

BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
BASTROP COUNTY, TEXAS

July 7, 2023

It was brought to our attention at the June meeting of the Board of Directors (“Board”) of Bastrop County Municipal Utility District No. 1 (the “District”) that a flyer was distributed by resident, Linda Roberts, to District residents that contained false statements that indicate a misunderstanding of the prior actions and future intentions of the Board. The purpose of this letter is to clarify the Board’s recent actions, its intentions, and the results that the Board hopes to achieve for the District.

The flyer stated that the District has lost its leader in the fight against District tax increases due to a reorganization of the directors’ positions on the Board. While the Board was restructured, the same five directors remain on the Board now that were members of the Board prior to the reorganization. Each director gets one vote on District matters. Each director has equal opportunity to express his or her thoughts and ideas at Board meetings regarding District matters, and no director has more influence over District matters than any other director regardless of the officer position he or she holds. The Board’s vote for reorganization was unanimous.

The flyer also stated that reorganization was for the sole purpose of aiding a landowner. The assertion made in this statement is entirely untrue. The Board underwent reorganization to promote budgetary concerns in order to prioritize its focus on vital water and wastewater matters.

Regarding the alleged intention of the Board to raise taxes on District residents, that is not the desire of the Board. Each Board member is also a resident and taxpayer in the District. The District sold bonds many years ago to reimburse the original developer for the existing water and sewer utilities. These bonds mature in 2027 with the result that the portion of the District’s tax rate allocated to the payment of debt service on those bonds (currently \$0.2560/\$100 of valuation) goes away. It is the intention of this Board that, if an agreement can be reached for future development, expansion of the District’s current facilities required to serve new development would be financed with advances from such landowner/developer. And if reimbursement is possible based on an agreement between the District and the landowner/developer and approved by the Texas Commission on Environmental Quality and the District’s consultants, it is the intention of this Board that reimbursement would be accomplished using available funds and tax revenues solely from residents of the new development. Once options for financing of new development are evaluated by the Board and the District’s consultants, including the District’s attorney, engineer, financial advisor, bookkeeper, and operator, more information will be available to you.

In the meantime, please understand that the District’s Board, as current residents of the District, believe, as do most District residents, that new development is important to improving the community, but that a typical approach to reimbursement used by many municipal utility districts - using tax revenues from all residents for reimbursement of the landowner/developer for new development – is not the method sought by this Board.

Sincerely,

Bastrop County Municipal Utility District No. 1