

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

March 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 6th day of March, 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; 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

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, Financial and bookkeeping matters, agenda item no. 3, Engineering matters, and agenda item no. 4, Report on Hazard Mitigation to the Non-Consent Agenda. Director Granger seconded the motion which passed by unanimous vote.

Following discussion, Director Granger 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 February 6, 2026, regular meeting; and agenda item no. 5, Report on District Website. Director Tullis seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF THE BILLS, REVIEW OF INVESTMENTS, AND TAX REPORT

Mr. Tullis addressed the Board regarding the District's general operating fund.

Mr. Loehr discussed using the District's operating reserve funds for the anticipated wastewater treatment plant project.

Mr. Holland addressed the Board regarding the District maintenance that requires the use of operating reserve funds and stated that the District should maintain an operating reserve equal to 12 months of operating expenses.

Mr. Holland stated that, in the future, the District will need to increase its general operating fund balance for increased maintenance and operating expenses for facilities in the District.

Director Sevier discussed the major projects line item in the budget and asked Mr. Holland to track expenditures for ongoing and completed projects. Mr. Holland stated that he keeps Capital Improvement Projects in the Budget for the fiscal year in which they were completed or paid for. Director Sevier asked if he could add a line for each project that stated what projects have been completed, the actual cost, and the budgeted amount. Mr. Holland stated that if the Engineer is willing to send him the relevant information, he can prepare a separate report to track Major Projects.

Director Sevier discussed updating the Capital Improvement Projects spreadsheet to add the anticipated wastewater treatment plant project to the Major Projects table in the Bookkeeping Report. Mr. Holland stated he will update the table.

Ms. Garner stated ABHR and the Board has not had time to review the proposed Myrtle Cruz, Inc. contract (the "Contract"). Mr. Holland requested to add the Contract to the agenda of the next meeting.

Following review and discussion, Director Tullis moved to approve the approve the bookkeeper's report and checks presented for payment: Director Granger seconded the motion, which passed by unanimous vote.

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

Mr. Loehr discussed the utility lines in the District's easement (the "Easement") near Riverwalk Lane. He presented a topographical map outlining the Districts Easement and utility lines that have been located using potholing and a LiDAR survey. Mr. Loehr

stated that the District's utility lines run through the PGI Properties proposed development (the "PGI Development") and stated that the District has received two proposals for potholing to locate the remaining 2" water and 2" pressurized sewer lines that run east of the District's Easement.

Discussion ensued regarding relocating the utility lines, and having the developer incur some of the cost for relocating the lines subject to reimbursement once the project is completed or is sold.

Ms. Garner suggested that the Board consider a letter agreement with PGI Properties providing that PGI Properties would advance the cost of relocating the utility lines within its development with future reimbursement of such costs by the District.

Following review and discussion, Director Tullis moved to: (1) approve the engineering report; and (2) approve the proposal from Travis Hobbs Construction for up to three days of potholing at a rate of \$2,300 per day to locate remaining utility lines in the District's Easement. Director Granger seconded the motion, which passed by unanimous vote.

REPORT ON HAZARD MITIGATION PLAN AND CAPITAL IMPROVEMENT PLAN

Ms. Garner stated that Commissioner Beckett of Precinct 2 of Bastrop County uses Langford Community Services for grant applications on behalf of Bastrop County. Ms. Garner stated that ABHR has prepared a list of grant writers for the Boards consideration.

Ms. Hargett stated that she has contacted Mark Evans of Freese & Nichols regarding grant writing services for the District.

Director Sevier stated that the District should focus on getting grants for the anticipated wastewater treatment plant project.

Ms. Garner stated that ABHR will prepare a list of Grant Managers for Director Sevier to review.

No action was taken.

2026 DIRECTORS ELECTION, INCLUDING:

ACCEPT CERTIFICATE DECLARING UNOPPOSED STATUS OF CANDIDATES FOR ELECTION

Ms. Garner presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received three candidate applications for the three Director

positions for the May 2, 2026, Board of Directors Election (the "2026 Directors Election").

ADOPT ORDER CANCELLING ELECTION AND DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE

Ms. Garner then presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the 2026 Directors Election is cancelled and that the unopposed candidates, Directors Sevier, Patterson, and Mealy are declared elected to office to serve from the May 2, 2026, election until the May 4, 2030, Directors Election, or until their successor has been appointed and has qualified.

AUTHORIZE CANCELLATION OF COUNTY CONTRACT FOR ELECTION SERVICES

Ms. Garner discussed that the Board previously approved entering into a contract with Bastrop County (the "County") to administer the District's 2026 Directors Election.

Following review and discussion, Director Tullis moved to (1) accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors and direct that the Certificate be filed appropriately and retained in the District's official records; (2) adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office (the "Order Cancelling"), authorize the Secretary's agent to post the Order Cancelling, as required, and direct that the Order Cancelling be filed appropriately and retained in the District's official records; and (3) authorize cancellation of the contract with the County for the District's 2026 Directors Election. Director Granger seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2026 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 considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2026 tax year.

