

Bastrop County
WCID #2

Board Packet
for
April 15, 2021

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
MEETING AGENDA

TO: THE BOARD OF DIRECTORS OF BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2, BASTROP COUNTY, TEXAS, AND TO ALL OTHER INTERESTED PERSONS:

NOTICE IS HEREBY GIVEN THAT A MEETING OF THE GOVERNING BODY OF THE ABOVE NAMED POLITICAL SUBDIVISION WILL BE HELD ON APRIL 15, 2021 AT 6:30 P.M.

IN ACCORDANCE WITH THE GOVERNOR'S EMERGENCY PROCLAMATION SUSPENDING CERTAIN PROVISIONS OF THE TEXAS OPEN MEETINGS ACT EFFECTIVE MARCH 16, 2020 IN RESPONSE TO THE COVID-19 VIRUS, THE MEETING WILL BE CONDUCTED BY VIDEOCONFERENCE AND TELEPHONE. MEMBERS OF THE PUBLIC MAY VIEW THE MEETING REMOTELY BY VIDEO CONFERENCE OR TELEPHONICALLY USING THE INSTRUCTIONS BELOW.

Videoconference Instructions:

Members of the public may join the meeting through the following web link:
<https://www.gotomeet.me/BCWCID2/april-15-2021-board-meeting>

Telephonic Instructions:

Members of the public may join the meeting telephonically by dialing the following telephone number: 1 877 309 2073

When your call is answered and when prompted, enter in the following Meeting ID below followed by the pound sign (#): 404-577-077#

Public Comment:

Public comment will be allowed during the Citizen Communication agenda item. No in-person input will be allowed. Members of the public that desire to provide public comment may do so by videoconference, by telephone or by submission of written comments.

Written public comments that are timely received will be read into record and can be emailed to Alma@BCWCID2.org. Written comments must be received by 6:15 PM on April 15, 2021.

To provide verbal public comment remotely (by videoconference or telephone), members of the public must register in advance by emailing Alma@BCWCID2.org prior to 6:15 p.m. on April 15, 2021. All members of the public will be muted until their time to speak.

MEETING DISCUSSION TOPICS

- 1.) Call to Order and Establish a Quorum – O’Hanlon
- 2.) Pledge of Allegiance – O’Hanlon
- 3.) Texas State Flag – O’Hanlon
- 4.) Public Comments/Announcements (The Board respectfully requests that persons limit comments to three (3) minutes. Under the Open Meeting Act, the Board may not deliberate or take action in response to any matter raised during public comment that is not a separate agenda item.)
- 5.) Discussion and possible action regarding scheduling of future meeting dates:
 - a. Annual Public Road Meeting scheduled for Saturday, April 17, 2021 at 9:00 a.m.
 - b. Regular Board of Director’s Meeting scheduled for Thursday, May 20, 2021 at 6:30 p.m.
- 6.) CONSENT AGENDA: (*Consent Agenda items are generally routine. Unless removed by a member of the Board or General Manager, items listed on the consent agenda may be acted on together and without prior discussion.*)
 - a. Approval of minutes from the March 18, 2021 Regular Meeting of the Board of Directors;
 - b. Approval of monthly financial report for March 2021; and
 - c. Approval of Release of Liens held by District on Real Property.
- 7.) Discussion and possible action regarding approval of the 2020 Annual Fiscal Year Audit Report– Bob West
- 8.) Discussion regarding the following items to be presented in the General Managers report:
 - a. Status of Water Quality (TTHM) testing
 - b. Update on District facilities, water plants and lift stations
 - c. Update on Water/Wastewater maintenance & Improvement projects
 - d. Update on Roads maintenance & improvement projects
 - e. Employee Update
 - f. Office Update
- 9.) Discussion and possible action regarding the Road Committee:
 - a. Receive Monthly Committee Update
- 10.) Review and possible action regarding approval of revisions to the District’s Master Road Plan – Hightower

- 11.) Discussion and possible action regarding replacement of District water meters, including reconsideration of prior purchase decision of the Board of Directors – Hightower
- 12.) Discussion on future capital improvement projects and financing analysis by SAMCO Capital Markets– Hightower
- 13.) Consider adoption of a resolution expressing intent to finance expenditures to be incurred - Hightower
- 14.) Discussion regarding District Road Committee Matters, including Road Committee membership matters and potential revisions to the existing Resolution of Bastrop County Water Control and Improvement District No. 2 that sets forth policies of the District relating to Road Committee Membership, Meetings, Recordkeeping, and Conduct
- 15.) Board suggestions on future agenda items
- 16.) Adjourn


Authorized Signature

The Board of Directors may go into Executive Session at any time during the meeting pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code, of the Texas Open Meetings Act, on any of the matters set forth on this agenda regardless of whether Executive Session is specifically referenced. No final action, decision or vote will be taken on any subject or matter in Executive Session.

The District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call 512-321-1688 for further information.

Agenda

Item # 6

Consent

Agenda

Minutes of the Regular Meeting of the
BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT #2

A regular meeting of the Board of Directors of Bastrop County Water Control and Improvement District #2 was held on Thursday, March 18, 2021, beginning at 6:30 p.m. The meeting was conducted by videoconference and telephone.

Present BCWCID #2 Board Members:

Mary Beth O'Hanlon, President
Scott Ferguson, Vice President
Sam Kier, Treasurer
Ron Whipple, Secretary
Butch Carmack, Director

BCWCID #2 Staff/Other Professionals:

Paul Hightower, General Manager
Tony Corbett, Attorney
Tyler Walsh, Operations Manager
Alma Rodriguez, District Administrator

Absent:

MEETING DISCUSSION TOPICS

- 1.) Call to Order and Establish a Quorum
President O'Hanlon called the meeting to order at 6:30 p.m. A quorum of Board members was present.
- 2.) Pledge of Allegiance
- 3.) Texas State Flag
- 4.) Public Comments/Announcements (The Board respectfully requests that persons limit comments to three (3) minutes. Under the Open Meeting Act, the Board may not deliberate or take action in response to any matter raised during public comment that is not a separate agenda item.)
None.
- 5.) Discussion and possible action regarding scheduling of future meeting dates:
 - a. Regular Board of Director's Meeting scheduled for Thursday, April 15, 2021 at 6:30 p.m.
 - b. Annual Public Road Meeting scheduled for Saturday, April 17, 2021 at 9:00 a.m.

President O'Hanlon announced the future meeting dates.

Director Kier stated he received a phone call from Jan Kuchel stated that Clean Sweep was scheduled on April 17th and he informed Ms. Kuchel that the meeting has been scheduled for months.

President O'Hanlon stated she received the same phone call and while I would be willing to make some changes if we could, I was reminded, we have put the

information about the Annual Road meeting on all of the road bills that were mailed out.

Director Kier suggested that TVPOA may want to extend their hours to allow people to attend both Clean Sweep and the meeting.

- 6.) CONSENT AGENDA: (*Consent Agenda items are generally routine. Unless removed by a member of the Board or General Manager, items listed on the consent agenda may be acted on together and without prior discussion.*)
- a. Approval of minutes from the November 17, 2020 Special Meeting of the Board of Directors;
 - b. Approval of minutes from the January 21, 2021 Regular Meeting of the Board of Directors;
 - c. Approval of monthly financial report for January and February 2021; and
 - d. Approval of Release of Liens held by District on Real Property.

President O'Hanlon asked if there was any discussion on the Consent Agenda Items.

Motion: Sam Kier moved to approve the Consent Agenda Items. Seconded: Scott Ferguson. Vote: Four (4) in favor, motion carries.

- 7.) Presentation from representatives of Environmental Stewardship regarding the 32-acre Reserve Property
President O'Hanlon introduced Steve Box from Environmental Stewardship.

Steve Box thanked the Board for allowing him to make a presentation to the Board.

Mr. Box stated he founded Environmental Stewardship in 2006 and currently serves as the Executive Director and the board president and he is here this evening to discuss the Coppers Creek Reserve property that is currently owned by the Bastrop County Water District. We are here tonight to determine if you are interested in pursuing the proposals that Environmental Stewardship take ownership, the Copper's Creek property, we are interested in owning the property, has been encouraged by Commissioner Hamner, and he can speak about his interests in having the ownership of this property moved to a local non-profit. Our interests are to preserve and protect and restore the property, to provide a sanctuary for native flora and fauna, to provide low impact recreation and for local residents and visitors and to manage the property within the interests of key stakeholders like the board and TVPOA.

You should have in your folder a map of the property so that we are clear about which piece of property we are talking about and where it is located. I am told the property is 23 acres maybe it is 32 acres as it is indicated on the map but that really is not a major point. Hopefully, you are aware of where this property is located.

To tell you a little bit about Environmental Stewardship, these are our purposes, as stated in our founding documents. Our work is guided by these three missions to protect and enhance natural resources for both environments, the environment of humans, to use science, to sustaining ecological systems, and to provide education and outreach to encourage good stewardship. As I go through this presentation, you should be able to see the connection between these factors and the work that we have been doing. Our earliest work in the community was centered around the celebration of the Colorado River through Nature Feast events, and in the development of the Lost Pines Nature Trails to provide river access to Tahitian Village from Fishermen's Park and to promote recreational use of the river. We worked with Texas Parks and Wildlife Department to develop the Wilbarger and the El Camino Real paddling trails for which Fishermen Park and the Lost Pines Nature Trails serve as a takeout point. Of course, the Lost Pines Nature Trails is now the Lost Pines Nature Park and is in the possession of the Bastrop County.

Our work shifted about 2008 to include involvement in public policy work, focused on water planning. This is a list of the planning processes that Environmental Stewardship, has been involved with and I could go into these in a lot more detail but for now, I think it is more important that you just understand that this work has been primarily focused on protecting the Colorado River and its tributaries. You will notice that a lot of the more recent work has been with the Groundwater Conservation District and the group of districts that manage the area over the key aquifers in our region and we just had one of our virtual meetings on that subject today. So, the purpose of this work, through groundwater districts, is still to protect the Colorado River and there's tributaries from over pumping groundwater in such a way that it would be detrimental to the river. So, I think it is important that you also know that we have experience in managing both properties, The Lost Pines Nature Trails and financial management. We worked with your organization extensively in developing the Lost Pines Nature Trail, a project that is very similar and nature to always be planning to do with a Copper's Creek area.

As a 14-year-old tax exempt 501 C3 non-profit, we have also had extensive involvement in fund raising and managing those funds to accomplish our missions over the years. We have raised and manage over \$800,000, not to mention the funds that we have raise for another a number of other projects that were not managed directly by Environmental Stewardship. All of our IRS, 990 filings are available on our website for your review, and I can direct you to that if you are interested in more details there.

Steve Box stated here is our vision for the Copper's Creek Reserve, and first is to create a preserve preserved for the plants and animals of the area, especially the Houston Toad. In keeping, with the limitations of the Houston Toad habitat, we want to provide low impact bike trails for education and recreation purposes because covers creek flows through the property and is important to the environmental flows of the river. We also want to do some stream monitoring that helps us to, in our scientific pursuit to better understand and measure the

interaction between the underlying Carrizo Aquifer and this creek. That is a very important aspect of groundwater surface water relationships. We also want to offer other programs that encourage volunteers and participate in good stewardship of this property and other properties.

In addition, we want the place to be a place where kids and adults can experience nature and engage in educational programs. To further our science interests, we hope to provide opportunities for scientific investigations related to the Houston Toad, groundwater surface water interaction, and other ecological functions. Clearly, we will need to have some billing structures, but hope that those will be minimal on that property and we are eyeing some burned out lots that have slabs in place as locations for such other structures.

So, what are we requesting exactly? Well, first of all, you know, whether or not you are interested in this proposition, and with that in mind, we would be interested in also having the mineral and water rights associated with the property. We would want to be able to install monitoring wells and we will want to be able to be provided with potable water service in the near future if we need such. So, for our part, environmental stewardship will manage the property in co-operation with you and other and another local state entity. We will provide staff supported through public and private funding. We have been consulting with Terry more on Project stewardship and with Rob Sutherland, regarding property stewardship. Further, we will administer activity's, projects, programs, property management, and the financials, to the extent possible with assistance and support from the community.

We intend to use volunteer programs where possible, recognizing that much of the groundwork, with respect to construction of trails and other things of that nature will require professional services and we will get that work done through professional services. We intend to use local markets and services to the extent possible, and we will be seeking an office location to establish a mark direct presence as a community. So, with that introduction, I would like to give Terry Lorch chance to make a few comments before we move to questions in our discussion.

Terry Moore thanked the Board for allowing them to be on your agenda tonight and introduced herself to the Board.

Mrs. Moore stated she actually met Steve as part of the Nature Feast event, which was one of the first events that I worked at in this community. I have spent the majority of my time building relationships, and, quite honestly, serving in the community, that's just part of my DNA, and in the last 10 years that work has been done through the YMCA. I have always believed that nature in our interaction with nature is so incredibly important to our health and well-being of both individuals and families and not just your physical health, but your mental health as well. Our children learn more. They say that attention deficit is one of those things that could be better worked with if the more kids got into the nature and I believe that. So that is one of thing that really sparked my interest and I

really want to be a part of it. The opportunity to create a visually pleasing natural area that serves the environment and its watershed and the animals in the area, as well as the families in the area, not just for today, but for many, many years to come. So, my role in all of this is to be a communicator, a networker, a connector, just to keep the project going, and quite honestly, I am super psyched about it, so, hope that we get to move forward.

Director Kier had a couple of questions and stated in the past we have had some conversations with our attorney, on land and valuations and things like that so the concern I have is that we cannot give it to you that we might have to sell it to you, and I am not sure what that value would be. If we could not donate it to a non-profit, would it be possible to still entertain the relationship and maybe have a long-term lease or something like that?

Steve Box responded we came into that same situation whenever we were working with a Nature Trails project, and the problem we encountered is when we go for fundraising, they do not want the funds to go to some contractor or somebody that is leasing. They want those funds to go directly to the owner and that is what we did in the case of the Nature Trails. The water district owned the property, and the Nature Trails managed the funds and reported back to the funding agency, as well as to the district, in order to keep the project moving. It is cumbersome. We do have another piece of property in Tahitian Village that we own, that is right across the road, from the Nature Trails and that piece of property was technically sold to us, by John Creamer for a donation of \$10 or something like that. Certainly, an arrangement of that nature in that range or something reasonable would be something be very much inclined to accept.

Director Kier stated we would have to go back to our attorney and find out whether that is still doable or not. The other thing also, is when I looked at the map the issue was parking and access. I am in favor of the concepts, but I am a little concerned about the water wells, and the purpose of the wells and the need for access to own the water rights and the mineral rights.

Steve Box stated he certainly appreciate your support in this, and there are lots of details we have to work out, and we are interested in making sure that we are very clear on those also. With respect to the water wells and the reason we are interested in wells, we are not interested in wells for producing water, we are only interested in having wells, and sometimes they are even considered Piezometers. That are able to put instruments in the ground, that tell us things about water flow, water quality, those types of things. We are actually involved in a project elsewhere on the Colorado River for this monitoring network of this nature. It being Piloted, the purpose of this is to be able, ultimately, be able to tell how much water is flowing from an aquifer into a stream, the alluvium. Because one of the concerns in the future is whether or not streams and the river, Colorado River will become what are called losing streams that are currently gaining streams. we want to be monitoring that, and we would like to get to play with the science ourselves. As far as parking, I do not know that we would need much parking. I think there is areas where some parking can be made available. From my

understanding and discussions with Mel Hamner. The County owns a number of pieces of property around this area and they would be more than willing to make those properties available for parking. Those are details we will have to work out with the County once we have an indication, from the District, that you are actually interested in this project. That property is not inclined to have a lot of structures on it and those types of things. It is very steep, so we are inclined to try to keep as a little on the property as far as structures other than trails and benches and signage.

President O'Hanlon stated she has a couple of comments when I first saw this, and the writings about the wells, we supply water to this community through wells, drilled very near this property and we cannot do anything that might jeopardize the quality or availability of water that we use here in this community for lives livelihoods, but a couple of other issues. The Board formed an advisory group, to meet with us and talk about the reserve properties within the village that are under the current ownership of the water district, and from our perspective, that means they are owned by this community. So, we need community input on any decisions that we made concerning these particular reserves at the time that we had this particular advisory group, their recommendation was just leave it like, it is natural. Now, we can certainly revisit that again, But, I think what's going to be foremost importance to me first of all, let's see, impacts on the quality of our water, if any, and second of all, how our community feels about this idea of, particularly, the people that live in and around Copperas Creek Reserves, we have people who back right up to it, and how are they feel about having groups of school kids going through. I am all for education, I liked the whole idea of particularly exposing our children to all sorts of nature, but we have a unique opportunity here with an endangered species to teach them quite a bit about how we can manage things to coexist in the world with all the creatures that live here. But, at the same time, the feedback we have gotten in the past from residents was they preferred to leave it like it was so, we would need to revisit that, and hear what the community has to say before I feel comfortable going forward even though I do like a lot of what you are proposing here, there are a lot of good ideas.

Director Kier also stated that TVPOA has first right of refusal.

Steve Box responded to the water quality issue by saying he sees no reason why, what we would be doing there would be interfering with the water quality of the rock for the stream. We are not interested in damaging water quality. Water quality has been something near and dear to my heart. With respects to the community, we are totally with you on that also. We did not want to reach out to the community until we had a sense of your position on this. Certainly, one of the first things that we would do, and that Terry and I have talked about, is to have some kind of a meeting get together with the, particularly the local community right around the property. But certainly, as listed on our one of the slides, there are a lot of other community activities and communities involved that we would like to co-ordinate and work with as we as we move through this project so that would be of our interest, also, to make sure that they are on board with this project, and we do not really envision that as being like a park. There is a little

portion of it that might be set up with some tables, mostly there would be some trails. The purpose of the trails would be to get to some of the sites that we would want to be monitoring. One of the very first things that we will do, is to apply for a Houston Toad permit with the county and work out the details so we know what parts of the property to protect and what parts are going to be utilized or on a regular basis year around. Then the second thing, that what we will do is to get an archeological survey of the property to make sure that we are not interfering or disrupting anything archeological. And if we have something there, all the better that gives us something to raise the value of the property to the community.

Director Whipple asked it says that Environmental Stewardship will be provided with potable water service to the property such as needed in the future at whose cost?

Steve Box stated first of all, I do not know what the cost of getting such a service in the community at this point. Secondly, what I have an envisioned is that if we can get one of these properties that was burned out in the fire, that has a slab my anticipation is that those properties probably already have the rudimentary needs of probably water and electricity type services, so that there wouldn't be a big expense involved in bringing a lot of those services into the property and certainly we're willing to work with you and share the cost of those before you can relate to.

Director Kier stated from a legal perspective, we probably cannot give that away you would have to acquire the taps the same way anybody else would.

Director Ferguson stated he basically shares the same concerns about water mineral rights and if the neighbors had been polled about, you know, what their thoughts were about putting something like this next to their homes and I did notice that to state on your memo that it talks about the TVPOA helping to provide security by organizing and operating, neighborhood watches have they been talked to about this?

Steve Box stated that is a work plan and those are the items that are on our work plan that we would want to work through. Let me make one comment on the ownership of the water rights. One of our interests alone in having this property is, uh, as we have worked with groundwater district and with other landowners in the area, we have an interest in actually owning water rights under whatever property we have so that we as a landowner and administrative procedure proceedings and the likes relative to those issues can be there as not only an environmental interest, but also as a landowner with the rights that are reserved to landowners. We are not so much interested in mineral rights.

Director Kier stated one of the things that you might want to consider in this acquisition, is to put all the pieces of land together as one because there are road fees due on each lot.

Steve Box stated it was his understanding that the reserve property is not subject to road fees. We do not want to be spending a lot of our money on road fees so it would be, you know, incumbent too work together to make that into one.

Director Kier suggested that Mr. Box make the presentation to TVPOA since they have first right of refusal.

President O'Hanlon stated she would like to hear from TVPOA and to think through how best to get input from the people of the community as a whole but particularly those people who will be most impacted those who live along the reserve.

Jo Egitto stated she was seated on that reserves committee and I am a resident and I'm active, I wanted just to be messenger and to say, it would be helpful, whether it's to this board or POA or our residents to have maybe a stair step version of what this could look like so that we're able to make friends with it and to not commit to something that isn't able to be sustainable, whether it's putting picnic tables and a walking trail or a botanical stand first. I have a couple of questions. Is this area in the flood way or the new county flood area as designated FEMA? And also remember the roads in that area are complete.

Steve Box stated he would have to check with the County and FEMA.

Director Carmack stated he agrees with what they are trying to accomplish but well, over a million dollars' worth of property has already been donated for stuff like this and we have very aging infrastructure, we're going to have to go to the people of Tahitian Village to ask them for money to replace the infrastructure and all we have are assets and I am looking at the value of this property and it is \$217,000 and I have no inkling of giving \$217,000 of the people's money away and then turn around and ask them to fund the upgrades to the system, although I applaud your thoughts I can't support this project.

President O'Hanlon stated we have a lot of good discussion this evening, I've heard general support for the intents of the project, but I'm hearing quite a bit of concern so I think the board needs to do some additional discussion, perhaps, and certainly look at ways that we can, we can get back with our community and understand how they feel as it relates to this particular reserve, whether there is an interest in moving forward with something and we will commit to do that so we have better information about where the rest of the community stands. I think you have heard where we all kind of stand on the board at this point and do we need any kind of motion, or can we just go forward from there?

Scott Ferguson asked if we need to make a motion to set up an advisory committee about the Reserves again.

President O'Hanlon stated she was thinking we need something more than advisory group when we might actually need to schedule a town hall meeting or something. Specifically invite people, everybody, instead of just a collection of

people who volunteer for an advisory committee. Especially the people that live around the reserve, I would like to see us do something more like a town hall meeting.

Director Kier suggested Paul Hightower meet with the TVPOA and together, they come up with a town hall meeting, a survey to try and get community support and community understanding.

Tony Corbett commented he thinks it makes sense to be in a discussion with the TVPOA, because obviously, they're critical part of this and the transaction could never proceed without their consent but, I also think there's a number of issues that the board, we've heard different opinions within the board and there's a number of legal issues associated with the request, and I think before the board makes a decision regarding a path forward, there should be some full board deliberation regarding those issues so I think it would be a little premature for the Board itself to commit to a decision at this point, But, I think the suggestion that they speak to the TVPOA is a good one, but I think there needs to be some board deliberation.

President O'Hanlon stated we are directing the staff to work with TVPOA internally. We will work together to lay out what all the issues are that need to be discussed, and open Forums at future Board meeting before we make any decisions on this. We do appreciate very much your time and your interest in our community and in the Reserves that we have here. Thank you very much.

Steve Box stated he would like to say that they very much appreciate this opportunity to be here this evening, that we also agree that there are some issues, legal, and otherwise, that need to be brought to some tighter understanding as opposed to the resolution and we also appreciate and believe that this next step is really to talk with a TVPOA and we would further be, as Terry mentioned earlier, whatever we can do to work with you and we'll be glad to make a presentation TVPOA.

- 8.) Presentation from representatives of Texas Rural Water Association (TRWA) regarding its Source Water Protection Program
Deborah McMullen from Texas Rural Water Association stated she has been in the water and wastewater industry for about 23 years now, where her career started off in the Houston area where she managed 11 municipal utility districts. I have been with TRWA close to 12 years now, most of that time I have spent managing the Source Water Protection program which is actually a grant from USDA's Farm Service Agency. This is a free program for you so you do not have to be concerned on how much this program might cost the water system. This program does kind of go hand in hand with your conservation plan that TCEQ, makes you have in place. The difference to us is the Source Water Protection program is voluntary. It is not a requirement but they really, like for water systems to have this in place and part of the reason why they leave it as a voluntary program is that they just like to have that opportunity to give awards to water systems, that go above and beyond on the source water protection efforts every year at their annual

Public Drinking Water Conference. You might keep that in mind if you decide to participate in the program, you could get nominated and receive some awards.

The main focus of this program is pretty much like the title says, we are trying to protect your sources of drinking water from contamination. You can conserve your drinking water and have lots of water but if you allow it to get contaminated, you are going to be in a bad position where you will not have water so, you really want to do both. What I do when I come out and work with the system is the very first thing is put together a Steering Committee. Usually, I will tell my systems, let us not rely on the board to be our Steering Committee, we encourage people from the customer base. The committee can be comprised of 7 members or less.

I spend some time there in your system getting to see the locations of the water wells and wastewater system. I will compile a little history of how the land was used in the past. So, I kind of dig into the background of your area and look for any potential sources of contamination such as a gas station, a cemetery, private wells, or an abandoned water well. I will GPS all of these potential sources and issue a report where all of the sources are found and then I develop some best management practices that can be put into place to try to help curb any possibility of contamination. Unlike other programs, my best management practices really are very simple. These are practices that you can get the homeowner or property owner to actually put into place without a cost to them. It is just habit changing, because I know that water systems really do not have a lot of money most the time, to implement and it is really more important to get a collective group, all of your customers, to be onboard with helping you protect the water.

After we get all of this put together, I come back and I train your Steering Committee on how to move forward, how to go out and do public education, also train them on different ways to reach out to the public.

Director Carmack stated he is trying to make sense of the program.

Deborah McMullan stated abandoned water wells are actually direct conduits to an aquifer and I have seen people poor things down old, abandoned wells, well now it is in the aquifer. Those abandoned wells are really detrimental to our water quality and it just takes education to teach people not to put things down those wells and hopefully to even get them to plug their abandoned wells.

