

**Bastrop County**

**WCID #2**

**Board Packet**

**for**

**November 17, 2022**

**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 INTERESTED PARTIES:

**NOTICE IS HEREBY GIVEN THAT A MEETING OF THE GOVERNING BODY OF THE ABOVE-NAMED POLITICAL SUBDIVISION WILL BE HELD ON NOVEMBER 17, 2022 AT 6:30 P.M IN THE BOARD ROOM LOCATED AT 112 CORPORATE DRIVE, BASTROP, TX 78602.**

**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. Regular Board of Director’s Meeting scheduled for Thursday, January 19, 2023 at 6:30 p.m.
  - b. Annual Road Meeting scheduled for March 25, 2023 at 9:00 a.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 October 20, 2022 Regular Meeting of the Board of Directors;
  - b. Approval of monthly financial report for October 2022; and
  - c. Approval of Release of Liens held by District on Real Property.
- 7.) Discussion regarding the following items to be presented in the General Manager’s report:
  - a. Update on District facilities, water plants and lift stations
  - b. Update on Water/Wastewater Maintenance & Improvement projects
  - c. Update on Roads maintenance & improvement projects
  - d. Employee Update
  - e. District Administrative Office Update

- 8.) Discussion and possible action regarding the proposed sand and gravel pit east of the Colo Vista neighborhood – O’Hanlon
- 9.) Discussion and possible action regarding adoption of Resolution Approving Budget for Fiscal Year 2023 – Hightower
- 10.) Discussion and possible action regarding annual review and approval of the District Investment Policy and Investment Strategies– Hightower
- 11.) Discussion and possible action regarding Engagement Letter from West Davis and Company to audit the District’s financial statements for 2022 Fiscal Year – Hightower
- 12.) Discussion and possible action regarding adoption of Order Setting Road Fees for 2023 - Hightower
- 13.) Discussion and possible action regarding approval of Interlocal Agreement with Bastrop County relating to 2022/2023 road improvement projects - Hightower
- 14.) Discussion and possible action regarding adoption of Resolution Approving 2023 Road Fee Exemptions – Hightower
- 15.) Discussion and possible action regarding filing liens on all delinquent road fee accounts as of January 20, 2023 – Hightower
- 16.) Discussion and possible action regarding monthly meetings of the District’s Board of Directors – O’Hanlon
- 17.) Update on scheduling joint meetings with the Tahitian Village Property Owners Association and Tahitian Village Architectural Control Committee – Hightower
- 18.) Board suggestions on future agenda items
- 19.) Adjourn

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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**

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

A regular meeting of the Board of Directors of Bastrop County Water Control and Improvement District #2 was held on Thursday, October 20, 2022, beginning at 6:30 p.m. The meeting was held at the District office, located at 112 Corporate Drive.

**Present BCWCID #2 Board Members:**

Mary Beth O'Hanlon, President  
Scott Ferguson, Vice President  
Butch Carmack, Director  
Michele Plummer, Director  
Ron Whipple, Director

**BCWCID #2 Staff/Other Professionals:**

Paul Hightower, General Manager  
Patricia Lujan, Office Supervisor

**Remote Participation**

Tony Corbett, Attorney

**MEETING DISCUSSION TOPICS**

1.) Call to Order and Establish a Quorum

President O'Hanlon called the meeting to Order at 6:30 p.m. and announced there was a quorum of the Board in person with all Board Members present. Tony Corbett is attending the meeting by tele-conference.

2.) Pledge of Allegiance

President O'Hanlon led the Pledge of Allegiance.

3.) Texas State Flag

President O'Hanlon led the Pledge to the 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.

**John Creamer inquired about the new fire station being built in Colo Vista. Mr. Hightower answered that the Fire Department is doing their due diligence and pursuing all the necessary approvals that are needed to begin construction.**

NO OTHER PUBLIC COMMENTS.

5.) Discussion and possible action regarding scheduling of future meeting dates:

**Ms. O’Hanlon stated that the District’s next regular Board meeting is November 17.  
No further comments or suggestions.**

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 September 15, 2022 Regular Meeting of the Board of Directors;
- b. Approval of monthly financial report for September 2022; and
- c. Approval of Release of Liens held by District on Real Property.

