

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

November 17, 2020

The Board of Directors (the "Board") of Bastrop County Municipal Utility District No. 1 (the "District") met on the 17th day of November, 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, thus constituting a quorum.

Also attending the teleconference were Steven Adamcik, resident of the District; Brett Lanham of Lanham Consulting, LLC; Terry Holland of Myrtle Cruz, Inc.; Hal Lanham and Tammy Hargett of AWR Services, Inc. ("AWR"); Bradley Loehr of Befco Engineering, Inc.; 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

Director Textor 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 October 2, 2020, regular meeting. Following review and discussion, Director Tullis moved to approve the minutes of the October 2, 2020, regular meeting. Director Sevier seconded the motion, which passed by unanimous vote.

The Board next considered approving the minutes of the October 29, 2020, special meeting. Following review and discussion, Director Tullis moved to approve the minutes of the October 29, 2020, special 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. Director Sevier left the teleconference.

The Board reviewed the monthly tax report for October, 2020, from the Bastrop County Tax Office, a copy of which is attached. After review and discussion, Director Tullis moved to approve the bookkeeper's report, investment report, and checks presented for payment. Director Patterson seconded the motion, which passed by majority vote.

Director Sevier rejoined the teleconference.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted an annual review of the District's Investment Policy and concurred that no changes were necessary at this time. Following review and discussion, Director Tullis moved to adopt a Resolution Regarding Annual Review of Investment Policy reflecting that the current policy will remain in effect 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.

REPORT FROM TAX ADVISOR

There was no report from the tax advisor.

OPERATION OF DISTRICT FACILITIES AND DISCUSSION REGARDING DELINQUENT ACCOUNTS AND TERMINATIONS

Mr. Hal Lanham reviewed the operator's report, a copy of which is attached, and reviewed maintenance and repairs at the District's facilities. He stated that there are 117 active connections in the District.

Mr. Hal Lanham stated there were no delinquent accounts.

Mr. Hal Lanham stated that during the inspection of the wastewater treatment plant (“WWTP”), the Texas Commission on Environmental Quality (“TCEQ”) inspector verbally noted that there were no guards on the pulley system for the blowers. He added that he obtained a quote for fabrication and installation of the guards in the amount of \$2,300. Mr. Hal Lanham stated that he will attempt to obtain a second proposal for the guards for a lower cost. He added that if he is not able to obtain another estimate, AWR will arrange for the guards to be installed for a cost of \$2,300.

Mr. Hal Lanham reported on AWR’s responses to customer calls.

Mr. Hal Lanham updated the Board on AWR’s COVID-19 response plan.

Mr. Hal Lanham stated that water loss in the District was 7%. He added that the percentage of water loss decreased due to Aqua WSC’s installation of a new master meter.

Mr. Hal Lanham discussed the District’s request to Bastrop County (“County”) for reimbursement for repairs of the District’s air relief valve due to damages caused by the County’s contractor. Ms. Garner stated that this matter will be discussed later in the meeting. Mr. Hal Lanham stated that an employee of AWR has reported that while on-site in the District, they were told by an employee of the contractor that a subcontractor’s dump truck damaged the air relief valve.

The Board discussed the prior request from the owner of an empty lot located at 108 Elm Court for waiver of the minimum monthly water bill. Mr. Hal Lanham reported that the owner has not requested the removal of the meter from the lot.

Director Textor recommended that a lockbox be installed by the mailboxes in the valley area of the District for display of agendas for Board meetings. Mr. Hal Lanham discussed the cost of two types of lockboxes and installation. Director Textor noted that the lockbox would only be utilized by the District.

Director Textor discussed the cost estimate in the amount of \$2,000 to repair the blower at the WWTP.

After review and discussion, Director Tullis moved to (1) approve the operator’s report; and (2) authorize AWR to obtain another estimate for repair of the blower at the WWTP and have the blower repaired for the lowest cost; and (3) authorize AWR to purchase a single lockbox for a cost of \$700 and install the lockbox near the mailboxes in the area of the valley. Director Sevier seconded the motion, which passed by unanimous vote.