Paul Hightower stated Deborah there was one when I worked with you out in East Texas, on a system out there that we found one on an old ranch property and come to find out the way that the property drained it was bringing the feces and everything washing down from the cows and the pastures. It was all going right to that wellhead, and it ended up being a big ordeal out there, and we ended up getting them to plug it. It was a big source of contamination for us.

Director Whipple stated he was wondering how much contamination may be contributed by all those septic systems.

Ms. McMullen stated septic systems in the United States is our number two culprit for contaminating groundwater. Underground storage tanks like at your gas stations is the number one culprit. A lot of property owners do not know how to maintain their septic systems so that could be a very good education effort on your part.

Director Kier was wondering what the opinion might be on putting wells in a flood plain.

Deborah McMullan normally, you really would not want wells in a flood plain unless they are sealed and even then, you would want the wellhead to try to be up above the actual flood water.

Director Ferguson asked how many active well private wells we have in the neighborhood?

Paul Hightower stated the last count he received was around 360 or 370. I have not received an updated report this year. I actually sent an e-mail last month; they are in the process of updating it.

President O'Hanlon stated we might have ample reason to benefit from a source water protection program.

Paul Hightower stated he has actually been working with Ms. McMullen for many years. TRWA comes out and they do the assessment. It is great to have an extra pair of eyes to see the system from the outside looking in. In talking to Ms. McMullan last year about this, this area, I think would greatly benefit from this because of all, the unknowns of how the property was put together so many years ago with houses and things have come and gone. I think we do have plenty of sources of potential contamination and getting their help, identifying that, and going through it, I think would benefit us a good bit.

Director Ferguson asked when you say you help with assistance in determining these potential sources of contamination, is it just an advisory or is there some kind of enforcement? Does it go directly to TCEQ or what happens once you determine these possible sources?

Deborah McMullan stated that is a good question and we are not a regulatory agency; we are strictly here to advise and to help the system to stay in compliance. To advise you in this instance on how to try to prevent contamination now I will tell you that TCEQ does eventually get a copy of your report because USDA requires me to pass it on to them but the group at TCEQ that gets the report and looks at it is their Source Water Protection Group. It is not the group that comes out and does inspections. we just work very closely together, and, in fact, they go out and do the same program themselves with water systems, and so we kind of work together with what systems we are going to be working with. It is not something that is going to make them send an inspector out.

President O'Hanlon stated she is hearing support for advising Paul Hightower to proceed, am I correct? This item is listed on the agenda as a presentation only if we need action, we will need to bring this back to the Board.

Mr. Hightower stated no action is needed it is just something that you can advise management to move forward on.

The Board advised Paul to move forward with the Source Water protection Program with TRWA.

9.) Discussion and possible action regarding the following items to be presented in the General Managers report:

Paul Hightower reported on the following items:

a. Status of TTHM compliance:

Several updates on this. We had a meeting with another drilling company about doing a groundwater analysis with radar technology that I had spoken about late last year. They did make a presentation to about the process, and they looked at several sites but in doing their homework, their technology would not work out here. It takes a certain amount of room (basically open area, no power lines or interference) and some other criteria, to make it work the way they need it too. After some other conversation with the GWD and hydrologist, I feel like in the end, we are going to be stuck with treating this water we have.

Taking all of that into consideration, we are at 2 choices. We can invest in a tank aeration system or do an activated carbon treatment. These are 2 very different animals, but both basically designed to achieve the same thing in the end. The difference will be HOW much they accomplish. We have a test unit on site now for the aeration and will be doing those next week. I have ordered a test unit for the activated carbon and we will run pilot tests with that as soon as we receive it. The aeration system, tanks the water in the tank, circulates and sprays it back into itself on top of the surface water, breaking the water molecules up and by using forced air ventilation, it allows the aerated molecules to be vented out. Reading all the research and talking with the engineers, this has shown to be a proven process for our situation and water types which could yield up to a 65% removal for us.

The activated carbon system is basically like a water filter that someone puts on their home faucet. It is designed to remove multiple impurities and will treat the well water before it goes into the storage tank. Basically, it will strip off the bad stuff before it gets hit with chlorine, which is where the reaction occurs...if there is nothing there for it to react too, no THMs will form. This is a very well tested and proven system. The major hiccup with it, referring to the home filter style system, its activated carbon, so the granules must be "refreshed" on a certain time basis, depending on flow. According to our flow charts and usage, the engineers believe this would be a 15-to-18-month period, again depending on our use. If we focus on using our other stations in the wintertime, this helps our timeline for replacing the AC. The approximate cost is \$45k to recharge the system and have the old hauled off. In my opinion, with our situation and the type of variable water we get, I feel the AC system will benefit us a lot more. It can be used in line with the mixer and fan we have now, to keep the tank ventilated of any extra methane that may

make it thru. Optimally, we could use both systems, AC, and the aeration but that would cost us a great deal more. With having to choose, I feel our money is best on the activated carbon. I hope to have the unit here and tests completed by the next Board meeting, but I doubt we will have test results back yet. I hope to have some more updates next month.

9b. Update on district water plants and lift stations:

Station 3 rehab is almost completed. The interior & exterior of the pressure tanks were blasted, cleaned & resurfaced along with the interior of the storage tank being cleaned and resurfaced with the poly coating. We expect these to give us at minimum 10-years of trouble-free service, no rusting and no issues with extra taste and odor. We will move onto station 2 maybe late this year or early 2022 because it will have to be scheduled for the down time season.

9c. W/W maintenance & Capital Improvements update:

No major updates currently. We are waiting on BEFCO to finish the survey for the Tahitian line upgrade now.

9d. Roads maintenance & improvement projects update:

19/20 Road Construction: The third section has been completed off Akaloa. Walk-thrus were made with contractors, county and engineering and it was all approved. The final batch (Pahalawe and Kaapahu) are in progress now and almost completed. With Covid, weather and some issues getting road base, the contractor has been pushed back through it all. We were set for several deliveries of base on the 3rd batch and drivers did not show up. We had to start making other arrangements, which we got in place and were able to keep moving eventually. This final batch should be wrapping up soon.

20/21 Roads: Final surveys was conducted in January. Realizing we are behind schedule; Mel and I are considering using the reclaimer on this batch of roads as a test year. We could contract out the ditch work, only so that it could be completed faster, then we could get the machine going in time for the season. This would eliminate having to put it out for bid as well, doing it in house. More on that in another agenda item.

9e. Employee update:

We have placed an ad & conducted some interviews for the office position. Including myself, we have had a few employees off at random times for Covid exposures or testing positive.

Currently, we are back to a full crew. We are all still maintaining a clean and sanitized environment as much as possible. The field crews are staying separated as much as possible and making sure the offices and vehicles are being cleaned and sanitized as well.

9f. General Office Update:

The only main update here is the construction of the maintenance facility. The site prep and pad have been completed. Concrete work will be starting in next week or two for the building to be delivered. Bluebonnet got the power to the site so that is ready to go. The water line is in place and sewer will follow that. We have already

received several requests for service quotes over in that area, since opening it up as well, so we are moving forward slowly.

- 10.) Discussion and possible action regarding the Road Committee:
 - a. Receive Monthly Committee Update

Paul Hightower stated we had a good meeting last week; the committee got the new density counts in and adjusted. There were quite a few errors moving from the old report, and its main names of streets and footage but it was some all-around good cleanup, my thanks to all of them for the time that they are putting in getting this all done.

In the end, we have come up with a very good years 4 and 5 adding some areas that are focusing on egress where we are experiencing growth. This could all change, you know, of course, depending on how the future goes with the reclaimer, but we need the basis for the plan which we are required to have.

Reviewing the plan year 1 and 2 locked in so I am going to start with year 3 on the plan. On year 3 we have Koolua, Haleakala, Taro Court, Laau Court, Laau Court, Kikipua, Waaipahoehoe Drive, Mokuleia Circle, Nene, Mokolea Lane which is right at 3 miles of road. Year 4, roads are Naalehu Court, Waimea Court, Olia Court, Makaha east to Mauna Kea, Oahu Court, Koko Court, Kaaawa Lane East, Manana Court and Kahana West. Year 5 roads are Heleakala Drive, Keneka, Aiea Court, Kaiwi Court, Hanauma Drive, Helemano Drive and Iva Lane and we have kept all of these connected as a group because it is what connects to Lamaloa, which is a county road now. This would be an egress route, no matter how you look at it for that whole area. It would be a primary egress route because the only way out is coming back up, Heleakala going down towards Riverside. If that is underwater or getting flooded the only way out is coming back up because you cannot go to the east because of the wash out. This is something that Commissioner Hamner is working on now as well. With the Boards blessing on this report, we will present it at the Annual Road Meeting.

Director Kier stated on the last the page you were showing, there were some high densities, some new ones that showed up on the list, could you move those up?

Paul Hightower stated they can lock in those streets.

Jo Egitto stated she wanted to be clear that we got directions from the board not to move people off the plan as they were newly qualified and will have newly qualified every year. Those group of roads will get prioritized at the top of that group.

Paul Hightower we are trying to be careful about what we add in, because if they get added in, we do not want to have to take them back out and reverse what the board was saying.

Director Kier stated what he thinks the Board said was for the years that were locked.

Jo Egitto stated Director Kier was not at that meeting, I think that is when we talked last time there was direction or lively discussion from the board about not taking a road.

President O'Hanlon stated what they were talking about how we had gotten a lot of negative feedback from people that seem to be perpetually in year four and every time these things are going roll up into a locked year, they never get there because somebody bumps.

Director Kier asked if we were hiring more people on the road crew. Paul Hightower stated that is for a future item. I would like to hire 2 more people and have a 4-man crew for roads. That is the reason for the restructure of the field crew. Taking Tyler Walsh off the utility side and let him focus more on roads.

The Board moved to Item # 18.

11.) Discuss and possible action regarding appointment of a Representative to the Road Committee

Paul Hightower stated we have been advertising for a couple of months to fill the position on the committee, we did receive one application from Michele Plummer wishing to get back on the committee. She is getting bored, and she wants to get back to work and help in the community. There was some discussion by the board in January when Greg was appointed to the committee regarding holding off on adding any, until after the annual, and see if we could spark any more interest. We currently have two openings which is Unit 1 and Unit 4 so the board could vote to accept Michele Plummer's application for Unit 4 Representative, or the board could hold off until the annual to see if we could get some interest from anybody else and take more applications so that the board has something to review.

So, at this point, it is up to the board to discuss it, and, and come back with their comments or suggestions.

Director Kier suggested we wait until the April meeting and see if we can get both positions filled.

Director Carmack stated he understands from Jo Egitto they need a lot of help right now so I say give Michele the Unit 4 Representative position and you will still have one open position.

Jo Egitto asked Paul Hightower to clarify how long we have had the vacancies on the committee.

Paul Hightower stated since about October or November.

Jo Egitto also stated one of the other responsibilities that the committee is undertaking is coming up with the names to compile a list of the road name changes to have one simplified list. So, the maps all say the same thing, and we can get GPS to say the same thing, because we had a lot of redundancy or omissions previous

plans. Our work is ongoing. I am willing to share the responsibilities with more committee members. Help is always good.

President O'Hanlon asked is there an interest in making a motion?

Motion: Butch Carmack moved to appoint Michele Plummer to the Road Committee as Unit 4 Representative.

President O'Hanlon asked if there is a second.

Seconded: Mary Beth O'Hanlon. Vote: Three (3) in favor, Two (2) abstentions, motion carries.

President O'Hanlon welcomed Michele Plummer back to the Road Committee.

- 12.) Discussion and possible action regarding water billing adjustment to customer accounts as a result of winter storm event
- Paul Hightower stated because of the winter storm event I have been thinking and exploring ways that maybe we could give something back as a credit to the customers for the extra water that was used during the freeze. This caught a lot of people off guard, and I am all about saving water and water conservation it's not all about selling the water. Several utilities in Texas, both on the water and energy side, are giving some sort of a credit back to the customers.

We were able to keep our plants flowing with water but we did have some of the control elements that got frozen, and we learned a few lessons from this this event We spent some considerable time out here manually controlling everything to keep people in water, we brought in a large diesel tank out to keep the generator running and we were also affected by the rolling outages so that is why we decided to just keep the generator running 24/7.

I feel like it would be a nice gesture to be able to give back to the community and show that we do care. I have been trying to think about several variations and I have run this by Tony. We could give anything from a 500 gallon to a thousand-to-2000-gallon credit or do a flat fee of \$5 or \$10. But, when I asked Tony his opinion, he stated that essentially, we cannot give a credit because it became it could be construed as giving a free service which we cannot do because of requirements to Texas Water Development Board and others that prohibits us from doing that.

But we could also do a temporary rate change for 1 or 2 billing cycles, where the base rate would include a set gallon rate, but I wanted to get the board's opinion and input on this.

President O'Hanlon stated everybody has been so complimentary of our staff and the work that they did throughout this terrible weather event and I add my voice to that. We were one of the few rural districts in the area that had water

throughout the whole event, excellent job water district, thank you very much for all your hard work.

Director Kier added they had excellent leadership.

President O'Hanlon any billing adjustment that we do is probably going to be token at best but is in favor of some token adjustment, to thank those citizens who did their part, to make sure our water kept flowing through this whole deal.

Director Kier suggested to reduce the monthly fee by \$5 for a month.

Paul Hightower stated from a billing perspective that will be the easiest. We could do a temporary rate order.

Tony Corbett from a legal perspective, my advice to Paul, which he just described is that this be done under the district rate authority as opposed to kind of a retroactive donation or free service. Instead, we are going to be modifying our rates prospectively and you have got rate discretion so I think that is the best way to do it, lawfully is just a probate prospective rate adjustment and there is lots of ways it could be implemented, that is up to the board, but I think that is the best way to accomplish the goal.

Director Whipple responded that \$5 seems like a very small token.

Paul Hightower stated \$5 would be about 600 gallons.

Director Kier stated he agrees it is a small token and asked how much did our consumption go up.

Paul Hightower stated it jumped about 600 thousand gallons.

Alma Rodriguez stated from a billing standpoint an adjustment on the base rate would be easier but if the Board chooses, we can do an adjustment on the tiers it would be a bit more complex.

Director Kier stated he is in favor of adjusting the base rate for next month by \$5.

Tony Corbett asked when is your next billing cycle?

Alma Rodriguez stated the next billing cycle will be April 10th for March consumption.

Tony Corbett asked if the board took action tonight, Alma, would you be able to incorporate that into the April 10th bills.

Alma Rodriguez responded yes.

Motion: Sam Kier moved to reduce the base rate for water by \$5 for the April 10th billing. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

- 13.) Discussion and possible action regarding replacement of District water meters, including reconsideration of prior purchase decision of the Board of Directors. Paul Hightower stated last year when this was posted for bid it was advertised as needing an all-inclusive process for a full installation which included hardware and software. When it was presented this to the board, the information that we had shown was supposed to be that all-inclusive pricing after we awarded Neptune and we got the ball rolling. They conducted the proposition study to find out how many repeaters that we would need for the elevation out here. We included 5 repeaters as a worse case. They were thinking we would need maybe 3 to 4. After the completion of their study, it ended up being closer to 10, which drive the cost up quite a bit. We have got it kind of honed down to eight, But the problem with this is the cost for installation of these repeaters was not factored in. They use a third-party company outside of theirs that had to be contracted. When asked about our bid request stated all-inclusive process, they said they were sorry, they miss telling us that these were contracted out. And speaking with the company that does this, they were told by Neptune to give us the best product possible because, you know, they knew they had messed up and so they were trying to eat some of it. But in the end, if we put up eight repeaters, spread around the system, it gives us a 95 and 98% read accuracy which equates to on 2000 meter, for example, which we are not far from. We could read roughly 1900 of those, give or take a few but the rest would have to be done by drive by, but it is kind of defeating the purpose for what we are trying to accomplish in the end. By adding the extra repeaters and the labor to install them, we are looking upwards of extra \$85k and \$90,000. Which pushes our final budget member up to the \$750k mark and I just disagree with this 100%.

Mr. Hightower stated we can get into a cellular system from another manufacturer for around the same ballpark as what we were with the Neptune system. There are differences those pros and cons that we liked and disliked about the systems and the software's and how they read what they can do here in the office and how the employees liked it. But honestly, I would like to republish for bids to make sure that we are getting the right pricing we are getting what we need and to make sure it is the best for our money and our customers' money because I do not want to be left with something where we are trying to do an upgrade, but we are not moving forward because we still must drive around and get 100 meters. It just does not make sense to me, but I feel like we would be better off with a cellular option as opposed to the AMR network just because of our terrain out here. So, at this time I am recommending to the board that we reverse our decision to go with Neptune and let us re-evaluate the meters and hopefully bring this back at the May Board meeting.

Motion: Sam Kier moved to reverse the previous decision by the Board to go with Neptune meter system. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

Director Carmack asked when will the meters be obsolete.

Paul Hightower stated they already are. We are currently reading the same way with the driveway system, but the system is not supported so if the meters go out, we will have to read the meters manually.

14.) Discussion and possible action regarding location of future Board of Directors' meetings

Paul Hightower stated after the recent Governors mandate to lift the mass restrictions for the State, the City of Bastrop has decided to lift all restrictions as well, and they leave it up to individual businesses discretion on requiring mask. At the office, we are still requiring people to wear a mask for the time being. The Bastrop Convention Center is opening back up and they are offering us to return there for meetings. Our hopes are that once to new maintenance building is complete and we get moved into the building we can start holding our meeting back on our own building within the next 4 to 6 months so I do not want to lock us down to anything but if the Board wants to go back to the convention center, that is fine. The City will not require mask to be worn but recommend mask and social distancing, but we would have to police it and make sure everyone is wearing mask. If it causes conflict, we have asked them to leave, or we must call the police. Thinking about it all and knowing that we have members with health constraints and issues I would not like to take any chances and it could put us as an increased risk so does the board wish to go back to meeting at the Convention Center or just staying virtual for the time being while it is still allowed?

Director Kier asked Tony Corbett if the public meetings act under Abbott are still allowed to conduct virtual meeting.

Tony Corbett responded yes Governor Abbott has not lifted the order which granted some exceptions to the Open Meetings Act. But there's also a couple of bills that have been filed in the current legislative session. I do not know if they will pass but they would continue this practice as a matter of law, not just by emergency order.

President O'Hanlon stated she likes in person meetings better but would kind of like to stay with virtual meetings for a while longer.

Director Kier stated he was okay with virtual meetings for another couple months to see if things calm down due to vaccinations.

President O' Hanlon stated the consensus she is hearing is that we would like to remain virtual for a while longer.

Paul Hightower stated he would contact the City of Bastrop and start the refund process and the cancellation.

15.) Discussion on future capital improvement projects and financing analysis by SAMCO Capital Markets

Paul Hightower stated regarding this item we are progressing forward very well. We did have to make some adjustments from what originally was presented. A couple items were removed due to price increases from the current economic standpoint. We did have a couple of choices from engineering on either looking at reduced, contingency or a reduced scope, and what we chose was to go with a reduced scope. The only difference between them was a \$260,000 amount that we had in there for the Mauna Loa line after speaking with BEFCO about this item it was more of a wish list item and it was even considered to be removed. So, we felt comfortable taking that out after all the conversations with the engineering firms. We can also note that if we have leftover funds from any project the funds be appropriated to the Mauna Loa line with no issues. In preparing for the worse, this scope will get all our high maintenance items and our compliance line items completed. Then we can plan for the future of the elevated water tower of the water well, and the GST and water plant looking into the next five years.

The small items that were removed from the plan were really considered housekeeping items, but we can do those items in house.

The items presented represent our Capital Improvement Plan and it gets the district where it needs to be so otherwise, we will be moving forward as planned and the next item on the on the agenda is to approve the resolution for the application of TCEQ.

16.) Discussion and possible action regarding adoption of Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Revenue Notes with a Term Longer than Three Years

Paul Hightower stated he had a conversation with Ken Heroy today and they are ready to file the application pending this resolution. The application should be filed within the end of next week. Also Ken Heroy wanted to make sure that the District, understood the timeline of the application and explained the difference of this being a revenue note and not a revenue bond, with a bond you are typically asking to reimburse a contractor or something along those lines requires voting according to the Texas Water Code and TCEQ rules you can make it an expedited 45 day review so you can get moving along but we are going after a note it doesn't require the voting process, but it typically doesn't fall under the expedited rules either so he stated so they are going to try to expedite it since we have some compliance issues but if it doesn't work, it doesn't make it, It will fall under the up to 120 day category. The staff recommends approving the resolution for the application process with TCEQ.

Director Kier asked if it goes to the 120 days, are we allowed to let the contract for Tahitian go or do we have to wait until we get the note?

Paul Hightower stated he would have to find out an answer on that.

Tony Corbett asked would you want to enter into a contract, you will not have the funds available?

Director Kier stated we have cash we could use for this project.

Paul Hightower stated essentially, we would be reimbursing ourselves.

Tony Corbett stated under federal tax laws, you are allowed to reimburse yourself or with bond proceeds for expenditures made, but you are required to adopt what is called a reimbursement resolution. Jerry Kyle can provide a reimbursement resolution for you. If you do want to be in a position to use general fund monies, then later reimburse those with bond proceeds you need to adopt the reimbursement resolution.

Tony Corbett added you can adopt the Reimbursement Resolution at the next meeting and have it in place. I think there is a three-year period so that should not be a problem, but you just cannot reimburse any monies that are expended before you adopt that resolution.

Paul Hightower stated if the Board approved the resolution, we would have to get the signatures on it and get it to them hopefully by Monday.

Motion: Sam Kier moved to approve the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Revenue Notes with a Term Longer than Three Years. Seconded: Scott Ferguson. Vote: Four (4) in favor, motion carries.

- 17.) Discussion and possible action regarding waiver of lien fees for late payment of road fees for Unit 02 Block 17 Lots 1750, 1752, 1753 and 1771 - 1775
President O Hanlon asked Alma Rodriguez to present this agenda item.

Alma Rodriguez stated we received a letter from Michael Gudell requesting that lien fees are waived on the stated lots. The District assessed liens on the stated lots in 2018 since fees were not paid on these lots in 2017. Mr. Gudell states that he originally talked to Jim Ouellet about waving the fees and Mr. Ouellet agreed to waive late and lien fees but that never happened. There is no documentation regard this issue in the file. Last year, Mr. Gudell made a request to the Board that the fees be waived, and it was denied so he is making the same request to the Board.

Michael Gudell stated he really appreciates the Board taking and giving him time today and he had a couple of points to add.

Mr. Gudell added the 2017 road fees were received late, due to a mislabeled envelope, causing the water district check to be sent to the county by my mistake but in January he discovered the mistake, and another check was written. It included the late fees for 2017, just because technically you did not receive the check and it was my fault. But, as we, as we have mentioned, the following year, additional late fees were assessed because of the information I received from the general manager at the late fees were going to be waived. Apparently, he did not have the authority to make that statement and the fees were not waived, but that's all water over the dam because I paid those late fees and all road fees since then

with the exception of the \$360 in lien fees, which I assume are meant to cover the cost, filing the Liens, which is why I'm confused because no lien was ever placed on the property and it doesn't seem fair to assess me those costs. So, I am asking the board to consider waving these fees, considering all these circumstances.

Director Kier asked Ms. Rodriguez if that was true no liens were filed.

Alma Rodriguez stated not to her knowledge, but she is trying to pull up the files right now.

Michael Gudell stated he called the County to make sure on the liens and none were filed unless they were recent.

Alma Rodriguez stated she found the files and the liens were recorded by the Courthouse on January 23, 2018. She sent Mr. Gudell the recorded copies.

Michael Gudell stated he is trying to sell the property so I do need to get everything cleared for a clean title on the property so if that is true, then that would show up on the title search.

Motion: Sam Kier moved to deny the request to waive lien fees for Unit 02 Block 17 Lots 1750, 1752, 1753 and 1771 - 1775. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

- 18.) Discussion and possible action design and construction of 2021 Road Improvement Projects
 - a. Discussion and possible action regarding contracting for engineering services for road improvements;
 - b. Discussion and possible action regarding lease or purchase of equipment to undertake road improvements with District personnel;
 - c. Discussion and possible action regarding restructuring of interlocal agreement with Bastrop County to construct road improvements; and
 - d. Authorize such other action as may be necessary to proceed with 2021 road improvement projects.

Paul Hightower stated we are behind on the projects due to weather delay and COVID. But from last month's board meeting in the weather, we are trying to get everything moving as best we can, but after several months of delay, we did get the surveys in for this year's roads early in February. If we choose to go out for bid, BBFCO said that they can have the packet together quickly, and we can start the process. We would be a solid 60 days, outdoing the whole process.

As we discussed in some of the prior board meetings, typically, how we deploy the external road crews depends on surveys, bid, the Annual Road plan, putting all that together, and the schedule of the internal employee crews based on maintenance issues, work orders, prioritization, phone calls, customers, etc. We have had many discussions lately of using an all-in-one machine, called a reclaimer. Basically, it

takes the ground and grinds it up and injects it with a stabilizer which is like a glue and it puts it back down into this compacted concrete block material. Which, in the end, is your formed a road base. Mel and I have had several meetings with several machine manufacturers as well as some actual machine users, other counties, districts, cities, and as well talked about training on these machines and completing road work in house. As I mentioned earlier, we are hiring one more person, as of right now, and we would like to hire two to get this process going.

