

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

August 4, 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 4th day of August, 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 Nick Textor, Sheryl Adamcik, and Adam LaGesse; Hal Lanham, Tammy Hargett, and Kathy Lanham of AWR Services, Inc. ("AWR"); and Kathryn Garner, Michelle Bryan, and Megan Leissner of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending by telephone were: Martha Granger, Linda Roberts, and Jeri Stevens, residents of the District; Blake Roberts of PFM Financial Advisors LLC (the "Financial Advisor"); and Terry Holland of Myrtle Cruz, Inc.

PUBLIC COMMENTS

There were no comments from the public.

Robert D. Lewis, a resident of the District, entered the meeting.

MINUTES

The Board considered approving the minutes of the July 7, 2023, regular meeting.

Ms. Garner stated that the revised minutes of the April 10, 2023, regular meeting will be presented at next month's meeting.

After review and discussion, Director Tullis moved to approve the minutes of the July 7, 2023, regular meeting. Director Patterson seconded the motion, which passed by unanimous vote.

Emanuel Minardi, Becky Minardi, Don Long, and BJ Long, residents of the District, entered the meeting.

FINANCIAL AND BOOKKEEPING MATTERS AND TAX REPORT

Mr. Holland reviewed the bookkeeper's report, including the invoices 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 Mealy seconded the motion, which passed by unanimous vote.

CONSIDER COMMITTEE RECOMMENDATIONS ON AMENDED RATE ORDER AND ADOPT AMENDED RATE ORDER

Discussion ensued regarding proposed updates to the District's Rate Order. Ms. Garner recommended that all comments be consolidated before the Rate Order is amended. Director Adamcik stated that he will forward proposed updates to ABHR and Director Mealy. Following discussion, no Board action was taken.

ANNUAL REVIEW OF OPERATING COSTS AND DISCUSS ANY NECESSARY AMENDMENTS TO THE AMENDED RATE ORDER

There was no discussion on this agenda item.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2024

The Board discussed the proposed budget for the fiscal year end September 30, 2024, a copy of which is attached to the bookkeeper's report. Ms. Garner discussed the budget adoption process. Director Adamcik reported on the District's operating expenses and revenues, and discussion ensued regarding methods to lower the District's operating expenses while keeping a reserve to make necessary repairs to District facilities. Director Sevier suggested a quarterly special budget meeting on a going-forward basis for the Board to analyze the budget. Following discussion, the Board agreed to consider adoption of the proposed budget for the fiscal year end September 30, 2024, at the September meeting.

Bradley Loehr of Befco Engineering, Inc. ("Befco") entered the meeting by telephone.

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2023 tax rate. Mr. Roberts reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2023 water, sewer, and drainage debt service tax rate of \$0.2090 per \$100 of assessed valuation, based on the District's initial 2023 certified value of \$73,410,877. A copy of the debt service tax rate analysis is attached. 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.

Becky Minardi, Emanuel Minardi, B.J. Long, and Don Long left the meeting.

Director Mealy exited the meeting and returned.

B.J. Long and Don Long returned to the meeting.

Director Patterson exited the meeting and returned.

B.J. Long and Don Long exited the meeting.

Director Adamcik exited the meeting and returned.

Following review and discussion, Director Tullis moved to: (1) set the public hearing date for September 1, 2023; and (2) authorize Assessments of the Southwest, Inc. to publish notice in a newspaper of general circulation in the District of the District's meeting on September 1, 2023, to set the proposed 2023 total tax rate of \$0.68 per \$100 of assessed valuation. Director Patterson seconded the motion, which passed by unanimous vote.

DISTRICT COMMUNICATIONS

There was no discussion on this agenda item.

ENGINEERING MATTERS

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

Mr. Loehr stated that one bid was received for the new pressure reducing valves to be located in the southwest corner of Riverwalk and near the Colovista Parkway and Mountain Laurel intersection from WJC Constructors, LLC in the amount of \$105,000.00. He recommended that the Board award the contract to WJC Constructors, LLC in the amount of \$105,000.00. The Board concurred that, in its judgment, WJC is a responsible bidder who will be most advantageous to the District and will result in the best and most economical completion of the project. Following review and discussion, Director Sevier moved that the equipment for the project be purchased and stored until the Board is ready to proceed with the project. Director Mealy seconded the motion, which failed by a motion of 2 in favor and 3 against. Following further discussion, the Board directed Mr. Lohr to inquire whether WJC Constructors, LLC would be willing to hold their contract price.

Mr. Loehr reported on the funding determination by the U.S. Army Corps of Engineers from a field study that addressed erosion issues caused by the Colorado River that impacts the District's infrastructure.

DISTRICT COMMUNICATIONS, CONTINUED

Ms. Garner reported on the response from PGI Properties to the District's letter regarding special valuation tax exemptions. She reported that Mr. Henry of PGI Properties responded that PGI Properties would discuss its special valuation tax exemptions with the District at the same time that PGI Properties and the District work to reinstate PGI Properties' reimbursement agreement with the District. Discussion ensued regarding assembling a committee to meet with PGI Properties. Following discussion, the Board concurred for Directors Tullis and Sevier to meet with PGI Properties on behalf of the District.

OPERATION OF DISTRICT FACILITIES

Ms. Hargett reviewed the operator's report, a copy of which is attached.

Ms. Hargett reported that Aqua Water Supply Corporation has announced Stage 2 drought restrictions, noting that AWR distributed communication to customers on Monday and posted on the website.

Ms. Hargett reported that sample bottles for lead and copper testing have been ordered for testing that is due in September.

Ms. Hargett reported that the motor and gearbox for the clarifier for the wastewater system was recently replaced after a malfunction occurred that could not be repaired.

Ms. Hargett reported on grinder pump calls.

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

Ms. Hargett reported on grinder pump and electronic meter inventory. Upon an inquiry from Director Adamcik, discussion ensued regarding historical grinder pump prices.

Ms. Hargett reported on monthly water loss.

Discussion ensued regarding the tap fee listed in the District's Rate Order and the related line items to be updated in the District's budget.

Mr. Lohr and Mr. Lanham discussed lead testing for the soldering in the District's water system, and Mr. Lanham stated that AWR will perform the testing.

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

REPORT FROM TAX ADVISOR

There was no report from the Tax Advisor.

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.

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

The Board directed ABHR to remove this item from future meeting agendas.

REPORT ON DISTRICT WEBSITE

Director Mealy stated that she did not have a report on the website.

REPORT ON HAZARD MITIGATION PLAN

Director Sevier reported that she is working on applications for the Bastrop County FEMA Hazard Mitigation Plan.

CONVENE IN EXECUTIVE SESSION AND RECONVENE IN OPEN SESSION

The Board did not convene in executive session.

NEXT MEETING DATE

The Board agreed to hold the next meeting on September 1, 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.




Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	2
2023 debt service tax rate analysis.....	2
Engineer's report.....	3
Operator's report	4