

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

June 4, 2021

The Board of Directors (the “Board”) of Bastrop County Municipal Utility District No. 1 (the “District”) met on the 4th day of June, 2021, in regular session by Zoom videoconference and teleconference, 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 videoconference or telephone:

Steve Adamcik	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 videoconference or teleconference were Nick Textor and Gary Stevens, residents of the District; David Patterson of Assessments of the Southwest, Inc.; Michelle St. Clair of Parliament Group; Terry Holland of Myrtle Cruz, Inc.; Bradley Loehr of Befco Engineering, Inc.; Tammy Hargett and Hal Lanham of AWR Services, Inc. (“AWR”); and Kathryn Garner, Janet Swartz, and John Martinez of Allen Boone Humphries Robinson LLP (“ABHR”).

Ms. Garner reviewed certain recommended protocols for conducting the District’s meeting via teleconference and videoconference. 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 videoconference or telephone the opportunity to make public comment.

Mr. Stevens asked that given that the current bond issue is due to be paid off, what is the likelihood of another bond issue.

Mr. Stevens asked that, if bonds are issued to pay for infrastructure for all of the land that currently does not have infrastructure before the current bonds are retired, will the current residents of the District be forced to pay for those bonds as well.

Director Adamcik stated that the District will provide responses to Mr. Stevens as well as the residents of the District.

RATIFICATION OF EMERGENCY OR URGENT ACTIONS, IF ANY, AND RATIFICATION OF COVID-19 EPIDEMIC RELATED EMERGENCY ACTIONS, IF NECESSARY

Ms. Garner explained that pursuant to the Resolution Regarding Delegation of Authority Due to an Emergency or Urgent Actions, the Board delegated to the President of the Board the authority to approve necessary and reasonable District expenditures and authorize necessary District actions between Board meetings (the "Urgent Actions"). She added that such Urgent Actions include the approval of those expenses and actions necessary or convenient to ensure the continued operation of all District facilities and the continued availability of all District services and other responsive actions for which the District has legal authority. The President presented to the Board for ratification his approval of the purchase by the District operator of a pump for the wastewater treatment plant at a cost of \$5,169 prior to the June 2021 Board meeting. After review and discussion, Director Roberts moved to ratify the purchase of the pump for the wastewater treatment plant for a cost of \$5,169 as approved by the President. Director Sevier seconded the motion, which passed by unanimous vote.

MINUTES

The Board considered approving the minutes of the May 7, 2021, regular meeting. Following review and discussion, Director Sevier moved to approve the minutes of the May 7, 2021, regular meeting. Director Roberts 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. He presented check no. 4362 to Jane Sevier in the amount of \$138.52 and check no. 4363 to Rapid Research in the amount of \$307.45 that were not included in the bookkeeper's report.

Mr. Holland noted that he did not receive the monthly tax report for May, 2021, from the Bastrop County Tax Office. After review and discussion, Director Roberts moved to approve the bookkeeper's report, investment report, checks presented for payment, including check nos. 4362 and 4363. Director Sevier seconded the motion, which passed by unanimous vote.

REPORT FROM TAX ADVISOR

Mr. Patterson stated he did not have a report.

OPERATION OF DISTRICT FACILITIES AND DISCUSSION REGARDING DELINQUENT ACCOUNTS AND TERMINATIONS

Mr. 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 113 active connections in the District.

Mr. Lanham stated that he has provided information regarding District operations to DR Horton.

Mr. Lanham reported on AWR's responses to residents' calls for repairs on grinder pumps. He stated he has provided a summary of costs for the repairs to the Board. Mr. Lanham reported that AWR and the District's engineer are evaluating two types of grinder pumps for use in the homes that will be constructed by DR Horton. In response to an inquiry from Director Adamcik, Mr. Lanham stated that he will have a recommendation on the type of grinder pump to install in the homes in the new development at the next meeting and request Board approval.

Mr. Lanham discussed the meter and associated warranty that was used in the electronic meters pilot program. Director Roberts and Mr. Textor reported on the use of the electronic meters at their homes during the pilot program. Director Adamcik requested that AWR report to the Board on the possible implementation of electronic meters at all homes in the District.

Mr. Lanham stated that the cost to renew the maintenance plan for the generator at the wastewater treatment plant will be \$1,724.00.

The operator's report did not reflect any delinquent accounts.

After review and discussion, Director Roberts moved to (1) approve the operator's report; and (2) authorize AWR to purchase the maintenance plan for the generator for a cost of \$1,724.00. Director Sevier seconded the motion, which passed by unanimous vote.

Mr. Lanham stated that a resident in the District has requested an adjustment on their water bill. He added that he would discuss the request with Director Adamcik and Ms. Garner. The Board took no action on the resident's request for an adjustment on their water bill.

CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM.

Ms. Hargett discussed an Annual Red Flag Compliance Report on the District's Identity Theft Prevention Program (the "Program"). She reported no significant incidents of identity theft detection and recommended no changes to the Program. The Board agreed that it was not necessary to adopt a Program amendment. Following review and discussion, Director Roberts moved to accept the annual report on the

Program and direct that the report be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

APPROVE CONSUMER CONFIDENCE REPORT ("CCR") AND AUTHORIZE OPERATOR TO DELIVER CCR AND FILE CERTIFICATE OF DELIVERY WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ")

Ms. Hargett discussed the CCR with the Board. She stated that a link to the website where the CCR is posted will be added District's water bill. Following review and discussion, Director Roberts moved to approve the CCR and authorize the operator to deliver the CCR, file the certificate of delivery with the TCEQ, and provide a copy to the Texas Network for posting on the District's website. Director Sevier seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

Mr. Loehr reviewed the engineer's report submitted by Befco Engineering, Inc., a copy of which is attached. He discussed the evaluation of various grinder pumps for use in the homes to be constructed by DR Horton.

