

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

August 1, 2025

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 1st day of August, 2025, 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:

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| 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 Patterson, thus constituting a quorum.

Also present at the meeting were: Tammy Hargett of Si Environmental, LLC ("Si Enviro"); Dennis Waley and Daniel Kardish of PFM Financial Advisors; Jennifer Boyd of Langford Community Management Services ("Langford"); and Kathryn Garner and Luke Roswell of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending the meeting by telephone were: Director Granger; Terry Holland of Myrtle Cruz, Inc ("the bookkeeper"); Brittnei Silva of Assessments of the Southwest ("ASW"); and Bradley Loehr of Befco Engineering Inc. ("Befco").

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 was no public comment.

CONSENT AGENDA

Ms. Garner offered Board members the opportunity to remove items from the consent agenda for individual discussion. Following discussion, Director Tullis made a motion to move agenda item no. 2, Bookkeeper's Report, and item no. 5, Report on Hazard Mitigation Plan and Capital Improvement Plan, to the non-consent agenda. Director Sevier seconded the motion which passed by unanimous vote.

Following discussion, Director Mealy moved to approve all items on the consent agenda, and direct that where appropriate, the documents be filed appropriately and retained in the District's official records, including the: agenda item no. 1, minutes of the

June 9, 2025, regular meeting; agenda item no. 3, Engineer's Report; and agenda item no. 4, Report on District Website. Director Tullis seconded the motion, which passed by unanimous vote.

A copy of the Engineer's Report is attached.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF THE BILLS, REVIEW OF INVESTMENTS, YEAR-TO-DATE BUDGE, AND TAX REPORT

Discussion ensued regarding the budget for Fiscal Year End September 30th, 2025 and the bookkeeper's report. Following review and discussion Director Tullis moved to approve the bookkeeper's report and checks presented for payment. Director Sevier seconded the motion, which passed by unanimous vote.

REPORT ON HAZARD MITIGATION PLAN AND CAPITAL IMPROVEMENT PLAN

Ms. Boyd stated that she is a grant writer with Langford and discussed grant-related services that Langford can provide to the District. She then discussed a FEMA grant related to mitigating flood risks including funds for riverbank stabilization, generators for critical load facilities, and infrastructure improvements for wastewater treatment plants.

Discussion ensued regarding a treatment plant project being planned, erosion stabilization projects planned in the District, and concerns regarding ownership of land where the projects are located. Ms. Boyd stated that she will prepare the grant application on behalf of the District and discussed the fees required by Langford per application and for administering projects. She stated that 100 percent of Langford's fees are reimbursable through the grant award. The Board took no action.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2026

The Board reviewed a draft budget for the fiscal year ending September 30, 2026.

Ms. Garner stated that general legal fees will be increasing from \$78,000 to \$84,000.

Discussion ensued regarding expenditures line items including office expenses/postage, the FEMA line items, and maintenance and tax collection line items. The Board took no action.

DISCUSS 2025 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2025 tax rate. Mr. Waley reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2025 debt service tax rate of \$0.204 per \$100 of assessed valuation, based on the District's initial 2025

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 Tullis moved to: (1) set the public hearing date for September 5, 2025; and (2) authorize ASW to publish notice in a newspaper of general circulation in the District of the District's meeting on September 5, 2025, to set the proposed 2025 total tax rate of \$0.6700 per \$100 of assessed valuation max rate is 0.6872. Director Mealy seconded the motion, which passed by unanimous vote. Directors Tullis, Sevier and Mealy voted in favor. Director Granger participated in the meeting by telephone and could not vote on this matter. Director Patterson was absent.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board deferred action on this agenda item.

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

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

Ms. Hargett then discussed responses received from the letter to property owners regarding reservations for living unit equivalents ("LUE"). She stated that the total deposits received for LUEs that have been reserved or purchased are \$29,000.00

Discussion ensued regarding increasing water usage costs for residents in the District. Ms. Garner suggested adding an annual agenda item to the December meeting agenda to consider rate increases by Aqua.

Following review and discussion, Director Tullis moved to approve the operator's report. Director Sevier seconded the motion, which passed unanimously.

CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Ms. Garner presented revisions to the District current Drought Contingency Plan ("DCP"). She stated the District's DCP must be at least as strict as the requirements listed in the Wholesale Service Agreement Between Aqua Water Supply Corporation and Bastrop County MUD No. 1 (the "Aqua Agreement"). Following review and discussion Director Tullis moved to approve the approve amendments and revisions to the DCP pending finalization of the Aqua Agreement. Director Sevier seconded the motion, which passed by unanimous vote.

DISCUSS AQUA WATER SUPPLY CORPORATION ("AQUA") MATTERS, INCLUDING, BUT NOT LIMITED TO, FEASIBILITY STUDY, ADDITIONAL CAPACITY, POTENTIAL COST OF FULL DEVELOPMENT, NEW AQUA AGREEMENT, AMENDMENTS, IF ANY, TO THE DISTRICT'S DROUGHT CONTINGENCY PLAN REQUIRED BY NEW AQUA AGREEMENT

Ms. Garner discussed the Aqua Agreement. She stated that the general counsel for Aqua is continuing to review the District's comments to the proposed Aqua Agreement.

Discussion ensued regarding construction in the District.

CONDUCT REVIEW OF DISTRICT'S AMENDED RATE ORDER

The Board tabled this agenda item pending approval of the Aqua Agreement.

REPORT FROM TAX ADVISOR

There was no discussion on this agenda item.

DISTRICT COMMUNICATIONS

Ms. Garner reported that confirmation letters are being distributed to the lot owners who have reserved or purchased LUEs. No action was taken.

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 the next regular meeting on September 5, 2025, 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

(SEAL)



ATTACHMENTS TO THE MINUTES

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