

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

September 3, 2021

The Board of Directors (the "Board") of Bastrop County Municipal Utility District No. 1 (the "District") met in regular session, open to the public, on the 3rd day of September 2021, at the First National Bank, 489 Highway 71 West, Bastrop, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

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 present at the meeting were Chip Winand and Nick Textor, residents of the District; Terry Holland of Myrtle Cruz, Inc.; Tammy Hargett of AWR Services, Inc. ("AWR"); and Kathryn Garner of Allen Boone Humphries Robinson LLP ("ABHR").

Due to the COVID-19 virus epidemic emergency and the high threat level warnings issued by various governments and agencies, the District established a telephone option for members of the public to listen to the meeting and to address the Board.

Also attending by telephone were Gary Pickering, Gary Stevens and Steve Phillips, residents of the District; Thomas Lastrapes of PFM Financial Advisors, LLC.; Delia Yanez of Assessments of the Southwest, Inc.; Bradley Loehr of Befco Engineering, Inc.; Hal Lanham of AWR; and Janet Swartz of ABHR.

PUBLIC COMMENT

Ms. Stevens commented to the Board on ColoVista Property Owner Association matters. Mr. Textor read a statement to the Board, a copy of which is attached.

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 August 6, 2021, regular meeting. Following review and discussion, Director Tullis moved to approve the minutes of the August 6, 2021, regular meeting. Director Patterson 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.

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 unanimous vote.

APPROVE DEPOSITORY PLEDGE AGREEMENT WITH CENTRAL BANK

Ms. Garner noted that the previously approved agreement was ready for execution and no action was necessary.

REVIEW, REVISE, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Garner reviewed the District's Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She stated that the District's bookkeeper has provided an updated list of qualified brokers/dealers with whom the District may engage in investment transactions. After review and discussion, Director Tullis moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Patterson seconded the motion, which passed by unanimous vote.

RENEWAL OF DISTRICT'S INSURANCE POLICIES, INCLUDING REVIEW OF ENGINEER'S LIST OF FACILITIES TO BE INSURED

Ms. Garner stated that the District's insurance policies with the Texas Municipal League expire on October 1, 2021. The Board reviewed a proposal from HARCO for renewal of the insurance policies with the Texas Municipal League. Director Sevier stated that she will inquire about the type of cyber insurance the website provider has in place. Following review and discussion, Director Tullis moved to accept the proposal from

HARCO for renewal of the District's insurance policies with the Texas Municipal League for a one-year term and direct that the proposal be filed appropriately and retained in the District's official records. Director Patterson seconded the motion, which passed by unanimous vote.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR THE FISCAL YEAR END SEPTEMBER 30, 2021

Ms. Garner stated that the Board previously executed an engagement letter with McCall Gibson Swedlund Barfoot PLLC ("McCall") to perform the District's audit for the fiscal year end September 30, 2021. She stated that the auditor has estimated the cost to conduct the audit to be between \$11,500 and \$13,000. Following review and discussion, Director Tullis moved to authorize McCall to conduct the audit for the District's fiscal year end September 30, 2021. Director Patterson seconded the motion, which passed by unanimous vote.

REPORT FROM TAX ADVISOR

Ms. Yanez stated she did not have a report.

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

Ms. Garner noted that the Board adopted 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 providing that the District will follow the tax notice and calculation procedures provided by Section 49.23602(d), Texas Water Code.

Mr. Lastrapes reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a total 2021 tax rate of \$0.80, consisting of a debt service tax of \$0.33 per \$100 of assessed valuation and a maintenance and operations tax rate of \$0.47 per \$100 of assessed valuation, based on the District's initial 2021 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.

After review and discussion, Director Tullis moved to (1) set the public hearing date for October 8, 2021; and (2) authorize ASW to publish notice in a newspaper of general circulation in the District of the District's meeting on October 8, 2021, to set the proposed 2021 total tax rate of \$0.80 per \$100 of assessed valuation. Director Patterson seconded the motion, which passed by unanimous vote.

ADOPT 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. After review and discussion, Director Tullis moved to adopt the budget for fiscal year end September 30, 2022. Director Patterson seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES AND 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. The report reflected 113 active connections in the District.

Ms. Hargett stated that AWR met with Mr. Loehr to develop an installation guide and checklist for the new grinder pump that will be used with the Barnes installation guide.

Mr. Lanham stated that AWR filed an application with Aqua Water for water to serve the 60 new homes for a cost of \$1,800.

Ms. Garner noted that Director Patterson and Director Tullis were to form a committee to review the Amendment to the Professional Service Agreement with AWR. Director Tullis stated that the committee recommends approval of the Amendment. After review and discussion, Director Tullis moved to approve the Amendment to the Professional Service Agreement with AWR and direct that the Amendment be filed appropriately and retained in the District's official records. Director Patterson seconded the motion, which passed by unanimous vote.

Mr. Lanham recommended AWR conduct a survey of water and sewer rates.

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

After review and discussion, Director Tullis moved to approve the operator's report. Director Patterson 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.

2016 FEMA PROJECT

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

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 the design for the project had commenced.

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.

OTHER ENGINEERING MATTERS

Mr. Loehr reviewed an Infrastructure Report, a copy of which is attached to the engineer's report.

Director Patterson stated that Alvin Martin contacted him regarding reimbursement from the District for amounts he advanced for utilities to his lot in 2003.

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

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

There was no discussion on this agenda item.

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

Mr. Textor updated the Board on the submittal of documents in connection with the FEMA Hazard Mitigation Plan. He stated that he and Director Sevier plan to attend a meeting on the action plan on September 23, 2021.

MAINTENANCE OF THE DISTRICT WEBSITE

There was no discussion on this agenda item.

DISCUSS COMMUNICATIONS WITH PROPERTY OWNERS AND RESIDENTS

There was no discussion on this agenda item.

REPORT ON CURRENT AND FUTURE DEVELOPMENT IN THE DISTRICT

Director Adamcik reviewed the Development Committee Report, a copy of which is attached.

Director Adamcik stated that Mr. David Patterson is reviewing waivers of special appraisal that were filed with the Bastrop County Appraisal District that are currently in effect and exemptions filed for 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 did not convene in Executive Session.

NEXT MEETING DATE

The Board agreed to hold the next meeting on October 8, 2021, at 10:00 a.m. at the ColoVista Country Club, 100 Country Club Drive, Bastrop, Texas.

After discussion, the Board concurred to adjourn the meeting.

Walter Zula

Secretary, Board of Directors

(SEAL)



ATTACHMENTS TO THE MINUTES

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