If we purchase or lease the reclaimer training is included. We would amend our current Interlocal Agreement with the County for some edits to allow them to work with us on it as well. But as I stated earlier, the surveys are complete, and we are ready to move forward at any point on our own, whether it will be bid out for contractor or work done in house. Blending this with the next item B, talking about the lease of the purchase to buy one. The cost runs anywhere from \$300k to \$700,000. For either a new or used machine. This is a basic machine for what is needed in our area. With purchasing one, we are responsible for the maintenance and the upkeep. New machine, of course, comes with a 12-month warranty, and you can get it, you know, extended warranties. But speaking to several different dealers, we can lease a machine which I feel we will better use for our money. Currently the lease rate is around \$13,400 a month on a month-to-month basis. If we chose to lease for 3-to-6-month option, the price is \$12,700. These were on a government contracted rate schedule. The normal rate is between \$14k to \$16,000 so we are saving a few thousand dollars there and with the lease, they take care of the maintenance and upkeep of the machine, basically all that we are responsible for are the teeth and those are set up on a percentage show measure when it is dropped off and it is picked up. If we break one, we replace it. The teeth run about \$9,000 for a complete change out but you seldom do you have to change them. The reclaimer has about 400 teeth.

The softer sandy areas will not hurt it at all but if we hit a harder or a rocky area, that is where we will get some wear down. We are responsible for daily inspections and checking all the fluid levels, otherwise, they do the oil, filter hydraulics and then maintenance on the machine.

With a lease, we are allowed 176 hours a month, which roughly equates to 44 hours a week on a four-week schedule so there is more than enough time for us to accomplish the task. They look at the overall our count, not on a daily or weekly basis so if it gets used 12 hours, one day, in six hours, the next, it will not matter. If we lease the reclaimer for six months, it will cost us roughly \$76,000.

We do not have any true numbers for ourselves of what the machine can do per mile, but going off what the county does, as well as some real user information that I would say we can easily manage roughly a mile per week of construction after we learn the ins and outs of operating it.

With the reclaimer after our process is complete, the County then comes in behind us with the chip seal. At a minimum, we can get this year's roads, constructed and ready for the County to pave and then possibly get several miles, shaped, and

constructed as well. Commissioner Hamner said that he felt confident they could get 5 to 6 miles of roads paved if we have them ready, looking at their schedule, he is having a meeting tomorrow with his employees in lining their schedule out for this year. I just want to make sure that we are careful, and that we do not get too far ahead of the county. I do not want us to get into a position where we have miles sitting out here, waiting for them.

A rough estimate with doing the work in house is around \$160,000 to \$170,000 per mile mark with the lease, stabilizer, engineering and in house labor. But with all of that, I would like to recommend moving forward with leasing the machine for three months.

Director Kier asked what 3 months would you lease the reclaimer, and would you have enough time between now and then to get the ditch work done?

Paul Hightower responded they need 30 to 45 days, heads up on the lease so that would give time to work the ditches and do what we need to do. If we did not have the time or the ability to get it done in house fully on the ditches, then we could hire a contractor to come in and pop them out quick. Of course, that would increase our cost a little bit.

Director Kier asked Paul Hightower if he would need to get a Request for Proposal on the ditch work if we needed a contractor.

Paul Hightower stated he would have to ask that questions and he talked to the contractor that we used last year how much he would charge per day and the contract gave him a quote of \$1500 a day to shape those ditches and would have no problem getting a mile plus a day on the ditch work. So, if we did five miles for example it would cost roughly \$7,500 to \$8,000.

Director Kier stated that is within your limits and would not have to do a Request for Proposal.

Paul Hightower stated that is well within the ability of the spending limit.

But even if we had to have it but was the ditch work include the driveway?

Director Kier stated his worry is the timing of project plan. He spoke with Commissioner Hamner last week about this and one of learning experiences was that we really should try to get the roads paved in the same year, the potholes were a bigger problem than he thought they were going to be. The stabilizer is almost like cement and when they went to work on the potholes some of the road broke up and they had to start over.

Paul Hightower stated they had one of the roads where they had an issue and that was a learning curve for them, but they have not had any other issues.

Director Kier stated Commissioner Hamner said lesson learned you need to get them paved the same year.

Director Kier asked what the timeline was because he just wants to make sure we can get it all completed.

Paul Hightower stated we are putting a work plan together and looking at the timing of everything, if we had the machine here, say, by the middle of May we were thinking the first of July, we should be able to have this year's roads constructed with no problem. And that gives us time to go through the learning process and also gives us time to shape the ditches. Cody has already started on the roadside to shape in, and I think we counted 18 or 19 culverts that would have to be installed. The reclaimer is the quickest part about this process because of what it does, or how quick it goes.

Director Kier asked if there was enough time to get to new employees and upcoming training?

Paul Hightower they will be interviewing next week. I do not think there is going to be a big learning curve or a big turning curve with that. Cody actually ran a reclaimer before in Colorado where he moved from, so he has got an experience with it which plays to our advantage. I believe it is doable, I could be wrong we put a lot of time, we have put a lot of talking to this.

President O'Hanlon stated I would argue that we have risk either way, we're behind, if we have to do the bid book, to keep doing things the way we have been where we contract out we are at least 60 days out from having anyone start at work which puts us farther back into the summer when it gets done but I share the concern that we want to try to stay in sync with the County so that we're not prepping roads that sit unpaved and we have to do a lot of remedial work when it's time to pave them but that is my way of thinking this is my opinion here, clearly, we don't want to buy this machine. In hopes not to be on the road business forever but the other piece is that if this machine works the way the County states and the County did buy a used machine, but it is not solely for Precinct One, so we do not get a lot of use of the machine he shares, it with the other County Commissioners. But Commissioner Hamner is really sold on this particular machine as a way to speed up construction of the roads. If Commissioner Hamner is committing to do five miles a year of chip sealing, if we can prep that, that is double what we have got planned. So, if it works out for us, we can really speed up the amount of time I think I agree with the notion of leasing it for three months as more or less a test case to make sure it really is going to perform as advertised, that we are going to be able to co-ordinate our activities with the county successfully so I lean in favor of leasing the machine because if it does work for us, it can be a game changer.

Motion: Sam Kier moved to lease the reclaimer for 3 months and to hire 2 people on the road crew. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

Paul Hightower stated he is hoping that it that it plays out like we are expecting, and like I say, it will be a big learning curve, but if we can take it and move with it and learn, I think the future would definitely be a lot brighter for us.

President O'Hanlon asked since having made this decision, do we not need to deal with item number C under 18, which is to restructure the Interlocal Agreement with Bastrop County to reflect that we are going to use this method for this year.

Paul Hightower stated that he will get Commissioner Hamner on amending the Interlocal Agreement and have Tony Corbett review the revisions and we will bring this back to the next board meeting for approval of the amended Interlocal Agreement, but the County stated there are no issues with them accepting the use of the machine.

- 19.) Discussion and possible action regarding approval of final contract (including rate schedule) for District engineering services

Paul Hightower stated the Board voted in January to retain BEFCO the next step was to get the rate schedule from them, which was in your addendum package, rates did not change. If there are no comments then staff recommends the board approve the rate schedule, as presented from BEFCO.

Motion: Sam Kier moved to approve the final contract and rate schedule as presented. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

- 20.) Discussion and possible action regarding amendment of bookkeeping contract with Municipal Accounts & Consulting, L.P

President O'Hanlon stated tonight we must approve the bookkeeping contract with our bookkeeper's Municipal Accounts and Consulting.

Paul Hightower stated we received the contract for MAC, they handle all the district's bookkeeping. The only changes from the last contract, is now the contract reflects that payable are processed on a weekly basis rather than biweekly at no additional cost. Processing payables on a weekly basis is easier on the office. MAC is incorporating a tiered rate structure for all their clients, for any additional bookkeeping work that fall outside of our normal scope of work. Which they did so rarely ever happens for us. In the past, they have had a flat rate structure, the flat rate fee was \$125, MAC also noted they do not typically have much additional work for the district. The last item change is a monthly fee. They are asking for a 10% increase, which equates to \$350, which is roughly 3% an increase for each of the last three years.

Mr. Hightower stated this came up originally early last year, and we all had some in-depth discussion with some of the practices, there were some errors and some issues that we had had found going through with Mac. We had an in-depth discussion with them about the issues with Katherine Turner, who is now the new Area Supervisor. Ms. Turner is on board with how we handle things here and I can say they are doing a much, much better job for us. They have been very responsive

with getting our bond application items. Staff is recommending the board accept the Contract as presented.

Alma Rodriguez stated she agrees with Mr. Hightower that things have turned around since our meeting with Ms. Turner. They are doing a really good job.

Motion: Sam Kier moved to approve the amendment of the bookkeeping contract with Municipal Accounts & Consulting, L.P. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

President O'Hanlon announced at 9:20 P.M. the Board will meet in Executive Session regarding Consultation with Attorney to discuss agenda item #7.

21.) Executive Session-

- a. The Board reserves the right discuss in Executive Session any item referenced on this Agenda when authorized pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code, of the Texas Open Meetings Act.

The Board adjourned Executive Session at 9:36 P.M.

No action or decisions were made in Executive Session.

22.) Board suggestions on future agenda items
None

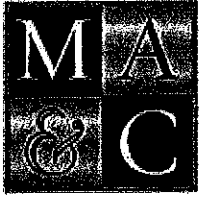
23.) Adjourn

Motion: Sam Kier moved to adjourn the meeting. Seconded: Butch Carmack. Vote: Four (4) in favor, motion carries.

MEETING ADJOURNED AT 9:37 P.M.

Board Director

Date



MUNICIPAL ACCOUNTS
& CONSULTING, L.P.

**Bastrop County Water Control &
Improvement District No. 2**

Bookkeeper's Report

March 31, 2021

Bastrop WCID No 2 - Water/Wastewater
Cash Flow Report - Operating Water Account
As of March 31, 2021

Num	Name	Memo	Amount	Balance
BALANCE AS OF 03/01/2021				\$731,174.67
Receipts				
	Payment from Standby Fund		162.50	
	Payment from Road Fund		18,651.78	
	TO Void check to CheckR from prior year		61.50	
	Interest Earned on Checking		33.60	
	Bank Adjustment		0.30	
	Accounts Receivable-W		290,888.01	
	Accounts Receivable - Pump/TWDB Reserve		7,394.58	
Total Receipts				317,192.27
Disbursements				
24319	WJC Constructors, LLC	Fuel	(8,500.00)	
24320	Alma Rodriguez.	Mileage	(82.99)	
24321	AT&T Mobility	Telephone Expense	(485.55)	
24322	Badger Meter Inc	Meters	(4,501.15)	
24323	Bastrop County Clerk	Filing Fee - WW Escrow Account	(400.00)	
24324	BB Printing	Office Supplies	(261.73)	
24325	Curtis Oltmann Excavation, LLC	Capital Outlay Culverts	(2,000.00)	
24326	Frontier Communications	Answering Service	(70.42)	
24327	Grainger Inc	Repair & Maintenance	(238.12)	
24328	Lowe's Business Account	Materials	(1,326.37)	
24329	Walmart Community/SYNCB	Office Supplies	(172.75)	
24330	Wex Bank	Fuel	(2,222.43)	
24331	Wells Fargo Vendor Fin Serv	Equipment Lease	(451.86)	
24332	Ameritas Life Insurance Corp	Insurance	(700.68)	
24333	ASCO Equipment Inc	Equipment Rental	(342.20)	
24334	Bastrop WCID No 2	Petty Cash Replenish	(15.00)	
24335	BEFCO Engineering, Inc	Engineering Fees	(4,480.00)	
24336	BlueCross BlueShield of Texas	Insurance	(16,641.19)	
24337	BOXX Modular Inc.	Office Rental	(1,204.00)	
24338	Card Service Center	Credit Card Expense	(3,567.04)	
24339	DPC Industries, Inc.	Chemicals	(250.00)	
24340	Esquivel Enterprise	Cleaning	(400.00)	
24341	Home Depot	Materials & Maintenance	(734.86)	
24342	Lost Pines Groundwater Conservation Distr	Ground Water Assessment	(1,634.95)	
24343	Matrix Imaging Solutions (C)	Printing	(556.40)	
24344	McCoy's Building Supply Corp	Materials	(209.90)	
24345	Midtex Material LLC	Water Line Improvements	(480.61)	
24346	Municipal Accounts & Consulting L.P.	Bookkeeping Fees	(6,518.36)	
24347	Time Warner Cable	Telephone/Internet	(120.62)	
24348	TLC Office Systems	Computer	(1,469.50)	
24349	TML Intergovernmental Risk Pool	Insurance	(173.46)	
24350	Waste Connections	Garbage	(83.93)	
24351	Wells Fargo Vendor Fin Serv	Equipment Lease	(1,247.92)	
24352	Time Warner Cable	Telephone/Internet	(128.51)	
24353	973 Materials, LLC	Dust Base	(2,273.87)	
24354	Alessandra Di Lorenzo	Water Line Bore	(550.00)	
24355	Ameriflex Business Solutions	FSA Spending	(100.14)	
24356	Ameriflex Business Solutions.	Insurance FSA Fees	(86.00)	
24357	Aqua Beverage Company	Drinking Water	(46.49)	
24358	Aqua Water Supply Corporation	Lab Fees	(175.00)	

Bastrop WCID No 2 - Water/Wastewater
Cash Flow Report - Operating Water Account
As of March 31, 2021

Num	Name	Memo	Amount	Balance
Disbursements				
24359	AT&T	Telephone Expense - Lift Station	(135.63)	
24360	AT&T	Damage Claims	(2,334.81)	
24361	Barnard Tire & Auto	Maintenance & Repair	(126.49)	
24362	Bastrop County Treasurer's Office.	Communication/Radios	(733.50)	
24363	Bastrop WCID No 2 - W/W	WasteWater Service	(141.03)	
24364	Bastrop WCID No 2 - Water	Purchase Water Expense	(471.20)	
24365	Cintas Corporation #86	Uniforms	(790.23)	
24366	Ferguson Enterprises, Inc. #1106	Repairs & Maintenance	(2,795.60)	
24367	Fluid Meter Service, Corp	Meter	(2,115.00)	
24368	Grainger Inc	Repair & Maintenance	(9,909.36)	
24369	Johnson Lab & Supply Inc.	Materials & Maintenance	(1,095.62)	
24370	La Grange NAPA	Repair Vehicle	(251.04)	
24371	McLean & Howard, LLP	Legal Fees	(500.00)	
24372	Midtex Material LLC	Water Line Improvements	(1,167.75)	
24373	Professional Image Communications	Answering Service	(195.00)	
24374	Brandi Sneed	Customer Deposit Refund	(27.47)	
24375	Phyllis Wolfe	Customer Deposit Refund	(65.36)	
24376	Scott & Jo Grady	Customer Deposit Refund	(90.61)	
24377	Johnny Chavez & Tami Hoffman-Chavez	Customer Deposit Refund	(138.03)	
24378	Gerald A & Suzette L Crees	Customer Deposit Refund	(183.75)	
24379	One Stop Leasing.	Customer Deposit Refund	(165.10)	
24380	Chris Lively & Amy Smith	Customer Deposit Refund	(17.71)	
24381	Wesley & Kim Wyatt	Customer Deposit Refund	(21.43)	
24382	Norman Sharp	Customer Deposit Refund	(83.75)	
24383	Travis Tharp & Joy Conner	Customer Deposit Refund	(152.71)	
24384	Sherry Schena	Customer Deposit Refund	(26.61)	
24385	VDT Holding LLC	Customer Deposit Refund	(10.30)	
24386	Darwin Homes TX LLC	Customer Deposit Refund	(147.46)	
24387	Joshua Salazar	Customer Deposit Refund	(169.79)	
24388	DPC Industries, Inc.	Chemicals	(1,308.29)	
24389	Ferguson Enterprises, Inc. #1106	Maintenance	(2,608.82)	
24390	Home Depot	Materials & Maintenance	(113.28)	
24391	Humana Hlth Plan TX	Insurance Premium	(155.91)	
24392	IHS Landscaping & Services Inc	Mowing	(1,044.00)	
24393	Quadient Inc	Office Equip Lease	(151.66)	
24394	RDO Equipment	Equipment Repair	(5,819.50)	
24395	Unum Life Insurance Company	Insurance Premium	(621.59)	
24396	Shaun K Moore	Building	(9,365.00)	
24397	Shaun K Moore	Building	(1,882.00)	
24398	Ameriflex Business Solutions	PSA Purchases	(51.06)	
24399	AT&T Mobility	Telephone Expense	(448.55)	
24400	Consolidated Tank	Water Tank Maintenance	(7,500.00)	
24401	Frontier Communications	Answering Service	(71.80)	
24402	Johnson Lab & Supply Inc.	Materials & Maintenance	(510.28)	
24403	K 3 Transport LLC	Capital Outlay	(2,078.96)	
24404	Lowe's Business Account	Materials	(311.23)	
24405	Midtex Material LLC	Water Line Improvements	(210.00)	
24406	Riley Fox Endeavors LLC	Lease for Building Lot Space	(518.48)	
24407	Texas Rural Water Association	Training - 2021 Engineering Conference	(225.00)	
24408	Tractor Supply Co	Materials	(874.90)	
24409	USABluebook	Materials & Maintenance	(824.53)	
24410	Walmart Community/SYNCB	Office Supplies	(41.81)	

Bastrop WCID No 2 - Water/Wastewater
Cash Flow Report - Operating Water Account
As of March 31, 2021

Num	Name	Memo	Amount	Balance
Disbursements				
24411	WJC Constructors, LLC	Contracted Repairs	(17,550.00)	
EFT	Bastrop WCID No 2	TCDRS - Retirement Payment	(9,512.59)	
EFT	Bluebonnet Electric Coop	Utility Expense	(4,285.06)	
EFT	City of Bastrop	Purchase Sewer Service	(11,223.19)	
INT/SRV	Bastrop WCID No 2	Credit Card Discount Fees	(2,411.71)	
INT/SRV	Bastrop WCID No 2	Bank Fee	(45.00)	
PAYROLL	Bastrop WCID No 2 - Water	Payroll - 02/24/2021-03/09/2021	(20,315.72)	
PAYROLL	Bastrop WCID No 2 - Water	Payroll - 03/10/2021-03/23/2021	(19,639.55)	
PAYROLL	Alliance Payroll	Payroll Fees	(249.54)	
PAYROLL	United States Treasury	Payroll Liabilites	(12,762.09)	
RCT/TRN	Bastrop WCID No 2	Transfer to WW-Annual TWDB	(37,145.59)	
Total Disbursements			(260,843.03)	(260,843.03)
BALANCE AS OF 03/31/2021				\$787,523.91

Bastrop WCID No 2 - Water/Wastewater
Cash Flow Report - TWDB WW Account
 As of March 31, 2021

Num	Name	Memo	Amount	Balance
BALANCE AS OF 03/01/2021				\$572.00
Receipts				
	No Receipts Activity		0.00	
Total Receipts				0.00
Disbursements				
	No Disbursements Activity		0.00	
Total Disbursements				0.00
BALANCE AS OF 03/31/2021				\$572.00

Bastrop WCID No 2 - Standby
Cash Flow Report - Standby Operating Account
 As of March 31, 2021

Num	Name	Memo	Amount	Balance
BALANCE AS OF 03/01/2021				\$94,371.66
Receipts				
	Accounts Receivable		<u>281.97</u>	
Total Receipts				281.97
Disbursements				
3998	Bastrop WCID No 2 Water	AP	<u>(162.50)</u>	
Total Disbursements				<u>(162.50)</u>
BALANCE AS OF 03/31/2021				<u><u>\$94,491.13</u></u>

Bastrop WCID No 2 - Roads
Cash Flow Report - Road Const Operating Account
As of March 31, 2021

Num	Name	Memo	Amount	Balance
BALANCE AS OF 03/01/2021				\$105,669.60
Receipts				
	Accounts Receivable		262,888.18	
Total Receipts				262,888.18
Disbursements				
5371	973 Materials, LLC	Recycled Base	(390.42)	
5372	BEFCO Engineering, Inc.	Engineering Fees	(7,400.00)	
5373	Matrix Printing Solutions	Postage	(791.17)	
5374	973 Materials, LLC	Recycled Base	(6,102.54)	
5375	Bastrop WCID No 2 Water	Transfer to Water - AP Reimbursement	(18,651.78)	
5376	McCreary, Veselka, Bragg & Allen PC	Attorney Fees	(1,841.84)	
5377	Sarah Loucks, Bastrop Cty Dist. Clerk	VOID: 05-03-0244 (R35542) George & Barbara Ea	0.00	
5378	Corina Stanley & David Juarez	Refund - Independence Title	(204.00)	
5379	Holt CAT	Equipment Repairs	(369.28)	
5380	973 Materials, LLC	Recycled Base	(1,166.81)	
5381	K3 Transport LLC	Materials	(5,412.40)	
FEES	Bastrop WCID No 2 RC	Credit Card Discount Fees	(250.61)	
Total Disbursements				(42,580.85)
BALANCE AS OF 03/31/2021				\$325,976.93

Bastrop County Water Control & Improvement District No. 2

Account Balances

As of March 31, 2021

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
Fund: Water/Wastewater					
Money Market Funds					
AMEGY BANK - TRUST (XXXX1041)	01/01/2017		0.05 %	642,204.44	WW-ESC TWDB Loan
FIRST NATIONAL BANK BASTR (XXXX4385)	01/01/2017		0.25 %	357,564.28	WW-Annual TWDB
FIRST NATIONAL BANK BASTR (XXXX5076)	01/01/2017		0.25 %	71,282.15	Water MM
FIRST NATIONAL BANK BASTR (XXXX3543)	01/01/2017		0.25 %	146,000.81	Water Cap Improv
TEXPOOL (XXXX0001)	04/30/2019		0.03 %	457,284.93	TWDB Reserve fund
TEXPOOL (XXXX0002)	05/30/2019		0.03 %	1,620,766.43	Water
TEXPOOL (XXXX0003)	02/04/2020		0.03 %	613,276.90	Building Funds
Checking Account(s)					
FIRST NAT BASTR-CKING (XXXX1469)			0.10 %	787,523.91	Operating - Water
FIRST NAT BASTR-CKING (XXXX3289)			0.10 %	572.00	TWDB WW
Totals for Water/Wastewater Fund:				\$4,696,475.85	
Fund: Standby					
Checking Account(s)					
ROSCOE STATE BANK (XXXX2687)			0.10 %	94,491.13	Standby Operating
Totals for Standby Fund:				\$94,491.13	
Fund: Roads					
Money Market Funds					
ROSCOE STATE BANK (XXXX3131)	01/01/2016		0.50 %	753,679.08	Road Const MM
Checking Account(s)					
ROSCOE STATE BANK (XXXX2709)			0.10 %	325,976.93	Road Const Operating
Totals for Roads Fund:				\$1,079,656.01	
Grand total for Bastrop County Water Control & Improvement District No. 2:				\$5,870,622.99	

**Bastrop WCID No 2 - Water/Wastewater
Actual vs Budget Water**

March 2021

	Mar 21	Budget	Jan - Mar 21	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
Water-Revenue					
14110 · TV Water Sales	130,826	133,333	351,953	400,000	1,600,000
14115 · Water Late Charge Income	1,419	2,083	2,903	6,250	25,000
14120 · TV Tap Fees	21,000	18,750	78,000	56,250	225,000
14125 · Capital Reserve Fee	16,801	7,917	50,137	23,750	95,000
14130 · Water Line Bore	550	2,500	5,050	7,500	30,000
14140 · Backflow Inspections	0	417	0	1,250	5,000
14145 · Returned Check Fee	0	0	0	0	0
14148 · Pools	110	25	110	75	300
14150 · Maps Sold	0	21	75	63	250
14155 · Office Rents	275	292	825	875	3,500
14160 · Other Income-W	752	5,417	891	16,250	65,000
14170 · Reconnect Fee	0	833	2,000	2,500	10,000
14175 · Interest-W	76	1,250	404	3,750	15,000
14180 · Copies & Faxes	1	4	1	12	50
14190 · Irrigation Systems	0	25	0	75	300
Total Water-Revenue	171,811	172,867	492,349	518,600	2,074,400
Total Income	171,811	172,867	492,349	518,600	2,074,400
Gross Profit	171,811	172,867	492,349	518,600	2,074,400
Expense					
Water-Expense					
16100 · Payroll	46,766	54,167	135,690	162,500	650,000
16100a · Salaries	1,818	2,083	4,626	6,250	25,000
16100b · Over Time	346	208	7,476	625	2,500
16100c · Double Time	2,587	3,333	10,408	10,000	40,000
16100e · Holiday	586	2,083	3,264	6,250	25,000
16100f · Annual Leave	1,848	1,667	4,887	5,000	20,000
16100g · Sick	161	250	474	750	3,000
16100h · Personal Time	3,993	5,417	12,542	16,250	65,000
16100k · FICA	5,699	5,417	17,329	16,250	65,000
16100m · Retirement-Life	291	333	1,763	1,000	4,000
16100n · SUI	0	958	0	2,875	11,500
16100o · Longevity Pay	51	83	535	250	1,000
16100p · FUTA	369	2,917	3,979	8,750	35,000
16100q · On Call Pay	0	0	0	0	0
16100r · Child Support	0	0	0	0	0
Total 16100 · Payroll	64,515	78,917	202,972	236,750	947,000
16110 · Health Insurance	13,336	15,833	40,008	47,500	190,000
16110a · Insurance-Medical	497	708	1,492	2,125	8,500
16110b · Insurance-Dental	300	146	744	438	1,750
16110c · Insurance-Vision	0	125	0	375	1,500
16110d · HSA	645	625	1,798	1,875	7,500
16110e · Insurance-Life					

