

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

February 2, 2024

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 2nd day of February, 2024, 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 Chip Winand, Nick Textor, Logan Henderson, Adam LeGesse, Martha Granger, and Brian Thornton; 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: Terry Holland of Myrtle Cruz, Inc. ("Myrtle Cruz"); Mike Bamer of AWR; and Bradley Loehr of Befco Engineering ("Befco").

Ms. Garner stated that the Board will use a consent agenda and that Directors can remove items from the consent agenda if desired.

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

There were no comments from the public.

CONSENT AGENDA

Ms. Garner offered Board members the opportunity to remove items from the consent agenda for individual discussion. After discussion, Director Adamcik moved to remove item agenda no. 2 - Financial and Bookkeeping Matters, and agenda item no. 4 - Operation of District Facilities, from the consent agenda for individual discussion. Director Tullis seconded the motion which passed by unanimous vote.

After discussion, Director Tullis moved to approve all items on the consent agenda, except agenda item nos. 2 and 4, and direct that, where appropriate, the documents be filed appropriately and retained in the District's official records, including: (1) the minutes of the January 5, 2024, regular meeting; and (2) the Engineer's report. Director Adamcik seconded the motion, which passed unanimously.

A copy of the Engineer's report is attached.

FINANCIAL AND BOOKKEEPING MATTERS

Director Adamcik addressed Mr. Holland regarding deposits in the District's operating account. After discussion, Director Adamcik stated that he would discuss the operating account deposits with Mr. Holland at a later date. The Board concurred to approve the bookkeeper's report and the checks presented for payment.

A copy of the Bookkeeper's report is attached.

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.

Ms. Hargett reported that the District's Emergency Preparedness Plan ("EPP") was approved by the Texas Commission on Environmental Quality. She stated that ABHR will file the approved EPP with the appropriate government entities.

Mr. Bamer stated that the replacement for pump no. 1 was installed and is fully operable. He stated that Zone Industries, LLC ("Zone") will return to replace the new check valve on the 50 HSP that is leaking, replace the butterfly valve that was cracked upon installation of the new pump, and to replace the spool piece on the pump that was part of the original scope of work. Discussion ensued regarding the invoices paid to Zone for the pump replacement project and possible recourse for the District associated with damage caused by the contractor. After discussion, Director Tullis moved to authorize Directors Tullis and Patterson to work with AWR, Befco, and ABHR to determine a course of action regarding Zone and damage caused to the pumps during the pump replacement project. Director Patterson seconded the motion which passed by unanimous vote.

Mr. Hargett stated that the District moved to Stage 1 voluntary water use restrictions following the installation of the replacement for pump no. 1.

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

DISCUSS DISTRICT MEETING LOCATION AND TIME LIMITATIONS

The Board discussed the District's meeting location, the time limitations of the Board meetings, and ways to shorten the duration of meetings. After discussion, the Board concurred that they will continue meeting at their regular meeting location and at the regular meeting time.

DISCUSS SPECIAL BUDGET MEETING

The Board discussed the special budget meeting scheduled for February 12, 2024, and the information needed from District's consultants in order to conduct the meeting. Discussion ensued regarding the requirements and costs associated with the District implementing standby fees. The Board concurred to discuss standby fees during the special budget meeting.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Thornton distributed a written statement, a copy of which is attached, and addressed the Board regarding the Colovista Golf Course.

Ms. Garner reviewed Resolution Concerning Exemptions from Taxation. The Board considered approving exemptions of residential homesteads from ad valorem taxation. After review and discussion, the Board postponed taking action on this agenda item.

REPORT FROM TAX ADVISOR

There was no report from the tax advisor. After discussion, the Board requested that the tax advisor be available for questions during the special budget meeting on February 12, 2024.

DISTRICT COMMUNICATIONS

Director Tullis stated that he and Director Sevier met with representatives of PGI Properties to discuss current matters regarding the District's capacity to provide water to new homes and undeveloped lots and property in the District, matters related to Aqua Water Supply Corporation ("Aqua"), the District's current developer reimbursement agreement, and PGI's plans for future development in the District. He requested Board authorization to meet with Sandy Henry and Michelle St. Clair of PGI Properties to discuss a new developer reimbursement agreement and future development in the District. After discussion, Director Adamcik moved to authorize Directors Tullis and Sevier to meet with PGI Properties to discuss a new developer reimbursement agreement and future development in the District. Director Mealy seconded the motion, which passed by unanimous vote.

AQUA WATER SUPPLY CORPORATION MATTERS

The Board discussed matters regarding water capacity in the District including, (i) the feasibility studies to be conducted by Aqua for the reservation of water capacity for undeveloped lots and future lots in the District, including the appropriate number of Living Unit Equivalents (“LUEs”) to request from Aqua, (ii) the application requesting Aqua to conduct the feasibility studies, (iii) costs related to the feasibility studies, and (iv) reimbursement from PGI to the District for the cost of the feasibility study related to the future lots. Director Tullis stated that the cost of each feasibility study is \$3,500.00.

After review and discussion, Director Tullis moved to (1) authorize Directors Adamcik and Tullis to complete the application for two feasibility studies, including a study for 100 LUEs reserved for undeveloped lots in the District and a study for 100 LUEs reserved for future lots in the District contingent upon agreement from PGI to reimburse the District for the cost of the study; (2) authorize Director Tullis to request that PGI reimburse the District for the cost of the feasibility study related to the future lots in the District; and (3) authorize Myrtle Cruz to prepare a check for Aqua in the amount of \$7,000 for the cost of the combined feasibility studies. Director Adamcik seconded the motion which passed by unanimous vote.

REPORT ON DISTRICT WEBSITE

Director Mealy stated that the District website is fully updated.

REPORT ON HAZARD MITIGATION PLAN

Director Mealy stated that she has taken over the responsibilities of the Hazard Mitigation Committee and that the transition of files related to hazard mitigation is complete. The Board discussed Director Mealy attending classes related to grant writing to assist her in writing grant applications on behalf of the District.

Director Mealy requested Board authorization to add the Report on Hazard Mitigation Plan and Report on District Website agenda items to the consent agenda. She stated that she will provide a report prior to board meetings for the Board’s review. After review and discussion, Director Mealy moved to add the Report on Hazard Mitigation Plan and the Report on District Website agenda items to the consent agenda. Director Adamcik seconded the motion which passed by unanimous vote.

2024 DIRECTORS ELECTION

Ms. Garner reviewed an Order Calling Directors Election. She discussed that if the District is required to hold an election, the Notice of Election is required to be posted or published and provided to the County Clerk and Voter Registrar of Bastrop County. After review and discussion, Director Tullis moved to adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District’s official records and authorize the Secretary’s agent to post or publish and

provide to the County Clerk and Voter Registrar the Notice of Election, if required. Director Patterson seconded the motion which passed by unanimous vote.

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 February 12, 2024, 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

	Minutes
	<u>Page</u>
Engineer's report.....	2
Bookkeeper's report.....	2
Operator's report.....	2
Statement from Brian Thornton.....	3