

MINUTES  
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

March 4, 2022

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 4th day of March, 2022, 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 except Director Tullis, thus constituting a quorum.

Also present at the meeting were Nick Textor and Doug Granger, residents of the District; 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 Doug Granger, Martha Granger, Crystal Mealey, Mark Huff, Gary Stevens, Tandy Adams, Becky Minardi, residents of the District; Hal Lanham of AWR; David Patterson of Assessments of the Southwest, Inc. ("ASW"); Terry Holland of Myrtle Cruz, Inc.; Matt Swihart of D.R. Horton Homes ("DRH"); Michelle St. Clair of the Parliament Group, Inc.; and Janet Swartz of ABHR.

PUBLIC COMMENTS

There were no comments from the public.

Director Adamcik stated that Parliament Group, Inc. has indicated that their plan to remove debris at the south end of Riverwalk Lane does not include burning the debris.

MINUTES

The Board considered approving the minutes of the February 9, 2022, regular meeting. Following review and discussion, Director Patterson moved to approve the minutes of the February 9, 2022, regular meeting. Director Sevier seconded the motion, which passed by unanimous vote.

REVIEW DISTRICT INFORMATION POSTED ONLINE FOR SECTION 26.18, TAX CODE

Mr. David Patterson discussed the District information posted online for Section 26.18, Tax Code and confirmed that the information was accurate.

REPORT FROM TAX ADVISOR

Mr. David Patterson reported on tax value information ASW submitted to the Bastrop Central Appraisal District. He stated that ASW will review the District's tax roll. After discussion, Director Patterson moved to approve the report from the tax advisor. Director Sevier seconded the motion, which passed by unanimous vote.

REPORT ON CURRENT AND FUTURE DEVELOPMENT IN THE DISTRICT

Director Adamcik reported on development in the District. Director Adamcik reported on a meeting he attended with Mr. Textor, Mr. Loehr, representatives of the ColoVista Property Owners Association, County Commissioner Clara Beckett, the Bastrop County Engineer, and the Bastrop County Flood Plain Administrator. He stated that Bastrop County requires written certification regarding the availability of water from the District prior to the County's approval of the subdivision of land in the District.

Director Adamcik discussed the District's request to Aqua Water Supply Corporation ("AWSC") for an amendment to the Large Volume Service Agreement to provide additional water equal to 60 LUEs, including an Aqua System Development Fee of \$3,900/LUE. Director Adamcik stated that he is not certain that AWSC has additional water to supply the District in addition to the amount to the included in the upcoming amendment to the Large Volume Service Agreement. Director Roberts noted that the District does not have a potential contract with AWSC for water to supply additional lots other than the water for the 60 LUEs.

Director Adamcik reviewed the drainage matters in the District discussed at the meeting and stated that Bastrop County does not plan to maintain drainage facilities between the roads in the District and the river. He discussed possible scenarios for the provision of drainage facilities in the District. Director Adamcik discussed the possibility of the District maintaining drainage facilities once they are constructed by developers and/or home builders. He added that Bastrop County is open to discussing a collaborative effort to maintain drainage facilities in the District. Director Roberts discussed sending a letter to the property owners regarding the District's authority regarding services and improvements. Director Sevier recommended that the Board obtain a financial analysis of the cost to maintain drainage facilities.

Director Adamcik discussed the maintenance of drainage facilities in the subdivision being developed by DRH. Ms. Garner requested that DRH submit any plans for the drainage ditches to the District for review.

## DISCUSS COMMUNICATIONS WITH PROPERTY OWNERS AND RESIDENTS

There was no discussion on this agenda item.

## REPORT ON AWSC STUDY

Mr. Lanham stated that the District has not received the feasibility study from AWSC.

## DISCUSS AMENDMENT TO LARGE VOLUME SERVICE AGREEMENT WITH AWSC TO ACQUIRE ADDITIONAL WATER CAPACITY FOR CURRENT AND FUTURE DEVELOPMENT IN THE DISTRICT AND TAKE ANY NECESSARY ACTIONS

Director Adamcik stated that AWSC is preparing the amendment to the Large Volume Service Agreement for the District's acquisition of additional water capacity.

## ENGINEERING MATTERS

The Board reviewed the engineer's report submitted by Befco Engineering, Inc., a copy of which is attached. Mr. Lanham discussed the upcoming recoating of the water plant pressure tank. He reviewed plans to continue to take water from AWSC during the recoating project by implementing a bypass system. Mr. Lanham stated that AWR will send a notice to the residents prior to the bypass being implemented. After review and discussion, Director Adamcik moved to approve the engineer's report. Director Patterson seconded the motion, which passed by unanimous vote.

## REPORT ON EMERGENCY PREPAREDNESS PLAN SUBMITTAL TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Ms. Hargett stated that the Emergency Preparedness Plan was submitted to the Texas Commission on Environmental Quality prior to the March 1, 2022 deadline.

## OPERATION OF DISTRICT FACILITIES

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 135 active connections in the District.

