

MINUTES  
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

November 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 3<sup>rd</sup> day of November, 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 Sevier, thus constituting a quorum.

Also present at the meeting were residents of the District, including Linda Roberts, Adam LaGesse, Nick Textor, Martha Granger, Janis Penick, and Becky Minardi; Tammy Hargett of AWR Services, Inc. ("AWR"); and Kathryn Garner, and Megan Leissner of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending the meeting by telephone were Gary Stevens, a resident of the District; Terry Holland of Myrtle Cruz, Inc; and Danielle Scott and Nicole Moore of the Texas Department of Emergency Management.

Ms. Garner reviewed (i) the District's Policy on Public Comment and Public Testimony and (ii) the Board of Directors Code of Conduct.

PUBLIC COMMENTS

Ms. Moore reviewed the 2023 Federal Emergency Management Agency grant program funding opportunities for the District including the Hazard Mitigation Grant Program Funding Opportunity related to damages sustained during the winter storm in February 2023, and the Building Resilient Infrastructure and Communities Grant Program. Discussion ensued regarding the limitations of the grants and other possible funding opportunities related to the summer drought. Ms. Scott stated that there were not currently grant program funding opportunities related to the drought. Following discussion, Director Tullis stated that he would provide the contact information of Ms. Moore and Ms. Scott to Mr. Textor for further discussion of the District's funding opportunities. There were no further comments from the public.

## MINUTES

The Board considered the minutes of the October 6, 2023, regular meeting. Director Adamcik stated that a revision to the minutes regarding a public comment made by Mr. Vana was necessary. After review and discussion, Ms. Garner stated that ABHR will make any necessary revisions to the minutes and present them to the Board at the next meeting.

The Board then considered the minutes of the July 28, 2023, special meeting. After review and discussion, Director Tullis moved to approve the minutes of the July 28, 2023, special meeting as presented. Director Patterson seconded the motion which passed by unanimous vote.

## AMENDED ENGAGEMENT LETTER

Ms. Garner presented and reviewed ABHR's revised amended engagement letter with the District for a fixed fee of \$6,500.00 per month, not including legal fees related to new contracts or new projects authorized by the Board or incidental expense items. Ms. Garner stated the fixed fee arrangement is effective from September 1, 2023, through September 30, 2024. She stated ABHR is providing the amendment to its engagement letter to provide a fixed fee arrangement in order to assist the District with balancing its budget for the fiscal year end September 30, 2024.

After review and discussion, Director Adamcik moved to approve the amended engagement letter from ABHR for legal services as presented, and direct that such document be filed appropriately and retained in the District's official records. 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 invoices submitted for approval, transfers, investment report, energy report, and year-to-date budget. A copy of the bookkeeper's report is attached. Discussion ensued regarding the bookkeeper's report, the year-to-date budget, District water conservation efforts, and the scheduling of a special budget meeting. The Board concurred to hold a special meeting on February 16, 2024, to discuss the District's budget. After review and discussion, Director Adamcik moved to approve the bookkeeper's report, investment report, and checks presented for payment. Director Tullis seconded the motion which passed by unanimous vote.

## ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy, and Ms. Garner stated that neither ABHR nor the bookkeeper have any recommended changes. After review and discussion, Director Adamcik moved to adopt a Resolution

Regarding Annual Review of Investment Policy and to direct that a copy of the resolution be filed and retained in the District's records. Director Patterson seconded the motion which passed by unanimous vote.

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

Ms. Garner stated that at the recommendation of the committee, the Board will postpone making amendments to the District's Rate Order until February 2024.

CERTIFIED TAX ROLL

Ms. Garner reviewed the Tax Roll for the 2023 tax year received from Bastrop County. After review and discussion, the Board requested that ABHR send the Tax Roll to the District's tax advisor, Assessments of the Southwest ("ASW"), for review and verification of the tax levy amounts prior to Board approval and signature of the Tax Roll.

