

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

February 3, 2023

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 3rd day of February, 2023, 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 thus constituting a quorum.

Also present at the meeting were Doug Granger, Martha Granger, Teri Mealy, Gary Stevens, Jeri Stevens, Dee Bristol, Harvey Bristol, Jo Garouth, Becky Minardi, Catharine Grydes, Don Noonan, Mary Noonan, and Linda Roberts, residents of the District; Bradley Loehr of Befco Engineering, Inc. ("Befco"); 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 Fran Sodolak, Sheryl Adamcik, Nick Textor, Kenny King, Carol Livaditis, Mark Huff, Connie Nunley and Janis Penick, residents of the District; and Terry Holland of Myrtle Cruz, Inc.

PUBLIC COMMENTS

Mr. Stevens stated that he was opposed to the Board approving the expenditure of District funds in connection with opposition to the possible development of an aggregate production operation on land adjacent to the District. He requested that the Community Letter on this subject be removed from the District's website.

Ms. Granger requested the minutes of the January 6, 2023 meeting. Ms. Garner stated that in accordance with the Texas Public Information Act, Ms. Granger will need to submit a request in writing to the District.

Mr. King requested that the Board listen to the community and that an LLC was to be created to address the opposition to the possible development of an aggregate production operation on land adjacent to the District.

Ms. Minardi requested that the District send the monthly meeting agenda of the Board to District residents by email.

Ms. Nunally stated that she was opposed the District spending funds on the opposition of the possible development of an aggregate production operation on land adjacent to the District.

Ms. Garouth stated that she was opposed the District spending funds on the opposition of the possible development of an aggregate production operation on land adjacent to the District.

Note: The Texas Commission on Environmental Quality (TCEQ) defines the term, aggregate production operation, to be quarries, sand pits, gravel pits and other aggregate production operations (“APO”) that produce “aggregate” that is defined as commonly recognized construction material, including dimension stone, crushed stone and broken limestone, other types of crushed and broken stone, construction sand and gravel, industrial sand, dirt, soil and caliche. Thus, for purposes of these District’s minutes, the term, “aggregate production operation” will be used regarding the proposed activity adjacent to the District.

CONSIDER RESOLUTION ESTABLISHING POLICY ON PUBLIC COMMENT AND PUBLIC TESTIMONY AT OPEN MEETINGS

Ms. Garner reviewed a Resolution Establishing Policy on Public Comment and Public Testimony at Open Meetings (the “Public Comment Resolution”). She stated that the Public Comment Resolution provides for the adoption of a Policy that permits each person to provide comments to the Board for three (3) minutes, in addition to any other time as directed by the Board for questions and such comments may be made during the first agenda item or when the agenda item of interest is discussed. Following review and discussion, Director Adamcik moved to adopt the Public Comment Resolution 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.

MINUTES

The Board considered approving the minutes of the January 6, 2023, regular meeting. The Board discussed several revisions to the minutes. Following review and discussion, Director Tullis moved to approve the minutes of the January 6, 2023, regular meeting, as revised with the changes requested by the Board. 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 10:31 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 11:44 a.m. Following discussion, Director Sevier moved that the Board approve (1) to discontinue funding and discussion by the Board to oppose the possible development of an aggregate production operation on land adjacent to the District; (2) to remove from the agenda, the item: "consider and discuss the impact of possible development of sand and/or gravel mining operations on land adjacent to the District"; (3) to approve payment of an invoice from Sneed, Vine & Perry; and (4) to remove the community letter as an attachment to the minutes of the January 6, 2023 meeting and from the District's website. Director Tullis seconded the motion, which passed with four votes in favor of the motion with Director Adamcik abstaining.

REPORT ON CURRENT AND FUTURE DEVELOPMENT IN THE DISTRICT

Director Adamcik discussed development in the District. The Board concurred to no longer have a development committee and to remove "report on current and future development in the District" from the agenda.

DISCUSS COMMUNICATIONS WITH PROPERTY OWNERS AND RESIDENTS

Director Adamcik discussed the preparation of a letter to be sent to the ColoVista community residents in April. Director Mealy stated that she will coordinate with Ms. Hargett on the language on the water bill referencing the District's website. The Board discussed AWR sending a notice regarding upcoming Board meetings by email to District customers three days prior to Board meetings. Following discussion, Director Mealy moved to authorize AWR to send an email to District customers three days prior to Board meetings regarding the date, time and location of the meeting and include the District's website address which includes the agenda for each Board meeting. Director Adamcik seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

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

Mr. Loehr updated the Board on the contract for the relocation of a 4-inch wastewater line to the wastewater treatment plant ("WWTP"). He stated that a cut-off valve and suction risers will be installed in February at the intersection of ColoVista Parkway and ColoVista Ranch Road in order to cut off flow to the construction area and connect to wastewater transport. Mr. Loehr stated that a survey of the 4-inch wastewater line to the WWTP and preparation of a map to show the new location of the wastewater line will cost \$3,000. He added that the cost for the preparation of the metes and bounds for a new easement will be \$1,850. After discussion, Director Tullis moved to authorize the engineer to arrange for a survey of the 4-inch wastewater line to the WWTP and a map to show the new location of the wastewater line for a cost of \$3,000 and preparation of the metes and bounds for an easement, if necessary, for a cost of \$1,850. Director Patterson seconded the motion, which passed by unanimous vote.

