

MINUTES  
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

February 6, 2026

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 6<sup>th</sup> day of February, 2026, 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: Adam LaGesse, a resident of the District; Clara Beckett, Commissioner Precinct 2 of Bastrop County; Tammy Hargett and Maranda Bretts of Si Environmental, LLC ("Si Enviro"); Bradley Loehr of Befco Engineering Inc. ("Befco"); and Kathryn Garner and Luke Roswell of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending the meeting by telephone was: Terry Holland of Myrtle Cruz, Inc ("the bookkeeper").

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

County Commissioner Beckett introduced herself to the District and stated that she manages road maintenance in the District and is available for questions.

#### 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. 3, Engineering matters, and agenda item no. 4, Report on Hazard Mitigation to the non-consent agenda. Director Sevier seconded the motion which passed by unanimous vote.

Following discussion, Director Tullis moved to approve all remaining items on the consent agenda, and direct that where appropriate, that the documents be filed

appropriately and retained in the District's official records, including the: agenda item no. 1, minutes of the December 5, 2025, regular meeting; agenda item no. 2, Financial and bookkeeping matters; and agenda item no. 5, Report on District Website. Director Sevier seconded the motion, which passed by unanimous vote.

A copy of the Bookkeeper's Report is attached.

#### REPORT ON HAZARD MITIGATION PLAN AND CAPITAL IMPROVEMENT PLAN

Director Sevier stated she is not able to find a new grant manager for the District.

Discussion ensued regarding grants available for the anticipated wastewater treatment plant project.

Mr. Loehr discussed requirements for grants to water districts. He then discussed requirements for approval of plans for the water treatment plant project and the cost of building a new wastewater treatment plant versus rehabilitation of the existing plant.

Ms. Garner stated that ABHR will assist with searching for grant writers for the District.

Ms. Hargett stated that Si Enviro is currently working with a water district that is in the process of applying for grants. She stated that Si Enviro will assist in searching for grant writers for the District.

#### ENGINEERING MATTERS, INCLUDING WATER PLANT AND WASTEWATER TREATMENT PLANT CAPACITIES AND FEMA PROJECTS

Mr. Loehr presented the engineering report and discussed the townhome project and stated that he would submit the reimbursement request to FEMA.

He then discussed the Aqua Large Volume Service Agreement and the Aqua Wholesale Water Agreement water rates from Aqua Water Supply Corporation ("Aqua"). He discussed the District's water usage from December of 2024 to November of 2025 and the related meter and water charges in the current Large Volume Service Agreement. He then discussed anticipated meter and water charges based on the water rates provided in the draft Aqua Wholesale Agreement ("Aqua Agreement"). He presented a projection based on the current 185 Living Unit Equivalent ("LUEs") owned by the District and the anticipated 209 LUEs to be owned by the District once the draft Aqua Wholesale Water Agreement is final.

Ms. Garner stated that because the District is requesting additional capacity Aqua is requiring the District to enter into a new agreement with Aqua.

Mr. Loehr reported that PGI Properties contacted him regarding development of certain of its lots in the District (the "Current PGI Development") and reported that water and sewer lines that will serve the Current PGI Development are outside the District's easement.

Discussion ensued regarding the location of the utility lines to serve the Current PGI development and contracting with a surveying company to locate the District's utility lines that would serve the Current PGI Development. Mr. Loehr requested that the District allocate funds for preliminary work to locate the District's utility lines that would serve the Current PGI Development.

Following review and discussion, Director Tullis moved to: (1) approve the engineering report; and (2) authorize Befco to hire a subterranean utility surveyor to locate the District's utility lines that would serve the Current PGI Development for an amount up to \$5,000.00. Director Granger seconded the motion, which passed unanimously.

2026 DIRECTORS ELECTION, INCLUDING:

ADOPT RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY OF THE BOARD OF DIRECTORS DURING THE 2026 BOARD OF DIRECTORS ELECTION PERIOD

Ms. Garner discussed procedures related to the 2026 Board of Directors Election (the "2026 Directors Election"). She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2026 Election Period.

AUTHORIZE NOTICE OF DEADLINE TO FILE APPLICATIONS FOR PLACE ON THE BALLOT

Ms. Garner reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2026 Directors Election ("Notice of Deadline"). She stated that such notice was timely posted.

APPROVE CONTRACTING FOR ELECTION SERVICES AND ANY ASSOCIATED AGREEMENTS IF NECESSARY WITH BASTROP COUNTY

Ms. Garner stated that the District may contract with Bastrop County (the "County") to conduct the 2026 Directors Election, if an election is required.

## ADOPT ORDER CALLING DIRECTORS ELECTION

Ms. Garner discussed procedures related to the 2026 Board of Directors Election (the "2026 Directors Election"). She reviewed an Order Calling Directors Election.

## AUTHORIZE NOTICE OF ELECTION

Ms. Garner discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Bastrop County, if an election is necessary.

Following review and discussion, Director Tullis moved to: (1) adopt the Resolution Designating an Agent of the Secretary of the Board During the 2026 Directors Election Period appointing Luke Roswell as the agent of the Secretary of the Board of Directors to perform the duties of the 2026 Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) authorize the Secretary's agent to post the Notice of Deadline as required; (3) contract with the County to administer the District's election, if necessary; (4) adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records; and (5) authorize the Secretary's agent to post or publish and provide to the Bastrop County Clerk and Voter Registrar the Notice of Election, if necessary, and to direct that the Notice be filed appropriately and retained in the District's official records. Director Granger seconded the motion, which passed unanimously.

## ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Garner reviewed the optional exemptions from taxation, including a general residential homestead exemption, and a homestead exemption for disabled persons or persons over 65 years of age. She presented a Resolution Concerning Exemptions from Taxation for the 2025 tax year for the Board's consideration. Following review and discussion, Director Tullis moved to adopt the Resolution Concerning Exemptions from Taxation reflecting that the Board rejects any exemptions of residence homesteads from ad valorem taxation and directed that such document be filed appropriately and retained in the District's official records. Director Granger seconded the motion, which carried unanimously

## ANNUAL REPORT REGARDING POST ISSUANCE COMPLIANCE POLICY

Ms. Garner reported on the District's compliance activities during the prior calendar year related to the District's bond financings. She stated that no corrective action is required at this time. Following discussion, Director Tullis moved to accept the annual

report regarding the District's post-issuance compliance policy. Director Sevier seconded the motion which passed unanimously.

#### ANNUAL DISCLOSURE STATEMENTS

In accordance with the District's Investment Policy, the Board considered the annual disclosure statements of Terry Holland and Mary Jarmon as the District's bookkeepers and investment officers. Ms. Garner explained that the statements disclose any relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. She reported that the disclosure statements received from the District's bookkeepers and investment officers stated that they did not have such relationships and that the statements will be filed with the Texas Ethics Commission and in the District's records. Following review and discussion, Director Tullis moved to accept the disclosure statements as presented and to authorize they be appropriately filed. Director Granger seconded the motion which passed by unanimous vote.

#### CONSIDER PROFESSIONAL SERVICE CONTRACT WITH SI ENVIRONMENTAL, LLC AND TAKE ANY ACTION NECESSARY

Ms. Hargett stated that she presented to Si Enviro's management the concerns of the Board regarding the rate increases and termination clause in the Professional Service Contract with Si Enviro that was presented at a prior meeting. She discussed the revised Professional Service Contract (the "Contract") with Si Enviro. She requested approval of the Contract.

Following review and discussion, Director Tullis moved to authorize execution of the Contract. Director Sevier seconded the motion, which passed unanimously.

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

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

Ms. Bretts stated that booster pump no. 3 at the Water Plant has been pulled for evaluation and that Si Enviro is awaiting results and a quote for contractor's services.

Ms. Bretts stated that Si Enviro responded to a leak between Oak Court and Elm Court. She stated that the leak was located on the 6" main line and repaired. She also stated that an IRIS alert was sent to customers who were impacted of a temporary disruption in water service related to the repair of the leak.

Ms. Bretts stated that Si Enviro issued an IRIS alert to all customers prior to the ice storm. She stated that an operator was dispatched to inspect the District's facilities and reported no issues.

Ms. Hargett stated that the resident on Loon Drive who requested waiver of late fees has a delinquent balance of \$1,154.09 and that no water usage was recorded for two months. She then stated that Si Enviro has not received a response from the resident to its phone calls, delinquent letters and door hangers. She asked the Board to consider terminating water service to the home. Ms. Hargett stated that Si Enviro will provide notice of such termination to the resident before terminating water service.

Ms. Bretts stated that the Texas Commission on Environmental Quality performed and inspections of the wastewater treatment plant on February 3, 2026.

Ms. Bretts stated that there were six grinder pump calls in December, 2025, and that one of the grinder pumps was returned to the supplier for warranty evaluation.

Ms. Hargett stated that Si Enviro conducted a follow up visit to the District's easement located along the Colorado River (the "Easement") to observe the clearing performed by IHS Landscaping & Services ("HIS"). She then presented a proposal from HIS for additional clearing for access from Riverwalk Lane to the Easement. The Board discussed clearing brush piles in the area.

Following review and discussion, Director Sevier moved to approve: (1) the operator's report; (2) termination of water service for the residence on Loon Drive, after notice by Si Enviro to the resident; and (3) approve the HIS proposal for additional clearing on the Easement for an amount up to \$500.00. Director Tullis seconded the motion which passed unanimously.

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 stated that Aqua has rejected the most recent comments and requests for revisions from the District. She stated that the most recent form of the agreement is the final version available to the District. She then stated that Aqua is willing to consider a payment schedule presented by the District. Ms. Garner then discussed the financial forecast prepared by Dennis Waley. She stated that the District must purchase all of the reserved LUEs before the end of the ten-year reservation period or the District will forfeit those LUEs and the reservation fees. Discussion ensued regarding the most feasible payment schedule.

Ms. Garner stated that she will send the final payment schedule to the Aqua counsel and present the agreement for finalization at the March Board meeting.

Following review and discussion, Director Tullis moved to authorize Ms. Garner to provide the payment schedule to Aqua, pending finalization. Director Sevier seconded the motion, which passed unanimously.

CONSIDER A CONSTRUCTION AND INFRASTRUCTURE POLICY AND TAKE ANY NECESSARY ACTION

Ms. Garner presented a revised Construction and Infrastructure Policy (the "Policy") for the Board's review. She asked the Directors to review the Policy and added that r implementation of the policy will provide necessary guidance to developers so that they understand what is required for development in the District.

No action was taken.

REPORT FROM TAX ADVISOR

There was no discussion on this agenda item.

DISTRICT COMMUNICATIONS

The Board considered authorizing Director Granger to communicate with PGI Properties regarding its proposed development in the District. Following review and discussion, Director Tullis moved to authorize Director Granger to represent the District in communications with PGI properties regarding its current development plan in the District. Director Sevier seconded the motion, which passed unanimously.

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 March 6, 2026, 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.

(SEAL)



*Garre Sevier*  
Secretary, Board of Directors

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