

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

April 5, 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 5th day of April, 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 Adam LeGesse, Linda Roberts, and Nick Textor; James Altgelt and Hillary Long of the Bastrop County Office of Emergency Management ("OEM"); Hal Lanham 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 members of the public Martha Granger, Teri Mealy, Becky Minardi, Emanuele Minardi, Gary Stevens: Terry Holland of Myrtle Cruz, Inc. ("Myrtle Cruz"), 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

Mr. Textor addressed the Board regarding the District's 2024 Directors Election and a potential conflict between a candidate for Director and a developer.

Ms. Roberts addressed the Board regarding the District's 2024 Directors Election and stated that she would like to see the District's debt service tax expire in 2027.

Mr. Stevens addressed the Board regarding public comments made during the District's Board meeting on March 5, 2024.

CONSENT AGENDA

Ms. Garner offered Board members the opportunity to remove items from the consent agenda for individual discussion. Following discussion, Director Tullis moved to move agenda item no. 3 - Engineering matters, and agenda item no. 4 - Operation of District Facilities, to the non-consent agenda. Director Adamcik seconded the motion which passed by unanimous vote.

Following discussion, Director Tullis moved to approve all items on the consent agenda, except agenda item nos. 3 and 4, and direct that, where appropriate, the documents be filed appropriately and retained in the District's official records, including the: (1) Bookkeeper's report; (2) Report on District website; and (3) Report on Hazard Mitigation Plan. Director Sevier seconded the motion, which passed by unanimous vote.

A copy of the Bookkeeper's report is attached.

PRESENTATION FROM JAMES ALTGELT OF BASTROP COUNTY OFFICE OF EMERGENCY MANAGEMENT

Mr. Altgelt discussed the services that the OEM provides for emergency management and disaster response, including communication with the public and fire prevention and response. He reviewed the forms of communication the OEM uses to notify the public of an emergency and left informational pamphlets for residents. Following discussion, the Board concurred to include information regarding the OEM's communication channels and sign-up instructions on the District's website and in the monthly water bills.

Mr. Altgelt and Ms. Long left the meeting.

ENGINEERING MATTERS

Mr. Loehr reviewed the engineer's report prepared by BEFCO Engineering, Inc., a copy of which is attached, and updated the Board on projects included in the report.

Mr. Loehr updated the Board on the 2017 FEMA project and discussed the necessary restorations to eroded areas around the waterline at the townhomes in the District. The Board discussed the estimated cost of the project, including the amount that will be paid by FEMA, and authorized Directors Tullis and Adamcik to meet with Commissioner Beckett of Bastrop County to discuss potential dirt contractors to complete the restoration to the eroded areas around the waterline at the townhomes in the District.

The Board discussed a request from homeowners to build and operate their own septic tank on their property due to the homeowners not having access to water and

wastewater services from the District. Discussion ensued regarding the District's and TCEQ's regulations regarding grinder pumps. Ms. Garner stated that the Board may grant a variance of its Rate Order requirements to the homeowners.

Mr. Loehr updated the Board on the Capital Improvements Project and the installation of the replacement for pump no. 1. He stated that the final invoice in the amount of \$42,383.82 was paid to Zone Industries for the installation of pump no. 1, including a reduction to the invoice in the amount of \$1,016.18 due to two operational support tasks required by AWR due to cracked and faulty valves. He requested Board approval of to the invoice, as reduced.

Mr. Loehr updated the Board on the renewal of the Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0013894001 and requested Board approval of the application to the TCEQ for the renewal of Permit No. WQ0013894001.

Following discussion, Director Sevier moved to (1) approve the engineer's report; (2) authorize Directors Tullis and Adamcik to meet with Commissioner Beckett to discuss potential dirt contractors to work on the 2017 FEMA project and townhome waterline restoration; (3) approve the invoice to Zone Industries, Inc., reduced in the amount of \$1,016.18, for a total payment of \$42,383.82; (4) grant a variance to the District's Rate Order to the homeowners to build and operate a septic tank on their property; and (5) approve the renewal application to the TCEQ for the TPDES Permit No. WQ0013894001. Director Tullis seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

Mr. Lanham reviewed the operator's report, a copy of which is attached, and updated the Board on operation and routine maintenance of District facilities.

Mr. Lanham updated the Board on the District's wastewater treatment plant that was determined to be out of compliance by the TCEQ in January 2023. He stated that following review, AWR determined that an infestation of bristle worms and nematodes caused the plant to be out of compliance. AWR exterminated the infestation. He stated that the District can complete a supplemental environmental project rather than paying a \$3,000.00 fine to the TCEQ, and requested Board authorization to notify the TCEQ that the District will complete a supplemental environmental project for a cost of \$2,400.00.

Following discussion, Director Sevier moved to (1) approve the operator's report; and (2) authorize AWR to notify TCEQ that the District will complete an environmental project in the amount of \$2,400.00 rather than pay the fine related the wastewater plant in noncompliance. Director Adamcik seconded the motion, which passed by unanimous vote.

DISCUSS FEES FOR 1.5-INCH AND 2-INCH WATER METERS, AND AMEND THE DISTRICT'S RATE ORDER, IF NECESSARY

Director Adamcik left the meeting.

The Board considered amending the District's Rate Order to update fees and language regarding excavation and grinder pump costs, as recommended by the District's operator. Following review and discussion, Director Tullis moved to amend the District's Rate Order as discussed, and direct that it be filed appropriately and retained in the District's official records. Director Patterson seconded the motion, which passed by unanimous vote.

ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Ms. Garner stated that the TCEQ rules require that the District review and adopt an Amended and Restated Drought Contingency Plan ("Plan") in 2024, prior to May 1st. The Board reviewed the Plan with the Board. After review and discussion, the Board concurred that no changes were required at this time to the District's Plan and adopted an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records.

NEXT MEETING DATE

The Board agreed to hold the next meeting in May 2024, at 10:00 a.m. at the First National Bank, 489 Highway 71 West, Bastrop, Texas, with the date to be determined.

REVIEW EMERGENCY PREPAREDNESS PLAN

There was no discussion on this agenda item.

AQUA WATER SUPPLY CORPORATION MATTERS

There was no discussion on this agenda item.

DISCUSS SHIPPING CONTAINER AT WASTEWATER TREATMENT PLANT

There was no discussion on this agenda item.

DISCUSS POTENTIAL FUTURE DEVELOPMENT COSTS

There was no discussion on this agenda item.

APPROVE APPLICATION FOR RENEWAL OF TEXAS POLLUTANT DISCHARGE
ELIMINATION SYSTEM ("TPDES") PERMIT NO. WQ0013894001

Mr. Loehr stated that the renewal application of the TPDES Permit No. WQ001389001 will be submitted this month.

REPORT FROM TAX ADVISOR

There was no discussion on this agenda item.

DISTRICT COMMUNICATIONS

There was no discussion on this agenda item.

CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON
IDENTITY THEFT PREVENTION PROGRAM

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.

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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