

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

July 1, 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 1st day of July, 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
William Tullis	Vice President
Jerry B. Patterson	Assistant Vice President
Jane T. Sevier	Secretary
Krystal Mealy	Assistant Secretary

and all of the above were present, except Director Adamcik, thus constituting a quorum.

Also present at the meeting were Nick Textor and Adam Lagesse, residents of the District; Dory Delgado of AWR Services, Inc. ("AWR"); and Kathryn Garner and Janet Swartz of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending by telephone were Steve Adamcik, President; Bradley Loehr of Befco Engineering, Inc.; Hal Lanham of AWR; Terry Holland of Myrtle Cruz, Inc.; Thomas Lastrapes of PFM Financial Advisors LLC; and Nancy Phan, Emily Kirby and Haley Moore of ABHR.

PUBLIC COMMENTS

There were no comments from the public.

MINUTES

The Board considered approving the minutes of the June 13, 2022, regular meeting. Following review and discussion, Director Tullis moved to approve the minutes of the June 13, 2022, regular meeting. Director Patterson 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 updated the Board on discussions with representatives of the Aqua Water Supply Corporation ("AWSC") on water capacity for the District. He stated that AWSC will be sending the amendment to the Large Volume Service Agreement to ABHR for review.

Director Adamcik requested that Mr. Loehr and Mr. Lastrapes discuss the budget that will be adopted in September.

Mr. Textor reported on a meeting with County Commissioner Clara Beckett on possible collaboration between the District and the County for regular mowing of road right-of-ways. He added that Commissioner Beckett indicated that the County has a standard memorandum of understanding for these types of services and that a memorandum will be sent to the District. Mr. Textor stated that he also discussed the District's possible participation in County grant programs with Commissioner Beckett and that he and Director Sevier will attend meetings regarding grants with County representatives.

Mr. Textor stated that the Bastrop County engineer will be notifying the District of the necessity to abandon an easement in connection with the request of a lot owner to replat a lot.

DISCUSS COMMUNICATIONS WITH PROPERTY OWNERS AND RESIDENTS

Director Adamcik discussed future communications with property owners and residents. Director Adamcik discussed sending letters to owners of property in the District that currently have no connection to the District's utilities reflecting that they can opt to reserve water capacity now for a cost of \$3,900 per connection or reserve the capacity at a later date if capacity is available and at a cost to be determined at that later time. He stated that the letter to the lot owners will be prepared once the amendment to the Large Volume Service Agreement with AWSC is finalized.

Director Adamcik recommended that the Board consider sending a letter to property owners and residents regarding the amendment to the Large Volume Service Agreement with AWSC, the Capital Improvement Plan ("CIP"), and the certified value of the tax roll.

REPORT ON AWSC STUDY

There was no discussion on this agenda item.

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 discussed the terms of the amendment to the Large Volume Service Agreement with AWSC.

ENGINEERING MATTERS

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

Mr. Loehr discussed future maintenance and repairs at the wastewater treatment plant ("WWTP") and water plant. He reported on a site visit at the WWTP and preparation of a cost estimate for repairs and maintenance at the plant.

Mr. Loehr discussed water pressure monitoring and testing in the District. He stated that two booster pumps need to be upgraded. He added that he is reviewing possible improvements to the pumps including a larger bypass system. Mr. Loehr stated that he is preparing a report on the findings for the committee to consider including in the Capital Improvement Projects Plan.

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

Ms. Garner stated that in connection with the District's request to the Appelt Estate for a Water Line Easement, a representative of the Appelt Estate requested that the District improve the road to the WWTP to the highest possible standard. She added that the District's consultants will discuss this request further with the representative of the Appelt Estate and clarify that improvements to the road will be made following the relocation of the wastewater line to the plant.

After discussion, Director Sevier moved to authorize ABHR to negotiate with the Appelt Estate on the Water Line Easement, including that the District will repair and improve the road to the plant to a higher level than the current condition of the road. Director Tullis seconded the motion, which passed by unanimous vote. The Board requested that Mr. Loehr provide a drawing of the road to the WWTP that will be affected by the relocation of the wastewater line.

REPORT FROM TAX ADVISOR

Mr. Lastrapes reviewed a Tax Rate Analysis, a copy of which is attached. He discussed funds that could be used for the CIP. Mr. Lastrapes discussed the increased values on the District's tax roll the possible effect on future tax rates. He stated that the District's outstanding bonds will be paid in full in 2027. Mr. Lastrapes discussed the possibility of the District borrowing funds for the CIP on a short term loan basis.

The Board requested that Mr. Holland send a proposed budget to the consultants for review and requested they submit comments to Mr. Holland before the August Board meeting.

OPERATION OF DISTRICT FACILITIES

Mr. Lanham reviewed the operator's report, a copy of which is attached, and reviewed maintenance and repairs at the District's facilities. The report reflected 165 active connections in the District. Mr. Lanham discussed drought conditions and stated that AWSC is in Stage 1 of voluntary water conservation.

Mr. Lanham updated the Board on D.R. Horton Homes connections to the District's system.

Mr. Lanham reported on water loss in the District.

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.

RENEW MAINTENANCE PLAN FOR GENERATOR

Mr. Lanham stated that the cost to renew the maintenance plan for the generator at the WWTP will be \$2,153 and the cost to purchase a preventative maintenance plan will be \$3,764. After review and discussion, Director Tullis moved to authorize AWR to purchase the preventative maintenance plan for the generator for a cost of \$3,764. 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.

REPORT ON BASTROP COUNTY FEMA HAZARD MITIGATION ACTION PLAN

Director Sevier reported on Bastrop County Hazardous Mitigation Plan matters.

REPORT ON THE DISTRICT WEBSITE

There was no discussion on this agenda item.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2022 TAX YEAR,

Ms. Garner discussed the “truth-in-taxation” property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district’s development status and/or tax rate. She 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 2022 tax year.

Following review and discussion, Director Tullis moved to adopt a Resolution Regarding Development Status for 2022 Tax Year establishing the District as a Developing District for the 2022 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 Patterson seconded the motion, which passed by unanimous vote.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE TO SEEK ADVICE OF ITS ATTORNEY REGARDING PENDING OR CONTEMPLATED LITIGATION OR TO SEEK AND RECEIVE LEGAL ADVICE BY THE DISTRICT’S ATTORNEY

The Board convened in executive session at 11:50 a.m. pursuant to Section 551.071 Texas Government Code, to seek advice of its attorney regarding pending or contemplated litigation or to seek and receive legal advice by the District’s attorney.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION OR THE LEGAL ADVICE BY THE DISTRICT’S ATTORNEY

The Board reconvened in open session at 11:58 a.m. The Board took no action.

NEXT MEETING DATE

The Board agreed to hold the next meeting on August 5, 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.



Assistant

Kruptal Mealy
Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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