**Bastrop WCID No 2 - Water/Wastewater
Actual vs Budget Water**

March 2021

	Mar 21	Budget	Jan - Mar 21	YTD Budget	Annual Budget
Total 16110 · Health Insurance	14,778	17,437	44,042	52,313	209,250
16116 · Office Building Rental	1,722	1,750	5,167	5,250	21,000
16117 · Payroll Service Fee	250	400	1,023	1,200	4,800
16118 · Hand Tools	1,076	417	1,183	1,250	5,000
16120 · Wellness Program	0	83	0	250	1,000
16121 · Uniforms-W	0	833	782	2,500	10,000
16122 · Mileage	91	208	249	625	2,500
16123 · Vehicle Usage	0	167	0	500	2,000
16124 · Admin Allocations	(24,870)	(9,067)	(40,154)	(27,201)	(108,804)
16125 · PPE Allocations	(12,351)	(20,200)	(38,814)	(60,600)	(242,400)
16125a · EOM Salary Reimburs from WW	(9,798)	(10,000)	(30,695)	(30,000)	(120,000)
16126 · Answering Service	195	208	580	625	2,500
16127 · Repairs-Contracted-W	0	125	0	375	1,500
16128 · Maint Agreement-Hand Held	0	167	780	500	2,000
16129 · Maint Agreement-Incode-W	0	1,375	878	4,125	16,500
16130 · Office Equip Lease	604	1,250	2,071	3,750	15,000
16131 · Pest Control	0	25	0	75	300
16133 · Water Well Admin Service Fee	0	25	0	75	300
16134 · Cleaning-Office	200	208	600	625	2,500
16135 · Garbage	84	100	252	300	1,200
16136 · Cleaning-Maint Building	200	250	600	750	3,000
16137 · Backflow Inspection	0	42	0	125	500
16138 · Chemicals-Chlorine	470	2,083	3,919	6,250	25,000
16138a · Contract Labor	0	417	0	1,250	5,000
16139 · Field Equip Rental-W	0	417	741	1,250	5,000
16140 · Fuel-W	1,393	1,042	12,371	3,125	12,500
16141 · Repairs & Maint-W	3,128	1,250	6,509	3,750	15,000
16142 · Materials-W	1,190	6,250	16,797	18,750	75,000
16144 · Safety Supplies-W	245	333	245	1,000	4,000
16145 · Damage Claims	0	833	1,167	2,500	10,000
16146 · Water Samples	200	833	550	2,500	10,000
16147 · Repairs & Maint-Water Well	0	3,333	0	10,000	40,000
16149 · Computer-W	1,529	1,667	4,934	5,000	20,000
16150 · Depreciation-W	18,541	17,083	55,623	51,250	205,000
16151 · Dues & Subscriptions	0	83	83	250	1,000
16152 · Election Costs	0	250	0	750	3,000
16153 · Fax	0	8	0	25	100
16154 · Late Fees-W	(25)	125	57	375	1,500
16155 · Internet	249	208	745	625	2,500
16156 · Printing-W	803	833	2,411	2,500	10,000
16156a · Janitorial Supplies	0	17	0	50	200
16157 · Office Supplies-W	57	417	902	1,250	5,000
16158 · Misc-W	23	833	3,276	2,500	10,000
16159 · Medical-W	0	83	0	250	1,000
16160 · Misc Office-W	105	250	763	750	3,000
16161 · Pre-Employment Screening	100	83	100	250	1,000
16163 · Postage & Delivery	130	1,250	3,996	3,750	15,000
16164 · Public Notice	0	250	0	750	3,000
16165 · Telephone-W	207	667	1,563	2,000	8,000
16166 · License-W	0	208	0	625	2,500
16166a · Advertising	0	42	0	125	500

**Bastrop WCID No 2 - Water/Wastewater
Actual vs Budget Water**

March 2021

	Mar 21	Budget	Jan - Mar 21	YTD Budget	Annual Budget
16167 · Bank Fees-W	45	42	105	125	500
16168 · Filing Fees-W	0	42	0	125	500
16171 · CC Fees	2,412	3,750	9,424	11,250	45,000
16172 · Interest Bonds-W	2,197	2,500	6,591	7,500	30,000
16174 · Accounting-W	1,858	1,667	6,573	5,000	20,000
16176 · Audit-W	0	1,250	0	3,750	15,000
16177 · Engineering-W	0	1,250	5,083	3,750	15,000
16178 · Legal-W	0	2,083	1,000	6,250	25,000
16179 · Insurance-W					
16179a · Insurance-Property-W	0	458	0	1,375	5,500
16179b · Insurance-Vehicles-W	173	142	1,423	425	1,700
16179c · Insurance-Misc-W	0	17	0	50	200
16179d · Insurance-E&O-W	0	42	0	125	500
16179e · Insurance-Liability-W	0	75	0	225	900
16179f · Insurance-Bonding	0	88	0	265	1,061
16179g · Insurance-FSA	86	417	483	1,250	5,000
16179h · Insurance-WC-W	0	333	0	1,000	4,000
16179i · Insurance-Wells	0	458	0	1,375	5,500
Total 16179 · Insurance-W	259	2,030	1,906	6,090	24,361
16180 · Repairs-Bldg-W	0	1,667	0	5,000	20,000
16181 · Repairs-Equip-W	734	417	3,013	1,250	5,000
16182 · Repairs-Vehicles-W	504	500	1,077	1,500	6,000
16182a · Yard Maintenance-Mowing	1,044	1,000	3,132	3,000	12,000
16183 · Travel					
16183a · Travel-Air	0	42	0	125	500
16183b · Travel-Lodging	0	208	0	625	2,500
16183c · Travel-Meals	0	208	164	625	2,500
16183d · Travel-Rental Car	0	21	0	63	250
Total 16183 · Travel	0	479	164	1,438	5,750
16184 · Training-W	1,386	0	1,972	0	0
16185 · Electricity					
16185a · Electricity-Maint Bldg	0	292	502	875	3,500
16185b · Electricity-Office Bldg	0	500	416	1,500	6,000
16185c · Electricity-Wells	0	4,167	6,692	12,500	50,000
16185d · Electricity-WW Lift Station	0	42	0	125	500
Total 16185 · Electricity	0	5,000	7,611	15,000	60,000
16186 · Water-Maint Bldg	0	167	572	500	2,000
16187 · Water-Office Bldg	0	167	191	500	2,000
16188 · Computer Supplies	0	833	0	2,500	10,000
16189 · Labor-Service Lines & Tap-W	19,650	1,667	19,650	5,000	20,000
16195 · Meter Testing Charges	0	21	0	63	250
16196 · Permits	0	100	0	300	1,200
16197 · Small Equipment Purchases	0	333	0	1,000	4,000
16199 · Communication/Radios	2,201	833	2,934	2,500	10,000
Total Water-Expense	97,330	133,667	339,268	401,002	1,604,007

**Bastrop WCID No 2 - Water/Wastewater
Actual vs Budget Water**

March 2021

	Mar 21	Budget	Jan - Mar 21	YTD Budget	Annual Budget
16191 - Engineering Fees - Bond App	16,685	0	23,905	0	0
Total Expense	114,015	133,667	363,173	401,002	1,604,007
Net Ordinary Income	57,796	39,199	129,176	117,598	470,393
Other Income/Expense					
Other Expense					
Capital Outlay-W					
17100 - Vehicles-W	0	2,083	0	6,250	25,000
17101 - Equipment-W	624	1,250	6,827	3,750	15,000
17102 - Meters-W	0	0	7,982	0	0
17106 - Line Extension-W	6,300	4,167	6,300	12,500	50,000
17107 - Buildings-W	17,055	0	60,554	0	0
17109 - Capital Outlay Culverts-W	0	5,000	2,000	15,000	60,000
17110 - Capital Outlay-W	0	3,750	0	11,250	45,000
17115 - Water Tank Main - W	40,500	3,333	83,350	10,000	40,000
Total Capital Outlay-W	64,479	19,583	167,013	58,750	235,000
Total Other Expense	64,479	19,583	167,013	58,750	235,000
Net Other Income	(64,479)	(19,583)	(167,013)	(58,750)	(235,000)
Net Income	(6,683)	19,616	(37,837)	58,848	235,393

**Bastrop WCID No 2 - Water/Wastewater
Actual vs Budget Wastewater**

March 2021

	Mar 21	Budget	Jan - Mar 21	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
Wastewater-Revenue					
14215 · WW Fees	60,591	67,917	181,490	203,750	815,000
14216 · Commercial WW Fees	3,006	3,333	9,096	10,000	40,000
14220 · WW Bore	60	833	2,610	2,500	10,000
14225 · WW Tap Fees	19,600	23,333	104,600	70,000	280,000
14230 · Pump Maintenance	0	500	0	1,500	6,000
14235 · Debt Service Reserve Fee	6,531	5,417	19,547	16,250	65,000
14275 · Interest-WW Reserve	0	25	0	75	300
14276 · Interest-WW	44	417	138	1,250	5,000
Total Wastewater-Revenue	89,832	101,775	317,480	305,325	1,221,300
Total Income	89,832	101,775	317,480	305,325	1,221,300
Gross Profit	89,832	101,775	317,480	305,325	1,221,300
Expense					
Wastewater-Expense					
16219 · Damage Claim	0	0	1,167	0	0
16221 · Uniforms-WW	0	500	782	1,500	6,000
16222 · W/W Salary Allocations	9,798	10,000	30,695	30,000	120,000
16229 · Maint Agreement-Incode-WW	0	375	0	1,125	4,500
16233 · Lift Station Admin Service Fee	0	208	0	625	2,500
16238 · W/W Chemicals	0	208	0	625	2,500
16239 · Field Equip Rental-WW	0	417	393	1,250	5,000
16240 · Fuel-WW	1,295	1,042	3,051	3,125	12,500
16241 · Repairs & Maint-WW	0	1,250	31	3,750	15,000
16242 · Materials-WW	4,623	3,750	10,444	11,250	45,000
16243 · Meter Testing-WW	0	19	0	56	225
16244 · Safety Supplies-WW	0	333	0	1,000	4,000
16247 · Repairs & Maint-Lift Stat-WW	0	833	0	2,500	10,000
16248 · Grinder Pump Repair-WW	234	2,083	4,043	6,250	25,000
16250 · Depreciation-WW	39,313	37,917	117,939	113,750	455,000
16251 · Tools	651	292	759	875	3,500
16257 · Office Supplies-WW	0	33	0	100	400
16258 · Misc-WW	0	83	0	250	1,000
16259 · Medical-WW	0	83	167	250	1,000
16260 · Op & Maint-City of Bastrop-WW	0	11,667	22,196	35,000	140,000
16265 · Telephone-WW	0	83	0	250	1,000
16266 · License-WW	0	50	0	150	600
16268 · Filing Fees-WW	0	63	400	188	750
16269 · TCEQ Fees-WW	0	267	0	800	3,200
16272 · Interest Bonds-WW	12,449	12,821	37,346	38,463	153,850
16274 · Accounting-WW	1,136	1,667	3,949	5,000	20,000

**Bastrop WCID No 2 - Water/Wastewater
Actual vs Budget Wastewater**

March 2021

	Mar 21	Budget	Jan - Mar 21	YTD Budget	Annual Budget
16276 · Audit-WW	0	1,250	0	3,750	15,000
16277 · Engineering-WW	0	833	260	2,500	10,000
16278 · Legal-WW	0	417	0	1,250	5,000
16279 · Insurance-WW					
16279a · Insurance-Property-WW	0	275	0	825	3,300
16279b · Insurance-Vehicles-WW	0	167	1,250	500	2,000
16279c · Insurance-Misc-WW	0	46	0	138	550
16279d · Insurance-E&O-WW	0	46	0	138	550
16279e · Insurance-Liability-WW	0	83	0	250	1,000
16279h · Insurance-WC-WW	0	500	0	1,500	6,000
Total 16279 · Insurance-WW	0	1,117	1,250	3,350	13,400
16281 · Repairs-Equip-WW	734	417	2,412	1,250	5,000
16282 · Repairs-Vehicles-WW	284	417	774	1,250	5,000
16283 · Yard Maintenance-Mowing	0	208	0	625	2,500
16284 · Training-WW	539	167	889	500	2,000
16285 · Electricity-Lift Stations	0	417	899	1,250	5,000
16286 · Water-Lift Stations	0	208	285	625	2,500
16289 · Labor-Service Lines & Tap-WW	0	167	0	500	2,000
16294 · Travel - Lodging	0	42	0	125	500
16295 · Travel - Meals	0	17	0	50	200
16296 · Travel - Rental Car	0	17	0	50	200
16297 · Small Equipment Purchases-WW	0	83	0	250	1,000
Total Wastewater-Expense	71,054	91,819	240,131	275,456	1,101,825
Total Expense	71,054	91,819	240,131	275,456	1,101,825
Net Ordinary Income	18,778	9,956	77,350	29,869	119,475
Other Income/Expense					
Other Expense					
Capital Outlay-WW					
17201 · Equipment-WW	624	0	6,827	0	0
17211 · Capital Outlay Grinder Pumps-WW	0	8,333	0	25,000	100,000
Total Capital Outlay-WW	624	8,333	6,827	25,000	100,000
Total Other Expense	624	8,333	6,827	25,000	100,000
Net Other Income	(624)	(8,333)	(6,827)	(25,000)	(100,000)
Net Income	18,154	1,623	70,523	4,869	19,475

Bastrop WCID No 2 - Roads
Actual vs Budget-RC
 March 2021

	Mar 21	Budget	Jan - Mar 21	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
Road Construction-Revenue					
34210 · Assessments	244,884	104,167	415,968	312,500	1,250,000
34215 · Assessments-Prior to 97	3,612	833	7,876	2,500	10,000
34220 · Late Fee	5,837	1,667	11,613	5,000	20,000
34225 · Late Fee- Prior	30	125	749	375	1,500
34235 · Lien Fees	8,044	2,083	13,871	6,250	25,000
34240 · Deed Admin Fee	0	333	10,202	1,000	4,000
34245 · Returned Check Fee	0	3	0	10	40
34250 · Filing Fees	461	250	845	750	3,000
34255 · Driveway	520	292	1,120	875	3,500
34265 · Attorney Fees	5,184	1,667	9,142	5,000	20,000
34270 · Allocation to Maintenance Fund	(27,083)	(27,083)	(81,250)	(81,250)	(325,000)
34275 · Interest-RC	256	83	743	250	1,000
Total Road Construction-Revenue	241,745	84,420	390,879	253,260	1,013,040
Total Income	241,745	84,420	390,879	253,260	1,013,040
Expense					
Road Construction-Expense					
36210 · Salary Allocations from Water	6,858	10,100	21,486	30,300	121,200
36224 · Admin Allocations from Water-RC	24,870	5,192	40,154	15,576	62,304
36229 · Maint Agreement-Incode-RC	0	833	0	2,500	10,000
36239 · Field Equip Rental	0	125	0	375	1,500
36241 · Repair & Maint-RC	0	42	0	125	500
36245 · Damage Claims	0	4	0	12	50
36258 · Misc	0	417	0	1,250	5,000
36263 · Postage	791	667	791	2,000	8,000
36268 · Filing Fees	0	417	500	1,250	5,000
36270 · Bad Debt	0	3,750	0	11,250	45,000
36271 · CC Fees	251	1,000	5,110	3,000	12,000
36272 · Attorney Fees (County)	0	2,500	3,847	7,500	30,000
36273 · Taxes- Property	0	125	0	375	1,500
36274 · Accounting	781	917	2,715	2,750	11,000
36276 · Audit-RC	0	833	0	2,500	10,000
36277 · Engineering-RC	0	11,667	28,285	35,000	140,000
36278 · Legal-RC	0	2,500	0	7,500	30,000
36279 · Insurance	0	750	0	2,250	9,000
36279h · Insurance- WC	0	750	0	2,250	9,000
Total 36279 · Insurance	0	750	0	2,250	9,000

Bastrop WCID No 2 - Roads
Actual vs Budget-RC
 March 2021

	Mar 21	Budget	Jan - Mar 21	YTD Budget	Annual Budget
36280 · Other Professional Fees	0	83	0	250	1,000
36294 · Road Fees Written Off	0	2,083	0	6,250	25,000
36295 · Lien Fees Written Off	0	417	0	1,250	5,000
36296 · Road Late Fees Written Off	0	417	0	1,250	5,000
36297 · Road Prior Written Off	0	1,250	0	3,750	15,000
36298 · Attorney Fees Written Off	0	1,250	0	3,750	15,000
Total Road Construction-Expense	33,551	47,338	102,888	142,013	568,054
Total Expense	33,551	47,338	102,888	142,013	568,054
Net Ordinary Income	208,194	37,082	287,991	111,247	444,986
Other Income/Expense					
Other Expense					
Road Construction-Capital					
37285 · Capital Outlay-RC	0	36,250	12,769	108,750	435,000
Total Road Construction-Capital	0	36,250	12,769	108,750	435,000
Total Other Expense	0	36,250	12,769	108,750	435,000
Net Other Income	0	(36,250)	(12,769)	(108,750)	(435,000)
Net Income	208,194	832	275,221	2,497	9,986

Bastrop WCID No 2 - Roads
Actual vs Budget-RM
 March 2021

	Mar 21	Budget	Jan - Mar 21	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
Road Maintenance-Revenue					
34160 · Other-RM	0	12,500	0	37,500	150,000
34165 · FEMA Payments	0	12,500	0	37,500	150,000
34176 · Transfer from Road Construction	27,083	27,083	81,250	81,250	325,000
Total Road Maintenance-Revenue	27,083	52,083	81,250	156,250	625,000
Total Income	27,083	52,083	81,250	156,250	625,000
Expense					
Road Maintenance-Expense					
36124 · Salary Allocations from Water	5,493	10,100	17,328	30,300	121,200
36127 · Repairs- Contracted-RM	0	4,167	0	12,500	50,000
36128 · Contract Labor- RM	0	4,167	0	12,500	50,000
36139 · Field Equipment Rental- RM	4,365	2,083	10,296	6,250	25,000
36141 · R&M-RM	0	1,667	0	5,000	20,000
36142 · Materials-RM	4,353	24,583	8,213	73,750	295,000
36144 · Safety Supplies-RM	0	417	0	1,250	5,000
36145 · Uniforms	0	0	160	0	0
36146 · Equip. Small	0	83	0	250	1,000
36147 · Permit Fees	0	208	0	625	2,500
36148 · Materials- Hauling-RM	3,979	1,250	7,354	3,750	15,000
36174 · Accounting	178	167	617	500	2,000
36176 · Audit-RM	0	333	0	1,000	4,000
36177 · Engineering-RM	0	1,667	0	5,000	20,000
36178 · Legal-RM	0	167	0	500	2,000
36179 · Insurance-WC-RM	0	42	0	125	500
36181 · Repairs- Equip-RM	369	417	644	1,250	5,000
36182 · Repairs- Vehicles-RM	0	417	2,532	1,250	5,000
Total Road Maintenance-Expense	18,736	51,933	47,144	155,800	623,200
Total Expense	18,736	51,933	47,144	155,800	623,200
Net Ordinary Income	8,347	150	34,106	450	1,800
Net Income	8,347	150	34,106	450	1,800

**Bastrop WCID No 2 - Standby
Actual vs Budget
March 2021**

	Mar 21	Budget	Jan - Mar 21	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
25300 · Pine Forest Standby	0	417	0	1,250	5,000
25500 · TV Standby	240	417	583	1,250	5,000
25600 · Late Fees	0	0	195	0	0
25700 · Lien Fees	0	0	48	0	0
25710 · Attorney Fees	0	0	29	0	0
Total Income	240	833	855	2,500	10,000
Expense					
27110 · Admin Allocations	0	417	0	1,250	5,000
27135 · Filing Fees	0	0	0	0	0
27142 · Fees Written Off	2,052	0	2,052	0	0
27145 · Lien Fees Written Off	0	0	0	0	0
27146 · Late Fees Written Off	0	0	0	0	0
27160 · Accounting	178	167	617	500	2,000
27170 · Audit	0	208	0	625	2,500
27175 · Attorney Fees Expense	668	0	668	0	0
27190 · Legal	0	42	0	125	500
Total Expense	2,897	833	3,337	2,500	10,000
Net Ordinary Income	(2,657)	0	(2,482)	0	0
Net Income	(2,657)	0	(2,482)	0	0

**Bastrop WCID No 2 - Water/Wastewater
Balance Sheet
As of March 31, 2021**

	Mar 31, 21
ASSETS	
Current Assets	
Checking/Savings	
11110 · Operating - Water	787,523.91
11220 · TWDB WW	572.00
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Total Checking/Savings	788,095.91
 Other Current Assets	
Accounts Receivable	
11150 · Accounts Receivable-W	31,400.47
11250 · Accounts Receivable - WW	11,983.47
<hr/>	
Total Accounts Receivable	43,383.94
11120 · Petty Cash	215.00
11130 · Cash Drawer	250.00
11140 · Time Deposits-W	2,908,611.22
11160 · Allowance for Doubtful-W	(10,176.94)
11171 · Due from Standby-W	292.07
11172 · Due from RM-W	10,149.73
11173 · Due from RC-W	33,013.38
11175 · FEMA Receivable	23,500.00
11180 · Utility Deposits-W	920.00
11230 · Time Deposits-WW	999,768.72
11260 · Allowance for Doubtful-WW	(4,414.45)
11274 · Deferred Outflow - Retirement	55,581.00
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Total Other Current Assets	4,061,093.67
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Total Current Assets	4,849,189.58
 Fixed Assets	
11190 · Accumulated Depreciation-W	(3,500,161.40)
11191 · Land-W	85,504.00
11192 · Bldgs & Equipment-W	5,702,857.19
11290 · Accumulated Depreciation-WW	(3,449,948.64)
11291 · Land-WW	14,525.00
11292 · Bldgs & Equipment-WW	7,998,503.63
<hr/>	
Total Fixed Assets	6,851,279.78
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TOTAL ASSETS	11,700,469.36
 LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
12000 · Accounts Payable	32,591.69
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Total Accounts Payable	32,591.69
 Other Current Liabilities	
12140 · Accrued Salaries	4,003.42
12144 · FSA Employee Flexible Spending	20,680.28
12145 · Benefit Liability	(1,345.38)
12160 · Deposits	266,150.00
12170 · Due to TCEQ-W	1,724.86
12180 · Groundwater Assessments Pay-W	1,660.00

**Bastrop WCID No 2 - Water/Wastewater
Balance Sheet
As of March 31, 2021**

	Mar 31, 21
12188 · Due to Others	0.30
12190 · Unclaimed Property	1,157.02
12191 · FEMA Payments Deferred Revenue	23,500.00
12270 · Due to TCEQ-WW	953.21
12271 · Equipment Lease Payable-WF	46,172.88
12280 · Bonds Payable-TWDB-WW	5,060,000.00
12281 · Bond Interest Payable	43,936.74
	5,468,593.33
Total Other Current Liabilities	
Total Current Liabilities	5,501,185.02
Total Liabilities	5,501,185.02
Equity	
13110 · Unrestricted Fund Balance-W	3,507,631.79
13120 · Restricted Fund Balance-Bond	65,000.00
13140 · Capital Assets Fund Balance-W	1,834,568.00
13220 · Unrestricted Fund Balance-WW	905,603.05
13240 · Capital Assets Fund Balance-WW	(193,791.00)
Net Income	80,272.50
	6,199,284.34
Total Equity	
TOTAL LIABILITIES & EQUITY	11,700,469.36

Bastrop WCID No 2 - Roads
Balance Sheet
As of March 31, 2021

	Mar 31, 21
ASSETS	
Current Assets	
Checking/Savings	
31210 · Road Const Operating	325,976.93
Total Checking/Savings	325,976.93
Other Current Assets	
31230 · Time Deposits-RC	753,679.08
31250 · Accounts Receivable-RC	2,947,607.35
31260 · Allowance for Doubtful-RC	(1,759,311.70)
31277 · FEMA Receivable	231,464.68
Total Other Current Assets	2,173,439.41
Total Current Assets	2,499,416.34
TOTAL ASSETS	2,499,416.34
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
32000 · Accounts Payable	8,144.96
Total Accounts Payable	8,144.96
Other Current Liabilities	
32140 · Deferred Revenue - Assessments	1,185,617.59
32150 · Due to Water-RM	10,149.73
32160 · Retainage Payable	10,993.01
32250 · Due to Water-RC	33,013.38
32257 · FEMA Funds Deferred Revenue	231,464.68
Total Other Current Liabilities	1,471,238.39
Total Current Liabilities	1,479,383.35
Total Liabilities	1,479,383.35
Equity	
33130 · Fund Balance-RM	497,233.32
33220 · Fund Balance-RC	213,472.71
Net Income	309,326.96
Total Equity	1,020,032.99
TOTAL LIABILITIES & EQUITY	2,499,416.34

**Bastrop WCID No 2 - Standby
Balance Sheet
As of March 31, 2021**

	Mar 31, 21
ASSETS	
Current Assets	
Checking/Savings	
21100 · Standby Operating	94,491.13
Total Checking/Savings	94,491.13
Other Current Assets	
21500 · Accounts Receivable	491,331.89
21600 · Allowance for Bad Debts	(494,398.40)
Total Other Current Assets	(3,066.51)
Total Current Assets	91,424.62
TOTAL ASSETS	91,424.62
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
22200 · Due to Water	292.07
22740 · Unclaimed Property	3.10
Total Other Current Liabilities	295.17
Total Current Liabilities	295.17
Total Liabilities	295.17
Equity	
23010 · Fund Balance	93,611.32
Net Income	(2,481.87)
Total Equity	91,129.45
TOTAL LIABILITIES & EQUITY	91,424.62

