

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

August 6, 2021

The Board of Directors (the "Board") of Bastrop County Municipal Utility District No. 1 (the "District") met on the 6th day of August 2021, in regular session by 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 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, thus constituting a quorum.

Also attending the teleconference were Nick Textor, Mark Huff and Gary Stevens, residents of the District; Dennis Whaley and Thomas Lastrapes of PFM Financial Advisors, LLC.; 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 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 teleconference the opportunity to make public comment. There were no comments from the public.

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

The Board concurred that there were no emergency actions to ratify.

MINUTES

The Board considered approving the minutes of the July 9, 2021, regular meeting. Following review and discussion, Director Patterson moved to approve the minutes of the July 9, 2021, regular meeting. Director Roberts seconded the motion, which passed by unanimous vote.

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, 2021. The Board requested ABHR obtain a proposal from HARCO Insurance Services for renewal of the policies with the TML.

REPORT FROM TAX ADVISOR

Mr. David Patterson updated the Board on the certified values in the District and tax matters.

DISCUSS 2021 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2021 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2021 tax rate. Ms. Garner discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49, Texas Water Code establishes 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.

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 2021 tax year.

Following review and discussion, Director Patterson moved to adopt a Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developing District for the 2021 tax year pursuant to Section 49.23603, 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.

The Board tabled setting a public hearing date and authorizing a notice of public hearing regarding adoption of the tax rate.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2016 REFUNDING BONDS

Ms. Garner stated that OmniCap LLC has completed the Excess Earnings Report on the District's Series 2016 Bonds (the "Report"). She added that the Report reflects that no yield reduction payment is due to the Internal Revenue Service. After review and discussion, Director Patterson moved to accept the Report 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.

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 116 active connections in the District.

Mr. Lanham stated that AWR removed a leaking flush valve on Falcon Court and the cost was \$2,850. He added that it was not necessary to replace the valve due to a nearby fire hydrant. Mr. Lanham stated that a flush valve on Elm Court was replaced and the cost was \$3,850. Mr. Lanham stated that AWR will inspect all flush valves in the District and present a report to the Board.

Mr. Lanham reported on AWR's response to a grinder pump alarm at 106 Fairway Court. He added that AWR will check on the grinder pump.

Ms. Hargett discussed a three year plan for an electronic meters program. She stated that all new meters installed are electronic. The Board took no action on the plan for electronic meters.

Mr. Lanham discussed an Amendment to the Professional Service Agreement with AWR. After discussion, Director Adamick moved to appoint Director Patterson and Director Tullis to an operations committee to review the amendment. Director Sevier seconded the motion, which passed by unanimous vote. The Board tabled approval of the Amendment to the Professional Service Agreement.

Mr. Lanham stated that there was a 14% water loss in the District. He stated that AWR is submitting a request to Aqua WSC for an adjustment to the amount charged to the District for water due to the water leak.

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

Mr. Lanham reviewed a list of equipment to be kept in inventory for maintenance of District facilities. He stated that the cost of the equipment is \$8,071.

Director Patterson stated that he received an inquiry from a property owner regarding a possible reimbursement from the District for extension of a water line in 2003. Ms. Garner stated that the inquiry is being researched by the District's consultants.

Director Adamcik stated that the ColoVista Property Owners Association ("POA") has inquired about the possibility of posting health and safety notices on the District's IRIS System. Mr. Lanham stated that the POA can contact AWR to request the announcements on the District's IRIS System.

After review and discussion, Director Sevier moved to (1) approve the operator's report; and (2) authorize AWR to purchase equipment for maintenance of District's facilities to keep in inventory for a cost of \$8,071. 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.

Mr. Holland reviewed the monthly tax report for July 2021, from the Bastrop County Tax Office, a copy of which is attached. After review and discussion, Director Sevier moved to approve the bookkeeper's report, investment report, and checks presented for payment. Director Roberts seconded the motion, which passed by unanimous vote.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2022

Mr. Holland reviewed a proposed budget for fiscal year end September 30, 2022, a copy of which is attached to the bookkeeper's report. The Board agreed to discuss adoption of the proposed budget for the fiscal year end September 30, 2022, at the September meeting.

CONSIDER DEPOSITORY PLEDGE AGREEMENTS AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Holland recommended that the tax checking account be moved to Central Bank. Ms. Garner stated the District will need to enter into a Depository Pledge Agreement with Central Bank due to the opening of the District's tax checking account. After review and discussion, Director Patterson moved to approve moving the tax checking account to Central Bank and a Depository Pledge Agreement between the District and Central Bank and direct that the Agreement be filed appropriately and

retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

Ms. Garner stated that Central Bank is currently on the District's List of Qualified Broker Dealers with Whom the District May Engage in Investment Transactions. The Board took no action on adoption of a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers With Whom the District May Engage in Investment Transactions.

ENGINEERING MATTERS

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

2016 FEMA PROJECT

Mr. Loehr stated that a time extension to December, 2022, for paperwork associated with 2016 FEMA project was approved.

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 this agenda item.

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 agenda item.

RECOATING OF WATER PLANT PRESSURE TANK

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

WASTEWATER TREATMENT PLANT AND WATER PLANT MAINTENANCE AND REPAIRS

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

REPAIRS AND MAINTENANCE TO DISTRICT SYSTEMS AND DEEDS, EASEMENTS, CONSENTS TO ENCROACHMENT, REQUEST FOR SERVICE, OR UTILITY COMMITMENT LETTERS

Mr. Loehr stated he did not have a report on these agenda items.

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

Mr. Loehr reviewed a grinder pump and wastewater collection system evaluation. After review and discussion, Director Tullis moved to approve the use of Barnes pumps when pumps are replaced or initially installed. Director Patterson seconded the motion, which passed by unanimous vote.

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

DISCUSS AMENDED RATE ORDER

There was no discussion on this agenda item.

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

There was no discussion on this agenda item.

REPORT ON BASTROP COUNTY FEMA HAZARD MITIGATION ACTION PLAN

Director Sevier updated the Board on the submittal of documents in connection with the FEMA Hazard Mitigation Plan.

MAINTENANCE OF THE DISTRICT WEBSITE

There was no discussion on this agenda item.

TOPICS AND TIMING FOR COMMUNICATIONS WITH PROPERTY OWNERS AND RESIDENTS

Director Adamcik stated he was in favor of communications with property owners and residents regarding grinder pumps.

REPORT ON CURRENT AND FUTURE DEVELOPMENT IN THE DISTRICT

Director Adamcik updated the Board on development in the District.

REPORT REGARDING LEGISLATIVE MATTERS

The Board tabled discussion on this agenda item.

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

The Board convened in Executive Session at 12:16 p.m. pursuant to Section 551.071 Texas Government Code to conduct a private consultation with its attorney.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING MATTERS CONSIDERED IN EXECUTIVE SESSION

The Board reconvened in open session at 1:30 p.m. No action was taken.


NEXT MEETING DATE

The Board agreed to hold the next meeting on September 3, 2021, at 10:00 a.m.

After discussion, the Board concurred to adjourn the meeting.

(SEAL)




Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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