REPORTS REGARDING DISTRICT WATER QUALITY AND FINANCIAL CONCERNS

Ms. Garner stated that some districts that have AWR as operator have formed committees consisting of Board members to investigate matters related to Mr. Brett

Lanham's comments on his departure from AWR. Mr. Hal Lanham stated that he will provide reports to the committee if one is appointed. He discussed the filings of District reports with the TCEQ. In response to a question from Director Sevier, Ms. Garner stated that the committee could review allegations of time card fraud and AWR's invoices for services. Mr. Brett Lanham updated the Board on matters related to his departure from AWR and stated he intends to provide additional information to the Board. Mr. Hal Lanham stated that he will provide invoices if requested by the Board. After discussion, Director Patterson moved to appoint Directors Tullis and Roberts to serve on a committee. Director Sevier seconded the motion, which passed by unanimous vote.

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 and the relocation of wastewater line to WWTP and required wastewater line easement. He stated that Cohn Resnick will submit the District's application to FEMA on this project. Mr. Loehr stated he requested a time extension through December 2021 to complete the project.

Mr. Loehr stated that during the repair of the 6" water line in the gully on ColoVista Drive between River Forest and Tall Forest, a permanent repair was made in lieu of mitigation that was part of the approved FEMA project. He stated that the District can either return \$2,125 to FEMA or submit an appeal to FEMA.

2017 FEMA PROJECT

Mr. Loehr stated he did not have an update on the 2017 FEMA project for erosion control, repairs, and relocation of the 3" water line located near the Townhomes. He stated he can advertise for bids for the project once the owners of the Townhome common areas convey an easement to the District.

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 the District is waiting to receive comments from Parliament Group, Inc., on a utility easement requested by the District.

REPORT ON AMENDED UTILITY EASEMENT

Ms. Garner stated that the Board adopted a Resolution Authorizing Execution of Amendment to Utility Easement at the special meeting on October

29, 2020. She added that an Easement and right-of-way was granted to the District and is being amended to provide for 20' culverts. Ms. Garner stated that the District requires the Easement for access to its utility lines so that it can maintain and make necessary repairs to the District's lines located in the Easement. She added that the Easement is being amended solely to widen and extend to 20 feet in width only those portions of the Easement where the culverts are located. Ms. Garner stated that the Amended Utility Easement has been sent to the Parliament Group, Inc., for execution.

WWTP REPAIRS

Mr. Loehr stated that he did not have an update on this agenda item.

RENEWAL OF SYSTEM FOR AWARD MANAGEMENT REGISTRATION

Director Textor stated he renewed the System for Award Management Registration for another year. He added he can assist another Board member in the renewal process next year. Director Textor stated that another director will also need to sign applications to FEMA for future projects on behalf of the District.

After discussion, Director Tullis moved to (1) approve the engineer's report; and (2) authorize the bookkeeper to return \$2,125 to FEMA. Director Sevier seconded the motion, which passed by unanimous vote.

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

Ms. Garner stated that a demand letter was sent to the Parliament Group, Inc., requesting reimbursement in the amount of \$20,122.88, for a broken sewer main that was damaged by a contractor hired by Parliament Group, Inc. She stated Parliament Group, Inc., is reviewing the claim and has indicated they may be willing to pay the claim after deducting its legal fees incurred for review of the Amended Utility Easement.

REPORT ON COUNTY ROAD WORK AND REQUEST FOR REIMBURSEMENT FOR REPAIRS AND REPLACEMENT OF AIR RELIEF VALVE AND RELATED SERVICES

Ms. Garner stated that a contractor for the County was working in the District and damaged the District's air relief valve. She added that a demand letter was sent to the County requesting later reimbursement in the amount of \$6,238.25. Ms. Garner stated that preliminarily the Bastrop County District Attorney stated the claim would be paid. On November 10, 2020, the County sent a letter to the District stating that its contractor, Chasco, denied damaging the District's air relief valve; thus, the County was denying the claim based on that information. She added that AWR is gathering additional information on the matter to submit to the County.

REPORT ON COUNTY FEMA HAZARD MITIGATION ACTION PLAN

Director Textor stated he did not have an update on the progress of the FEMA Hazard Mitigation Plan.

MAINTENANCE OF THE DISTRICT WEBSITE

Director Sevier stated she did not have an update on the District’s website.

RATIFICATION OF EMERGENCY ACTION OR URGENT ACTIONS

Director Textor stated that the Board previously adopted a Resolution Regarding Delegation of Authority Due to an Emergency. He discussed the delegations of authority to take certain actions on behalf of the Board or District, including delegation to a Board member designee to sign approved and authorized checks on behalf of the District in accordance with Section 49.151 of the Texas Water Code. There were no actions to be ratified at this meeting.