Bastrop County Water Control & Improvement District No. 2

District Debt Service Payments

01/01/2021 - 12/31/2021

<u>Paying Agent</u>	<u>Series</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
Debt Service Payment Due 06/01/2021						
Amegy Bank of Texas	2016 - WS&D	06/01/2021		0.00	87,873.50	87,873.50
		Total Due 06/01/2021		0.00	87,873.50	87,873.50
Debt Service Payment Due 12/01/2021						
Amegy Bank of Texas	2016 - WS&D	12/01/2021		270,000.00	87,873.50	357,873.50
		Total Due 12/01/2021		270,000.00	87,873.50	357,873.50
		District Total		\$270,000.00	\$175,747.00	\$445,747.00

\$K

Cash	March	Febraury	
	Current Month	Last Month	Delta

Water Waste Water

Checking	788	732	56
CDs	0	0	0
Money Market	575	538	37
TexPool	1,621	1,621	0
TWDB	642	642	0
TWDB Reserve	457	457	0
TexPool Building Funds	613	613	0
Total Water / Waste Water	4,696	4,603	93

Stand-by	94	94	0
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Roads

Checking	326	106	220
Money Market	754	753	1

Total Roads	1,080	859	221
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Total Cash	5,870	5,556	314
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Financials
\$K

	C/M Act	YTD Act	YTD Budget	FY Budget
Water				
Revenue	172	492	519	2,074
Expense	114	363	401	1,604
Capital	64	167	59	235
Net	-6	-38	59	235
Notes:				
Tank Project Not Yet Started			467	700

	C/M Act	YTD Act	YTD Budget	FY Budget
Waste Water				
Revenue	90	317	305	1,221
Expense	71	240	275	1,102
Capital	1	7	25	100
Net	18	70	5	19
Notes:				
3 Taps (Rev)	20	105	70	280
Pumps (Exp)	0	0	25	100

	C/M Act	YTD Act	YTD Budget	FY Budget
Road Construction				
Revenue	242	391	253	1,013
Expense	34	103	142	568
Capital	0	13	109	435
Net	208	275	2	10
Notes:				
Fees (late admin, etc higher than planned)				
RC Costs are higher than planned but have not been billed				

	C/M Act	YTD Act	YTD Budget	FY Budget
Road Maintenance				
Revenue	27	81	156	625
Expense	19	47	156	623
Capital				
Net	8	34	0	2
Notes:				
Pilings Project Over Estimate Awaiting Reimbursements from FEMA				
Budget is 200K for FEMA Unfunded Requests are: \$382				

	C/M Act	YTD Act	YTD Budget	FY Budget
Standby				
Revenue	0	1	3	10
Expense	3	3	3	10
Capital	0	0	0	0
Net	-3	-2	0	0
Notes:				

**AFFIDAVIT OF RELEASE
OF CLAIM FOR
UNPAID CHARGES**

THE STATE OF TEXAS *

COUNTY OF BASTROP *

We the undersigned members of the Board Directors of the Bastrop County Water Control & Improvement District, No. Two ("District "), make oath and deposes that the claims of the District for unpaid charges accumulated through March 12, 2021 and more particularly described in that certain Affidavit of Lien and Unpaid Charges, filed of record in Volume 1402 Page 821 & Volume 477 Page 548 & Volume 663 Page 525 & Volume 669 Page 474 & Volume 730 Page 666 & Volume 768 Page 189 & Volume 953 Page 412 & Volume 1027 Page 647 & Volume 1107 Page 199 & Volume 1198 Page 397 & Volume 1214 Page 394 & Volume 1295 Page 767 & Volume 1402 Page 821 & Volume 1502 Page 554 & Volume 1608 Page 312 & Book 1713 Page 678-765 & Book 1806 Pages 718-732 & Book 1889 Pages 194-202 & Book 1977 Pages 638-701 & Book 2043 & Pages 807-816 & Volume 2120 Page 519-529 & Volume 2203 Page 336-354 & Book 2293 Pages 227-240 & Instrument 201501778 & Instrument 201501779 & Instrument 201600766 & Instrument 201600764 & Instrument 201701281 & Instrument 201701283 & Instrument 201801123 & Instrument 201801124, Instrument 201901887, Instrument 202001036 and Instrument 202101365 of the Official Records of Bastrop County, Texas, are hereby released for the persons and properties listed in Exhibit A, attached hereto, said properties being identified by Unit, Block, and Lot Numbers.

Executed this 15th day of April 2021.

Board Director

Sworn and acknowledged before me, by the Board Director, on the 15th day of April 2021.

Alma Rodriguez
Notary

alr

<u>NAME</u>	<u>Unit-Blk-Lot</u>	<u>Standby</u>	<u>Road</u>	<u>Lien</u>	<u>Amount</u>
2111 Cartwright	01-24-1624		\$204.00		\$ 204.00
Acadian Construction	02-05-0471		\$ 132.00		\$ 132.00
Acosta, Jorge	01-11-1115		\$ 204.00		\$ 204.00
Aguilar, Jr Raul	05-17-1081		\$ 81.00		\$ 81.00
Aguilar, Jr Raul	05-17-1080		\$ 81.00		\$ 81.00
Alspaugh, Johnny M	02-16-1666		\$ 204.00		\$ 204.00
Anderson, Charles	06-21-0030	\$ 72.00			
Bahadur, Kamal	04-09-1164		\$60.00		\$ 60.00
Bahadur, Kamal	04-09-1164		\$543.00	\$45.00	\$ 588.00
Basin REI LLC	01-17-0136		\$ 204.00		\$ 204.00
Belcher, James	01-16-0224		\$72.00		\$ 72.00
Belcher, James	01-16-0224		\$651.00	\$45.00	\$ 696.00
Bhaidani, Ameena	01-11-1133		\$ 204.00		\$ 204.00
Bonnie T. Johnston	04-13-0793		\$1,350.00		\$ 1,350.00
Breaux, Steven	02-16-1478		\$ 204.00		\$ 204.00
Brooks, Chase	01-14B-1569		\$204.00		\$ 204.00
Brooks, Chase	01-14B-1569		\$159.00	\$45.00	\$ 204.00
Brooks, Chase	01-14B-1568		\$204.00		\$ 204.00
Brooks, Chase	01-14B-1568		\$159.00	\$45.00	\$ 204.00
Brown, Dick	05-23-1294		\$ 1,809.00	\$ 45.00	\$ 1,854.00
Brown, Dick	05-23-1294		\$ 2,334.00	\$ 90.00	\$ 2,424.00
Brown, Dick	05-23-1294		\$ 2,817.00	\$ 135.00	\$ 2,952.00
Brown, Dick	05-23-1294		\$ 3,258.00	\$ 180.00	\$ 3,438.00
Brown, Melissa A.	02-16-1617		\$355.50		\$ 355.50
Burgo, Arlo L	01-09-1168		\$204.00		\$ 204.00
Bush, Jackson	05-19-1166		\$204.00		\$ 204.00
Bush, Jackson	05-19-1167		\$204.00		\$ 204.00
Colunga, Edgar A	05-25-1413		\$ 204.00		\$ 204.00
Comer, Ronald	02-03-0310		\$ 540.00	\$45.00	\$ 585.00
Comer, Ronald	02-03-0310		\$ 906.00	\$90.00	\$ 996.00
Cone, Lewis	02-02-0106		\$156.00		\$ 156.00
Cone, Lewis	02-02-0107		\$156.00		\$ 156.00
Copperas Creek Houston Toad	02-05-0523		\$204.00		\$ 204.00
Crowder, J C	01-09-1271		\$204.00		\$ 204.00
DFLC, Inc	01-09-1167		\$ 204.00		\$ 204.00
DFLC, Inc	01-12-0695		\$ 204.00		\$ 204.00
DFLC, Inc	01-12-0696		\$ 204.00		\$ 204.00
DFLC, Inc	01-12-0698		\$ 204.00		\$ 204.00
DFLC, Inc	04-13-0781		\$ 204.00		\$ 204.00
Dick & Barbarba Brown	05-23-1294		\$ 1,494.00		\$ 1,494.00
Doyle, Don M	04-12-0708		\$510.00		\$ 510.00
Doyle, Don M	04-12-0708		\$993.00	\$45.00	\$ 1,038.00
Doyle, Don M	04-12-0708		\$1,434.00	\$90.00	\$ 1,524.00
Duckett, Ronda	05-27-1455		\$204.00		\$ 204.00

Ellison, John	01-12-0674	\$	204.00	\$	204.00
Ellison, John C	01-12-0671	\$	204.00	\$	204.00
Ellison, John C	01-12-0672	\$	204.00	\$	204.00
Ellison, John C	01-12-0673	\$	180.00	\$	180.00
Estrada III, John	05-04-0330	\$	130.00	\$	130.00
Estrada III, John	02-05-0469		\$130.00	\$	130.00
Estrada III, John	02-05-0573		\$130.00	\$	130.00
Estrada III, John	04-08-1298		\$130.00	\$	130.00
Estrada III, John	05-18-1108		\$130.00	\$	130.00
Estrada, Jose	05-06-0503		\$180.00	\$	180.00
Garcia, Marcelo	05-27-1535	\$	204.00	\$	204.00
Garcia, Marcelo	05-27-1536		\$204.00	\$	204.00
Grace, Jason	05-11-0787		\$204.00	\$	204.00
Gudell, Michael D	02-17-1725	\$	156.00	\$	156.00
Gudell, Michael D	02-17-1753	\$	156.00	\$	156.00
Gudell, Michael D	02-17-1771	\$	156.00	\$	156.00
Gudell, Michael D	02-17-1772	\$	156.00	\$	156.00
Gudell, Michael D	02-17-1773	\$	156.00	\$	156.00
Gudell, Michael D	02-17-1774	\$	156.00	\$	156.00
Gudell, Michael D	02-17-1775	\$	156.00	\$	156.00
Gudell, Michael D	02-17-1750	\$	156.00	\$	156.00
Hager, Joshua Douglas	01-09-1149	\$	204.00	\$	204.00
Hammond, Jason	05-27-1452		\$204.00	\$	204.00
Heron, William	04-11-0554	\$	204.00	\$	204.00
Hollon, Brandon	01-19-0479		\$204.00	\$	204.00
Hough, Govinda S.	04-07-1395	\$	204.00	\$	204.00
Investment Centre Group	04-09-1245	\$	60.00	\$	60.00
Investment Centre Group	04-09-1245	\$	543.00	\$ 45.00	\$ 588.00
J.R. Shewmaker	05-09-0647		\$1,177.00	\$	1,177.00
Joe A. & Delma Montoya	04-13-0794		\$1,329.99	\$	1,329.99
Johnston, Bonnie T	04-13-0793		\$1,665.00	\$ 45.00	\$ 1,710.00
Johnston, Bonnie T	04-13-0793		\$1,965.00	\$ 90.00	\$ 2,055.00
Jones, Janette	03-03-0066	\$	180.00	\$	180.00
Kaiser, Vance	03-25-0417		\$204.00	\$	204.00
Klein, Mary Jane	04-13-0795		\$72.00	\$	72.00
Klein, Mary Jane Revocable	04-13-0795		\$564.00	\$45.00	\$ 609.00
Kovar, John T	05-27-1574		\$204.00	\$	204.00
Lapel, Shantell Rae	02-06-0670	\$	204.00	\$	204.00
Little, Drew Forest	03-25-0424		\$204.00	\$	204.00
Love, Anna	02-17-1783		\$204.00	\$	204.00
Margaret Serbus	02-05-0599		\$1,701.00	\$	1,701.00
Martinez, Edgar	04-10-0467	\$	204.00	\$	204.00
McCahey, Sheila	04-13-0822		\$204.00	\$	204.00
Meeks, Joseph R	03-08-0163		\$108.00	\$	108.00
Meeks, Joseph R	03-08-0163		\$509.00	\$45.00	\$ 554.00
Montoya, Joe A	04-13-0794		\$1,644.99	\$ 45.00	\$ 1,689.99
Montoya, Joe A	04-13-0794		\$1,944.99	\$ 90.00	\$ 2,034.99

Murphy, Billy	05-08-0635	\$	204.00	\$	204.00
Nannen Jr, Ray F	04-07-1395	\$	180.00	\$	180.00
Nishman, Barry	02-03-0310	\$	48.00	\$	48.00
Orellana, Rodolfo Issac	01-19-0661	\$	170.00	\$	170.00
Orellana, Rodolfo Issac	02-16-1726	\$	170.00	\$	170.00
Ortho 360	01-24-1600	\$	204.00	\$	204.00
Pierantoni, Victor	01-16-0222		\$204.00	\$	204.00
Proske, Ann	04-18-1674	\$	204.00	\$	204.00
Quistgard, Paul	05-05-0405		\$72.00	\$	72.00
Quistgard, Paul	05-05-0405		\$540.00	\$45.00	\$ 585.00
Rawlings, Shane	01-11-1076	\$	88.80	\$	88.80
Ray, Tracy	01-12-0842		\$204.00	\$	204.00
Reyes Jr., Gabriel	05-02-0090		\$204.00	\$	204.00
Richards, Roger L	05-08-0570		\$195.00	\$	195.00
Richards, Roger L	05-08-0571		\$195.00	\$	195.00
Robertson, Rena Ruth	05-19-1125		\$60.00	\$	60.00
Robertson, Rena Ruth	05-19-1125		\$360.00	\$ 45.00	\$ 405.00
Robertson, Rena Ruth	05-19-1125		\$843.00	\$ 90.00	\$ 933.00
Robertson, Rena Ruth	05-19-1125		\$1,239.00	\$ 135.00	\$ 1,374.00
Romano, Frank M	04-02-0355	\$	204.00	\$	204.00
Rosca, John	03-20-0506		\$204.00	\$	204.00
Schmalfeldt, Jay	04-09-1261	\$	204.00	\$	204.00
Serbus, Margaret	02-05-0599		\$2,016.00	\$45.00	\$ 2,061.00
Serbus, Margaret	02-05-0599		\$2,316.00	\$90.00	\$ 2,406.00
Sergura, David S	03-13-0530	\$	204.00	\$	204.00
Sergura, David S	05-20-1211	\$	204.00	\$	204.00
Sergura, David S	05-24-1304		\$204.00	\$	204.00
Shaver, Ronald C	01-09-1268		\$121.00	\$	121.00
Shewmaker, J R	05-09-0647		\$1,492.00	\$45.00	\$ 1,537.00
Shewmaker, J R	05-09-0647		\$1,792.00	\$90.00	\$ 1,882.00
Shewmaker, J R	05-09-0647		\$2,017.00	\$ 135.00	\$ 2,152.00
Shewmaker, J R	05-09-0647		\$2,500.00	\$ 180.00	\$ 2,680.00
Shewmaker, J R	05-09-0647		\$2,941.00	\$ 225.00	\$ 3,166.00
Shields, Kenneth W	04-02-0271		\$204.00	\$	204.00
Taylor, Dexter	01-10-1360		\$108.00	\$	108.00
Taylor, Dexter	01-10-1361		\$108.00	\$	108.00
Teresa F. Vasquez	01-09-1202		\$750.00	\$	750.00
Teresa F. Vasquez	01-09-1203		\$750.00	\$	750.00
Timeman, Kenny	02-16-1566		\$180.00	\$	180.00
Timeman, Kenny	02-16-1567		\$180.00	\$	180.00
Varn, Brandon	02-08-0834		\$954.00	\$	954.00
Vasquez, Teresa	01-09-1202		\$1,065.00	\$ 45.00	\$ 1,110.00
Vasquez, Teresa	01-09-1203		\$1,065.00	\$ 45.00	\$ 1,110.00
Vasquez, Teresa F	01-09-1202		\$1,365.00	\$ 90.00	\$ 1,455.00
Vasquez, Teresa F	01-09-1202		\$1,590.00	\$ 135.00	\$ 1,725.00
Vasquez, Teresa F	01-09-1202		\$2,073.00	\$ 180.00	\$ 2,253.00
Vasquez, Teresa F	01-09-1202		\$2,514.00	\$ 225.00	\$ 2,739.00

Vasquez, Teresa F	01-09-1203	\$1,365.00	\$ 90.00	\$ 1,455.00	
Vasquez, Teresa F	01-09-1203	\$1,590.00	\$ 135.00	\$ 1,725.00	
Vasquez, Teresa F	01-09-1203	\$2,073.00	\$ 180.00	\$ 2,253.00	
Vasquez, Teresa F	01-09-1203	\$2,514.00	\$ 225.00	\$ 2,739.00	
Witt, Andrew E	05-06-0460	\$204.00		\$ 204.00	
Total		\$ 72.00	\$85,980.27	\$ 3,780.00	\$ 89,760.27

Lien List Recap for April 2021

Total Amount of Liens Released	\$ 89,760.27
Road Assessments Paid	\$ 66,314.86
Standby Assessments Paid	\$ 0.00
Attorney Fees	\$ 3,951.80
Total actually collected	\$ 70,446.66
Total Write offs	\$ 5,170.32

Note: The reason the amount collected is lower than the amount released is because the report must show a release amount for each lien filed. The accounts were paid in full.

Agenda

Item # 7

2020 Annual
Fiscal Year
Audit Report

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

March 31, 2021

To the Board of Directors of the
Bastrop County Water Control and Improvement District No. 2

We have audited the December 31, 2020 financial statements of the Bastrop County Water Control and Improvement District No. 2 (the "District") and have issued our report thereon dated March 31, 2021. Professional standards require that we provide you with the following information related to our audit. We will be pleased to discuss the contents of this letter or any related questions of the District Board members at your convenience.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

RESPONSIBILITY OF INDEPENDENT ACCOUNTANTS

Our responsibility under auditing standards generally accepted in the United States of America is to express an opinion on the financial statements of the District based on our audit. In carrying out this responsibility, we assessed the risk that the financial statements may contain a material misstatement, either intentional or unintentional, and designed and conducted an audit to provide reasonable, but not absolute, assurance of detecting misstatements that are material to the financial statements. We have completed the audit of the District's financial statements in accordance with government auditing standards issued by the Comptroller General of the United States of America.

REPORT ISSUED ON 2020 AUDIT

We have issued our report, dated March 31, 2021, on the December 31, 2020, financial statements of the District. Our report is unqualified as to scope and accounting.

INTERNAL ACCOUNTING CONTROL

We considered the internal control structure in order to gain a basic understanding of the internal control policies and procedures in order to design an effective and efficient audit approach, not for the purpose of providing assurance on the internal control structure.

ACCOUNTING PRINCIPLES

Management employed appropriate accounting principles as described in Note 1 to the financial statements and made all required disclosures in the financial statements. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

MANAGEMENT COOPERATION

We were given full access to accounting records, supporting documents and other information that we requested.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant judgments or estimates included in the financial statements are estimates of asset useful lives, depreciation expense, certain liabilities including accrued expenses, and uncollectible receivables. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

SIGNIFICANT AUDIT ADJUSTMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has agreed to correct all such misstatements. The misstatements detected as a result of audit procedures are attached to this letter.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

There were no major issues discussed with management prior to our retention regarding the application of accounting principles and auditing standards.

DISAGREEMENTS WITH MANAGEMENT

We had no disagreements with management of the District regarding the application of accounting principles, the scope of our audit, disclosures to be included in the financial statements or the wording of our report on the financial statements.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the attached management representation letter dated March 31, 2021.

CONSULTATION WITH OTHER ACCOUNTANTS

Management informed us that there were no consultations with other independent accountants regarding the application of accounting or auditing matters during the year.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Sincerely,

West, Davis + Company

Enclosure 1: Management Representation Letter

Enclosure 2: Summary of Misstatements Detected as a Result of Audit Procedures (“AJEs”)

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
106 Conference Drive
Bastrop, Texas 78602

March 31, 2021

West, Davis & Company, LLP
11824 Jollyville Road, Suite 100
Austin, Texas 78759-2322

We are providing this letter in connection with your audit of the financial statements of the Bastrop County Water Control and Improvement District No. 2 (the "District") as of December 31, 2020 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District and the respective changes in financial position in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm on behalf of management of the District the following representations made to you in connection with your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to consultants engaged by the District from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of District's Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the District and involves-

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating a District consultant, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

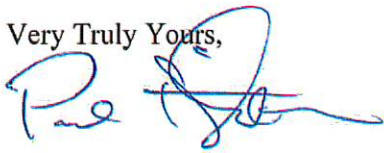
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With respect to the Texas Commission on Environmental Quality Supplementary Information:
 - a) We acknowledge our responsibility for presenting the TCEQ Supplementary Information in accordance with accounting principles generally accepted in the United States of America, and we believe this information, including its form and content, is fairly

presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of this information has not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b) If the TCEQ Supplementary Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Very Truly Yours,



Paul Hightower
General Manager
Bastrop County Water Control and Improvement District No. 2

Bastrop County WCID No. 2				
AJEs				
12/31/2020				
Water Fund				
	Entry	Account		
Account Name	Number	Number	Dr.	Cr.
	<u>1</u>			
Unrestricted Fund Balance-W		13110	39,058.00	
Deferred Outflow-Retirement		NEW		39,058.00
To post P/Y entry				
	<u>2</u>			
Bldgs & Equipment-Water		11192	431,703.75	
Bldgs & Equipment-WW		11292	71,473.19	
Vehicles		17100		17,667.00
Equipment		17101		33,635.19
Meters		17102		11,546.03
Line Extensions		17106		4,200.00
Buildings		17107		71,550.02
Water Line Improvements		17108		70,636.51
Culverts		17109		44,169.00
Other		17110		3,500.00
Water Tank Main		17115		138,100.00
Water Well		17121		36,700.00
Vehicles-WW		17200		17,667.00
Equipment-WW		17201		33,635.19
Equipment-Software		17204		317.65
Equipment-Extensions		17206		750.00
Grinder Pumps-WW		17211		19,103.35
To capitalize				
	<u>3</u>			
A/D-Water		11190	150,907.00	
Gain (Loss) Sale of Assets		14197	189,083.00	
Depreciation		16150	19,788.00	
Depreciation		16250	22,048.00	
Land-Water		11191		76,137.00
Bldgs & Equipment-Water		11192		283,641.00
A/D-WW		11290		22,048.00
To record depreciation on current year additions				
	<u>4</u>			
Deferred Outflow-Retirement		NEW	5,448.00	
Benefit Liability		12145		2,049.00
Retirement		16100m		1,026.00
Miscellaneous Expense		16158		2,373.00
To record pension plan adjustments				
			929,508.94	929,508.94

Bastrop County WCID No. 2

AJEs

12/31/2020

Standby Fund				
<u>Account Name</u>	<u>Entry Number</u>	<u>Account Number</u>	<u>Dr.</u>	<u>Cr.</u>
	<u>1</u>			
Allowance for Bad Debts		21600	14,135.51	
PF Standby		25300		14,135.51
To adjust allowance				
			14,135.51	14,135.51

Bastrop County WCID No. 2

AJEs

12/31/2020

Road Construction Fund					
<u>Account Name</u>		<u>Entry Number</u>	<u>Account Number</u>	<u>Dr.</u>	<u>Cr.</u>
		<u>1</u>			
Write Offs			36294	27,256.21	
Deferred Revenue-Assessments			32140	8,251.15	
Allowance for Doubtful			31260		35,507.36
To adjust estimate of ADA and Deferred					
				35,507.36	35,507.36

**BASTROP COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 2**

**FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

WEST, DAVIS & COMPANY, LLP
Certified Public Accountants
Austin, Texas

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BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

Annual Financial Report
For the Year Ended December 31, 2020

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF BASTROP }

I, _____, _____ of the Bastrop County Water Control and Improvement District No. 2 hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 15th day of April, 2021, its annual audit report for the fiscal year ended December 31, 2020, and that copies of the annual report have been filed in the district office, located at 106 Conference Drive, Bastrop, Texas.

The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: April 15, 2021

By: _____

Sworn to and subscribed to before me this 15th day of April 2021.

Notary: _____

(Seal)

My Commission expires on: _____, _____, Notary Public in and for the State of Texas.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
Annual Financial Report
For the Year Ended December 31, 2020

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FINANCIAL SECTION

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

Independent Auditor's Report

Board of Directors

Bastrop County Water Control & Improvement District No. 2

Bastrop County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Bastrop County Water Control & Improvement District No. 2 (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the District at December 31, 2020, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information, identified as Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Texas Commission on Environmental Quality Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplemental schedules required by the Texas Commission on Environmental Quality are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules required by the Texas Commission on Environmental Quality are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules required by the Texas Commission on Environmental Quality are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

West, Davis + Company

Austin, Texas
March 31, 2021

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

Management Discussion and Analysis For the Year Ended December 31, 2020

In accordance with Governmental Accounting Standards Board Statement 34 (“GASB 34”), the management of Bastrop County Water Control & Improvement District No. 2 (the “District”) offers the following discussion and analysis to provide an overview of the District’s financial activities for the year ended December 31, 2020. Since this information is designed to focus on current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the District’s financial statements that follow.

The District accounts for water and wastewater services using Proprietary Funds. The District accounts for standby fee and road reconstruction and maintenance using Special Revenue Funds. The government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

FINANCIAL HIGHLIGHTS

- The District’s total net position was approximately \$7.0 million at December 31, 2019. This is an increase of \$1.2 million from the previous year.
- During the year, the District generated approximately \$5.0 million in total revenues.
- Total expenses in the Proprietary Funds for the District’s water and wastewater operations were approximately \$2.4 million for the year ended December 31, 2020. Total standby and road reconstruction and maintenance expenses, which are accounted for in the Special Revenue Funds, were approximately \$1.4 million for the year.