Mr. Loehr discussed the installation of pressure reducing valves in connection with the water plant booster pumps. He stated that he will arrange for a meeting with Director Tullis and Director Patterson on the locations for the two pressure reducing valves.

Mr. Loehr stated that he is obtaining an estimate on the cost to loop the water lines on Pine Court and Oak Court.

Mr. Loehr stated that a wastewater line is exposed at 181 Riverwalk and an estimate for the repair of the line will be obtained.

In response to a question from Director Sevier, Mr. Loehr updated the Board on the 2017 FEMA project. He discussed the re-routing of a 3" waterline in an eroded area or routing around the eroded area. Director Tullis requested that Mr. Loehr provide him with a map of the eroded area and meet with him in the District to review the options for restoration of the permanent waterline. Director Sevier stated that she will investigate the possibility of the District applying for a grant for this project or applying to FEMA for additional funds.

After review and discussion, Director Tullis moved to approve the engineer's report. Director Sevier 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.

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

Ms. Hargett stated that Aqua Water Supply Corporation ("AWSC") has notified the District that the monthly meter fee rate and rate per 1,000 gallons of water will increase by approximately 14.8%. She reviewed a rate study and comparison of neighboring communities' rates. The Board concurred that a committee of Director

Mealy and Director Sevier will coordinate with the District's operator to review the Rate Order and make recommendations to the Board. Ms. Hargett stated that AWR and the committee will review AWR's charge to respond to customers to aid in turning off water and the reconnection fee in the Rate Order.

Director Adamcik discussed meeting with the District's bookkeeper and Director Patterson to review the operator's invoices prior to meetings. Director Adamcik requested that AWR provide an inventory report on meters and grinder pumps on the monthly report.

Ms. Hargett reported on calls related to grinder pumps.

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.

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.

DISCUSS WATER RATE STUDY AND IF NECESSARY, ADOPT AMENDED RATE ORDER

The Board tabled action on this agenda item.

REPORT ON APPLICATION FOR A WASTEWATER DISCHARGE PERMIT INTO THE COLORADO RIVER

Ms. Garner stated that the District is in receipt of a Notice of Application and Preliminary Decision for TPDES Permit for Municipal Wastewater (Corix Utilities, Inc.)

CONSIDER AND DISCUSS THE IMPACT OF POSSIBLE DEVELOPMENT OF SAND AND/OR GRAVEL MINING OPERATIONS ON LAND ADJACENT TO THE DISTRICT

Except as stated above, there was no discussion on this agenda item.

REPORT ON BASTROP COUNTY HAZARD MITIGATION ACTION PLAN

Director Sevier stated that she plans to meet with Mr. Textor and a grant writer to assist the District in preparing applications for grants in connection with the District's Hazard Mitigation Action Plan.

REPORT ON DISTRICT WEBSITE

Director Mealy updated the Board on the District's website.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Garner reviewed a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Adamcik moved to adopt a Resolution Concerning Exemptions from Taxation, reflecting that the Board of Directors rejects any exemptions of residential homesteads from ad valorem taxation 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. Director Mealy stated that she will review the possibility of granting exemptions next year.

RATIFY APPROVAL OF ENGAGEMENT LETTER WITH FELDMAN & FELDMAN PC

Ms. Garner stated that at the September 2, 2022, meeting the Board approved the District's participation in a lawsuit filed in Travis County regarding the Texas Attorney General's Opinion regarding withholding Director's personal information. The Board discussed an engagement letter with Feldman & Feldman PC for the purpose of District's participation in a lawsuit filed in Travis County regarding the Texas Attorney General's Opinion regarding withholding Director's personal information. Following review and discussion, Director Adamcik moved to ratify approval of an engagement letter with Feldman & Feldman PC, and direct that the letter be filed appropriately and retained in the District's official records. Director Tullis seconded the motion, which passed by unanimous vote.

DISCUSS CYBERSECURITY MATTERS

Ms. Garner discussed cybersecurity matters with the Board. The Board requested that the consultants provide the Board with information on their respective cybersecurity measures.

REPORT FROM TAX ADVISOR

There was no report from the tax advisor.

DISCUSS ALTERNATIVE REGULAR MEETING DATE AND MEETING PLACE

There was no discussion of this agenda item.

NEXT MEETING DATE

The Board agreed to hold the next meeting on March 3, 2023, 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.



Case Sevier
Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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