

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

May 5, 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 5th day of May, 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:

William Tullis	President
Jerry B. Patterson	Vice President
Jane T. Sevier	Secretary
Krystal Mealy	Assistant Secretary
Steve Adamcik	Director

and all of the above were present thus constituting a quorum.

Also present at the meeting were residents of the District including Johnnie Frazier, Winfred Frazier, Doug Granger, Sheryl Adamcik, Nick Textor, Becky Minardi, Emanuel Minardi, Adam LaGesse, Linda Roberts, Gary Stevens and Don Long; Hal Lanham and Dory Delago of AWR Services, Inc. ("AWR"); and Kathryn Garner and Janet Swartz of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending by telephone was a resident of the District, Tandy Adams; Bradley Loehr of Befco Engineering, Inc. ("Befco"); and Terry Holland of Myrtle Cruz, Inc.

PUBLIC COMMENTS

Mr. Textor addressed the Board and requested that his statement be attached to the minutes. A copy of Mr. Textor's statement is attached hereto.

Mr. Adams stated that he is president of the Colovista Property Owners Association and addressed the Board regarding the golf course and stated that because PGI Properties owns much of the property located along the golf course, PGI Properties is important to the future success of the Colovista community. He requested that the District work with PGI Properties to improve the Colovista community.

Ms. Roberts addressed the Board regarding transparency, the District's current tax rate and future tax rates. She stated that she is not in favor of raising taxes in the District and commented on the source of funds for reimbursement of developers in the future.

Director Sevier responded to the comments made by the residents.

MINUTES

The Board considered approving the minutes of the April 10, 2023, regular meeting. Ms. Garner reviewed revisions to the minutes. Director Adamcik stated that Mr. Stevens' has requested that his presentation at the April 10, 2023 meeting be an attachment to the minutes and he does not represent PGI Properties. Mr. Steven's stated that he will obtain written consent from PGI Properties for distribution of the presentation on PGI Properties Property Taxes. The Board concurred to consider amending the minutes at the next Board meeting following receipt of the written consent by PGI Properties. After review and discussion, Director Sevier moved to approve the minutes of the April 10, 2023, regular meeting as revised and with the removal of the PGI Properties Property Tax presentation as an attachment to the minutes. 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.

Director Adamcik discussed the preliminary values for the District's tax roll received from the Bastrop Central Appraisal District. He stated that values have increased by 37% and \$13,000,000 is attributable to new construction. He stated that funds should be available to complete projects without raising taxes.

Director Sevier stated that she is considering grant applications in connection with the Capital Improvement Plan.

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 CURRENT AND FUTURE DEVELOPMENT IN THE DISTRICT

Ms. Delgado reported on one new tap in the District.

DISCUSS COMMUNICATIONS BY DIRECTORS WITH PROPERTY OWNERS OF THE DISTRICT INCLUDING DEVELOPERS, DISTRICT RESIDENTS, AND FEDERAL, STATE AND LOCAL GOVERNMENT OFFICIALS AND AGENCIES

Ms. Garner discussed the adoption of a policy on communications by the Board members with property owners of the District including developers, District residents, and federal, state and local government officials and agencies. She stated that the policy could require Board members to obtain approval from the District's Board prior to engaging in communications with (i) property owners of the District including developers, (ii) District residents, and (iii) federal, state and local government officials

and agencies. She added that once the Board member is authorized and has had communication with such residents and/or officials and agencies, he or she could report to the Board on the communications at the next Board meeting.

After discussion, Director Adamcik moved to authorize ABHR to prepare a resolution adopting a policy on communications by members of the Board for consideration at the next meeting. Director Sevier seconded the motion, which passed by unanimous vote.

Director Adamcik summarized his meeting with County Commissioner Clara Beckett regarding County regulations on re-platting of land.

Director Sevier stated that she and Director Tullis desire to meet with several residents in the District to discuss District matters and the future of the Colovista community. After discussion, Director Patterson moved to authorize Directors Sevier and Tullis to meet with several residents in the District. Director Tullis seconded the motion, which passed by unanimous vote.

ADOPT AMENDED RATE ORDER

Mr. Lanham reviewed a report on tap fee costs to the District and discussed amending the Rate Order. The Board discussed possible amendments to the Rate Order, including amending Section 6D. The Board concurred that the Committee of Directors Sevier and Mealy would review the tap fee recommendations and section 6D and make recommendations for amendment to the Rate Order at the next meeting. The Board tabled adoption of an Amended Rate Order.

REPORT ON BASTROP COUNTY HAZARD MITIGATION ACTION PLAN, INCLUDING REPORT FROM LANGFORD COMMUNITY MANAGEMENT SERVICES, INC. REGARDING GRANT PREPARATION, AUTHORIZE SECRETARY TO APPROVE INITIATION OF GRANT APPLICATIONS OR ADOPT RESOLUTION REGARDING DELEGATION OF AUTHORITY RELATED TO EMERGENCY ACTION OR URGENT ACTION, APPROVE SERVICE AGREEMENT WITH LANGFORD COMMUNITY MANAGEMENT SERVICES, INC., SAFEGUARDING TOMORROW REVOLVING STATE LOAN FUND, AND REPORT FROM ENGINEER ON SUBMITTAL OF 2017 FEMA PROJECT ON FORM DR-4332 THROUGH TDEM GRANTS MANAGEMENT SYSTEM

Director Sevier updated the Board on the federal government's approval of the State's request for a Major Disaster Declaration for Texas Counties impacted by Winter Storm Mara. She added that the District can now apply for grants under the winter storm Mara declared program. Director Sevier stated that she is working with Langford Community Management Services, Inc. ("Langford") to review projects included in District's Capital Improvement Plan and Hazard Mitigation Plan to determine the appropriate projects for grant applications.