OVERVIEW OF THE DISTRICT

The District, a political subdivision of the State of Texas, was created by the Bastrop County Commissioners Court in 1985. The District was created and organized for the purpose of providing water and wastewater services to customers within its boundaries and in the surrounding area. In 1989, the State of Texas granted the District the additional powers and duties of a road utility district.

Management complies with Sec 11001.012 of the District’s Road Powers by producing an annual financial report which also acts as a conveyance of information to each state representative and state senator who represents the area in the district’s jurisdiction.

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

**Management Discussion and Analysis
For the Year Ended December 31, 2020**

In 2020, the following roads were conveyed to the Bastrop County or City:

Ahumo Drive	Koae Court	Ohana Court
Awehi Lane	Konahuanui Lane	Pahoiki Lane
Haou Court	(100-185 block Akaloa to Moku Manu Dr)	Papawai Drive
Huelo Court	Kou Court	Puu Waa Waa Lane
Kaena Lane	Kulua Court	Upola Court
Kaeapapa Lane	Nuuanu Lane	
Kaliu Court	(100-185 block)	
Kimo Court	N Pahihi Drive	

In 2020, \$ 147,496 was spent in the performance of road maintenance and \$743,510 was spent on road reconstruction. The following roads were reconstructed with the use of contracted labor, WCID2 labor and support of the Bastrop County or Bastrop City via Interlocal Agreements.

At the end of 2020, the following roads were still reported as not conveyed to the Bastrop County or Bastrop City because they were not yet complete or still within the warranty period:

Anahulu Ln	Kauai Ct	Oah Ct
Homonu Court	Keanahalululu Ln	Olaa Dr
Kaapahu Dr	Keawakapu Dr	Olomana Ct
Kaeleku Ln	Kipapa Ct	Pahala Court
Kaimuki	Mokulua Lane	Pahalawe Ln
Kamaiki Drive	Ninole Ct	Waimalu Ct
Kapapa	Nuupia	Wainanae Ct

On April 17, 2021, at the annual road meeting, the 1992 Master plan will be updated and communicated to the District residents, the Bastrop County and Bastrop City for the change in road inventory, roads to be reconstructed in 2021, future plans and cost estimates to complete. Our current estimate of costs to complete the project of 100% conveyance of roads to the Bastrop County or Bastrop City is \$6.2 Million.

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

Management Discussion and Analysis For the Year Ended December 31, 2020

USING THIS ANNUAL REPORT

The District's reporting is comprised of five parts:

- Management's Discussion and Analysis (this section)
- Basic Financial Statements
 - Government-wide Statement of Net Position
 - Government-wide Statement of Activities
 - Balance Sheet-Governmental Funds
 - Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds
 - Statement of Net Position-Proprietary Funds
 - Statement of Revenues, Expenses and changes in Net Position-Proprietary Funds
 - Statement of Cash Flows-Proprietary Funds
- Notes to the Financial Statements
- Required Supplementary Information
- Texas Commission on Environmental Quality Supplementary Information

The Government-wide financial statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. These statements provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. These statements show how services were financed in the short term as well as what resources remain for future spending.

The Proprietary Fund financial statements are considered to operate similar to a business enterprise. These statements present a longer-term view of the property and debt obligations and other matters related to the District's water and wastewater operations.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the information presented in the Government-wide statements and the Fund financial statements.

The Required Supplementary Information presents a comparison statement between the District's adopted budget and its actual results. These schedules are required for the Special Revenue Funds of the District.

The Texas Commission on Environmental Quality Supplementary Information provides additional information and is required to be presented by the TCEQ.

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

**Management Discussion and Analysis
For the Year Ended December 31, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Summary Statement of Net Position

(in thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Increase (Decrease)</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
Current and Other Assets	\$ 1,515	\$ 1,419	\$ 4,552	\$ 3,261	\$ 6,067	\$ 4,680	\$ 1,387
Capital and Non-Current Assets	1,285	1,290	7,025	7,359	8,310	8,649	(339)
Total Assets	2,800	2,709	11,577	10,620	14,377	13,329	1,048
Deferred Outflows	-	-	56	50	56	50	6
Total Deferred Outflows	-	-	56	50	56	50	6
Current Liabilities	1,712	1,743	724	582	2,436	2,325	111
Long-Term Liabilities	-	-	4,790	5,060	4,790	5,060	(270)
Total Liabilities	1,712	1,743	5,514	5,642	7,226	7,385	(159)
Capital Assets, Net of Debt	284	290	1,965	2,039	2,249	2,329	(80)
Restricted for Debt Service	-	-	1,099	1,093	1,099	1,093	6
Unrestricted	804	676	3,055	1,896	3,859	2,572	1,287
Total Net Position	\$ 1,088	\$ 966	\$ 6,119	\$ 5,028	\$ 7,207	\$ 5,994	\$ 1,213

The District's total assets were approximately \$14.4 million as of December 31, 2020. Of this amount, approximately \$5.5 million is accounted for by cash and short-term investments. The District had outstanding liabilities of approximately \$7.2 million. The District's unrestricted net assets, which can be used to finance day to day operations, totaled \$3.8 million.

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

**Management Discussion and Analysis
For the Year Ended December 31, 2020**

Summary Statement of Activities

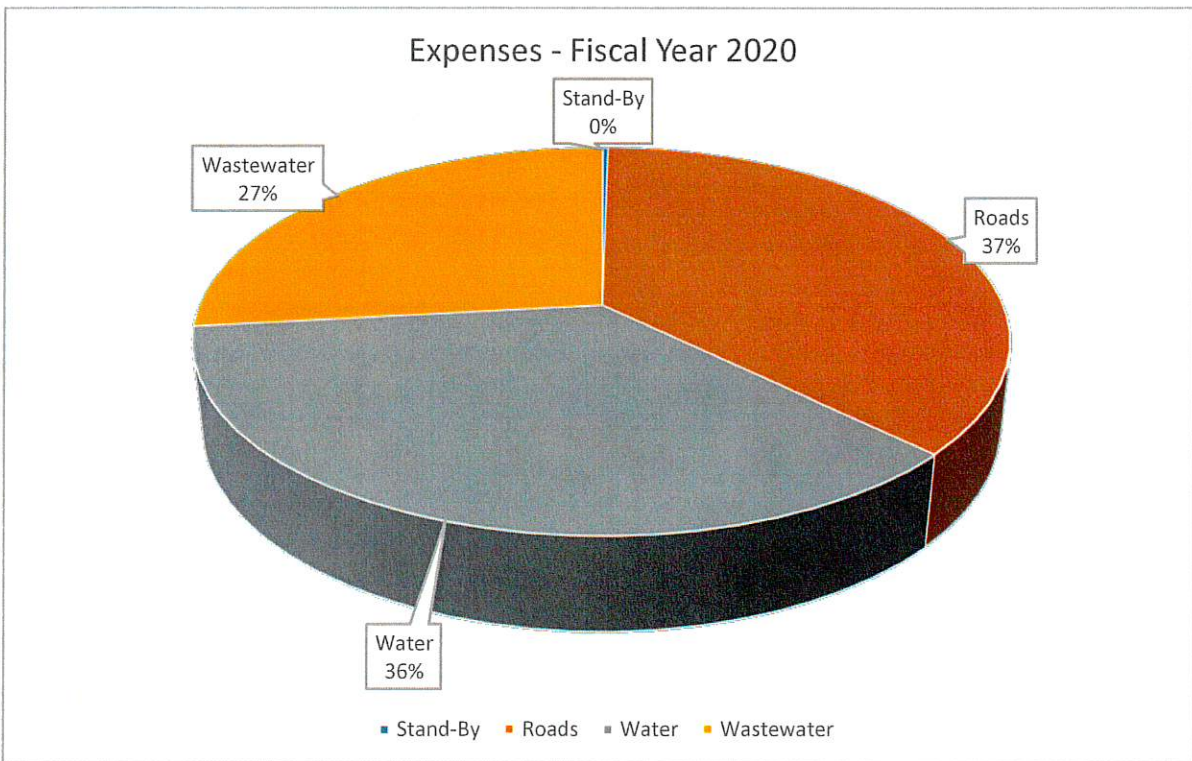
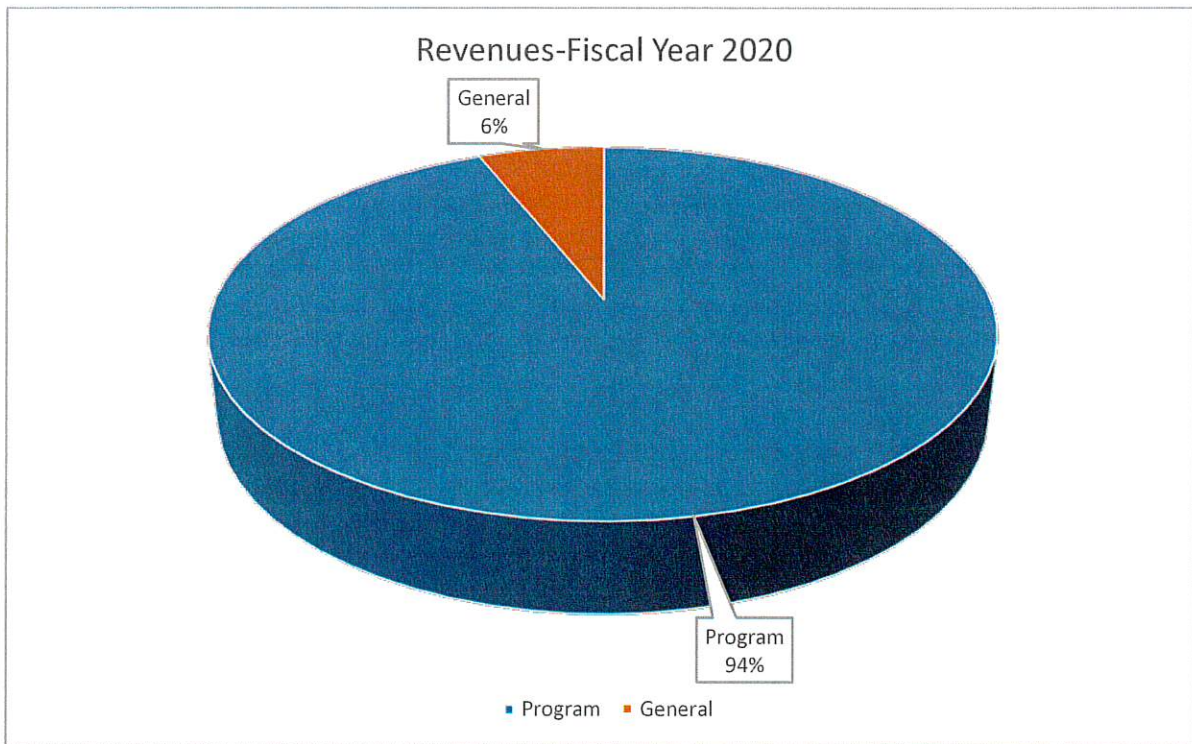
(in thousands)

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)
	2020	2019	2020	2019	2020	2019	
Program	\$ 1,402	\$ 1,332	\$ 3,347	\$ 2,749	\$ 4,749	\$ 4,081	\$ 668
General	150	122	161	80	311	202	109
Total Revenues	1,552	1,454	3,508	2,829	5,060	4,283	777
Stand-By	10	66	-	-	10	66	(56)
Roads	1,420	871	-	-	1,420	871	549
Water	-	-	1,387	1,337	1,387	1,337	50
Wastewater	-	-	1,030	1,021	1,030	1,021	9
Total Expenses	1,430	937	2,417	2,358	3,847	3,295	552
Change In Net Position	122	517	1,091	471	1,213	988	225
Beginning Net Position	966	449	5,028	4,520	5,994	4,969	1,025
Prior Period Adjustment	-	-	-	37	-	37	(37)
Ending Net Position	\$ 1,088	\$ 966	\$ 6,119	\$ 5,028	\$ 7,207	\$ 5,994	\$ 1,213

Revenues were approximately \$5.0 million for the year ended December 31, 2020. Expenses were approximately \$3.8 million for the year ended December 31, 2020. Net position increased \$1.2 million from current year activities. The following charts summarize the sources of revenue and areas of expenses.

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

**Management Discussion and Analysis
For the Year Ended December 31, 2020**



BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

Management Discussion and Analysis For the Year Ended December 31, 2020

BUDGETARY HIGHLIGHTS

The Standby Fund finished the year under budget by approximately \$6 thousand primarily due to reduced costs. The Road Fund finished the year under budget by approximately \$142 thousand also primarily due to \$127 thousand in FEMA grants. More detailed information about the District's budgetary comparison is presented in the Required Supplementary Information section.

CAPITAL ASSETS

The District has invested \$15.0 million in infrastructure. A summary of these assets is listed below:

Summary of Capital Assets

(in thousands)

	2020	2019	Increase (Decrease)
Land	\$ 369	\$ 445	\$ (76)
Construction in Progress	130	59	71
Water and Wastewater Improvements	11,942	11,613	329
Road Improvements	1,000	1,000	-
Buildings	178	462	(284)
Machinery and Equipment	1,040	936	104
Vehicles	492	446	46
Total Capital Assets	15,151	14,961	190
Accumulated Depreciation	(6,841)	(6,312)	(529)
Total Capital Assets (Net)	\$ 8,310	\$ 8,649	\$ (339)

LONG TERM DEBT

The District issued no new debt during the year. Bonded indebtedness of the District at year end was \$5.060 million. More detailed information about the District's long-term debt is presented in the Notes to the Basic Financial Statements.

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

Management Discussion and Analysis For the Year Ended December 31, 2020

CURRENT ECONOMIC FACTORS

During 2019, the District determined that the District's existing office building and property were surplus to the District's needs and that it was in the best interest of the District and its customers to sell its current office building. On January 24, 2020 the District completed the sale of its office building and associated land for a selling price of \$334,750. The Board has determined that these funds should be segregated and applied to the future purchase of a new office facility. Currently the office staff is housed in a temporary building located on the old site. The District's agreement with the buyer allows the District to continue to rent this space and parking area for eighteen months.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at PO Box 708, Bastrop, Texas 78602.

BASIC FINANCIAL STATEMENTS

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	STATEMENT OF NET POSITION
ASSETS			
Cash	\$ 985,799	\$ 675,506	\$ 1,661,305
Investments			
Unrestricted	-	2,697,517	2,697,517
Restricted	-	1,099,371	1,099,371
Receivables			
Assessments Receivable, Net	325,990	-	325,990
Service Accounts Receivable, Net	-	25,947	25,947
FEMA Receivable	231,465	23,500	254,965
Internal Balances	(27,900)	27,900	-
Utility Deposits	-	2,906	2,906
Capital Assets, Net			
Land	269,074	100,029	369,103
Water and Wastewater Improvements	-	6,195,845	6,195,845
Road Improvements	1,000,634	-	1,000,634
Buildings	-	251,113	251,113
Machinery and Equipment	15,144	345,488	360,632
Vehicles	-	132,364	132,364
TOTAL ASSETS	2,800,206	11,577,486	14,377,692
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan	-	55,581	55,581
TOTAL DEFERRED OUTFLOWS	-	55,581	55,581
LIABILITIES			
Accounts Payable	153,581	90,364	243,945
Accrued Liabilities	1,000,634	81,744	1,082,378
Deferred Assessment Revenue	325,990	-	325,990
Deferred FEMA Revenue	231,465	23,500	254,965
Customer Deposits	-	258,450	258,450
Long-term Liabilities			
Due Within One Year	-	270,000	270,000
Due After One Year	-	4,790,000	4,790,000
TOTAL LIABILITIES	1,711,670	5,514,058	7,225,728
NET POSITION			
Invested in Capital Assets (Net of Related Debt)	284,218	1,964,839	2,249,057
Restricted for Debt Service	-	1,099,371	1,099,371
Unrestricted	804,318	3,054,801	3,859,119
TOTAL NET POSITION	\$ 1,088,536	\$ 6,119,011	\$ 7,207,547

The accompanying notes are an integral part of these financial statements.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	STATEMENT OF ACTIVITIES
REVENUES			
Water and Wastewater Service	\$ -	\$ 2,375,667	\$ 2,375,667
Tap Fees	-	734,567	734,567
Debt Service Reserve Fee	-	236,241	236,241
Standby Charges	15,790	-	15,790
Road Assessment Fees	1,260,055	-	1,260,055
FEMA Grants	126,669	-	126,669
Other	150,042	19,265	169,307
TOTAL REVENUES	1,552,556	3,365,740	4,918,296
EXPENSES			
Service Operations			
Payroll and Related expenses	155,858	833,615	989,473
Operations	181,148	235,373	416,521
Repairs and Maintenance	4,800	152,000	156,800
Contract Services	800	-	800
Consumable Supplies	29,192	148,545	177,737
Professional Services	171,159	65,858	237,017
Office	20,731	81,028	101,759
Insurance	11,082	25,170	36,252
Depreciation	5,906	694,248	700,154
Debt Service:			
Interest	-	180,999	180,999
Loss on Road Conveyance Obligation	849,021	-	849,021
TOTAL EXPENSES	1,429,697	2,416,836	3,846,533
NON-OPERATING REVENUES			
Rental Income	-	3,300	3,300
Gain on Sale of Building	-	134,334	134,334
Interest and Other	-	3,895	3,895
TOTAL NON-OPERATING REVENUES	-	141,529	141,529
CHANGE IN NET POSITION	122,859	1,090,433	1,213,292
NET POSITION			
Beginning of Year	965,677	5,028,578	5,994,255
Prior Period Adjustment-Pension Plan	-	-	-
End of Year	\$ 1,088,536	\$ 6,119,011	\$ 7,207,547

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**BALANCE SHEET-GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>STANDBY</u>	<u>ROAD</u>	<u>TOTAL</u>	<u>ADJUST- MENTS</u>	<u>STATEMENT OF NET POSITION</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 93,777	\$ 892,022	\$ 985,799	\$ -	\$ 985,799
Assessments Receivable, Net	-	325,990	325,990	-	325,990
FEMA Receivable	-	231,465	231,465	-	231,465
Capital Assets, Net					
Land	-	-	-	269,074	269,074
Road Improvements	-	-	-	1,000,634	1,000,634
Machinery and Equipment	-	-	-	15,144	15,144
Vehicles	-	-	-	-	-
TOTAL ASSETS	\$ 93,777	\$ 1,449,477	\$ 1,543,254	\$ 1,284,852	\$ 2,828,106
<u>LIABILITIES</u>					
Accounts Payable	\$ 3	\$ 153,578	\$ 153,581	\$ -	\$ 153,581
Obligation to Transfer Roads to County	-	-	-	1,000,634	1,000,634
Due to Proprietary Fund	162	27,738	27,900	-	27,900
Deferred Assessment Revenue	-	325,990	325,990	-	325,990
Deferred FEMA Revenue	-	231,465	231,465	-	231,465
TOTAL LIABILITIES	165	738,771	738,936	1,000,634	1,739,570
<u>FUND BALANCES</u>					
Assigned Fund Balance	93,612	710,706	804,318	(804,318)	-
TOTAL FUND BALANCES	93,612	710,706	804,318	(804,318)	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>					
	\$ 93,777	\$ 1,449,477	\$ 1,543,254		
<u>NET POSITION</u>					
Invested in Capital Assets (Net of Related Debt)				284,218	284,218
Unrestricted				804,318	804,318
TOTAL NET POSITION				\$ 1,088,536	\$ 1,088,536

The accompanying notes are an integral part of these financial statements.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>STANDBY</u>	<u>ROAD</u>	<u>TOTAL</u>	<u>ADJUST- MENTS</u>	<u>STATEMENT OF ACTIVITIES</u>
REVENUES					
Standby Charges	\$ 15,790	\$ -	\$ 15,790	\$ -	\$ 15,790
Road Assessment Fees	-	1,260,055	1,260,055	-	1,260,055
FEMA Grants	-	126,669	126,669	-	126,669
Interest and Other	60	149,982	150,042	-	150,042
TOTAL REVENUES	15,850	1,536,706	1,552,556	-	1,552,556
EXPENDITURES					
Service Operations					
Salary Allocation	-	155,858	155,858	-	155,858
Operations	-	181,148	181,148	-	181,148
Repairs and Maintenance	4,800	-	4,800	-	4,800
Contract Services	-	800	800	-	800
Consumable Supplies	-	29,192	29,192	-	29,192
Professional Fees	4,135	167,024	171,159	-	171,159
Office	890	19,841	20,731	-	20,731
Insurance	-	11,082	11,082	-	11,082
Capital Expenditures	-	849,021	849,021	(849,021)	-
Depreciation	-	-	-	5,906	5,906
Loss on Road Conveyance Obligation	-	-	-	849,021	849,021
TOTAL EXPENDITURES	9,825	1,413,966	1,423,791	5,906	1,429,697
Excess (Deficit) of Revenues					
Over Expenditures	6,025	122,740	128,765		
CHANGE IN NET POSITION	-	-	-	(5,906)	122,859
FUND BALANCES/NET POSITION					
Beginning of Year	87,587	587,966	675,553	290,124	965,677
End of Year	\$ 93,612	\$ 710,706	\$ 804,318	\$ 284,218	\$ 1,088,536

The accompanying notes are an integral part of these financial statements.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**STATEMENT OF NET POSITION-PROPRIETARY FUNDS
DECEMBER 31, 2020**

	<u>WATER</u> <u>WASTEWATER</u>	<u>TOTAL</u> <u>PROPRIETARY</u>
<u>ASSETS</u>		
Cash	\$ 675,506	\$ 675,506
Investments		
Unrestricted	2,697,517	2,697,517
Restricted	1,099,371	1,099,371
Service Accounts Receivable, Net	25,947	25,947
FEMA Receivable	23,500	23,500
Due from Other Funds	27,900	27,900
Utility Deposits and Prepaid Expenses	2,906	2,906
Capital Assets, Net		
Land	100,029	100,029
Water and Wastewater Improvements	6,195,845	6,195,845
Road Improvements	-	-
Buildings	251,113	251,113
Machinery and Equipment	345,488	345,488
Vehicles	132,364	132,364
TOTAL ASSETS	<u>11,577,486</u>	<u>11,577,486</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Plan	55,581	55,581
TOTAL DEFERRED OUTFLOWS	<u>55,581</u>	<u>55,581</u>
<u>LIABILITIES</u>		
Accounts Payable	90,364	90,364
Accrued Liabilities	81,744	81,744
Deferred FEMA Revenue	23,500	23,500
Due to Other Funds	-	-
Customer Deposits	258,450	258,450
Long-term Liabilities		
Due Within One Year	270,000	270,000
Due After One Year	4,790,000	4,790,000
TOTAL LIABILITIES	<u>5,514,058</u>	<u>5,514,058</u>
NET POSITION		
Invested in Capital Assets (Net of Related Debt)	1,964,839	1,964,839
Restricted for Debt Service	1,099,371	1,099,371
Unrestricted	3,054,801	3,054,801
TOTAL NET POSITION	<u>\$ 6,119,011</u>	<u>\$ 6,119,011</u>

The accompanying notes are an integral part of these financial statements.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>WATER WASTEWATER</u>	<u>TOTAL PROPRIETARY</u>
<u>REVENUES</u>		
Water and Wastewater Service	\$ 2,375,667	\$ 2,375,667
Tap Fees	734,567	734,567
Reserve Fee	236,241	236,241
FEMA Grants	-	-
Other	19,265	19,265
TOTAL REVENUES	<u>3,365,740</u>	<u>3,365,740</u>
<u>EXPENSES</u>		
Service Operations		
Payroll and Related expenses	833,615	833,615
Operations	235,373	235,373
Repairs and Maintenance	152,000	152,000
Contract Services	-	-
Consumable Supplies	148,545	148,545
Professional Services	65,858	65,858
Office	81,028	81,028
Insurance	25,170	25,170
Depreciation	694,248	694,248
Debt Service:		
Interest	180,999	180,999
TOTAL EXPENSES	<u>2,416,836</u>	<u>2,416,836</u>
NET OPERATING INCOME	<u>948,904</u>	<u>948,904</u>
NON-OPERATING REVENUES		
Rental Income	3,300	3,300
Gain on Sale of Building	134,334	134,334
Interest and Other	3,895	3,895
TOTAL NON-OPERATING REVENUES	<u>141,529</u>	<u>141,529</u>
CHANGE IN NET POSITION	1,090,433	1,090,433
NET POSITION		
Beginning of Year	5,028,578	5,028,578
Prior Period Adjustment-Pension Plan	-	-
End of Year	<u>\$ 6,119,011</u>	<u>\$ 6,119,011</u>

The accompanying notes are an integral part of these financial statements.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	WATER WASTEWATER	TOTAL PROPRIETARY
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Received from Customers	\$ 3,383,338	\$ 3,383,338
Cash Paid to Employees and Suppliers	(1,480,036)	(1,480,036)
Interest Paid	(180,999)	(180,999)
Net Cash Provided by Operating Activities	1,722,303	1,722,303
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Net Effect of Interfund Balances	9,684	9,684
Net Cash Provided by (Used in) Non-Capital Financing Activities	9,684	9,684
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>		
Reduction of Prior Year Pension Expense	-	-
Principal Payments on Notes Payable	(260,000)	(260,000)
Net Cash Provided by (Used in) Capital Financing Activities	(260,000)	(260,000)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Investments	(970,479)	(970,479)
Purchase of Capital Assets	(503,177)	(503,177)
Rental Income	3,300	3,300
Sale of Building Proceeds	323,417	323,417
Interest and Other Income	3,895	3,895
Net Cash Provided by (Used in) Investing Activities	(1,143,044)	(1,143,044)
NET CHANGE IN CASH	328,943	328,943
Cash and Cash Equivalents-Beginning of Year	346,563	346,563
Cash and Cash Equivalents-End of Year	\$ 675,506	\$ 675,506
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 948,904	\$ 948,904
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	694,248	694,248
Decrease in Service Accounts Receivable	(1,149)	(1,149)
Increase in Prepaid Expenses	(317)	(317)
Increase in Deferred Outflows	(5,448)	(5,448)
Increase in Accounts Payable	52,118	52,118
Decrease in Accrued Liabilities	9,752	9,752
Increase in Customer Deposits	24,195	24,195
Net Cash Provided by Operating Activities	\$ 1,722,303	\$ 1,722,303

The accompanying notes are an integral part of these financial statements.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. Summary of Significant Accounting Policies

The combined financial statements of Bastrop County Water Control and Improvement District No. 2 (the District) have been prepared in conformity with accounting principles applicable to governmental units that are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Bastrop County Water Control and Improvement District No. 2 (the District), a political subdivision of the State of Texas, was created by the Bastrop County Commissioner's Court under Chapter 51 of the Texas Water Code on September 23, 1985. The District was created and organized for the purpose of providing water and wastewater services to customers within its boundaries and in the surrounding area. The District's first Board of Directors meeting was held on October 7, 1985. The original major system assets of the District were awarded to the District by judicial order in July 1986. The District has operated the system since that date.