2016 FEMA PROJECT

Mr. Loehr stated that \$11,100.00 of mitigation funds was returned to FEMA for the 2016 FEMA project.

Mr. Loehr stated that he and Director Adamcik met with a representative of the Texas Department of Emergency Management for a site inspection of the exposed water and wastewater lines in front of the Townhomes, Trail Junction, and across from the water plant. Director Adamcik stated that he, Mr. Loehr, and Mr. Textor are meeting with the County engineer next week to discuss the erosion that has occurred in the area.

2017 FEMA PROJECT: EROSION CONTROL, REPAIRS AND RELOCATION OF 3" WATER LINE LOCATED NEAR TOWNHOMES

Mr. Loehr stated he did not have an update on the 2017 FEMA project. Director Adamcik stated he is in favor of this project moving forward in September.

RELOCATION OF 4" SEWER LINE AND 6" WATERLINE LOCATED NEAR TOWNHOMES RELATED TO COLOVISTA PROPERTY OWNERS ASSOCIATION DRAINAGE PROJECT, WATERLINE AND SEWER LINE EASEMENTS

Mr. Loehr stated he did not have an update on this project.

WASTEWATER TREATMENT PLANT AND WATER PLANT MAINTENANCE AND REPAIRS

Mr. Loehr discussed the design and advertisement for bids for recoating of the water plant pressure tank, storage tank, and above ground piping. The Board took no action. Mr. Loehr stated Bastrop County will be starting to prepare the Bastrop County FEMA Hazard Mitigation Plan.

REPAIRS AND MAINTENANCE TO DISTRICT SYSTEMS

Director Adamcik stated that two culverts at Trail Junction need to be maintained in order for the consultants to access the District's facilities. He recommended the Board approve the maintenance of the culverts by Bobby Brown for a cost of \$3,500.00. After discussion, Director Patterson moved to approve maintenance of the two culverts at Trail Junction for a cost of \$3,500.00. Director Roberts seconded the motion, which passed by unanimous vote.

After review and discussion, Director Patterson moved to (1) approve the engineer's report; and (2) authorize the engineer, Director Adamcik, and Director Patterson to investigate the 2017 FEMA project. Director Roberts seconded the motion, which passed by unanimous vote.

REPORT BY OPERATOR AND ENGINEER REGARDING NEW GRINDER PUMPS AND ELECTRONIC METERS

There was no further discussion on this agenda item.

ADOPT AMENDED RATE ORDER

Ms. Garner discussed amendments to the Rate Order that would include rules for new development and home building in the District. She stated that she, the operator and engineer would prepare an amended rate order for consideration at the next meeting. After discussion, Director Patterson moved to authorize the attorney, operator, and engineer to prepare an Amended Rate Order for consideration at the next meeting. Director Sevier seconded the motion, which passed by unanimous vote.

REPORT ON BASTROP COUNTY ROAD WORK AND REQUEST FOR REIMBURSEMENT FOR REPAIRS

Ms. Garner updated the Board on the District's request for reimbursement from Bastrop County for repairs made to the District's facilities.

REPORT ON BASTROP COUNTY FEMA HAZARD MITIGATION ACTION PLAN

Mr. Textor updated the Board on a meeting held on the FEMA Hazard Mitigation Plan. He stated that there will be public hearings on the Plan and he will provide

additional information to the Board. Director Textor requested that the Directors and consultants keep records on time and expenses incurred developing the District's Plan.

Director Textor discussed the District's projects for inclusion in the Hazard Mitigation Plan.

MAINTENANCE OF THE DISTRICT WEBSITE

Director Sevier reported on the District's website.

CYBERSECURITY TRAINING REMINDER

Ms. Garner reminded the Board members that they must select a cybersecurity training program that is certified by the Texas Department of Information Resources. Ms. Garner added that according to the Texas Department of Information Resources, the training should be completed by June 14th of each year.

COMMUNICATION WITH PROPERTY OWNERS AND RESIDENTS

Director Adamcik discussed sending a letter to residents and property owners regarding the upcoming construction of homes by DR Horton. He added that he will prepare the letter, send the letter to the Board members for review and comment, prepare the letter to send to the community, and post the letter on the District's website. After review and discussion, Director Roberts moved to approve a letter to the residents and property owners communicating information discussed by Director Adamcik. Director Patterson seconded the motion, which passed by unanimous vote.

REPORT ON CURRENT AND FUTURE DEVELOPMENT IN THE DISTRICT

Director Adamcik updated the Board on development in the District. He stated that DR Horton purchased 49 lots in the District. Director Adamcik discussed his research regarding the possibility of the District constructing its own water well, his meeting with the Lost Pines Conservation District, and the upcoming meeting with the Bastrop County engineer to discuss drainage matters. Director Adamcik stated that Director Roberts and he will meet with the ColoVista Property Owners Association on development matters.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY

The Board did not convene in Executive Session.

CONSIDER POST-COVID MEETING ARRANGEMENTS

The Board discussed the possibility of conducting the July meeting at the ColoVista County Club with access by teleconference.

NEXT MEETING DATE

Following discussion, the Board agreed to hold the next meeting on July 9, 2021, at 10:00 a.m. at the ColoVista Country Club and by teleconference, with access by telephone available to consultants and the public, pursuant to the Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020.

After discussion, the Board concurred to adjourn the meeting.

/s/ William Tullis _____
Secretary, Board of Directors

(SEAL)



ATTACHMENTS TO THE MINUTES

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