2020 DIRECTORS ELECTION

Ms. Garner discussed the November 3, 2020, Directors Election. She thanked Director Textor for his service to the District.

ORDER CANVASSING RETURNS AND DECLARING RESULTS OF DIRECTORS ELECTION

The Board reviewed the certified returns from Bastrop County for the District’s November 3, 2020, Directors Election. Ms. Garner presented an Order Canvassing Returns and Declaring Results of Directors Election, reflecting the following results, as indicated in the certified returns:

<u>Candidate Name</u>	<u>Votes</u>
Steve Adamcik	91
Will Tullis	115
Terry Mealy	80

Director Textor, President of the Board, noted the completion of the canvass of the returns of the election pursuant to Section 67.004(g), Texas Election Code. After review and discussion, Director Sevier moved to adopt the Order Canvassing Returns and Declaring Results of Directors Election, reflecting that Steven Adamcik and William Tullis have been elected to the Board of Directors each to serve a four-year term, and direct that the Order be filed appropriately and retained in the District’s official records. Director Tullis seconded the motion, which passed by unanimous vote.

CERTIFICATE OF ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Steven Adamcik and William Tullis to the Board of Directors of the District each for a four-year term. After review and discussion, Director Tullis moved to approve the Certificate of Election and the distribution of same to Directors Adamcik and Tullis, and direct that the Certificate of Election be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

DIRECTORS' SWORN STATEMENTS, OFFICIAL BONDS, AND OATHS OF OFFICE

Ms. Garner reviewed the Sworn Statement, Oath of Office, and Official Bond for Director Adamcik. She reviewed the Sworn Statement and Oath of Office for Director Tullis. After review and discussion, Director Tullis moved to approve the Sworn Statement, Oath of Office, and Official Bond for Director Adamcik and the Sworn Statement and Oath of Office for Director Tullis, and direct that the documents be filed appropriately and retained in the District's official records, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Sevier seconded the motion, which passed by unanimous vote.

REORGANIZE THE BOARD AND ELECT OFFICERS

The Board considered reorganizing the Board of Directors. After discussion, Director Patterson moved that Director Adamcik serve as President of the Board. Director Sevier seconded the motion, which passed by unanimous vote. After discussion, Director Roberts moved to organize the remainder of the Board and elect officers as follows:

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

Director Tullis seconded the motion, which passed by unanimous vote.

AUTHORIZE FILING OF THE DISTRICT REGISTRATION FORM WITH THE TCEQ

The Board considered authorizing filing of an update District Registration Form with the TCEQ, reflecting the terms of the newly elected directors and the reorganization of the Board. Following review and discussion, Director Tullis

moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Mr. Garner reviewed a Memorandum from ABHR regarding the Texas Open Meetings Act requirements. She noted that Director Adamcik, as an appointed public official, is required to complete the course on training responsibilities of the governmental body and its members under the Texas Government Code, Chapter 551, within 90 days of taking the Oath of Office.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE, INCLUDING REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Garner reviewed a Memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission and asked Director Adamcik to submit any required disclosures to the District's attorney. She stated that pursuant to Chapter 176 of the Texas Local Government Code, the District maintains a List of Local Government Officers. Ms. Garner reviewed the List of Local Government Officers. After review and discussion, the Board concurred to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records.

CYBERSECURITY TRAINING REQUIREMENTS

Ms. Garner discussed annual cybersecurity training requirements for Board members. She stated that Board members must select a cybersecurity training program that is certified by the Texas Department of Information Resources.

REPORT ON DEVELOPMENT IN THE DISTRICT

There was no report on development.

NEXT MEETING DATE

Following discussion, the Board agreed to hold the next meeting on December 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.

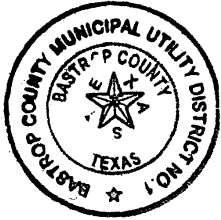
BOOKKEEPER'S REPORT CONTINUED

Mr. Holland discussed which director will sign checks approved at the December 4, 2020 meeting. After discussion, Director Adamcik moved to authorize Director Tullis to sign the checks approved at the December 4, 2020 meeting. Director Tullis seconded the motion which passed by unanimous vote. Mr. Holland stated that he will arrange for Director Adamcik to sign a signature card in order to be approved to sign checks in the future.

After discussion, Director Patterson moved to adjourn the meeting. Director Tullis seconded the motion which passed by unanimous vote.

/s/ William Tullis
Secretary, Board of Directors

(SEAL)



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