Following review and discussion, Director Tullis moved to adopt a Resolution Regarding Development Status for 2026 Tax Year Establishing the District as a Developing District for the 2026 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 Granger seconded the motion, which passed by unanimous vote.

REVIEW EMERGENCY PREPAREDNESS PLAN

The Board reviewed the District's Emergency Preparedness Plan ("EPP"). Following review and discussion, the Board deferred action on this agenda item.

REVIEW CRITICAL LOAD SPREADSHEET AND AUTHORIZE ANNUAL FILING

The Board reviewed the District's critical load spreadsheet, which had been previously provided to the District's operator, engineer, and bookkeeper for review. A copy of the critical load spreadsheet is attached. Ms. Garner noted that the information on the District's facilities included in the critical load spreadsheet is required to be reviewed at least annually and provided to certain entities, which include the District's electricity provider, the Public Utility Commission, and other governmental entities. After review and discussion, Director Tullis moved to (i) approve the critical load spreadsheet, (ii) authorize providing it to the appropriate entities, and (iii) direct that a copy be retained in the District's official records. Director Granger seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Ms. Garner stated that no changes are required at this time. Following discussion, Director Tullis moved to approve the annual review of the procedures for continuing disclosure compliance. Director Granger seconded the motion, which passed by unanimous vote.

CONSIDER AMENDMENT TO RESOLUTION REGARDING DELEGATION OF AUTHORITY RELATED TO EMERGENCY ACTION OR URGENT ACTION.

Ms. Ganer discussed the District's Resolution Regarding Delegation of Authority Related to Emergency Action or Urgent Action dated October 4, 2019. She suggested that the Board amend the resolution to increase the amount of expenditures the Designee is authorized to approve related to urgent matters in the District from \$5,000 to \$10,000. Following review and discussion, Director Tullis moved to approve the amendment to the Resolution and direct that the Resolution be filed appropriately and retained in the

District's official records. Director Granger seconded the motion which passed by unanimous vote.

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 wastewater treatment plant failed and requested that the Board approve the purchase of a replacement motor in the amount of \$6,985.10.

Ms. Bretts stated that the resident, who requested waiver of late fees, has moved out of the home and the deposit has been applied to the balance of the account. Si Enviro sent the remaining delinquent balance in the amount of \$914.14 to a collections agency.

Ms. Bretts stated that Si Enviro completed the Texas Water Development Board Water Use Survey, which was due March 1, 2026.

Ms. Hargett discussed a potential leak in the District. She stated that Si Enviro contacted Aqua to calibrate the master meter and is seeking quotes from leak detection contractors. She then suggested that the Board wait for the next water loss report before taking any action to see if the leak persists and if the master meter needs re-calibration.

Ms. Bretts discussed Texas Commission on Environmental Quality (the "TCEQ") inspection. She stated the report will be presented at the next Board of Directors meeting.

Ms. Bretts discussed the clearing performed by IHS Landscaping & Services in the District's Easement and stated that the brush piles were not cleared. Mr. Loehr asked if the Board would approve Travis Hobbs Construction to clear the brush piles while they are potholing in the easement. He stated that he would request a quote from Travi Hobbs Construction for additional services.

Ms. Bretts stated that the chain on the clarifier gear at the wastewater treatment plant failed and repairs were made. She then stated that Si Enviro scheduled a contractor to assess parts and provide pricing for replacements.

Ms. Bretts discussed preventative maintenance on the generator performed by Holt Cat. She presented a quote from Holt Cat for replacement of the water jacket heater in the amount of \$1,971.96. She then asked that the Board approve the proposal today and wait to schedule the repair until July to save approximately \$400.00.

Ms. Hargett stated that during the TCEQ inspection, it was noted that the stairs were not considered safe for use. She presented two quotes for the necessary repairs. The Board considered stabilizing the stairs until fiscal year 2027 and replacing them in

connection with the anticipated wastewater treatment plant rehabilitation project. Ms. Hargett stated that Si Enviro will request quotes for stabilizing the stairs.

Following review and discussion, Director Tullis moved to approve: (1) the operator's report; (2) the purchase of a replacement motor for booster pump no. 3 at the wastewater treatment plant in the amount of \$6,985.10; and (3) replacement of the water jacket heater on the generator in the amount of \$1,971.96, payable to Holt Cat. Director Granger seconded the motion which passed by unanimous vote.

APPROVE AND AUTHORIZE OPERATOR TO FILE WATER LOSS AUDIT

The Board considered approving and authorizing Si Environmental to file the District's water loss audit. After review and discussion, Director Tullis moved to approve and authorize filing of the water loss audit. Director Granger 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 stated that the payment schedule is under review by Aqua's counsel. She then stated that, as part of the payment schedule included in the Aqua Feasibility Study, upon finalization of the Agreement the District must make payment of \$33,900.00 for the reservation of 20 Living Unit Equivalents ("LUEs") and the current purchase of 3 LUEs. She stated that, once the payment schedule has been incorporated, Aqua will provide a final agreement for the Board's consideration at a future Board of Directors meeting. Following review and Discussion, Director Tullis moved to approve the payment schedule. Director Granger seconded the motion, which passed by unanimous vote.

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 the next regular meeting on April 2, 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)



Jase Lewis
Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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