In 1989, House Bill No. 2341 was enacted giving the District authority to administer a road utility district. As created under Article III, Section 52, of the Texas Constitution, the District may provide for the reconstruction, maintenance and operation of roads within the District. The Board may issue bonds on a vote of a two-thirds majority of the voters of the District, or the territory to be affected by the bonds, voting at an election called and held for that purpose.

Most recently, Senate Bill No. 749 was enacted effective September 1, 2017, setting the District's maximum monthly charge for road construction and maintenance at \$21 for each developed or undeveloped lot, tract, or reserve in the District. These laws restrict to 10% the amount the District may use for administrative purposes and requires that not less than 15% of the charges be used for road maintenance.

The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise significant oversight or control. The District is governed by a five-member Board of Directors (the Board) that has been elected by District residents. The funds presented in this report are within the oversight responsibility of the Board, in accordance with Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting. There are no component units of the District, nor is the District a component unit of any other entity.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

A. Basis of Presentation, Basis of Accounting

Government-wide Financial Statements:

The government-wide financial statements, the **Statement of Net Position** and the **Statement of Activities**, report information on all of the activities of the District. The effect of interfund activity is removed from these statements. Governmental activities, supported by standby and road construction and maintenance assessments, are reported separately from business-type activities, which rely primarily on fees and charges for water and wastewater services.

Fund Financial Statements:

The governmental fund financial statement columns are labeled **Government Funds Balance Sheet** and **Governmental Funds Revenue, Expenditures and Changes in Fund Balance**. In the fund financial statements, the accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District reports the following major governmental funds:

Special Revenue Funds

Standby Fund: The Standby Fund includes collection of charges to customers within the District to help fund and pay for utility costs of the District. These charges have been discontinued as of this fiscal year. It is a budgeted fund.

Road Construction and Maintenance Fund: The Road Construction and Maintenance Fund includes charges to property owners within the District to fund road reconstruction and maintenance within the District. It is a budgeted fund.

Proprietary Funds

Water Fund: The Water Fund is an enterprise fund used to account for the operations of the District's water service system, including maintenance of and capital improvements to the system.

Wastewater Fund: The Wastewater Fund is an enterprise fund used to account for the operations of the District's wastewater collection system, including maintenance of and capital improvements to the system.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting

The Government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund financial statements are reported using the current financial resources management focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the liability is incurred, except for principal and interest on long term debt, which is recognized as an expenditure to the extent that it has matured. General capital asset acquisitions are reported as expenditures in major governmental funds. Proceeds of general long-term debt are reported as other financing sources.

C. Fund Balances

The District has adopted GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constraints imposed by external providers or imposed by constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (continued)

Assigned – For the General Fund, amounts that are appropriated by the Board or Board designee, if any, that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned – Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has not delegated the authority to assign fund balance.

D. Budget

The Board adopted an annual budget for the Standby Fund and Road Fund on the basis consistent with generally accepted accounting principles. The District does not prepare budgets for other funds. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. All annual appropriations lapse at fiscal year end.

E. Pensions

The District participates in the Texas County & District Retirement System (TCDRS) which covers substantially all full- and part-time non-temporary employees. TCDRS is a statewide, agent multiple-employer, public employee retirement system that provides retirement, disability and survivor benefits.

F. Cash and Cash Equivalents

These include cash on deposit as well as investments with maturities of three months or less at the time of purchase. The investments, consisting of certificates of deposit are recorded at cost, which approximates fair market value.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (continued)

G. Assessment and Service Accounts Receivable

The District provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. As of the end of the year, the allowance for uncollectible accounts was as follows:

Fund	Allowance for Doubtful Accounts
Standby	\$ 494,398
Road	1,770,000
Water	10,177
Wastewater	4,414
Total Government-wide	\$ 2,278,989

H. Capital Assets

Capital assets, which include Land, Administrative Facilities and Equipment, Water Production and Distribution System, Wastewater Collection System, Road Improvements, Vehicles, and Machinery and Equipment are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at estimated fair market value at the time received. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Water and Wastewater Improvements	7-39
Buildings and Improvements	7-39
Road Improvements	25
Machinery and Equipment	5-25
Vehicles	5

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (continued)

I. Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivable and payables if there is intent to repay that amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

J. Accrued Leave

It is the District's policy to allow employees to accrue personal leave as earned up to a maximum of forty hours and to accrue sick leave as earned with limitation. Upon termination, employees are paid for accrued personal leave, but not for accrued sick leave.

K. Long-Term Debt

In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities statement of net position.

L. Deferred Outflows and Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period. GASB Statement No. 63 became effective for fiscal years beginning after December 15, 2011 and has been implemented in the financial statements.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 is effective for fiscal years beginning after December 15, 2012 and has been implemented in these financial statements.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

M. Recently Issued Accounting Pronouncements

In March 2018, the GASB issued GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of GASB Statement No. 88 is to improve the consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This statement is effective for reporting periods beginning after June 15, 2018. GASB Statement No. 88 has been implemented in these financial statements.

2. Cash and Investments

The investment policies of the District are governed by State statute and an adopted District Investment Policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's Investment Policy include: depositories must be FDIC-insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; securities collateralizing time deposits are held by independent third-party trustees.

Cash – At year end, deposits were held by the District's depository bank in accounts that were secured at the balance sheet date by Federal Deposit Insurance Corporation (FDIC) coverage or by pledged collateral held by the District's agent bank in the District's name.

Investments - The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restriction, (1) obligations of the US Treasury, certain US Agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

2. Cash and Investments (continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Not all assets meeting the definition of an investment are required to be reported at fair value. Including among excepted investments are certain investments held by 2a7-like external investment pools. As detailed below the District has invested funds in specific 2a7-like external investment pools that are valued at amortized cost and not subject to the fair value hierarchy levels.

The District's investments at year end are shown below.

<u>Investment</u>	<u>Fair Value Level</u>	<u>Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
Unrestricted-				
Money Market	1	AAA	1 Day	\$ 463,733
TexPool	N/A	AAAm	1 Day	\$2,233,784
Restricted-				
Money Market	1	AAA	1 Day	\$ 642,139
TexPool	N/A	AAAm	1 Day	\$ 457,232

The District has restricted \$1,099,371 of investments in accordance with Texas Water Development Board (the "TWDB") note requirements for escrow and future debt service payments.

Analysis of Specific Cash and Investment Risks – GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and, if so, the reporting of certain related disclosures.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

2. Cash and Investments (continued)

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the District’s name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterpart or the counterparty’s trust department or agent but not in the District’s name. At year end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk – This risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Foreign Currency Risk – This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy – The District’s general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools – Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the “Act”), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other person who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least on nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio with one half of one percent of the value of its shares.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

2. Cash and Investments (continued)

The District's investments in Pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like Pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

TexPool -- The District invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAm by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

3. Capital Assets

During the year the District used operating funds to reconstruct \$849,021 in Road Improvements and acquire \$720,043 in Water and Wastewater System Improvements and other supporting assets serving the District's residents. All of the District's facilities, other than Road Improvements, are being depreciated over their estimated useful lives. Depreciation in the amount of \$5,906 and \$694,248 has been charged to governmental activities and business-type activities, respectively. The majority of governmental activities capital assets are road and related improvements that will be conveyed to the County in the future.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

3. Capital Assets (continued)

	<u>1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2020</u>
<u>Governmental Activities:</u>				
Land	\$ 269,074	\$ -	\$ -	\$ 269,074
Road Improvements	1,000,634	849,021	(849,021)	1,000,634
Machinery & Equipment	70,077	-	-	70,077
Vehicles	10,278	-	-	10,278
Total	<u>1,350,063</u>	<u>849,021</u>	<u>(849,021)</u>	<u>1,350,063</u>
<u>Accumulated Depreciation:</u>				
Road Improvements	-	-	-	-
Machinery & Equipment	(50,055)	-	(4,878)	(54,933)
Vehicles	(9,250)	-	(1,028)	(10,278)
Total	<u>(59,305)</u>	<u>-</u>	<u>(5,906)</u>	<u>(65,211)</u>
Road Capital Assets (Net)	<u>\$ 1,290,758</u>	<u>\$ 849,021</u>	<u>\$ (854,927)</u>	<u>\$ 1,284,852</u>
 <u>Business-Type Activities:</u>				
Land	\$ 176,166	\$ -	\$ (76,137)	\$ 100,029
W/WW Improvements	11,613,060	328,705	-	11,941,765
Buildings	462,084	-	(283,641)	178,443
Buildings-In Progress	58,872	71,549	-	130,421
Machinery & Equipment	865,775	103,538	-	969,313
Vehicles	435,861	45,556	-	481,417
Total	<u>13,611,818</u>	<u>549,348</u>	<u>(359,778)</u>	<u>13,801,388</u>
<u>Accumulated Depreciation:</u>				
W/WW Improvements	(5,184,929)	-	(560,991)	(5,745,920)
Buildings	(223,926)	170,695	(4,520)	(57,751)
Machinery & Equipment	(552,164)	-	(71,661)	(623,825)
Vehicles	(291,977)	-	(57,076)	(349,053)
Total	<u>(6,252,996)</u>	<u>170,695</u>	<u>(694,248)</u>	<u>(6,776,549)</u>
W/WW Capital Assets (Net)	<u>\$ 7,358,822</u>	<u>\$ 720,043</u>	<u>\$ (1,054,026)</u>	<u>\$ 7,024,839</u>

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

4. Long-Term Debt

On June 23, 2016, the District issued \$6,345,000 of revenue notes funded by a private placement with TWDB. The notes are payable to the TWDB from the proceeds of and are secured by a pledge of the net water and wastewater revenues of the District. The debt agreement with the TWDB requires certain deposits and reserves in place to cover future debt service payments. At December 31, 2020, the District was in compliance with these deposit and reserve requirements.

<u>Bonds:</u>	<u>Balance</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2020</u>
Revenue Bonds, Series 2016	\$ 5,320,000	-	(260,000)	\$ 5,060,000
Total Bond Indebtedness	\$ 5,320,000	\$ -	\$ (260,000)	\$ 5,060,000

Debt service requirements on long-term debt as of the end of the year are as follows:

<u>Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 270,000	\$ 175,747	\$ 445,747
2022	275,000	169,672	444,672
2023	285,000	162,962	447,962
2024	295,000	155,666	450,666
2025	305,000	147,318	452,318
2026-2030	1,675,000	578,535	2,253,535
2031-2035	1,955,000	242,603	2,197,603
Totals	\$ 5,060,000	\$ 1,632,503	\$ 6,692,503

5. Pension Plan

The District participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.

A. A brief description of the benefit terms is as follows:

- 1) All full- and part-time employees participate in the plan, regardless of the number of hours they work in a year. Temporary employees are not eligible for membership.
- 2) The plan provides retirement, disability and survivor benefits.
- 3) TCERS is a savings-based plan. For the District's plan, 6% of each employee's pay is deposited into his or her TCERS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to an annuity.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

5. Pension Plan (continued)

- 4) There are no automatic COLAs. Each year, the District may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
- 5) Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year but must remain in conformity with the Act.

B. Membership information is shown in the chart below.

C. The district's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Bastrop County Water Control and Improvement District 2 contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the district and are currently 5%. Contributions to the pension plan from the district for 2018 are shown in the Schedule of Employer Contributions.

D. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

Members	Dec.31,2018	Dec.31,2019
Number of inactive employees entitled to but not yet receiving benefits:	1	4
Number of active employees:	12	12
Average monthly salary*:	\$3,697	4,041
Average age*:	43.37	40.25
Average length of service in years*:	7.50	7.61

Inactive Employees (or their Beneficiaries) Receiving Benefits

Number of benefit recipients:	0	1
Average monthly benefit:	\$0	\$119

**Averages reported for active employees.*

The District's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

5. Pension Plan (continued)

Actuarial Assumptions – The following is a description of the assumptions used in the December 31, 2019 actuarial valuation analysis for the District.

Economic Assumptions - TCDRS system-wide economic assumptions:

Real rate of return	5.25%
Inflation	2.75%
Long-term investment return	8.00%

The assumed long-term investment return of 8% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 8% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	0.00%

Discount Rate – The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

5. Pension Plan (continued)

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years. The discount rate used is 8.1%.

Changers in Net Pension Liability/(Asset)

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balances as of December 31, 2018	\$ 59,827	\$ 65,288	\$ (5,462)
Service Cost	58,854		58,854
Interest on Total Pension Liability	9,613		9,613
Effect of Plan Changes	19,212		19,212
Effect of Economic/demographic gains or losses	9,984		9,984
Effect of Assumptions Changes or Inputs	-		-
Refund of Contributions	-	-	-
Benefit Payments	-	-	-
Administrative Expenses		(118)	118
Member Contributions		31,780	(31,780)
Net Investment Income		10,643	(10,643)
Employer Contributions		45,191	(45,191)
Other	-	2,656	(2,656)
Balances as of December 31, 2019	<u>\$ 157,490</u>	<u>\$ 155,440</u>	<u>\$ 2,049</u>

Sensitivity Analysis – The following presents the net pension liability calculated using the discount rate of 8.10%, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Rate 8.10%	1% Increase 9.10%
Total Pension Liability	\$ 187,246	\$ 157,489	\$ 133,476
Fiduciary Net Position	155,440	155,440	155,440
Net Pension Liability (Asset)	<u>31,806</u>	<u>2,049</u>	<u>(21,964)</u>

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

5. Pension Plan (continued)

Pension Expense

	Total Pension <u>Expense</u>
Service Cost	\$ 58,854
Interest on Total Pension Liability	9,613
Effect of Plan Changes	19,212
Administrative Expenses	118
Member Contributions	(31,780)
Expected Investment Return Net of Investment Expenses	(8,446)
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	673
Recognition of Assumption Changes or Inputs	-
Recognition of Investment Gains or Losses	(67)
Other	<u>(2,656)</u>
Pension Expense	<u>\$ 45,521</u>

As of December 31, 2018, the Deferred Inflows and Outflows of Resources are as follows:

	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>
Differences between Expected and Actual Experience	\$ 3,925	\$ 8,875
Changes of Assumptions	-	-
Net Difference between Projected and Actual Earnings	640	-
Contribution made Subsequent to Measurement Date	-	46,547

Amounts currently reported as Deferred Outflows and Deferred Inflows of Resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

2019	\$ 606
2020	606
2021	605
2222	235
2023	673
Thereafter	1,585

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

6. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year, the District obtained liability coverage to address this risk.

7. Commitments and Contingencies

The District leases certain equipment under various lease purchase agreements which expire on various dates through 2024. The leases had initial terms of one to five years. Future minimum annual rentals under noncancelable leases were \$14,794.

8. Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

9. Subsequent Events

The District has evaluated subsequent events as of March 31, 2021, the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Therefore, while this issue may negatively impact the District's results of operations and financial position, the related financial impact cannot be reasonably estimated at the time. The District is actively managing its operations to maintain its cash flow and management believes that the District has adequate liquidity.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

10. Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for governmental activities in the statement of net position are different because:

Governmental Funds Total Fund Balances	\$	804,318
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		1,284,852
Obligation to transfer roads to county are not financial uses and, therefore, are not reported in the funds		<u>(1,000,634)</u>
Total Net Position	\$	<u>1,088,536</u>

Amounts reported for governmental activities in the statement of activities are different because:

Governmental Funds Excess of Revenues over Expenditures	\$	128,765
Governmental funds report capital outlays as expenditures however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or losses on road conveyances		
Capital Outlay		849,021
Depreciation Expense		(5,906)
Loss on Road Conveyance Obligation		<u>(849,021)</u>
Change in Net Position	\$	<u>122,859</u>

REQUIRED SUPPLEMENTARY INFORMATION

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
STANDBY FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

	ORIGINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES			
Standby Charges	\$ 10,000	\$ 15,790	\$ 5,790
Interest and Other	-	60	60
TOTAL REVENUES	10,000	15,850	5,850
EXPENDITURES			
Service Operations			
Salary Allocation	5,000	-	5,000
Operations	-	-	-
Repairs and Maintenance	-	4,800	(4,800)
Contract Services	-	-	-
Consumable Supplies	-	-	-
Professional Fees	5,000	4,135	865
Office	-	890	(890)
Insurance	-	-	-
TOTAL EXPENDITURES	10,000	9,825	175
Excess (Deficit) of Revenues over Expenditures	-	6,025	6,025
FUND BALANCE			
Beginning of Year	87,587	87,587	-
End of Year	\$ 87,587	\$ 93,612	\$ 6,025

The accompanying notes are an integral part of these financial statements.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ROAD FUND

BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>ORIGINAL BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Road Assessment Fees	\$ 1,244,000	\$ 1,260,055	\$ 16,055
FEMA Grants	-	126,669	126,669
Interest and Other	183,200	149,982	(33,218)
TOTAL REVENUES	1,427,200	1,536,706	109,506
<u>EXPENDITURES</u>			
Service Operations			
Salary Allocation	166,500	155,858	10,642
Operations	233,600	181,148	52,452
Repairs and Maintenance	20,500	-	20,500
Contract Services	160,000	800	159,200
Consumable Supplies	130,000	29,192	100,808
Professional Fees	158,000	167,024	(9,024)
Office	18,550	19,841	(1,291)
Insurance	500	11,082	(10,582)
Capital Expenditures	559,000	849,021	(290,021)
TOTAL EXPENDITURES	1,446,650	1,413,966	32,684
Excess (Deficit) of			
Revenues over Expenditures	(19,450)	122,740	142,190
<u>FUND BALANCE</u>			
Beginning of Year	587,966	587,966	-
End of Year	\$ 568,516	\$ 710,706	\$ 142,190

The accompanying notes are an integral part of these financial statements.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

SUPPLEMENTARY INFORMATION

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED
BY THE TEXAS WATER COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2020

(Schedules included are checked; explanatory notes are provided for omitted schedules).

- Schedule of Services and Rates
- Schedule of General Fund Expenditures
- Temporary Investments
- Analysis of Taxes Levied and Receivable
 - None
- General Long Term Debt Service Requirements by Years
- Analysis of Changes in General Long Term Debt
- Comparative Schedule of Revenues and Expenditures – All Funds
- Board Members, Key Personnel, and Consultants

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**SCHEDULE OF EXPENSES BY FUND
YEAR ENDED DECEMBER 31, 2020**

	<u>W/WW FUND</u>	<u>STANDBY FUND</u>	<u>ROAD FUND</u>	<u>TOTALS</u>
Personnel (including benefits)	\$ 833,615	\$ -	\$ 155,858	\$ 989,473
Professional Fees				
Audit	16,320	1,200	6,480	24,000
Engineering	7,670	-	113,282	120,952
Legal	9,805	601	34,662	45,068
Accounting	32,063	2,334	12,600	46,997
	<u>65,858</u>	<u>4,135</u>	<u>167,024</u>	<u>237,017</u>
Contracted Services				
Repairs	-	-	800	800
	<u>-</u>	<u>-</u>	<u>800</u>	<u>800</u>
Administrative				
Director Salaries and Payroll Taxes	-	-	-	-
Insurance	25,170	-	11,082	36,252
Office Supplies	81,028	890	19,841	101,759
	<u>106,198</u>	<u>890</u>	<u>30,923</u>	<u>138,011</u>
Maintenance				
Operations	235,373	-	181,148	416,521
Repairs and Maintenance	152,000	4,800	-	156,800
Supplies	148,545	-	29,192	177,737
	<u>300,545</u>	<u>4,800</u>	<u>29,192</u>	<u>334,537</u>
Capital Expenditures	<u>-</u>	<u>-</u>	<u>849,021</u>	<u>849,021</u>
Depreciation	<u>694,248</u>	<u>-</u>	<u>5,906</u>	<u>700,154</u>
Interest	<u>180,999</u>	<u>-</u>	<u>-</u>	<u>180,999</u>
TOTAL EXPENDITURES	<u><u>\$ 2,181,463</u></u>	<u><u>\$ 9,825</u></u>	<u><u>\$ 1,238,724</u></u>	<u><u>\$ 3,430,012</u></u>

Number of persons employed by the District: 12
(Does not include independent contractors or consultants)

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

TEMPORARY INVESTMENTS

DECEMBER 31, 2020

FUNDS	IDENTIFICATION OR CERTIFICATE NUMBER	INTEREST RATE	MATURITY DATE	BALANCE AT END OF YEAR	ACCRUED INTEREST RECEIVABLE AT END OF YEAR
<u>WATER FUND</u>					
Money Market	831041	Variable	N/A	\$ 642,139	-
Money Market	2065076	Variable	N/A	71,282	-
Money Market	2134385	Variable	N/A	246,450	-
Money Market	573543	Variable	N/A	146,001	-
State Investment Pool	7966400001	Variable	N/A	457,232	-
State Investment Pool	7966400002	Variable	N/A	1,620,578	-
State Investment Pool	7966400003	Variable	N/A	613,206	-
Total				<u>3,796,888</u>	<u>-</u>
TOTALS - ALL FUNDS				<u>\$ 3,796,888</u>	<u>\$ -</u>

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED DECEMBER 31, 2020**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2016		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2021	270,000	175,747	445,747
2022	275,000	169,672	444,672
2023	285,000	162,962	447,962
2024	295,000	155,666	450,666
2025	305,000	147,318	452,318
2026	315,000	137,954	452,954
2027	325,000	127,685	452,685
2028	335,000	116,538	451,538
2029	345,000	104,544	449,544
2030	355,000	91,814	446,814
2031	365,000	78,395	443,395
2032	380,000	64,270	444,270
2033	390,000	49,259	439,259
2034	405,000	33,581	438,581
2035	415,000	17,098	432,098
2036	-	-	-
	\$ 5,060,000	\$ 1,632,503	\$ 6,692,503

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED DECEMBER 31, 2020**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR ALL SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2021	270,000	175,747	445,747
2022	275,000	169,672	444,672
2023	285,000	162,962	447,962
2024	295,000	155,666	450,666
2025	305,000	147,318	452,318
2026	315,000	137,954	452,954
2027	325,000	127,685	452,685
2028	335,000	116,538	451,538
2029	345,000	104,544	449,544
2030	355,000	91,814	446,814
2031	365,000	78,395	443,395
2032	380,000	64,270	444,270
2033	390,000	49,259	439,259
2034	405,000	33,581	438,581
2035	415,000	17,098	432,098
2036	-	-	-
	\$ 5,060,000	\$ 1,632,503	\$ 6,692,503

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**ANALYSIS OF CHANGES IN GENERAL LONG TERM DEBT
YEAR ENDED DECEMBER 31, 2020**

	<u>SERIES 2016</u>	<u>TOTALS</u>
Interest Rate	1.15- 4.12%	
Dates Interest Payable	6/1 : 12/1	
Maturity Dates	12/1/2035	
Bonds at Beginning of Year	\$ 5,320,000	\$ 5,320,000
Bonds Sold During the Year	-	-
Bonds Defeased During the Year	-	-
Retirements During the Year	<u>(260,000)</u>	<u>(260,000)</u>
Bonds at End of Year	<u>\$ 5,060,000</u>	<u>\$ 5,060,000</u>
Interest Paid During the Year	\$ 180,999	\$ 180,999
Change in Accrued Interest	<u>-</u>	<u>-</u>
Interest Expense	<u>\$ 180,999</u>	<u>\$ 180,999</u>
Paying Agent	TWDB	
	<u>Revenue Bonds</u>	
Bond Authority:		
Bonds	\$ 7,090,000	(a)
Amount Issued	\$ 7,090,000	
Remaining To Be Issued	\$ -	
Debt Service Fund Cash and Temporary Investments balances as of December 31, 2020		<u>\$ 457,232</u>
Average annual debt service payment (principal & interest) for remaining term of all debt		<u>\$ 446,167</u>

(a) Since the District has no taxing authority, it has no specific standing authorization to issue bonds.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - ALL FUNDS
FOR THE FIVE YEARS ENDED DECEMBER 31, 2020**

