

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

June 7, 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 7th day of June, 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
Doug Granger	Assistant Vice President

and all of the above were present, except Director Tullis, thus constituting a quorum.

Also present at the meeting were: resident of District, Martha Granger; realtor, Janis Penick; Tammy Hargett of AWR Services, Inc. ("AWR"); Bradley Loehr of Befco Engineering Inc. ("Befco"); and Kathryn Garner, and Megan Leissner of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending the meeting by telephone were members of the public Gary Stevens; and Brittany Keeswood of Assessments of the Southwest; Terry Holland of Myrtle Cruz, Inc. ("Myrtle Cruz").

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. Director Sevier requested that agenda item no. 6 be moved to the non-consent agenda.

Following discussion, Director Patterson moved to approve all items on the consent agenda, except agenda item no. 6, and direct that, where appropriate, the documents be filed appropriately and retained in the District's official records,

including the: (1) minutes of the May 13, 2024, regular meeting and May 22, 2024, special meeting; (2) Bookkeeper's report; (3) Engineer's Report; (4) Operator's Report; and (5) report on District website. Director Mealy seconded the motion, which passed by unanimous vote.

A copy of the Bookkeeper's report, Engineer's Report, and Operator's Report is attached.

HAZARD MITIGATION PLAN

Director Sevier discussed the current and future projects in the District related to Capital Improvements and Hazard Mitigation.

The Board discussed the 2017 FEMA project and the necessary restorations to eroded areas around the waterline at the townhomes in the District. Following discussion, Director Sevier moved to authorize Befco to design and provide estimate for a steel casing for the waterline behind townhomes in the District. Director Granger seconded the motion, which passed by unanimous vote.

Director Sevier requested that ABHR send the Director and consultants the list of potential future projects for capital improvements and hazard mitigation for review.

AQUA WATER SUPPLY CORPORATION MATTERS

Ms. Garner stated that the District is awaiting the results of the feasibility study being completed by Aqua and a copy of a commercial contract with Aqua for the Board to review which may provide more flexibility for the District to pay for additional water capacity as needed.

Ms. Penick addressed the Board regarding lots for sale by Appelt and the availability of water and sewer services for the lots, or the capability of the future owners of the lots to install wells and septic tanks on the properties in the case that the District does not have additional capacity for water and sewer services. Discussion ensued regarding the District's Rate Order and the District's engineer and operator reviewing the lots to determine the District's capacity to provide water and sewer services. Following discussion, the Board concurred that Ms. Penick should direct future lot owners to AWR for requests for water and sewer services. Ms. Garner stated that she would provide Ms. Penick with additional information regarding this issue as it becomes available.

CONSIDER LETTER TO HOMEOWNERS

Ms. Garner stated that she is compiling a list of items to include in a letter to District landowners regarding reserving water capacity for undeveloped lots in the District. The Board discussed topics that should be included in the letter to landowners.

DISCUSS SHIPPING CONTAINER AT WASTEWATER TREATMENT PLANT

Ms. Hargett stated that the purchase and delivery of a 40 ft. used shipping container is scheduled for next week for a total cost of about \$3,100.00. She stated AWR will contact United Rental to pick up the District's rented shipping container when the new shipping container is delivered.

RENEW MAINTENANCE PLAN FOR GENERATOR

Ms. Hargett stated that HOLT Power Systems ("HOLT") provides preventative maintenance to the District's generator every two years. She discussed the services that HOLT provides and requested that the Board approve the updated maintenance plan for the generator maintenance. Following discussion, Director Sevier moved to approve the maintenance plan from HOLT for preventative maintenance to the generator. Director Mealy seconded the motion, which passed by unanimous vote.

REPORT FROM TAX ADVISOR AND PRELIMINARY VALUES AND CERTIFIED VALUES

Ms. Keeswood stated that the Bastrop County Appraisal District released the District's certified and preliminary values and reviewed the values with the Board. She stated that the District's values increased by about 7% from last year and that the net taxable value will likely fluctuate due to ongoing property value protests.

Ms. Keeswood then left the meeting.

DISCUSS POTENTIAL FUTURE DEVELOPMENT COSTS

Discussion ensued regarding the costs associated with the District's engineer and operator reviewing the lots for sale by Appelt to determine the District's capacity to provide water and sewer services. The Board considered amending the District's Rate Order to include provisions related to costs associated with consultant fees for the research and review of new lots. Following discussion, Director Sevier moved to authorize AWR and Befco to determine a cost per foot estimate for an extension of water and sewer lines, and a cost per lot estimate for their research and review of each lot. Director Granger 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

The Board concurred to defer making amendments to the Rate Order until the District receives the results of the feasibility study from Aqua Water Supply Corporation ("Aqua").

REVIEW DROUGHT CONTINGENCY PLAN AND ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

The Board concurred to defer making amendments to the District's Drought Contingency Plan ("DCP") until Aqua provides an alternative commercial agreement for the Board's review. Ms. Garner stated that a commercial agreement with Aqua may have requirements related to the District's DCP being at least as stringent as Aqua's DCP.

DISTRICT COMMUNICATIONS

The Board discussed a potential developer reimbursement agreement and the associated terms. Following discussion, the Board requested that Ms. Garner prepare a draft term sheet for the developer reimbursement agreement and send it to the Board for review.

ANNUAL REVIEW OF RESOLUTION ESTABLISHING POLICIES AND PROCEDURES FOR COMMUNICATION BY THE BOARD OF DIRECTORS OF BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1 WITH CERTAIN PERSONS AND ORGANIZATIONS, AND ADOPT AMENDED RESOLUTION, IF NECESSARY.

The Board considered amending the District's Resolution Establishing Policies and Procedures for Communication by the Board of Directors of Bastrop County Municipal Utility District No. 1 with Certain Persons and Organizations. Following discussion, the Board concurred that no changes were necessary.

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 a meeting the next regular meeting on July 5, 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.




Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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