipal League (“TML”) expire on October 1, 2020. The Board requested ABHR obtain a proposal from HARCO Insurance Services for renewal of the policies with the TML.

OPERATION OF DISTRICT FACILITIES, DISCUSSION REGARDING DELINQUENT ACCOUNTS AND TERMINATIONS

Ms. Hargett reviewed the operator’s report, a copy of which is attached, and reviewed maintenance and repairs at the District’s facilities. She reported a water loss of

15% for the June reporting period and stated that there are 114 active connections in the District.

Ms. Hargett discussed implementation of the electronic meter pilot program. She stated that the ten meters for the pilot program have been received. Ms. Hargett added that the endpoints which consist of the data sending units are expected to be received this month.

Ms. Hargett stated there were no delinquent accounts.

Ms. Hargett reported on AWR's responses to customer calls on grinder pump issues.

Ms. Hargett stated that the letter to the residents announcing the District's website will be sent with the August water bill.

Mr. Lanham stated that AWR has provided the costs incurred by the District to repair a 6" water line along ColoVista Parkway between River Forest and Tall Forest which was damaged by Chasco.

Mr. Lanham stated the cost for leak detection testing in the District will be added to the District's budget in case it is necessary.

After review and discussion, Director Patterson moved to approve the operator's report. Director Sevier seconded the motion, which passed by unanimous vote.

REPORT ON BASTROP COUNTY ROAD WORK AND REQUEST FOR REIMBURSEMENT FOR REPAIR OF BROKEN WATER LINE

Ms. Garner stated a claim for \$90,523.90 was filed with Bastrop County for the damage caused by its contractor, Chasco, to the District's 6" water line along ColoVista Parkway between River Forest and Tall Forest. She added that the Bastrop County Commissioners Court will consider the claim on August 4, 2020.

REPORT ON PARLIAMENT GROUP, INC., DRAINAGE WORK AND REQUEST FOR REIMBURSEMENT FOR REPAIR OF BROKEN SEWER MAIN

Ms. Garner stated that a claim is being prepared to send to the Parliament Group, Inc., for a broken sewer main that was damaged by a contractor hired by Parliament Group, Inc., for work on a drainage project between Loon and ColoVista Parkway.

REPORT ON BASTROP COUNTY FEMA HAZARD MITIGATION ACTION PLAN

Director Textor discussed a conference call with Director Sevier, the engineer, and operator to discuss the Hazard Mitigation Plan. He stated that no action has occurred on the Plan due to COVID restrictions. Director Textor stated that Director Sevier is creating

a list of 12 projects the District can request be funded by the Plan. Director Sevier discussed some of the projects that could be funded by the Plan.

MAINTENANCE OF THE DISTRICT WEBSITE

Director Sevier updated the Board on the District's website. She stated that she is revising the current map on the website.

ENGINEERING MATTERS

Mr. Loehr reviewed an engineer's report submitted by Befco Engineering, Inc., a copy of which is attached.

2016 FEMA PROJECT

Mr. Loehr discussed the project for erosion control on the easement to maintain the road and wastewater line to the WWTP. He discussed an improvement project to relocate the wastewater line to the WWTP to the opposite side of the road and away from the river. Mr. Loehr stated that the estimated cost for surveying and construction relating to relocation of the wastewater line to the opposite side of the road is \$35,000. Mr. Loehr stated that the District would need to obtain an easement from ColoVista Estates, Inc. for the relocation of the wastewater line.

2017 FEMA PROJECT

Mr. Loehr discussed the extension he filed with FEMA related to the 2017 FEMA project for erosion control, repairs, and relocation of the 3" water line located near the Townhomes.

Ms. Garner updated the Board on the District's request that ColoVista Estates, Inc., convey the common area property located in ColoVista Townhomes, Section One A to the ColoVista Townhomes Property Owners Association. She added that the District has requested the Colovista Townhomes Property Owners Association to convey an easement to the District once it owns the property for the relocation of the 3" waterline. Mr. Loehr stated he can advertise for bids for the project once the easement is conveyed to the District and FEMA approval is received.

RELOCATION OF 4" SEWER LINE AND 6" WATER LINE

Mr. Loehr updated the Board on the design for the relocation of a 4" sewer line and 6" water line located near the Townhomes. He stated that Parliament Group, Inc., has reviewed the plans and the proposed easement and has determined that the District's culverts are located partially outside of the fifteen-foot utility easement. Mr. Loehr stated that the District requested the Parliament

Group, Inc., agree to revise the existing fifteen-foot utility easement to twenty feet at the location of the culverts and has not received a response.

After review and discussion, Director Patterson moved to (1) approve the engineer's report; (2) authorize the submittal of an application to FEMA for funding of a \$35,000 improvement project to relocate the wastewater line to the WWTP to the opposite side of the road and away from the river; and (3) authorize the engineer to prepare the meters and bounds description for an easement from ColoVista Estates, Inc., for the relocation of the wastewater line and authorize ABHR to prepare the easement. Director Sevier seconded the motion, which passed by unanimous vote.

Mr. Loehr reviewed an inspection report on the wastewater treatment plant. He stated he will prepare a cost estimate for the repairs noted in the inspection report.

RATIFICATION OF EMERGENCY ACTION OR URGENT ACTIONS

There was no discussion on this agenda item.

REPORT ON DEVELOPMENT IN THE DISTRICT

There was no report on development.

2020 DIRECTORS ELECTION, INCLUDING ADOPT RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY OF THE BOARD OF DIRECTORS DURING THE 2020 BOARD OF DIRECTORS ELECTION PERIOD, APPROVE CONTRACT FOR ELECTION SERVICES WITH BASTROP COUNTY, ADOPT AMENDED AND RESTATED ORDER CALLING DIRECTORS ELECTION, AND AUTHORIZE NOTICE OF ELECTION

Ms. Garner discussed procedures related to the November 3, 2020 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2020 Directors Election Period.

Ms. Garner stated that the District may contract with Bastrop County to conduct the District's November 3, 2020 Directors Election.

Ms. Garner reviewed an Amended and Restated Order Calling Directors Election. She discussed that the Notice of Election is required to be posted or published and provided to the County Clerk and Voter Registrar of Bastrop County.

Following review and discussion, Director Patterson moved to (1) adopt a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2020 Directors Election Period, reflecting the appointment of Janet Swartz as the agent of the Secretary of the Board of Directors to perform the duties of the Secretary related to the District's Directors Election, authorize the agent to post the related notice as required,

and direct that the Resolution be filed appropriately and retained in the District's official records; (2) approve a contract with Bastrop County to administer the District's November 3, 2020 directors election; (3) adopt the Amended and Restated Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records; and (4) authorize the Secretary's agent to post or publish and provide the Bastrop County Clerk and Voter Registrar the Notice of Election. Director Sevier seconded the motion, which passed by unanimous vote.

NEXT MEETING DATE

Following discussion, the Board agreed to hold the next meeting on September 4, 2020, at 10:00 a.m. by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020.

/s/ Jane T. Sevier
Assistant Secretary, Board of Directors

(SEAL)



ATTACHMENTS TO THE MINUTES

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