Director Sevier discussed the Safeguarding Tomorrow Revolving State Loan Fund. She stated that Langford submitted the District's application for the low interest loan program and the District is not obligated to take a loan if the application is approved.

Ms. Garner stated that at its April meeting, the Board authorized Director Sevier to approve the preparation of grant applications by Langford on behalf of the District between meetings pursuant to the District's Resolution Regarding Delegation of Authority Related to Emergency Action or Urgent Action in an amount not to exceed \$10,000. Ms. Garner stated that the Delegation Resolution only permitted approval of up to \$5,000 between meetings. The Board discussed authorization of fees for no more than five grant applications (\$1,000 each) for a total cost of \$5,000 and that the actions would be presented to the Board for ratification at the next Board meeting. The Board concurred that was not necessary to adopt an amended Resolution Regarding Delegation of Authority Related to Emergency Action or Urgent Action to increase the permitted dollar amount.

Ms. Garner discussed a Service Agreement between the District and Langford for grant writing services. After discussion, Director Tullis moved to approve a Service Agreement between the District and Langford for grant writing services, subject to ABHR final review, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

The Board concurred to receive a report on the submittal of 2017 FEMA Project on Form DR-4332 through TDEM Grants Management System under the engineer's report.

ENGINEERING MATTERS

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

Mr. Loehr stated that the relocation of a 4-inch wastewater line to the wastewater treatment plant ("WWTP") has been completed.

Mr. Loehr discussed the 2017 FEMA project and stated that he is obtaining an estimate for the installation of steel casing of the District's lines that cross the canyon.

Mr. Loehr updated the Board on the water plant maintenance including the survey being conducted in connection with increasing the pressure setting of the booster pumps and the purchase and installation of two pressure reducing valves to be located in the southwest corner of Riverwalk and near the Colovista Parkway and Mountain Laurel intersection. Mr. Loehr stated that he is working to obtain the costs and timing for the purchase and storage of a new booster pump.

Mr. Loehr reported on conference calls regarding funding by the U.S. Army Corps of Engineers (USACE) for a field study to address erosion issues caused by the Colorado River that impacts the District's infrastructure.

Mr. Loehr updated the Board on the new utility line relocation on Colovista Parkway approved by the Board at the last meeting.

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

Mr. Lanham reviewed the operator's report, a copy of which is attached.

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

Mr. Lanham discussed a plan to permanently mark and add signs in sewer line locations. After review and discussion, Director Sevier moved to authorize AWR to permanently mark and add signs in sewer line locations for a cost not to exceed \$750.00. Director Mealy seconded the motion, which passed by unanimous vote.

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

REPORT FROM TAX ADVISOR AND CONSIDER AUTHORIZING CONSULTANTS TO ANALYZE TAX EXEMPTIONS FROM PRIOR YEARS PROVIDED BY THE BASTROP CENTRAL APPRAISAL DISTRICT

Ms. Garner reported on the District's costs incurred to date for ASW and ABHR services in connection with the analysis of tax exemptions to be approximately \$1,400. She added that the cost to obtain and analyze additional information on tax exemptions for prior years by ASW and ABHR is estimated to be \$1,500 each. After discussion, Director Adamcik moved to authorize consultants to analyze tax exemptions for years prior to 2022. The motion failed for lack of a second.

CONSIDER AUTHORIZING CERTAIN DISTRICT CONSULTANTS, INCLUDING THE DISTRICT'S LEGAL COUNSEL AND DISTRICT'S TAX ADVISOR, TO REVIEW AND ANALYZE DEVELOPMENT FINANCING AGREEMENT

There was no discussion on this agenda item.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.074, 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 11:44 a.m. pursuant to Sections 551.071 and 551.074 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 regarding personnel matters, including District officers and employees.

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 12:23 p.m. The Board took no action.

REPORT ON NOTICES RECEIVED FROM THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ON PERMIT APPLICATIONS RELATED TO BASTROP COUNTY

There was no discussion on this agenda item.

REPORT ON DISTRICT WEBSITE

Director Mealy reported that the new water rates were posted on the District's website. The Board discussed the action list prepared following meetings by ABHR and concurred that going forward each consultant must prepare its own action list and distribute it to the Board.

NEXT MEETING DATE

The Board agreed to hold the next meeting on June 2, 2023, at 10:00 a.m. at the First National Bank, 489 Highway 71 West, Bastrop, Texas.

The Board discussed conducting a special meeting to review the budget and concurred to schedule a special meeting based on the availability of a conference room.

After discussion, the Board concurred to adjourn the meeting.



Assistant Kryptal Mealy
Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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