

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

July 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 July, 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, thus constituting a quorum.

Also present at the meeting were: resident of District, Martha Granger; Tammy Hargett of AWR Services, Inc. ("AWR"); and Kathryn Garner and Haley Maddox of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending the meeting by telephone were: resident of the District, Gary Stevens; Bradley Loehr of Befco Engineering Inc. ("Befco"); and 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 Tullis motioned to move agenda item Nos. 1 and 6 to the non-consent agenda. Director Patterson 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. 1 and 6, 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) Engineer's Report; (3) Operator's Report; (4) report on District website. Director Patterson seconded the motion, which passed by unanimous vote.

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

MINUTES

The Board considered the minutes of the June 7, 2024, special meeting. The Board then considered the minutes of the June 7, 2024, regular meeting and discussed the necessary revisions to the minutes. Following review and discussion, Director Tullis moved to (1) approve the minutes of the June 7, 2024, special meeting, as presented; and (2) approve the minutes of the June 7, 2024, regular meeting, as revised. Director Patterson seconded the motion, which passed by unanimous vote.

REPORT ON HAZARD MITIGATION PLAN AND CAPITAL IMPROVEMENT PLAN

The Board discussed the Hazard Mitigation Plan ("HazMat") and Capital Improvement Plan ("CIP"), and the costs associated with future projects related to hazard mitigation and capital improvements. Following discussion, the Board concurred that Directors Tullis and Sevier will continue reviewing the HazMat and CIP lists and discuss potential changes with the Board at the next meeting.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

Ms. Garner discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2024 tax year.

Following review and discussion, Director Tullis moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developing District for the 2024 tax year pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

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 an alternative 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.

CONSIDER LETTER TO HOMEOWNERS WITH TOPICS INCLUDING CAPACITY TO PROVIDE WATER AND SEWER SERVICES FOR VACANT LOTS IN THE DISTRICT, DEVELOPMENT IN THE DISTRICT, OTHER TOPICS RELATED TO DISTRICT MATTERS, AND TAKE ANY NECESSARY ACTION

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.

DISCUSS POTENTIAL FUTURE DEVELOPMENT COSTS

Discussion ensued regarding questions received from a large landowner in the District regarding the District's ability to provide water and wastewater services to its lots that are for sale in the District. The Board considered amending the District's Rate Order to include provisions related to costs associated with extensions to water and wastewater lines and with consultant fees for the research and review of new lots. Following discussion, Director Tullis moved to authorize ABHR and Befco to review the District's Rate Order for necessary changes. Director Sevier seconded the motion, which passed by unanimous vote.

DISCUSS POSSIBLE AMENDMENTS TO THE RATE ORDER, INCLUDING AMENDING THE FEES FOR 1.5-INCH AND 2-INCH WATER METERS AND REQUESTS FOR WAIVERS REGARDING DISTRICT SERVICES

The Board concurred to defer making amendments to the Rate Order until the District receives the results of the feasibility study from 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 an alternative commercial agreement with Aqua may have additional requirements related to the District's DCP.

REPORT FROM TAX ADVISOR

There was no discussion on this agenda item.

DISTRICT COMMUNICATIONS

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 a meeting the next regular meeting on August 2, 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 Lewis
Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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