	AMOUNTS				
	2020	2019	2018	2017	2016
<u>REVENUES</u>					
Water and Wastewater Service	2,375,667	2,121,670	2,065,669	1,844,975	1,853,629
Tap Connection Fees	734,567	467,329	673,394	469,814	496,397
Debt Service Reserve Fee	236,241	160,173	152,069	143,542	45,984
Standby Charges	15,790	3,407	21,090	47,150	48,665
Road Assessment Fees	1,260,055	1,328,741	1,205,250	919,061	736,217
FEMA Grants	126,669	-	10,837	336,399	88,190
Interest and Other	310,836	202,277	234,632	298,659	104,934
TOTAL REVENUES	5,059,825	4,283,597	4,362,941	4,059,600	3,374,016
<u>EXPENDITURES</u>					
Salary Allocation	989,473	900,443	874,960	690,772	663,350
Operations	416,521	475,934	655,488	528,467	503,304
Repairs and Maintenance	156,800	171,738	318,910	100,275	102,076
Contract Services	800	65,725	590,420	211,026	51,629
Consumable Supplies	177,737	171,221	258,889	357,851	172,396
Professional Fees	237,017	300,740	215,542	192,991	238,115
Office	101,759	102,046	77,358	51,916	75,359
Insurance and Other	36,252	54,566	36,147	26,697	29,573
Capital Expenditures	849,021	182,148	630,101	661,618	281,926
Depreciation	700,154	684,890	714,522	649,339	589,825
Interest	180,999	185,349	188,902	191,964	91,532
TOTAL EXPENDITURES	3,846,533	3,294,800	4,561,239	3,662,916	2,799,085
Excess (Deficit) of Revenues over Expenditures	<u>1,213,292</u>	<u>988,797</u>	<u>(198,298)</u>	<u>396,684</u>	<u>574,931</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>2,053</u>	<u>1,964</u>	<u>1,740</u>	<u>1,644</u>	<u>1,556</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>698</u>	<u>698</u>	<u>698</u>	<u>648</u>	<u>605</u>

PERCENT OF REVENUES				
2020	2019	2018	2017	2016
47%	50%	47%	45%	55%
15%	11%	15%	12%	15%
5%	4%	3%	4%	1%
0%	0%	0%	1%	1%
25%	31%	28%	23%	22%
3%	0%	0%	8%	3%
6%	5%	5%	7%	3%
100%	100%	100%	100%	100%
20%	21%	20%	17%	20%
8%	11%	15%	13%	15%
3%	4%	7%	2%	3%
0%	2%	14%	5%	2%
4%	4%	6%	9%	5%
5%	7%	5%	5%	7%
2%	2%	2%	1%	2%
1%	1%	1%	1%	1%
17%	4%	14%	16%	8%
14%	16%	16%	16%	17%
4%	4%	4%	5%	3%
76%	77%	105%	90%	83%
24%	23%	-5%	10%	17%

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
YEAR ENDED DECEMBER 31, 2020**

DISTRICT MAILING ADDRESS: PO Box 708, Bastrop, Texas 78602

DISTRICT BUSINESS TELEPHONE NUMBER: (512) 321-1688

LIMITS ON FEES OF OFFICE THAT A DIRECTOR MAY RECEIVE DURING A FISCAL YEAR: \$7,200

<u>NAMES AND ADDRESSES</u>	<u>TERM OF OFFICE</u>	<u>SALARY FYE 12/31/20</u>	<u>REIMBURSEMENTS FYE 12/31/20</u>	<u>TITLE AT YEAR END</u>
<u>DIRECTORS</u>				
Mary Beth O'Hanlon	Elected 5/18-5/22	\$ -	\$ -	President
Scott Ferguson	Elected 11/20-5/24	-	-	Vice-President
Ron Whipple	Elected 11/20-5/24	-	-	Secretary
Sam Kier	Elected 5/18-5/22	-	-	Treasurer
Butch Carmack	Elected 5/18-5/22	-	-	Director
		<u>\$ -</u>	<u>\$ -</u>	

CONSULTANTS

McLean & Howard		\$ 41,364	\$ -	Attorney
Judy Osborn		\$ 400		Attorney
McCreary Veselka Bragg & Allen		\$ 3,304		Attorney
Befco Engineering		\$ 120,952	\$ -	Engineer
Municipal Accounts & Consulting		\$ 46,997	\$ -	Accountant
West, Davis & Company		\$ 24,000	\$ -	Auditor

Agenda

Item # 8

General
Managers
Report

BOARD OF DIRECTORS
BASTROP COUNTY WCID NO. 2

General Manager's Update
April 15, 2021

8a. Status of TTHM compliance:

Not much for updates other than we received the activated carbon test drum, got it installed and all of the testing was completed last week. We are doing both pre & post treatment, both with and without chlorine, so we can have a complete set of analysis to review. Granted, we have to add chlorine to get a reaction, to form the THMs, but doing a pre-chlorine on the raw, will show us a few other items on the water quality along with the raw and activated carbon for comparison. We pulled some field samples from a customers house as well to compare with so that we have a good solid detention time set to work with. Along with the activated carbon, we did some samples with the aeration test unit that we have. We have submitted 12 samples all together to the lab, with all the different parameters, so we should have quite a bit to review for next month as well as a decision for the Board.

8b. Update on district water plants and lift stations:

Station 3 rehab has been completed. Our next step is to complete the McCallister station possibly moving into this late fall or early winter but it will definitely be a scheduled event since this is our primary station.

We are working on a grant with engineers and FEMA/Befco for a generator to be installed at Station #1 here on Tahitian. The winter storm has taught us all some lessons about preparedness. FEMA kicked into high gear for generator grants, so we are working thru the process.

BOARD OF DIRECTORS
BASTROP COUNTY WCID NO. 2

8c. W/W maintenance & Capital Improvements update:

No major updates currently. We still are waiting on Befco to finish the survey for the Tahitian line upgrade now.

8d. Roads maintenance & improvement projects update:

19/20 Road Construction: All roads for last years batch have been completed finally. After speaking with Mel, they are scheduling these to be paved with several others, when the paving season starts off here in late April or early May. We have already ordered all the chip rock necessary for the roads to be completed.

20/21 Roads: We have had several meetings with Mel and County crews, determining all the necessary steps required to make the reclaimer work for us. We are also seeking all the necessary prices to track everything. Due to scheduling, employees availability and vacations, our current thought is to use April, May & June for preparing (tree trimming, culverts, ditches, etc) the roads then do the construction portion in July/August time frame. Mel stated there was a chance they could come back to chip seal them but no definite right now.

8e. Employee update:

Alma and I conducted several interviews and narrowed down to 2 candidates. Both had several qualities to offer and both wanted PT positions. We ended up choosing to hire both in PT positions so that we can focus on several things coming up. Our office is getting busier by the week and having the extra hands to answer phones, take customers and do data entry, will be very helpful. We will also have them scanning all

BOARD OF DIRECTORS
BASTROP COUNTY WCID NO. 2

the old files into the server, so that we can eliminate the paper trails & file cabinets for moving to the new building.

We did have 1 of the field crew go out due to covid, for approximately 2 weeks. The initial quarantine was due to the family exposed and getting a positive result, then the employee tested positive, so it started the count all over. The crews are still staying separated as much as possible and making sure the offices and vehicles are being cleaned and sanitized as often as they can on a daily basis.

8f. General Office Update:

New Maintenance Facility. Site pad & plumbing have been completed. Concrete is due to start pouring tomorrow. The building is set to be delivered next week and start the actual construction. The next step is for us to focus on getting the wastewater to the site.

Agenda

Item # 10

Revisions to
the District's
master Road
Plan

October 2022 - September 2023 (Year 3 New Plan)

Unit	Collector Road	Total To Be Paved	Street	Length of Unpaved Road Measured by Feet	Homes	Feet Between Homes Being Paved	Avg Home Density of Roads to be Paved; serviced by feeder	Previous 5 Year Planned Date to Pave	Bus Route Y/N	Comments
2		2090	Koolua	2090	8	261		2019/2020	No	Off Awehi Lane
2		1,500	Haleakala Dr	1500	3	1100				
		275	Taro Court	275	0					Old Kulkul court
2		180	Waihi Ct	180	0	N/A				OFF AKALOA
2		650	Laa Ct	650	3	217				Finish off area
5		1300	Kikipua	1300	16	81				Newly Qualified
4 & 5		3100	Waipahoehoe Dr	3100	21	148				
4		2550	Mokuleia Cr	2550	10	255		2018/19	No	Off Akalao. Pave full Circle
5		2700	Nene	2700	22	123				Was W. Kokekole
4		950	Mokolea Lane	950	3	317				Connects Akalao & Nanakuli
Total		15295								
WD/CT	2.90			Homes Paved	86					
CI			15,295	Homes with improved Access	0					
Total	2.90		2.90							

October 2023 - September 2024 (Year 4 New Plan)

Unit	Collector Road	Total Paved	Street	Length of Unpaved Road Measured by Feet	Homes	Feet Between Homes Being Paved	Avg Home Density of Roads to be Paved; serviced by feeder	Previous 5 Year Planned Date to Pave	Bus Route Y/N	Comments
3		1,020	Naalehu Ct	1020	20	51				
1		1,260	E & W Wiamea Ct	1260	6	210				
1		350	Olai Court	350	1					Connector for Makaha & Wiamea
1	Feeder	3,400	Makaha East to Mauna Kea	3900	11	355			No	500 Ft done in 2018/19
1		1,420	Oahu Ct	1420	0	#DIV/0!				Off Nani Lane
1		330	Nani Lane	330	0	N/A				Use to be Koko Court
4		950	Kaaawa Lane East	950	4	238			No	West Off Akalooa by Wailupe
5		200	Manana Ct	200	5	40				
5		725	Kahana W	725	5	145			No	Off Awehi Lane
	Total	9,655	10,155		52					
	Miles	1.83	1.92							

Future Roads that Qualify Under Home Density Rules

Unit	Collector Road	Total Paved	Street	Length Ft	Homes	Feet Between Homes	Average using all roads serviced by feeder	Initial Year Planned	Bus Route Y/N	Comments
			Puu Waa Waa East	500	1					Connects to Diamond Head
5		2650	Kawainui LANE	2650	10	265			No	Off N. Wahane
2		2700	Wainee	2700	8	338			No	Off Awehi Lane
5		2350	Kamaiki	2350	5	470			No	
5			Puu Kaa Ct	350	2	175				
5			Mokuauia Ct	360	2	180				
5			Makua Ct	240	0	N/A				
5			Waialea Ct	320	1	320				
5			Waipio ct	220	0	N/A				
5			Kahuku Ct	400	1	400				
5			MoKolii Ct	550	1	550				
5			Waialua Ct	550	3	183				
2		2500	Molokini	2500	7	357			No	Off Awehi Lane
2			Llio Court	100	1	100				Off Molokini
2		3450	Hekili	3450	9	383			No	Off N. Wahane
4		2550	Wailupe	2550	9	283			No	Off N. Wahane

THESE 8 STAY GROUPED TOGETHER FOR FUTURE ROAD PLAN

Roads to Be Completed After Home Density Roads Completed (or fit in where plausible)

Unit	Collector Road	Total Paved	Street	Length Ft	Homes	Feet Between	Average roads	Initial Year Planned	Bus Route Y/N	Comments
2			Paia Court	300						
2			Puu Ct	280	2	140				
1			Nani Lane	330	0	N/A				Use to be Koko Court
5			Halawa Ct	200	1	200				
1			Reva/Lae Ct	220	1	220				
5			Kalihi Ct	250	0	N/A				
4			Pali Ct	250	1	250				
1			Koui Ct	350	1	350				
2			Pulehu Ct	350	1	350				
2			Moku Ct	450	2	225				
1			Kohala Lane	700	2	350				
2			Wahane - E of Akaloa	1406	2	703				Lift Station
5			Loke	1800	1	1800				
1			Aloha	2250	1	2250				
1			Hulu Ln	1150	0	N/A				
5			Ahupu Lane	1150	0	N/A				
2			Alau Ct	160	0	N/A				
2			Auau	200	0	N/A				
5			Kahana E	1450	0	N/A			No	
5			Diamond Head Dr.	3360	0	N/A				
2			Eke	200	0	N/A				

Agenda

Item # 13

Resolution

Expressing

Intent to Finance

Expenditures to

be incurred

**RESOLUTION EXPRESSING INTENT TO FINANCE EXPENDITURES
(BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2)**

THE STATE OF TEXAS §
COUNTY OF BASTROP §

WHEREAS, the Bastrop County Water Control and Improvement District No. 2 (the "District"), a political subdivision of the State of Texas, is authorized to finance its activities by issuing obligations pursuant to Article XVI, Section 59 of the Texas Constitution, and general laws of the State, including Chapters 49 and 51 of the Texas Water Code, as amended, which may include obligations the interest on which is excludable from gross income for federal income tax purposes ("Tax-Exempt Obligations"), pursuant to Section 103 of the Internal Revenue of 1986, as amended (the "Code"); and

WHEREAS, the District has made, within the last 60 days, and/or will continue to make payments with respect to the project listed on Exhibit A attached hereto (the "Project"); and

WHEREAS, the District reasonably expects to issue Tax-Exempt Obligations to reimburse itself for the costs associated with the Project; and

WHEREAS, the District desires to reimburse itself for the costs associated with the Project from the proceeds of Tax-Exempt Obligations to be issued subsequent to the date hereof.

NOW, THEREFORE, be it resolved that:

Section 1. The District hereby declares its intent to reimburse itself for all costs paid within the last 60 days and that will be paid subsequent to the date hereof in connection with the Project from the proceeds of Tax-Exempt Obligations to be issued subsequent to the date hereof.

Section 2. The District reasonably expects that the maximum principal amount of Tax-Exempt Obligations issued by the District to finance costs associated with the Project will not exceed \$850,000.00.

Section 3. This Resolution will be kept in the books and records maintained by the District with respect to the Tax-Exempt Obligations.

[Signature page follows]

PASSED AND APPROVED this _____, 2021.

BASTROP COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 2

By: _____
President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

EXHIBIT A

The Project

Improvements, renovations, replacements, relocations and extensions to the District's waterworks system.

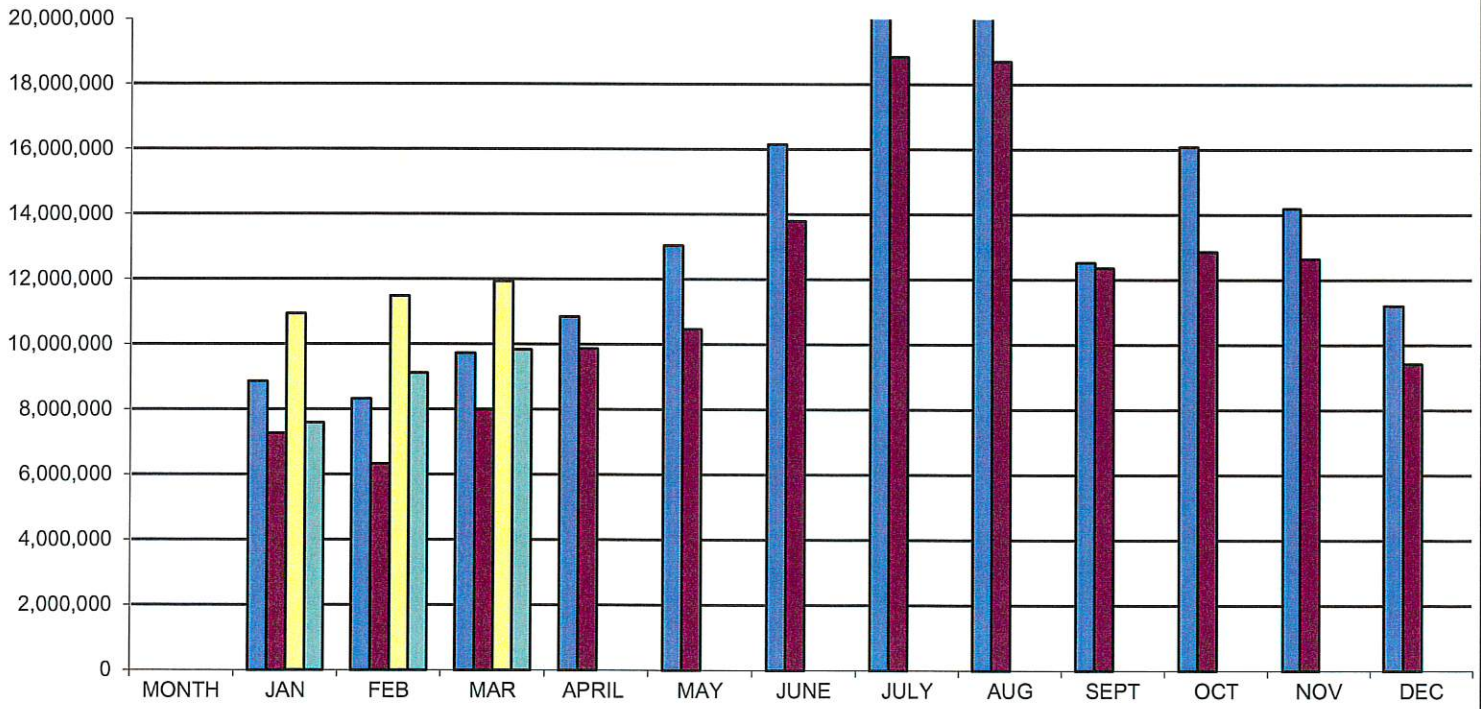
Misc Reports

	Total Customers Billed	Active Customers	E-Billing Customers	Web Online Payments	Bank Drafts	Credit Card Drafts	% of Customers paying online or drafts	Mail/Walk-ins/ Drop Box
Jan	2026	1972	877	1069	318	464	91%	175
Feb	2103	1960	886	948	320	463	82%	372
Mar	2146	1988	902	1279	317	471	96%	79
Apr								0
May								0
Jun								0
Jul								0
Aug								0
Sep								0
Oct								0
Nov								0
Dec								0

	Culvert Permits (Cumulative Total)	Irrigation Permits (Cumulative Total)	Swimming Pool Permits (Cumulative Total)
Jan	13	0	0
Feb	15	0	0
Mar	28	2	2
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			

**BCWCID#2 2021
CONSUMPTION REPORT**

	2020	2020	2021	2021	2021		
	PUMPED	USAGE	PUMPED	USAGE	PUMPED	ACTIVE	
MONTH	WATER	OF WATER	WATER	OF WATER	UNBILLED	METERS	%
JAN	8859200	7257990	10937141	7581186	2,699,100	1,972	6%
FEB	8314100	6318914	11474637	9113179	1,457,020	1,977	8%
MAR	9724300	7985039	11931647	9832526	1,255,180	1,988	7%
APRIL	10844809	9861040					#DIV/0!
MAY	13030295	10456525					#DIV/0!
JUNE	16152163	13787286					#DIV/0!
JULY	20750822	18840189					#DIV/0!
AUG	21887150	18696181					#DIV/0!
SEPT	12525030	12348822					#DIV/0!
OCT	16075880	12859934					#DIV/0!
NOV	14181579	12639853					#DIV/0!
DEC	11198124	9420436					#DIV/0!
TOTALS	163,543,452	140,472,209	34,343,425	26,526,891	5,411,300		7%



JOB CODE	ISSUED THIS PERIOD				PRIOR ORDERS			TOTAL	TOTAL
	ISSUED	COMPLETED	VOIDED	OUTSTANDING	COMPLETED	VOIDED	OUTSTANDING	COMPLETED	OUTSTANDING
ALARM SEWER ALARM	14	14	0	0	1,866	22	0	1,880	0
BROWN BROWN WATER	0	0	0	0	362	3	0	362	0
CHANG CHANGE SIGN	4	4	0	0	0	0	0	4	0
CULVE CULVERT PERMIT	11	10	1	0	391	9	0	401	0
FLUSH FLUSH WATER LINE	1	1	0	0	801	1	0	802	0
HSWAP METER HEAD SWAP	0	0	0	0	152	13	0	152	0
IRRIG IRRIGATION PERMIT	2	2	0	0	38	2	0	40	0
LEAK CHECK FOR LEAK	4	3	0	0	1,661	18	2	1,664	2
LKMTR LOCK MTR	0	0	0	0	224	64	0	224	0
LNLOC LINE LOCATE	1	1	0	0	257	4	0	258	0
METER MOVE METER CHARGE	0	0	0	0	6	7	0	6	0
MI METER INFORMATION	0	0	0	0	156	9	0	156	0
MISCE MISCELLANEOUS	14	7	1	4	3,218	177	9	3,225	13
MOW MOWING GRASS	0	0	0	0	253	1	0	253	0
OCC OCCUPANT CHANGE	29	29	0	0	3,766	63	0	3,795	0
ODOR SMELLY WATER	2	2	0	0	26	0	0	28	0
OFF TURN OFF SERVICE	9	7	2	0	2,573	278	0	2,580	0
OFFEE TRIP CHARGE TURN OFF	0	0	0	0	17	0	0	17	0
ON TURN ON SERVICE	19	19	0	0	3,330	82	0	3,349	0
ONFEE TRIP CHARGE TURN ON	0	0	0	0	17	2	0	17	0
POOLS POOL/SPA PERMIT	2	2	0	0	38	1	0	40	0
RADIO RADIO READ REPORT	6	6	0	0	85	5	0	91	0
RC READ CHECK	2	0	2	0	422	100	0	422	0
ROAD ROAD REPAIR	9	3	0	0	3,699	24	16	3,702	16
RRMON RADIO READ MONITOR (RENT)	0	0	0	0	0	1	0	0	0
SEWER WASTEWATER MISC SERVICE	2	2	0	0	1,419	29	2	1,421	2
SIGN STREET SIGN	2	0	0	0	67	2	0	67	0
SWAP METER SWAP-OUT	2	2	0	0	1,623	97	0	1,625	0
SWTAP W/W TAP	7	6	0	1	412	22	12	418	13
TMPWT TMP WTR	0	0	0	0	8	5	0	8	0
W/W W/W ESTIMATE	27	27	0	0	993	31	0	1,020	0
WMEAS MEASURE FOR WATER TAP	48	44	4	0	1,504	33	0	1,548	0
WPRES LOW WATER PRESSURE	1	0	0	0	326	15	0	326	0
WTRTP WATER TAP	8	3	0	5	90	789	1	93	6
WMMOV W/W ESTIMATE FOR RELOCATE	0	0	0	0	11	5	0	11	0
** GRAND TOTALS **	226	194	10	10	29,811	1,914	42	30,005	52

MARCH 2021

BCWCID#2

Re-Cap of Water Tap Applications

WATER TAPS:

2021 Pending	9	
2021 Complete.....	21	
2020 Complete.....	119	
2019 Complete.....	96	
2018 Complete.....	96	
2017 Complete.....	78	
2016 Complete	88	
2015 Complete	60	
2014 Complete	39	
2013 Complete.....	35	
2012 Complete.....	37	
2011 Complete.....	42	
2010 Complete.....	49	
2009 Complete.....	43	
2008 Complete.....	35	
2007 Complete.....	47	
2006 Pending.....	1	(Sac-N-Pac)
2006 Complete.....	25	
2005 Complete.....	26	
2004 Complete.....	39	
2003 Complete.....	72	
2002 Complete.....	113	

MARCH 2021

BCWCID#2

Re-Cap of Waste Water Tap Applications

WASTE WATER TAPS:

2021 Pending	4
2021 Complete.....	10
2020 Complete.....	35
2020 Pending.....	8
2019 Complete.....	33
2019 Pending.....	1
2018 Complete.....	52
2017 Complete	35
2016 Complete	40
2015 Complete	32
2014 Complete	26

Active Waste Water Customers: 793

	PRIOR YR RD	CURRENT RD	TOTAL ROADS	PRIOR YR SB	CURRENT SB	TOTAL SB	TOTALS	Of Collections	
YEARLY TOTALS								% Current Rd	% Current SB
2015	\$ 284,979.06	\$ 461,862.17	\$ 746,841.23	\$ 14,876.11	\$ 19,592.42	\$ 34,468.53	\$ 781,309.76	61.84%	56.84%
2016	\$ 280,420.05	\$ 555,321.95	\$ 835,742.00	\$ 23,280.02	\$ 17,889.00	\$ 41,169.02	\$ 876,911.02	66.45%	43.45%
2017	\$ 393,007.44	\$ 623,582.78	\$ 1,016,590.22	\$ 41,366.07	\$ 17,057.00	\$ 58,423.07	\$ 1,075,013.29	61.34%	29.20%
2018	\$ 512,461.77	\$ 799,377.36	\$ 1,311,839.13	\$ 39,710.97	\$ -	\$ 39,710.97	\$ 1,351,550.10	60.94%	0.00%
2019	\$ 410,615.85	\$ 851,693.60	\$ 1,262,309.45	\$ 21,978.98	\$ 3,444.69	\$ 25,423.67	\$ 1,287,733.12	67.47%	13.55%
2020	\$ 468,532.77	\$ 875,037.81	\$ 1,343,570.58	\$ 16,253.16	\$ -	\$ 16,253.16	\$ 1,359,823.74	65.13%	0.00%
2021	\$ 242,144.66	\$ 205,292.49	\$ 447,437.15	\$ 1,381.71	\$ -	\$ 1,381.71	\$ 448,818.86	45.88%	0.00%
TOTALS			\$ 6,964,329.76			\$ 216,830.13	\$ 7,181,159.89		