**No comments regarding the September minutes.**

**Director Whipple raised several questions regarding the financials and balance sheets. His questions related to negative balances on some line items including accumulated depreciation, water/waste water net ordinary income, and capital outlays. Mr. Hightower explained a combination of timing for posting to monthly budget reports were part of the reason for negative balances since the Accounting firm’s current cutoff for reporting is mid-month rather than the end of each month. Staff are working with our accountants to revise their process to resolve this in future reports. In addition, since Road Fees are not due until the 31<sup>st</sup> of December each year, the District has borrowed from water funds to pay road construction and maintenance throughout the each. The water funds are reimbursed once all road fees are received.**

**Mr. Hightower explained that capital outlay expenditure coding will be adjusted as part of the audit process to ensure that they are appropriately charged to either the TWDB funds or the building project funds.**

**There was also discussion of related to the proposed budget, specifically the Capital Improvement projects previously approved by the Board. Funds obtained through our bond initiative will not be sufficient to cover the rising costs associated with each of these projects. The Board requested that staff research options for obtaining additional bond money so that all needed projects are covered. Additional discussion will be held at the November meeting when the 2023 budget is presented for approval.**

**Paul Hightower read the Release of Liens as noted in the report, in the Board Packet.**

**Motion: Butch Carmack moved to approve the Consent Agenda items.**

**Seconded: Ron Whipple. Vote: Five (5) in favor, motion carries.**

- 7.) Discussion regarding the following items to be presented in the General Manager’s report:
- a. Update on District facilities, water plants and lift stations
  - b. Update on Water/Wastewater Maintenance & Improvement projects

- c. Update on Roads maintenance & improvement projects
- d. Employee Update
- e. District Administrative Office Update

**General Manager Paul Hightower read the GM report as noted in the Board packet. No further questions or actions.**

- 8.) Discussion and possible action regarding renewal of District's employee dental, vision and other employee insurance benefits

**General Manager Paul Hightower read the reports regarding the District's Insurance renewals for District employees, including increase/decrease amounts. Mr. Hightower also explained that one of the District benefits, the Ameriflex FSA plan, is being under-utilized and that the District's insurance representative had stated it was costing the District more money than it was worth, not being utilized. Mr. Hightower recommended renewal of District benefits of medical with Blue Cross Blue Shield, Vision with Humana, Dental with Unum and to cancel the Ameriflex HSA plan.**

**Motion: Butch Carmack moved to approve the Insurance renewals and cancellation as read.**

**Seconded: Ron Whipple. Vote: Five (5) in favor, motion carries.**

- 9.) Discussion and possible action regarding purchase of SCADA system for the District's well stations and wastewater lift-stations

**General Manager Paul Hightower read the (2) proposals received regarding the SCADA system replacement and gave a re-cap of what the District was seeking. Staff recommended accepting the proposal with Dedicated Controls and VT Scada in the amount of \$173,267.**

**Motion: Butch Carmack moved to approve the SCADA proposal with Dedicated Controls.**

**Seconded: Ron Whipple. Vote: Five (5) in favor, motion carries.**

- 10.) Discussion and preliminary review regarding the District's FY2023 Budget

**President O'Hanlon reminded everyone that this was a preliminary review only and that we would not be voting on anything tonight. General Manager Paul Hightower read the simple budget reviews, as noted in the Board Packet. Director Whipple inquired about the FY 21 to FY 22 budget and the differences. Mr. Hightower explained about the rolling funds and borrowing from one budget to pay another, with an end of the year reimbursement to those accounts. All account adjustments are reviewed and confirmed during the annual audit.**

**President O'Hanlon mentioned that at this time, the District is not seeking to raise any water or wastewater rates or any road fees.**

**No further questions or comments.**

- 11.) Discussion and possible action regarding monthly meetings of the District's Board of Directors

**President O'Hanlon asked which Directors would be available for the November meeting. All Directors stated they would be available for the Board meeting. No action necessary.**

- 12.) Update on scheduling joint meetings with the Tahitian Village Property Owners Association and Tahitian Village Architectural Control Committee

