

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

August 5, 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 5th day of August, 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 and Director Sevier, thus constituting a quorum.

Also present at the meeting were Tammy Hargett 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; Jane T. Sevier, Secretary; Martha Granger, Gary Stevens, and Pamela Cox, residents of the District; Bradley Loehr of Befco Engineering, Inc.; Hal Lanham of AWR; Terry Holland of Myrtle Cruz, Inc.; Thomas Lastrapes of PFM Financial Advisors LLC; Rhonda Patterson of Assessments of the Southwest, Inc.; and Michelle St.Clair of Parliament Group.

PUBLIC COMMENTS

There were no comments from the public.

MINUTES

Ms. Garner stated that the minutes of the June 13, 2022, meeting have been amended to reflect that Director Tullis moved to provide the consultants with a phone number for Board meetings and an email address on the agenda for the public to contact to obtain a phone number for Board meetings and Director Patterson seconded the motion, which passed by unanimous vote.

The Board considered approving the minutes of the July 1, 2022, regular meeting. Following review and discussion, Director Tullis moved to approve the amended minutes of the June 13, 2022, meeting and the minutes of the July 1, 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. He discussed homes under construction in the District.

Director Adamcik stated that he has requested a Memorandum of Understanding from Bastrop County Commissioner Clara Beckett for regular mowing of road rights-of-ways.

DISCUSS COMMUNICATIONS WITH PROPERTY OWNERS AND RESIDENTS

Director Adamcik recommended that once the amendment to the Large Volume Service Agreement with Aqua Water Supply Corporation ("AWSC") is final, that the Board consider sending a letter to property owners and residents regarding the amendment, the District's budget, the Capital Improvement Plan, and the certified value of the tax roll.

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 AWSC Large Volume Service Agreement and reviewed a AWSC Contract Update, a copy of which will be filed appropriately and retained in the District's official records. He stated that AWSC approved increasing the LUEs in the Large Volume Service Agreement from 125 to 200 and a new 30-year term. He recommended that the District request that the amendment to the AWSC Large Volume Service Agreement provide for additional water equal to 60 LUEs, including an Aqua System Development Fee of \$3,900/LUE. Director Adamcik stated that the District has been reimbursed by D.R. Horton Homes for 48 of the LUEs and the District would fund the purchase of remaining LUEs. He discussed requesting that AWSC include an option in the amendment to the Large Volume Service Agreement for additional LUEs for a cost of \$48,000 (\$600/LUE). After review and discussion, Director Tullis moved to authorize ABHR and the development committee to continue negotiations with AWSC on the terms of the amendment to the Large Volume Service Agreement. 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.

Mr. Loehr stated that the District received an extension through August 31, 2023 for the 2017 FEMA project.

Ms. Garner stated that in connection with the District's request to the Appelt Estate for a Water Line Easement, she has communicated with Julie Taetz, a representative of the Appelt Estate that the District will improve the road to the wastewater treatment plant ("WWTP") following the relocation of the wastewater line to the plant.

Mr. Loehr discussed future maintenance and repairs at the WWTP and water plant. He reported on 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 he is preparing a report on the findings for the committee to consider including in the Capital Improvement Projects Plan.

Director Adamcik requested that the engineer meet with a Board member to discuss a gate valve for a house under construction on Fairway Court.

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

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 165 active connections in the District. Ms. Hargett discussed drought conditions and stated that AWSC is in Stage 2 of its drought contingency plan. She added that ASW has communicated with residents about the current water restrictions. The Board requested that AWR add a notice to the District's website on the drought conditions and a link to the AWSC website.

Ms. Hargett updated the Board on D.R. Horton Homes connections to the District's system.

Ms. Hargett 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.

REVIEW AND DISCUSS DROUGHT CONTINGENCY PLAN AND TAKE ACTION RELATED TO SAME, IF NECESSARY; ADOPT ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN, IF NECESSARY

Ms. Garner reviewed with the Board the District's current Drought Contingency Plan ("Plan"). Director Adamcik requested that AWR add a notice to the District's water bill and website requesting residents follow the guidelines contained in the Plan. Ms. Hargett stated that AWR will review water usage in the District. The Board concurred it was not necessary currently to adopt an Amended and Restated Drought Contingency Plan.

REPORT ON BASTROP COUNTY FEMA HAZARD MITIGATION ACTION PLAN

Director Sevier stated that there was no update on Bastrop County Hazardous Mitigation Plan matters.

REPORT ON THE DISTRICT WEBSITE

Director Mealy discussed updates to the District's website. Ms. Garner stated that a request will be made to The Texas Network to provide an analytics report on the website to the Board.

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.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2023

Director Adamcik discussed the budget for fiscal year end September 30, 2023 and reviewed a chart on Projected Operating Cash, a copy of which will be filed appropriately and retained in the District's official records. Mr. Holland reviewed a proposed budget for fiscal year end September 30, 2023, 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, 2023, at the September meeting.

DISCUSS 2022 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2022 tax rate. Mr. Lastrapes discussed the debt service tax rate. The Board discussed a total 2022 tax rate of \$0.68, based on the District's initial 2022 certified value. 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 set (1) the public hearing date for September 2, 2022, and the proposed 2022 total tax rate of \$0.68 per \$100 of assessed valuation; and to authorize (2) ASW to publish notice in a newspaper of general circulation in the District of the District's meeting on September 2, 2022, to set the proposed 2022 total tax rate of \$0.68 per \$100 of assessed valuation. Director Patterson seconded the motion, which passed by unanimous vote.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Garner stated that the District's insurance policies with the Texas Municipal League ("TML") expire on October 1, 2022. The Board requested ABHR obtain a proposal from HARCO Insurance Services for renewal of the policies with the TML.

REPORT FROM TAX ADVISOR

There was no report from the tax advisor.

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 did not convene in executive session.

ENGINEERING MATTERS CONTINUED

Mr. Loehr discussed the installation of an alarm notification system and monitoring services to serve the water plant and WWTP. He stated that the Board previously approved a Service Agreement Macaulay Controls Company for the installation of cattron autodialers for the water plant and WWTP. Ms. Garner stated that in connection with the autodialers, Cattron will provide reporting services including alarm notifications via text, email and voice. She then reviewed a Service Agreement between the District and Cattron for the reporting services. After review and discussion, Director Tullis moved to approve a Service Agreement with Cattron for the reporting services and direct that the Agreement be filed appropriately and retained in the District's official records. Director Patterson seconded the motion, which passed by unanimous vote.

NEXT MEETING DATE

The Board agreed to hold the next meeting on September 2, 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.



Jane Sewer
Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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