

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

October 7, 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 7th day of October, 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 Mealy, thus constituting a quorum.

Also present at the meeting were Gary Stevens, President of ColoVista Property Owners Association; Martha Granger, a resident of the District; Tammy Hargett of AWR Services, Inc. ("AWR"); Bradley Loehr of Befco Engineering, Inc.; and Kathryn Garner and Janet Swartz of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending by telephone were Hal Lanham of AWR; Terry Holland of Myrtle Cruz, Inc.; David Patterson of Assessments of the Southwest, Inc. ("ASW"); and Ashlee Martin of McCall Gibson Swedlund Barfoot PLLC ("McCall").

PUBLIC COMMENTS

Director Adamcik presented a written statement from Mr. Nick Textor regarding the impact to the community of ColoVista of an aggregate processing plant on land adjacent to the District, a copy of which is attached.

Mr. Stevens commented on the effects of an aggregate processing plant on the community of ColoVista.

TRANSPARENCY REQUIREMENTS PURSUANT TO SECTION 2051.202, GOVERNMENT CODE, AND RELATED CONTRACT AMENDMENT

Ms. Garner discussed legislation enacting Section 2051.202, Texas Government Code, which requires certain special purpose districts to post or cause to be posted additional information on a website maintained by or accessible to the District. She stated that the new requirements apply to districts that levy a property tax, are required to prepare an annual audit, and have a population of 500 or more as of the beginning of the most recent fiscal year. Ms. Garner reviewed a summary of the new requirement, a copy of which is attached.

Ms. Garner stated that because of the additional development in the District, it now meets all three requirements of Section 2051.202, Texas Government Code, as its population now exceeds 500. The Board discussed the applicability of the new posting requirements to the District and the possibility of expanding the website used by the District for compliance with previously enacted transparency requirements. Mr. Patterson discussed the services currently provided by ASW to implement existing transparency requirements, including ensuring that information posted on the website is accurate and current. Mr. Patterson discussed a proposed First Amendment to Agreement for Services of Tax Advisor with ASW to incorporate the new posting requirements on the existing website.

After review and discussion, Director Tullis moved to approve the First Amendment to Agreement for Services of Tax Advisor between the District and ASW 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.

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 10:45 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 11:12 a.m. The Board took no action.

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

Ms. Garner discussed the terms of the Second Amendment to the AWSC Large Volume Service Agreement. The Board requested that Ms. Garner continue negotiations with AWSC on the terms of the Second Amendment to the Large Volume Service Agreement to include that the District is treated as a large volume user in the same manner as other large volume users.

After review and discussion, Director Tullis moved to approve the Second Amendment to the Large Volume Service Agreement with AWSC, contingent upon the

development committee's and ABHR's final review and approval, 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.

DISCUSS MAINTENANCE OF ROADS AND DRAINAGE, INCLUDING IMPACT OF POSSIBLE DEVELOPMENT OF AGGREGATE PROCESSING PLANT ON LAND ADJACENT TO THE DISTRICT

Director Adamcik stated that he plans to submit remarks on the impact on the District and the Colovista community of a proposed sand and gravel processing plant on land adjacent to the District's southern boundary at the Bastrop County Commissioners Court meeting on October 11, 2022.

MINUTES

Ms. Garner stated that the minutes of the August 5, 2022, meeting have been amended to reflect that the Board approved a Service Agreement with Cattron for reporting services in connection with the installation of Cattron autodialers for the water plant and wastewater treatment plant ("WWTP").

The Board considered approving the amended minutes of the August 5, 2022, meeting and the minutes of the September 2, 2022, regular meeting. Following review and discussion, Director Tullis moved to approve the amended minutes of the August 5, 2022, regular meeting and the minutes of the September 2, 2022, regular meeting. Director Patterson seconded the motion, which passed by unanimous vote.

REPORT ON CURRENT AND FUTURE DEVELOPMENT IN THE DISTRICT

There was no discussion on this agenda item.

DISCUSS COMMUNICATIONS WITH PROPERTY OWNERS AND RESIDENTS

Director Adamcik discussed a letter to the property owners and residents of the District. After review and discussion, Director Tullis moved to approve distribution of a letter to the property owners and residents by AWR, and direct that the letter be filed appropriately and retained in the District's official records. Director Patterson seconded the motion, which passed by unanimous vote.