Ms. Hargett stated that DRH was receiving water at several homes prior to AWR installing the District's meter. Mr. Swihart stated that typically the DRH plumber installs a wooden dowel as a spacer to provide room for the meter until it is installed, and in this case, a pipe was used rather than the wooden dowel. He stated he will meet with the plumber to take steps to prevent this from occurring in the future. Mr. Swihart stated that water tanks will be transported to the construction site to provide water during home

construction. He stated that several sewer taps have not been located on certain lots. Ms. Garner stated that AWR could assist in locating the sewer taps on the lots. She added that it is a violation of the District's Rate Order to make unauthorized use of District services or facilities and the user is subject to a penalty of up to \$5,000 for each breach of the Rate Order. Ms. Garner stated that the District sent an invoice to DRH for the Aqua System Development Fee of \$3,900/LUE for the 49 homes it is constructing in the District as required by AWSC for additional capacity to serve the homes. She added that AWR will assist in locating the sewer taps once DRH has paid this invoice. The Board concurred to refrain from imposing the \$5,000 penalty to DRH due to Mr. Swiharts' willingness to cease the use of District water until meters are installed.

Director Adamcik stated that he received an inquiry from a property owner for sewer service including the use of a grinder pump. He added that he communicated to the property owner that they would need to pay for the cost of the sewer tap and cost to extend the District's line to the property.

Ms. Hargett reported that there was a 12% water loss in the District.

Ms. Hargett discussed the possibility of converting to the use of a cellular system which would cost \$8,845 for installation and one year of service and after one year \$60.00 a month. After discussion, Director Adamcik moved to authorize AWR to arrange for the installation of the cellular system, contingent upon Mr. Loehr's review, and subject to the service being compatible with 5G service. Director Roberts seconded the motion, which passed by unanimous vote.

Mr. Lanham discussed flushing of the fire hydrants and the estimated cost. After discussion, Director Patterson moved to authorize AWR to arrange for the flushing of the fire hydrants. Director Roberts seconded the motion, which passed by unanimous vote.

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

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

#### REVIEW CRITICAL LOAD SPREADSHEET FOR DISTRICT FACILITIES AND AUTHORIZE ANNUAL FILING

Ms. Garner reviewed the Critical Load Spreadsheet for the District's facilities. She stated that the District's engineer, bookkeeper, and operator have reviewed the Critical Load Spreadsheet. After review and discussion, the Board concurred to approve the Critical Load Spreadsheet, authorize the annual filing as appropriate, and direct that it be filed appropriately and retained in the District's official records.

## REPORT ON BASTROP COUNTY FEMA HAZARD MITIGATION ACTION PLAN

Mr. Textor reported on the Bastrop County Hazardous Mitigation Plan matters.

## REPORT ON THE DISTRICT WEBSITE

Director Sevier reported on the District website.

## ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Garner reviewed the District's procedures for continuing disclosure compliance. She stated that no changes are recommended at this time. After discussion, Director Patterson moved to approve the annual review of procedures for continuing disclosure compliance. Director Adamcik 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 Sevier moved to approve the bookkeeper's report, investment report, and checks presented for payment. Director Patterson seconded the motion, which passed by unanimous vote.

## 2022 DIRECTORS ELECTION

Ms. Garner stated that the District may contract with Bastrop County to conduct the District's 2022 Directors Election. After review and discussion, Director Adamcik moved to approve a Contract with Bastrop County to administer the District's Directors Election and direct that the Contract be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

## 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 1:02 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 1:59 p.m. Ms. Garner stated that DRH has requested continued service from the District in connection with the 49 homes being constructed in the District. She added that the District has not received payment of the

invoice to DRH for the Aqua System Development Fee of \$3,900/LUE for the 49 homes being constructed in the District as required by AWSC for additional capacity to serve the homes. Director Adamcik stated that the District informed DRH that the District would need to secure water for the 49 homes from AWSC. He added that at the time DRH requested a utility commitment letter from the District the Aqua System Development Fee required by AWSC for additional capacity to serve the homes was not known. He added that the District informed DRH of the Aqua System Development Fee required by AWSC once the District became aware of the fee. Director Adamcik recommended that the District withhold water and sewer taps until DRH has paid the \$3,900 invoice to the District.

After discussion, Director Adamcik moved to (1) cease the installation of water and sewer taps to DRH until the District received payment of the invoice for \$3,900/LUE for the Aqua System Development Fee; (2) authorize the District's operator and engineer to work with DRH to assist in location of sewer taps on lots once the invoice is paid to the District; (3) approve that DRH install any missing lines at DRH's cost, subject to inspection by the District's operator and engineer. Director Patterson seconded the motion, which passed by unanimous vote.

NEXT MEETING DATE

The Board agreed to hold the next meeting on April 1, 2022, at 10:00 a.m. at the First National Bank, 489 Highway 71 West, Bastrop, Texas.

After discussion, the Board concurred to adjourn the meeting.



  
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Secretary, Board of Directors

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