

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

September 6, 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 6th day of September, 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 Mealy, thus constituting a quorum.

Also present at the meeting were; Tammy Hargett and 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); Terry Holland of Mrytle Cruz, Inc.; Bradley Loehr of Befco Engineering Inc. ("Befco"); Dennis Waley of PFM Financial Advisors LLC; Delia Yanez of Assessments of the Southwest, Inc.; and John Hill of McDonald & Wessendorff Insurance.

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

PUBLIC COMMENTS

There were no comments from the public.

CONSENT AGENDA

Ms. Garner offered Board members the opportunity to remove items from the consent for individual discussion. Director Sevier moved to place agenda item Nos. 3 and 4 on the non-consent agenda. Director Tullis 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) Minutes of the August 2, 2024, regular meeting; (2) Minutes of the August 16, 2024, special meeting; (3) Bookkeeper's Report; (4) report on District website; and (5) report on Hazard Mitigation Plan and Capital Improvement Plan. Director Sevier seconded the motion, which passed by unanimous vote.

A copy of the Bookkeeper's Report is attached.

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 reviewed a comparison between the District's current Large Volume Agreement with Aqua and a potential Wholesale Water Agreement including the cost estimates and characteristics of each agreement type. The Board considered authorizing Director Tullis to meet with Aqua to discuss the options for the District's agreement with Aqua.

Following discussion, Director Tullis moved to (1) approve the engineer's report; and (2) authorize Director Tullis to contact Aqua representatives regarding the agreement for wholesale water. Director Sevier seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES, INCLUDING BILLINGS, REPAIRS, AND MAINTENANCE

Ms. Hargett reviewed the Operator's Report, a copy of which is attached.

Ms. Hargett reported that Aqua rescinded the move to Stage II of its Drought Contingency Plan and that the District remains in Stage I, including voluntary twice per week watering restrictions.

Mr. Lanham reported that AWR has been acquired by Si Environmental, LLC. The Board reviewed an Assignment of Agreement for Operating Services from AWR to Si Environmental, LLC.

Following review and discussion, Director Tullis moved to (1) approve the operator's report; and (2) approve the Assignment of Agreement for Operating Services from AWR to Si Environmental, LLC. Director Granger seconded the motion, which passed by unanimous vote.

ADOPT BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2025

The Board reviewed a proposed budget for fiscal year end September 30, 2025, a copy of which is attached to the bookkeeper's report. Mr. Waley then reviewed the 5-year financial forecast for the District. Discussion ensued regarding the costs associated

with reserving additional water capacity from Aqua, the District's Rate Order, and future capital improvement projects. Following review and discussion, Director Tullis moved to approve the proposed budget for the fiscal year end September 30, 2025, as presented. Director Sevier seconded the motion, which passed by unanimous vote.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Garner stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2024 total tax rate of \$0.60705 per \$100 of assessed valuation.

The Board opened the public hearing. There being no comments from the public, The Board closed the public hearing.

The Board reviewed options for the District's total tax rate, the tax rate for operation and maintenance expenses, and the related budget comparisons.

Ms. Garner presented an Order Levying Taxes reflecting the proposed 2024 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality ("TCEQ") and recorded in the Official Public Records of Travis County.

Following review and discussion, Director Tullis moved to (1) adopt the Order Levying Taxes reflecting a total 2024 tax rate of \$0.60705 per \$100 of assessed valuation, comprised of \$0.1890 to pay debt service on water, sewer, and drainage bonds and \$0.41805 for operation and maintenance, and direct that the be filed appropriately and retained in the District's official records; and (2) authorize execution of the Amendment to Information Form and direct that such document be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

Mr. Waley and Ms. Yanez left the meeting.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2024

The Board reviewed an engagement letter from McCall to perform the District's audit for the fiscal year end September 30, 2024, reflecting the anticipated fee will be an amount not to exceed \$13,000. Following review and discussion, Director Tullis moved to approve and authorize execution of the engagement letter with McCall to conduct the audit for the District's fiscal year end September 30, 2024, and direct that such document from McCall be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

REVIEW, REVISE, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Garner reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She noted that the list of qualified broker/dealers provided by the District's bookkeeper is attached as an exhibit to the Resolution. Following review and discussion, Director Tullis moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed unanimously.

AUTHORIZE RENEWAL OF DISTRICT'S INSURANCE POLICIES, INCLUDING REVIEW OF ENGINEER'S LIST OF DISTRICT FACILITIES TO BE INSURED

Ms. Garner stated that the District's insurance policies brokered through Brown & Brown expire on October 1, 2024. Mr. Hill reviewed the insurance renewal proposal from Brown & Brown and answered questions from the Board. Following review and discussion, Director Tullis moved to accept the proposal from Brown & Brown for renewal of the District's insurance policies for the 2024-2025 term, and direct that the proposal be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

Mr. Hill left the meeting.

AQUA WATER SUPPLY CORPORATION MATTERS

There was no discussion on this agenda item.

DISCUSS MATTERS REGARDING WATER FLOW FOR FIRE PROTECTION

There was no discussion 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. Following discussion, the Board concurred to consider amending the District's Rate Order at the next meeting.

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

There was no discussion on this agenda item.

DISTRICT COMMUNICATIONS

There was no discussion on this agenda item.

DISCUSS NEW STORAGE CONTAINER

Ms. Hargett discussed purchasing shelving for items stored in the District's storage container and stated that the estimated cost of the shelving is less than \$1,000. Following discussion, Director Tullis moved to authorize Ms. Hargett to purchase shelving for the items stored in the District's storage container for an amount not to exceed \$1,000. 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 a meeting the next regular meeting on October 4, 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 Sewer
Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's Report.....	2
Engineer's Report.....	2
Operator's Report.....	2