

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

August 7, 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 7th day of August, 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: Maranda Bretts of Si Environmental, LLC ("Si Enviro"); and Kathryn Garner and Luke Roswell of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending the meeting by telephone was: Delia Yanez of Assessments of the Southwest, Inc.; Bradley Loehr of Befco Engineering Inc. ("Befco"); Corrie Aday of Brown & Brown Insurance Services, Inc. ("Brown & Brown"); Terry Holland of Myrtle Cruz, Inc; Dennis Waley of PFM Financial Advisors LLC; Charlie Carlisle of PrimeSpec; and Tammy Hargett of Si Enviro.

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 moved to approve all 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 June 5, 2026, regular meeting, agenda item no. 2 Financial and bookkeeping matters, agenda item no. 3 Engineering matters, agenda item no. 4 Report on Hazard Mitigation Plan, and agenda item no. 5, Report on District Website. Director Patterson seconded the motion, which passed by unanimous vote.

APPROVE URGENT ACTIONS REGARDING REPAIR OF THE WASTEWATER PLANT CLARIFIER

Ms. Garner discussed the District's Resolution Regarding Delegation of Authority and stated that the President of the Board of Directors is authorized to approve District expenditures of up to \$10,000 related to urgent actions without prior Board approval. She then stated that, based upon the recommendation of the District's operator and engineer, on July 2, 2026, Director Tullis approved an expedited order of parts to repair the clarifier gear at the wastewater treatment plant in the amount of \$5,157.75. Following review and discussion, Director Sevier moved to ratify the expedited order of parts to repair the clarifier gear at the wastewater treatment plant in the amount of \$5,157.75. Director Granger seconded the motion, which passed by unanimous vote.

CONSIDER BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2027

The Board reviewed a draft budget for the fiscal year ending September 30, 2027.

Mr. Holland stated that he updated the line items for engineering and operating fees. Discussion ensued the net surplus and deficit and the major project section of the budget. Mr. Loehr stated that he provided Mr. Holland with the anticipated engineering fees for the wastewater treatment plant rehabilitation project ("WWTP Project"). Director Sevier requested that the WWTP Project construction costs be added to the major projects section. Mr. Holland stated that he omitted the WWTP Project construction costs from the budget because the District fiscal year end is September 30, 2027, and construction is not expected to begin until later in 2027. Mr. Loehr stated that he is working on getting an updated estimate for the WWTP Project construction costs and suggested that a \$500,000.00 line item for the WWTP Project be added in the major projects section of the budget. Discussion ensued regarding lease-to-purchase options for a new wastewater treatment plant as opposed to rehabilitating the existing plant. Director Granger requested Mr. Loehr to provide estimates for both lease-to-purchase and rehabilitation options at a future Board of Directors meeting.

Ms. Hargett discussed revenues from water, sewer, water and sewer taps, and grinder pumps. She stated that the developer water tap and aqua fees need to be updated to \$8,400 and \$3,010, respectively. Ms. Hargett then discussed the increase in the water line fees. Discussion ensued regarding the R&M general/special line item. Discussion ensued regarding the new aqua water rates. Mr. Loehr discussed grinder pump line item and said he would not recommend budgeting less than \$50,000.00.

Ms. Garner requested Mr. Holland distribute a revised budget to the consultant before the next Board of Directors meeting. No action was taken.

DISCUSS 2026 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2026 tax rate. Mr. Waley reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2026 debt service tax rate of \$0.139 per \$100 of assessed valuation and a total tax rate of \$0.691 per \$100 of assessed valuation, based on the District's initial 2026 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.

Discussion ensued regarding the District's capital fund. The Board requested that Mr. Holland terminate the capital fund account and move the money back to the general operating fund.

Mr. Waley stated that he will provide an updated debt service tax rate analysis based on the revised draft budget.

Following review and discussion, Director Sevier moved to: (1) set the public hearing date for September 4, 2026; and (2) authorize ASW to publish notice in a newspaper of general circulation in the District of the District's meeting on September 4, 2026, to reflect a proposed 2026 total tax rate of \$0.691 per \$100 of assessed valuation. Director Tullis seconded the motion, which passed by unanimous vote.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Garner stated that the District's insurance policies expire on October 1, 2026. Ms. Aday of Brown & Brown reviewed the insurance renewal proposal and answered questions from the Board.