Director Adamcik noted that he will communicate to the Bastrop County Commissioners Court and Bastrop County engineer that all replats of property in the District must be approved by the District.

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 Estate of Leslie L. Appelt granted the District a sanitary sewer easement in connection with the relocation of the wastewater line to the WWTP.

Mr. Loehr stated that bids were received for the relocation of a 4-inch wastewater line to the WWTP. He recommended that the Board award the contract to Travis Hobbs Construction, LLC in the amount of \$21,850.00. The Board concurred that, in its judgment, Travis Hobbs Construction, LLC was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. After review and discussion, Director Adamcik moved to award the contract for the relocation of a 4-inch wastewater line to the WWTP to Travis Hobbs Construction, LLC in the amount of \$21,850.00, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Tullis seconded the motion, which passed by unanimous vote.

Mr. Loehr discussed repair or replacement of the booster pumps at the water plant, installation of pressure control valves and a new pressure tank.

The Board discussed the water pressure in several cul-de-sacs in the upper section of the District and the possibility of looping 2-inch water lines to increase the pressure. The Board discussed adding pressure reducing valves to reduce water pressure in the lower section of the District. Mr. Loehr stated the estimated cost for the project is \$120,000 plus engineering fees.

Mr. Loehr updated the Board on the installation of the alarm system by Macaulay Controls Company.

After review and discussion, Director Tullis moved to (1) approve the engineer's report; (2) authorize the solicitation of bids for repair or replacement of booster pumps at the water plant; (3) authorize the design and advertisement of bids for two pressure reducing valves on the existing 6-inch water line between the upper and lower sections in two locations; (4) authorize AWR to obtain the cost to loop 2-inch water lines on the Oak Court cul-de-sac; and (5) authorize AWR to repair a flush valve. 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. She stated that on September 23, 2022, ASW communicated with residents about the current water restrictions.

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

Mr. Lanham stated that AWR planned to remove the rented container from the District once the D.R. Horton Homes were completed. He added that the District will

need a place to store grinder pumps and spare parts. Mr. Lanham stated that AWR will obtain information on the rental or purchase of a container or small metal building for discussion at the next meeting.

Mr. Lanham stated that the customer who installed a grinder pump at their home to replace a District owned grinder pump agreed to pay the cost of \$3,891 for the installation of a new grinder pump by 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

There was no discussion on this agenda item.

REPORT ON BASTROP COUNTY FEMA HAZARD MITIGATION ACTION PLAN AND ADOPT RESOLUTION APPROVING BASTROP COUNTY HAZARD MITIGATION PLAN PROGRAM

Ms. Garner stated that the Bastrop County Hazard Mitigation Plan (the "Plan") outlines a mitigation vision, goals and objectives, assesses risk from a range of hazards and identifies risk reduction strategies and actions for hazards that threaten the community. She reviewed a Resolution Approving Bastrop County Hazard Mitigation Plan Program. Ms. Garner stated that the District is required to adopt and submit the Resolution to FEMA in order to participate in the Plan. She stated that the Resolution reflects that (1) the Plan is approved in its entirety; (2) the District will pursue available funding opportunities for implementation of the proposals designated in the Plan applicable to the District, and will, upon receipt of such funding or other necessary resources, seek to implement the actions contained in the mitigation strategies; and (3) the Plan, including those portions of the Plan specifically related to the District, will be reviewed at least annually and that any needed adjustments will be presented to the Board for consideration. After review and discussion, Director Sevier moved to adopt a Resolution Approving Bastrop County Hazard Mitigation Plan Program and direct that the Resolution be filed appropriately and retained in the District's official records. Director Tullis seconded the motion, which passed by unanimous vote.

REPORT ON THE DISTRICT WEBSITE

Director Adamcik reviewed a notice to be added to the District's website regarding the Bastrop County Hazard Mitigation Plan Program. After review and discussion, Director Adamcik moved to approve the posting of the notice to the District's website. Director Tullis 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 FROM TAX ADVISOR

There was no report from the tax advisor.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR THE FISCAL YEAR END SEPTEMBER 30, 2022

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, 2022. She stated that the auditor has estimated the cost to conduct the audit to be between \$13,500 and \$14,500. Following review and discussion, Director Tullis moved to authorize McCall to conduct the audit for the District's fiscal year end September 30, 2022. Director Patterson seconded the motion, which passed by unanimous vote.

NEXT MEETING DATE

The Board agreed to hold the next meeting on November 4, 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 Lewis

Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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