

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

July 28, 2023

The Board of Directors (the "Board") of Bastrop County Municipal Utility District No. 1 (the "District") met in special session, open to the public, on the 28th day of July, 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, except Director Adamcik, thus constituting a quorum.

Also present at the meeting was Nick Textor, a resident of the District; and Kathryn Garner of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending by telephone were Steve Adamcik, a Director of the Board; and Janet Swartz of ABHR.

PUBLIC COMMENTS

There were no comments from the public.

DISCUSS BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2024

The Board discussed the budget for the fiscal year ending September 30, 2024.

Director Tullis discussed the budget review process and stated that the Board previously requested that the consultants provide the bookkeeper with information regarding costs for their services and how those costs could be minimized for the proposed budget. He noted variations in the amounts provided in the budget for the last several years.

Director Sevier discussed the budget and made suggestions regarding items that should be removed. She discussed management by the Board of legal fees and the length of Board meetings. Director Sevier recommended that questions by Directors at meetings be limited to 6 minutes and only be permitted following the delivery by consultants of their reports. Director Sevier suggested that consultants should leave the Board meetings once their reports are delivered. She stated that the Board should focus on the district's water and sewer services and managing funds efficiently to stay within

the budget before considering expansion of District services. Director Sevier stated that she is not in favor of limiting Board meetings to once a quarter and suggested that budget meetings should be conducted quarterly.

Ms. Garner discussed the budget for legal fees with the Board.

Director Tullis discussed the costs of applying for grants and loans and the budget for engineering fees.

Director Adamcik recommended that consultants' time and fees be allocated to specific projects. In response to Director Adamcik's discussion of future purchase of water capacity from the Aqua Water Supply Corporation ("Aqua"), the Board discussed the possibility of notifying current lot owners in the District of the option to purchase capacity from Aqua and the water and wastewater capacity related to new development.

Director Adamcik reviewed a report regarding the historical cost of operations and capital improvements and repairs and noted the increase in operating costs. Discussion ensued regarding whether operating costs should be paid primarily from the operating and maintenance tax revenue or from utility system revenues. He also discussed the possibility of implementing a consent agenda in order to shorten Board meetings resulting in a decrease in operating costs.

Director Tullis and Director Adamcik agreed to meet to review the budget. The Board took no action.

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 did not convene in executive session.

NEXT MEETING DATE

The Board agreed to hold the next meeting on August 4, 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.



ASH.

Kyrtal Mealy
Secretary Board of Directors