Following review and discussion, Director Tullis to accept the proposal from Brown & Brown for renewal of the District's insurance policies for the 2026-2027 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.

CONDUCT ANNUAL REVIEW OF OPERATING COSTS AND ADOPT AMENDED RATE ORDER, IF NECESSARY

The Board tabled discussion on the agenda item.

CONSIDER STRUCTURED REVIEW AND REMEDIATION PROCESS DEVELOPED BY THE TEXAS NETWORK SPECIFICALLY FOR MUNICIPAL WEBSITES

The Board tabled discussion on the agenda item.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2016 REFUNDING BONDS

Ms. Garner reviewed OmniCap Group LLC's arbitrage rebate and yield restriction report (the "Report") for the District's Series 2016 Unlimited Tax Refunding Bonds and reported that no rebate is due to the Internal Revenue Service at this time. Following review and discussion, Director Tullis moved to approve the Report and direct that it be filed appropriately and retained in the District's official records. Director Sevier seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES, INCLUDING BILLINGS, REPAIRS, MAINTENANCE, AND RENEW MAINTENANCE PLAN FOR GENERATOR

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. She stated that the District remains in Stage 1 of its Drought Contingency Plan.

Ms. Bretts stated that the water loss has decreased to 5%, showing a decrease from the previous month. She then reported that there were four leaks reported in the month of July and repairs were made. Ms. Bretts then stated that Si Enviro is in the process of collecting distribution samples for lead/copper to be submitted by September 30, 2026.

Ms. Bretts stated that there were eight grinder pump calls made in July, five of which were made after hours and one grinder pump required complete replacement.

Ms. Bretts stated that HOLT Power Systems ("HOLT") performed maintenance on the District's generator and is recommending replacing the fan belts and battery. She stated that Holt provided a quote for replacing the fan belts and battery in the amount of \$1,593.90. Ms. Hargett stated that Holt agreed to make the repairs at the same time they replace the water jacket heater so that there is no additional trip charge. Following review and discussion, Director Tullis moved to approve the Holt proposal for replacement of the fan belts and battery in the amount of \$1,593.90. Director Mealy seconded the motion, which passed by unanimous vote.

Ms. Bretts presented a proposal from PrimeSpec for repair of the clarifier gear at the wastewater treatment plant in the amount of \$13,761.94. Mr. Carlisle joined the meeting via telephone. He then discussed his proposal with the Board.

Following review and discussion, Director Tullis moved to: (1) approve the operator's report; and (2) authorize PrimeSpec to repair of the clarifier gear at the wastewater treatment plant in the amount of \$13,761.94. Director Granger seconded the motion which passed by majority vote. Director Sevier abstained from voting.

CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Ms. Garner stated that Si Enviro has provided their revisions to the Districts current Drought Contingency Plan ("DCP") and will present the revised DCP for the Boards consideration at a future Board of Directors meeting. No action was taken.

DISCUSS AQUA WATER SUPPLY CORPORATION ("AQUA") MATTERS, INCLUDING, BUT NOT LIMITED TO, AQUA RESERVATION FEES, AQUA SYSTEM DEVELOPMENT FEES, ADDITIONAL CAPACITY, POTENTIAL COST OF FULL DEVELOPMENT, AND TAKE ANY NECESSARY ACTION

There was no discussion on this agenda item.

REPORT FROM TAX ADVISOR

There was no discussion on this agenda item.

DISTRICT COMMUNICATIONS

Director Tullis stated that he and Director Granger have continued discussions with PGI Properties ("PGI") regarding the District's easement. Director Granger stated that PGI has requested that the District pay for the final survey of the District's utility lines and draft a new easement. Mr. Loehr stated that he will seek proposals for the survey. Discussion ensued.

No action was taken.

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.

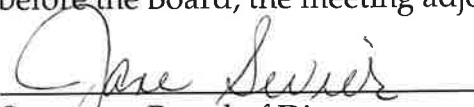
NEXT MEETING DATE

The Board agreed to hold the next regular meeting on September 4, 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)




Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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