**General Manager Mr. Hightower stated no updates on this item. No action necessary.**

- 13.) Board suggestions on future agenda items

**President O'Hanlon stated that the Colovista MUD District had made a presentation to the TVPOA, regarding a mining operation that will be taking place in the area. There was some concerns about dust, traffic and other issues that could affect the Tahitian Village residents. Director Plummer stated that there was going to be a presentation in the County Commissioners court the following Monday. Director Whipple inquired about the District getting to see a proposal regarding this. President O'Hanlon stated that she would reach out to the contact she knew with Colovista MUD and could offer to invite him to our meeting.**

- 14.) Adjourn

**Motion: Butch Carmack made a motion to adjourn.**

**Seconded: Ron Whipple. Vote: Five (5) in favor, motion carries.**

Time: 8:01 P.M.

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Authorized Signature

## Lien List Recap for October 2022

Total Amount of Liens Released	\$ 11,713.00
Road Assessments Paid	\$ 7,311.50
Standby Assessments Paid	\$ 0.00
Attorney Fees	\$ 232.65
Total actually collected	\$ 7,544.15
Total Write offs	\$ 2,090.70

\*\*\*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**

**General  
Manager's  
Report**

**BOARD OF DIRECTORS**  
**BASTROP COUNTY WCID NO. 2**

**General Manager's Update**  
**November 17, 2022**

**7a. Update on District water plants and lift stations:**

No major updates this month.

**7b. W/WW Maintenance & Capital Improvements update:**

The Compliance Water Line Improvement project has been put out for bid. The advertisement outlining the details is following my report here. We plan to open bids here at the office this Friday, November 18th. There will be a review by BEFCO and a recommendation to be made next week. We may end up calling a special meeting to address the recommendation from BEFCO in the first part of December. More details to come.

**7c. Roads maintenance & improvement projects update:**

**21/22 Roads:** County has ended paving for the year. We had 2.74 miles scheduled and got 2.33 miles completed and under chip seal. Commissioner Mel has stated that his crews are going to remain in Tahitian to work on some of their roads for the next several months and to assist the WCID with some of our prepping for the 23 season. Mel has stated that when paving starts next year, they will get the missed roads this year.

**22/23 Roads:** No updates.

**7d. Employee update:**

We managed to hire 3 employees last month!! We are back up to a full road crew. We also recently hired 1 more employee on the Utility side...we are almost back to full crews across the board.

**7e. General Office Update:**

No updates this month.

# **Agenda**

## **Item # 8**

### **Discussion**

**regarding proposed  
sand & gravel pit in**

**Colo Vista**

**Agenda**

**Item #9**

**Discussion**

**regarding District's**

**FY2023 Budget**

**BASTROP COUNTY**  
**Water Control & Improvement District No. 2**

***Annual Budget***

**Fiscal Year 2023**

**Proposed Budget:**

Printed 11-17-22

Prepared by:



## BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

### Summary of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year 2023 Budget

#### Standby Fund

Account Description	Actual FY 2021	Adopted Budget FY 2022	Actual Thru Aug-2022	Projected Sep - Dec-2022	Total Projected FY 2022	Annual Budget FY 2023
<b>REVENUES</b>						
Pine Forest Standby	\$ 12,034	\$ 5,000	\$ -	\$ 5,000	\$ 5,000	\$ 5,000
TV Standby	2,707	5,000	2,880	2,120	5,000	5,000
Late Fees	510	-	1,140	570	1,710	-
Lien Fees	48	-	135	68	203	-
Filing Fees	-	-	408	204	612	-
Attorney Fees	771	-	95	-	95	-
<b>TOTAL REVENUES</b>	<b>16,070</b>	<b>10,000</b>	<b>4,658</b>	<b>7,962</b>	<b>12,620</b>	<b>10,000</b>
<b>EXPENDITURES</b>						
<b><u>Administrative</u></b>						
Legal Fees	1,428	500	-	500	500	500
Accounting Services	2,383	2,000	1,929	965	2,894	2,000
Auditing Services	1,200	2,500	1,300	-	1,300	2,500
Admin Allocation	-	5,000	-	5,000	5,000	5,000
Maint. Agreement	1,163	-	-	-	-	-
Election Costs	-	-	1,320	-	1,320	-
<b>Total Administrative</b>	<b>6,174</b>	<b>10,000</b>	<b>4,549</b>	<b>6,465</b>	<b>11,014</b>	<b>10,000</b>
<b><u>Field</u></b>						
R&M-Drainage	3,750	-	-	-	-	-
<b>Total Field</b>	<b>3,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>9,924</b>	<b>10,000</b>	<b>4,549</b>	<b>6,465</b>	<b>11,014</b>	<b>10,000</b>
Excess (deficiency) of revenues Over (under) expenditures	6,146	-	109	1,497	1,606	-
<b>FUND BALANCE, BEGINNING</b>	<b>93,611</b>	<b>99,757</b>	<b>99,757</b>	<b>-</b>	<b>99,757</b>	<b>101,363</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 99,757</b>	<b>\$ 99,757</b>	<b>\$ 99,866</b>	<b>\$ 1,497</b>	<b>\$ 101,363</b>	<b>\$ 101,363</b>

## BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

### Summary of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year 2023 Budget

#### Road Fund - Maintenance

Account Description	Actual FY 2021	Adopted Budget FY 2022	Actual Thru Aug-2022	Projected Sep - Dec-2022	Total Projected FY 2022	Annual Budget FY 2023
<b>REVENUES</b>						
FEMA Grants	\$ -	\$ 88,000	\$ -	\$ 88,000	\$ 88,000	\$ 65,000
Transfer from Road Construction	325,000	325,000	216,667	108,333	325,000	340,000
<b>TOTAL REVENUES</b>	<b>325,000</b>	<b>413,000</b>	<b>216,667</b>	<b>196,333</b>	<b>413,000</b>	<b>405,000</b>
<b>EXPENDITURES</b>						
<b><u>Road Maintenance</u></b>						
Salary Allocations	92,040	100,000	134,157	67,079	201,236	145,000
Workers' Compensation	1,655	500	993	497	1,490	500
ProfServ-Engineering	-	20,000	-	-	-	15,000
Legal Fees	-	2,000	-	-	-	2,000
Accounting Services	2,383	2,000	916	458	1,374	2,000
Auditing Services	1,200	4,000	1,300	650	1,950	3,500
Contractual Labor	-	25,000	-	-	-	25,000
Maint Agreement-Incode	2,818	-	1,268	634	1,902	-
Equipment Rental	29,143	25,000	46,500	23,250	69,750	40,000
R&M-Equipment	3,177	5,000	3,732	1,866	5,598	5,000
R&M-Vehicles	4,272	5,000	5,358	2,679	8,037	5,000
Repairs & Maintenance	-	20,000	267	134	401	20,000
Materials-Hauling	48,638	15,000	38,469	19,235	57,704	45,000
Repairs-Contracted	62,100	50,000	16,100	8,050	24,150	40,000
Tools and Equipment	555	-	-	-	-	-
Misc-Licenses & Permits	-	2,500	529	265	794	2,500
Misc. Office	9	-	-	-	-	1,000
Office Supplies	-	-	44	22	66	1,000
Op Supplies - Uniforms	440	-	173	87	260	500
Small Equipment/Hand Tools	1,697	1,000	-	-	-	1,000
Safety Supplies	402	5,000	499	250	749	5,000
Materials	89,177	125,000	23,866	11,933	35,799	125,000
<b>Total Road Maintenance</b>	<b>339,706</b>	<b>407,000</b>	<b>274,171</b>	<b>137,086</b>	<b>411,257</b>	<b>484,000</b>
<b><u>Capital Outlay</u></b>						
Cap Outlay - Equipment	2,734	-	-	-	-	-
Capital Outlay	3,600	10,000	13,800	-	13,800	10,000
<b>Total Capital Outlay</b>	<b>6,334</b>	<b>10,000</b>	<b>13,800</b>	<b>-</b>	<b>13,800</b>	<b>10,000</b>
<b>TOTAL EXPENDITURES</b>	<b>346,040</b>	<b>417,000</b>	<b>287,971</b>	<b>137,086</b>	<b>425,057</b>	<b>494,000</b>
Excess (deficiency) of revenues						
Over (under) expenditures	<b>\$ (21,040)</b>	<b>\$ (4,000)</b>	<b>\$ (71,304)</b>	<b>\$ 59,247</b>	<b>\$ (12,057)</b>	<b>\$ (89,000)</b>

**BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2**  
 Summary of Revenues, Expenditures and Changes in Fund Balances  
 Fiscal Year 2023 Budget

**Road Fund - Construction**

<b>Account Description</b>	<b>Actual FY 2021</b>	<b>Adopted Budget FY 2022</b>	<b>Actual Thru Aug-2022</b>	<b>Projected Sep - Dec-2022</b>	<b>Total Projected FY 2022</b>	<b>Annual Budget FY 2023</b>
<b>REVENUES</b>						
Interest - Investments	\$ 2,299	\$ 1,000	\$ 1,965	\$ 983	\$ 2,948	\$ 1,000
Late Fees	59,801	25,000	34,483	\$ 17,242	51,725	25,000
Lien Fees	54,586	25,000	38,272	\$ 19,136	57,408	25,000
Late Fee- Prior	1,615	1,500	2,520	\$ 1,260	3,780	1,500
Returned Check Fee	6,354	40	-	\$ -	-	40
Filing Fees	3,806	3,000	993	\$ 497	1,490	3,000
Attorney Fees	55,752	25,000	22,576	\$ 11,288	33,864	25,000
Driveway Fees	2,520	3,500	2,765	\$ 1,383	4,148	3,500
Deed Admin Fee	45,953	25,000	-	\$ -	-	25,000
Assessments	1,361,662	1,250,000	800,475	\$ 400,238	1,200,713	1,245,500
Assessments-Prior to 97	64,477	25,000	27,337	\$ 13,669	41,006	25,000
Other Miscellaneous Revenues	5,189	-	-	-	-	-
Allocation to Maintenance Fund	(325,000)	(325,000)	(216,667)	\$ (108,334)	(325,001)	(340,000)
<b>TOTAL REVENUES</b>	<b>1,339,014</b>	<b>1,059,040</b>	<b>714,719</b>	<b>357,360</b>	<b>1,072,079</b>	<b>1,039,540</b>

**EXPENDITURES**

**Road Construction**

Salary Allocations	93,071	125,000	52,955	26,478	79,433	85,000
Workers' Compensation	6,191	9,000	1,655	-	1,655	9,000
ProfServ-Engineering	163,425	175,000	56,620	28,310	84,930	165,000
ProfServ-Other	-	1,000	-	-	-	1,000
Attorney Fees (County)	55,094	30,000	22,576	11,288	33,864	30,000
Attorney Fees Written Off	-	15,000	-	-	-	15,000
Legal Fees	480	30,000	390	195	585	30,000
Accounting Services	10,483	11,000	4,421	2,211	6,632	11,000
Auditing Services	5,280	10,000	5,720	-	5,720	10,000
Maint Agreement-Incode	7,033	10,000	6,774	-	6,774	10,000
Postage and Freight	3,972	8,000	6,846	3,423	10,269	8,000
Equipment Rental	-	1,500	-	-	-	1,500
Repairs & Maintenance	23	500	-	-	-	500
Tools and Equipment	-	-	33,835	-	33,835	-
Miscellaneous Services	-	5,000	140	70	210	5,000
Misc-Property Taxes	-	1,500	-	-	-	1,500
Misc-Bad Debt	-	45,000	-	-	-	45,000
Misc-Credit Card Fees	16,160	12,000	9,564	4,782	14,346	12,000
Admin Allocation	125,475	76,904	82,930	41,465	124,395	75,000
Lien Fees Written Off	-	5,000	-	-	-	5,000
Damage Claim	-	50	-	-	-	50

