



January 24, 2022

TO: ALL BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO.1 RESIDENTS AND PROPERTY OWNERS:

You work hard for your money. Bastrop County Municipal Utility District No.1 works hard to be good stewards in overseeing the value of your dollars. Below is a description of past and future actions by the District to ensure that we are doing just that.

Your MUD District does its best to provide value, service and convenience for your water needs, all to make life easier for you. As you will read below, the District Directors, who are your neighbors and District taxpayers, honor District commitments. Also included in this letter are some of the District's achievements for 2021 and plans for 2022. Much has transpired since our last letter to you of June 23, 2021 which is available on the District's website.

Commitment to Residents. A former resident who owned a home in the District that was destroyed by the 2011 fire recently presented Director Patterson with an agreement executed with the District in 2003 to reimburse him for the cost of extending a District water main. The former resident claimed the District had not reimbursed him pursuant to the agreement. The District's attorney reviewed his claim, located the agreement within the District files and determined that it was a legitimate claim and that reimbursement had been overlooked by the District. The matter was brought before the Directors, the Directors approved it, and reimbursement to this former resident was made. Commitments are important to the District Directors.

Another recent event handled expediently was a broken sewer main. As soon as this leak was discovered and reported, the District had the line repaired over a weekend with no interruptions in service; just another example of how the MUD works to ensure continuous service to the community.

Growth and Development. The anticipated residential growth within our District has arrived. Construction on the 49 homes in the District's Meadows Section by a prominent national homebuilder is moving at a rapid pace. PGI, the firm that owns several large undeveloped tracts and some platted lots in the District, began clearing platted lots along ColoVista Parkway as well as undeveloped tracts along Riverwalk. Several individuals owning vacant lots in the District are seeking permits and working on plans to build homes in the District.

While property development brings with it challenges and change, the good news is the tax base of property within our District is about to increase dramatically. The 49 homes in the Meadows Section will increase the District's tax base by roughly \$15,000,000, which represents an approximately 30% increase in the District's tax base. This growth in tax base will provide the District Directors an opportunity to continue to lower the District's tax rate. The District has reduced its tax rate in five of the last seven years by roughly 23% in the aggregate, including 10% for 2021. The District's tax rate in 2015 stood at just over \$1.00 / \$100 of assessed valuation. In 2021, the tax rate was \$0.777 / \$100 of assessed valuation. Most District homeowners, especially those with homestead exemptions in place, have experienced a reduction in their 2021 MUD tax bill despite the escalation of home appraisals by Bastrop County. Our District is committed to sustainable development within its boundaries.

Communication. The District held a well-attended, informative “Lunch and Learn” on Saturday, November 20th. Property owners heard the District’s financial advisor, PFM Financial Advisor, describe the District’s solid financial position. When the 49 homes in the Meadows Section are constructed, and assuming only 2 to 4 additional homes are built yearly, the District's tax rate is projected to continue to drop steadily through 2026. Furthermore, in 2027 our District's debt is scheduled to be fully retired which the annual payments on this debt represent approximately 40% of the District’s current yearly tax levy. County Commissioner Clara Beckett who spoke at the Lunch and Learn, commented: "put on your sunglasses because the future of ColoVista is bright." The complete presentation from the Lunch and Learn is available on the District's website for your review, <https://bastropcountymud1.com/wp-content/uploads/2021/11/BCMUD1-Lunch-Learn-Presentation.pdf>

2021 Accomplishments. In 2021, the following initiatives were accomplished by the District with the assistance and expertise of its consultants:

1. Lowered the tax rate by 10%
2. Submitted applications and supporting documentation to qualify for future Federal and state hazard mitigation funds thanks to a team led by Director Jane Sevier
3. Implemented a grinder pump cost tracking system to identify frequent call-out locations
4. Updated the grinder pump installation, commissioning, and inspection procedures to reflect best practices
5. Amended the new connection fees to offset District costs
6. Completed a hydraulics study determining the District's capacities for water distribution and wastewater handling for new development and growth
7. Expanded community communications to include periodic letters and presentations thanks to Director Linda Roberts

Initiatives 4 through 6 required substantial District resources but were necessary in order to stay ahead of the new development. Had the District not taken these steps, it would have incurred substantially more expense in the future.

2022 Objectives. The District’s goal is to complete the following strategic objectives during 2022:

1. Secure additional water to service growth in the District
2. Work to restore permanent service to the townhomes by replacing our permanent lines that were destroyed by erosion from the 2017 Hurricane
3. Expand our coordination efforts with Bastrop County for state and Federal funds
4. Increase our knowledge of Bastrop County rules and regulations regarding land development
5. Review the benefits, implications, and feasibility of the District taking on drainage operations and facilities maintenance

We encourage you to attend the District’s Board meetings on the first Friday of each month at 10:00 a.m. held at the First National Bank of Bastrop. In addition, we encourage everyone to view our website for current information about the District's activities.

Happy New Year
To All Our Neighbors!

Board of Directors
Bastrop County Municipal Utility District No. 1