

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

August 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 August, 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 Doug Granger, thus constituting a quorum.

Also present at the meeting were: residents of District, Martha Granger and Adam LeGessee; Bradley Loehr of Befco Engineering Inc. ("Befco"); Dacy Cameron, Heather Tucker, and Frank Pacheco of Aqua Water Supply Corporation ("Aqua"); and Kathryn Garner and Megan Leissner of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending the meeting by telephone were Tammy Hargett of AWR Services, Inc. ("AWR"); Dennis Waley of PFM Financial Advisors LLC; and Delia Yanez of Assessments of the Southwest, Inc. ("ASW").

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.

Following discussion, Director Tullis moved to approve all items on the consent agenda 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; and (6) report on Hazard Mitigation Plan and Capital Improvement Plan. 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.

AQUA WATER SUPPLY CORPORATION MATTERS

Ms. Dacy reviewed with the Board the completed feasibility study from Aqua and stated that the District has 90 days from the receipt of the feasibility study to reserve the requested additional water capacity. Discussion ensued regarding the history of the District's large volume service agreement with Aqua and a potential new wholesale service agreement, the costs associated with reserving additional water capacity, eliminating the District's airgap requirement, and the District's capacity to provide the necessary water flow required for fire protection.

Ms. Dacey, Ms. Tucker, and Mr. Pacheco left the meeting.

Following further review and discussion, Director Sevier moved to authorize Mr. Loehr to prepare a cost analysis comparing the large volume service agreement and wholesale service agreement with Aqua and their associated impact on the District's Rate Order. Director Patterson seconded the motion, which passed by unanimous vote. Director Tullis stated that he would prepare a report regarding the number of vacant lots in the District to determine the additional water capacity that the District should purchase from Aqua.

Mr. Loehr left the meeting.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2025

The Board reviewed a draft budget for the fiscal year ending September 30, 2025, and considered holding a special meeting to review the draft budget.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2024 tax rate. Mr. Dennis reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 debt service tax rate of \$0.189 per \$100 of assessed valuation, based on the District's initial 2024 certified value. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Garner discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Mealy moved to: (1) set the public hearing date for September 6, 2024; and (2) authorize ASW to publish notice in a newspaper of general circulation in the District of the District's meeting on September 6, 2024, to set the proposed 2024 total tax rate of \$0.60705 per \$100 of assessed valuation. Director Tullis seconded the motion, which passed with Director Patterson voting in favor and Director Sevier abstaining from voting.

Mr. Waley and Ms. Yanez left the meeting.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board deferred action on this agenda item.

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

The Board deferred action on this agenda item.

DISCUSS POTENTIAL FUTURE DEVELOPMENT COSTS

The Board deferred action on this agenda item.

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 considered amending the District's Rate Order to update the inspection and tap fees. Following discussion, Director Sevier moved to adopt the Amended Rate Order to reflect the updated inspection and tap fees as discussed, and direct that the Amended Rate Order be filed appropriately and retained in the District's official records. Director Mealy seconded the motion, which passed by unanimous vote.

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

The Board deferred action on this agenda item.

REPORT FROM TAX ADVISOR

The Board deferred action on this agenda item.

DISTRICT COMMUNICATIONS

The Board discussed a meeting that Directors Tullis and Patterson attended with a representative from the townhomes in the District regarding financial assistance offered by an owner of a pipeline easement to restore the eroded areas around the waterline at the townhomes in the District. No action was taken on this agenda item.

DISCUSS NEW STORAGE CONTAINER, AND TAKE ACTION IF NECESSARY

The Board considered purchasing shelving for the items that are stored in the District's storage container. Following discussion, the Board requested that Ms. Hargett determine a cost estimate for shelving in the storage container and report to the Board at the next meeting.

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 September 6, 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 Securis
Secretary, Board of Directors

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