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

The Board concurred to postpone consideration of amendments to its Rate Order until early 2024 after receipt of property tax revenues.

REPORT FROM TAX ADVISOR

There was no report from the tax advisor. Discussion ensued regarding the tax services that ASW provides to the District. Following discussion, Ms. Garner stated that she would request that Mr. David Patterson of ASW attend the District's next meeting to review the services that ASW provides to the District.

DISTRICT COMMUNICATIONS

Mr. Garner stated that she reviewed and revised the letter to the First National Bank drafted by Director Adamcik to thank them for allowing the District to host its Board of Director meetings at the Bank. After review and discussion, Director Tullis moved to approve sending the revised letter to the First National Bank. Director Patterson seconded the motion which passed by unanimous vote.

Director Adamcik discussed sending a letter to the residents to explain the recent pump failures and the District's efforts to repair the pumps. Following discussion, the Board took no action.

## ENGINEERING MATTERS

Director Tullis reviewed the engineer's report prepared by BEFCO Engineering, Inc., a copy of which is attached, and updated the Board on projects, as reflected in the report.

After review and discussion, Director Adamcik moved to approve the engineer's report. Director Tullis 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, and updated the Board on operation and routine maintenance of District facilities, as reflected in the report.

Ms. Hargett stated that Stage 2 Mandatory Water Restrictions will continue until the pump replacement for pump no. 1 is installed. Ms. Hargett stated the Texas Water Development Board provided 500 water conservation brochures to the District at no cost that will be included in the next three billing statements to the District's residents. She stated that she has been working with Director Mealy to add water conservation educational materials to the District's website.

Ms. Hargett stated that AWR submitted an insurance claim related to the pump failures and costs for the water plant work and pump installations and is awaiting a response from the insurance representative.

Ms. Hargett reported on grinder pump calls. She stated that she is in contact with D.R. Horton, Inc. ("DRH") regarding the invoice that AWR sent the DRH for the cost to repair the broken discharge lines on homes constructed by DRH in the last year. After discussion, Ms. Hargett stated that AWR would work with the District's engineer to determine if any measures can be taken to prevent more broken discharge lines.

Ms. Hargett presented the Fourth Amendment to Professional Services Agreement with the District which states that AWR will forgo its base price increase in the third year of the agreement as provided in its Professional Services Agreement with the District, dated October 1, 2021, in order to assist the District in balancing its budget for the 2024 fiscal year.

There were no delinquent accounts reported.

After review and discussion, Director Tullis moved to (1) approve the operator's report; and (2) approve the contract amendment from AWR as presented and direct that such document be filed appropriately and retained in the District's official records. Director Adamcik seconded the motion which passed by unanimous vote.

AQUA WATER SUPPLY CORPORATION MATTERS

Director Adamcik reported that he and Director Patterson attended the last meeting of the Board of Directors of Aqua Water Supply Corporation ("Aqua") and met with Aqua's Interim General Manager to discuss the Board's request that Aqua waive the air gap requirement and allow the District to connect directly to Aqua's water distribution system. He stated that Aqua is currently conducting an internal audit and could not address the District's request until the results of that audit are known. Discussion ensued regarding the District's process for purchasing additional water capacity from Aqua. Director Adamcik stated that he and Director Patterson plan to attend the next Aqua Board of Directors meeting when the results of Aqua's internal audit will be presented.

REPORT ON DISTRICT WEBSITE

Director Mealy stated that the District's website is up to date and that a section containing water conservation educational materials was added at the Board's request.

REPORT ON HAZARD MITIGATION PLAN

There was no discussion on this agenda item.

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 did not convene in executive session.

NEXT MEETING DATE

The Board agreed to hold the next meeting on December 1, 2023, at 10:00 a.m. at the First National Bank, 489 Highway 71 West, Bastrop, Texas.

There being no further business to come before the Board, the meeting adjourned.



*Jane Sevier*  
Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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