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

## Summary of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year 2023 Budget

**Road Fund - Construction**

<b>Account Description</b>	<b>Actual FY 2021</b>	<b>Adopted Budget FY 2022</b>	<b>Actual Thru Aug-2022</b>	<b>Projected Sep - Dec-2022</b>	<b>Total Projected FY 2022</b>	<b>Annual Budget FY 2023</b>
Filing Fees	3,917	5,000	2,839	1,420	4,259	5,000
Election Costs	-	-	1,320	-	1,320	-
Road Fees Written Off	-	25,000	-	-	-	25,000
Road Late Fees Written Off	-	5,000	-	-	-	5,000
Road Prior Written Off	-	15,000	-	-	-	15,000
Office Supplies	-	-	268	-	268	-
<b>Total Road Maintenance</b>	<b>490,604</b>	<b>621,454</b>	<b>288,853</b>	<b>119,641</b>	<b>408,494</b>	<b>569,550</b>
<b>Capital Outlay</b>						
Cap Outlay - Equipment	2,862	-	-	-	-	65,000
Capital Outlay	801,508	537,000	269,174	134,587	403,761	537,000
<b>Total Capital Outlay</b>	<b>804,370</b>	<b>537,000</b>	<b>269,174</b>	<b>134,587</b>	<b>403,761</b>	<b>602,000</b>
<b>TOTAL EXPENDITURES</b>	<b>1,294,974</b>	<b>1,158,454</b>	<b>558,027</b>	<b>254,228</b>	<b>812,255</b>	<b>1,171,550</b>
Excess (deficiency) of revenues						
Over (under) expenditures	\$ 44,040	\$ (99,414)	\$ 156,692	\$ 103,132	\$ 259,824	\$ (132,010)

## BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

### Summary of Revenues and Expenses

Fiscal Year 2023 Budget

#### Water Services

Account Description	Actual FY 2021	Adopted Budget FY 2022	Actual Thru Aug-2022	Projected Sep - Dec-2022	Total Projected FY 2022	Annual Budget FY 2023
<b>REVENUES</b>						
Irrigation-Usage	\$ 1,276	\$ 300	\$ 585	\$ 293	\$ 878	\$ 300
Water Late Charge Income	15,823	17,500	690	16,810	17,500	17,500
Water Line Bore	25,450	30,000	26,800	3,200	30,000	30,000
Capital Reserve Fee	205,250	205,000	143,105	61,895	205,000	205,000
Copies & Faxes	5	50	-	50	50	50
Interest-Bond	-	50,000	-	50,000	50,000	50,000
Interest - Investments		15,000	277	139	416	-
Maps Sold	275	250	125	63	188	250
Office Rents	3,300	7,200	3,175	1,588	4,763	7,200
Pools Fees	715	300	205	103	308	300
Reconnect Fee	11,350	10,000	-	10,000	10,000	10,000
TV Tap Fees	371,679	260,000	322,000	161,000	483,000	260,000
TV Water Sales	1,540,375	1,990,000	1,190,096	595,048	1,785,145	2,150,000
Other Miscellaneous Revenues	2,851	65,000	30	15	45	65,000
Proceeds from Sale	6,200	-	26,276	-	26,276	-
<b>TOTAL REVENUES</b>	<b>2,184,549</b>	<b>2,650,600</b>	<b>1,713,364</b>	<b>900,202</b>	<b>2,613,566</b>	<b>2,795,600</b>
<b>EXPENSES</b>						
<b><u>Payroll and Taxes</u></b>						
Payroll-Salaries	614,172	775,000	429,181	214,591	643,772	675,000
Payroll - Holidays	38,685	48,500	22,840	11,420	34,260	50,500
Annual Leave	29,747	25,000	22,453	11,227	33,680	30,000
Sick	21,630	20,000	14,299	7,150	21,449	20,000
Over Time	18,968	25,000	13,932	6,966	20,898	25,000
On Call Pay	13,597	35,000	10,834	5,417	16,251	25,000
Double Time	9,180	10,000	879	440	1,319	10,000
Personal Time	2,636	3,250	1,156	578	1,734	3,500
Longevity Pay	-	11,500	-	-	-	11,500
Bereavement	-	-	899	-	899	2,500
Payroll - Bonus	11,775	-	-	-	-	-
FICA Taxes	55,708	67,553	37,650	18,825	56,476	67,553
FUTA	797	1,000	690	345	1,035	1,000
SUI	4,508	4,000	4,118	2,059	6,177	4,000
<b>TOTAL PAYROLL AND TAXES</b>	<b>821,403</b>	<b>1,025,803</b>	<b>558,931</b>	<b>279,016</b>	<b>837,948</b>	<b>925,553</b>

## BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

### Summary of Revenues and Expenses

Fiscal Year 2023 Budget

#### Water Services

Account Description	Actual FY 2021	Adopted Budget FY 2022	Actual Thru Aug-2022	Projected Sep - Dec-2022	Total Projected FY 2022	Annual Budget FY 2023
<b><u>Benefits and Insurance</u></b>						
Retirement-Life	72,208	65,000	60,148	30,074	90,222	85,000
Health Insurance - Other	1,595	1,500	-	1,500	1,500	1,500
Insurance-Dental	5,821	9,000	3,760	1,880	5,640	8,000
Insurance-FSA	1,314	5,000	944	472	1,416	-
Insurance-Life	7,350	8,500	6,490	3,245	9,735	8,500
Insurance-Medical	163,128	160,000	169,553	84,777	254,330	265,000
Insurance-Vision	3,372	3,500	1,775	888	2,663	3,500
Medical	20	1,000	-	-	-	1,000
Wellness Program	-	1,000	180	90	270	1,000
Workers' Compensation	3,309	4,000	1,986	-	1,986	4,000
<b>TOTAL BENEFITS AND INSURANCE</b>	<b>258,117</b>	<b>258,500</b>	<b>244,836</b>	<b>122,925</b>	<b>367,761</b>	<b>377,500</b>
<b><u>Other Administrative Costs</u></b>						
Payroll-Processing Fee	3,664	4,800	2,251	1,126	3,377	4,800
ProfServ-Engineering	52,513	25,000	136,338	68,169	204,507	35,000
ProfServ- Answering Service	2,880	3,000	1,880	940	2,820	3,000
Engineering Fees - Bond App	45,005	-	-	-	-	-
Cleaning-Office	2,400	2,500	1,575	788	2,363	2,500
Pest Control	79	300	585	293	878	1,000
Legal Fees	6,270	15,000	9,863	4,932	14,795	15,000
Accounting Services	23,614	20,000	15,357	7,679	23,036	22,500
Auditing Services	8,640	15,000	9,360	-	9,360	15,000
Security Agreement	1,814	2,500	749	375	1,124	2,500
Maint Agreement-Incode	36,797	35,000	22,191	11,096	33,287	35,000
Travel-Lodging	-	-	271	-	271	-
Travel-Air	-	500	1,352	676	2,028	500
Travel-Lodging	970	2,500	3,103	1,552	4,655	3,000
Travel-Meals	2,007	2,500	1,486	743	2,229	2,500
Travel-Rental Car	-	250	150	75	225	250
Communication - Telephone	8,003	8,000	6,650	3,325	9,975	10,000
Postage and Freight	14,666	15,000	1,205	603	1,808	15,000
Communication/Radios	19,262	5,000	3,307	1,654	4,961	10,000
Fax	-	100	-	100	100	100
Electricity-Office Bldg	2,958	6,000	1,931	966	2,897	6,000
Water-Office Bldg	770	2,000	1,929	965	2,894	2,000
Office Leasing	20,734	8,500	13,054	6,527	19,581	-
Lease - Office Equip	-	15,000	5,263	9,737	15,000	15,000
Insurance - Property	5,416	5,500	201	5,299	5,500	5,500
Insurance - General Liability	848	900	-	900	900	900
Insurance - Vehicle	3,808	1,700	-	1,700	1,700	1,700
Insurance-E&O	902	500	-	500	500	500

## BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

### Summary of Revenues and Expenses

Fiscal Year 2023 Budget

#### Water Services

Account Description	Actual FY 2021	Adopted Budget FY 2022	Actual Thru Aug-2022	Projected Sep - Dec-2022	Total Projected FY 2022	Annual Budget FY 2023
Insurance- Wells	-	5,500	-	5,500	5,500	5,500
Insurance-Bonding	175	1,061	1,467	-	1,467	1,061
Insurance-Misc	1,146	200	-	200	200	200
R&M-Aquascaping	-	-	-	-	-	-
Printing	8,376	10,000	2,183	1,092	3,275	10,000
Advertising	-	500	1,737	869	2,606	500
Internet Services	3,446	3,000	3,244	1,622	4,866	3,000
Misc-Licenses & Permits	-	1,200	-	1,200	1,200	1,200
Misc-Credit Card Fees	34,671	45,000	35,474	17,737	53,211	45,000
Bank Fees	440	500	300	150	450	500
Misc-Late Fees	289	1,500	402	201	603	1,500
Pre-Employment Screening	823	1,000	490	245	735	1,000
Public Notice	2,511	3,000	492	246	738	3,000
Election Costs	-	3,000	2,640	-	2,640	3,000
Mileage Reimbursement	1,191	2,000	924	462	1,386	2,000
Vehicle Usage	-	2,000	164	82	246	2,000
Misc. Office	5,488	3,000	2,955	1,478	4,433	3,000
Office Supplies	3,894	5,000	4,975	2,488	7,463	5,000
Computer Expense	3	15,000	19,209	9,605	28,814	15,000
Janitorial Supplies	-	200	-	200	200	200
Computer Supplies/Equipment	26,172	5,000	12,373	6,187	18,560	5,000
Education / Training	3,757	5,000	5,730	2,865	8,595	5,000
Dues, Licenses, Subscriptions	1,316	1,000	2,550	1,275	3,825	1,000
<b>TOTAL OTHER ADMINISTRATIVE COST:</b>	<b>357,718</b>	<b>310,711</b>	<b>337,360</b>	<b>184,415</b>	<b>521,775</b>	<b>322,911</b>

#### Operations

Cleaning-Maint. Building	2,400	3,000	1,575	788	2,363	3,000
Maint Agreement-Hand Held	780	-	-	-	-	-
Miscellaneous Services	3,609	10,000	159	80	239	10,000
Contractual Labor	-	5,000	-	5,000	5,000	5,000
Yard Maintenance-Mowing	11,414	6,000	10,175	5,088	15,263	6,000
Labor-Service Lines & Tap	26,900	25,000	96,500	48,250	144,750	100,000
TCEQ Fees	2,132	-	-	-	-	-
Fuel, Gasoline and Oil	27,645	35,000	16,830	8,415	25,245	35,000
Electricity - Lift station	-	500	-	500	500	8,000
Garbage Removal	2,052	1,200	3,084	1,542	4,626	1,200
Electricity - Wells	47,388	50,000	33,967	16,984	50,951	50,000
Electricity-Maint Bldg	3,277	3,500	2,006	1,003	3,009	3,500
Water-Maint Bldg	2,562	2,000	1,188	594	1,782	2,000
Equipment Rental	12,720	5,000	1,678	3,322	5,000	5,000
R&M-Equipment	6,896	10,000	4,473	2,237	6,710	10,000
R&M-Vehicles	14,796	7,500	9,037	4,519	13,556	7,500
R&M-Well Maintenance	16,829	40,000	11,733	5,867	17,600	40,000

## BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

### Summary of Revenues and Expenses

Fiscal Year 2023 Budget

#### Water Services

Account Description	Actual FY 2021	Adopted Budget FY 2022	Actual Thru Aug-2022	Projected Sep - Dec-2022	Total Projected FY 2022	Annual Budget FY 2023
Repairs & Maintenance	55,599	25,000	19,422	9,711	29,133	25,000
Repairs-Contracted	-	1,500	-	1,500	1,500	1,500
Tools and Equipment	-	-	742	-	742	-
R&M-Backflow Inspection	-	500	375	-	375	500
Building Maintenance & Repairs	319	15,000	1,321	661	1,982	15,000
Filing Fees	100	500	-	500	500	500
Damage Claim	1,167	5,000	8,724	4,362	13,086	5,000
Meter Testing	-	250	200	-	200	250
Water Quality Testing	903	2,500	990	-	990	2,500
License	-	2,500	-	2,500	2,500	2,500
Water Samples	6,400	10,000	4,381	2,191	6,572	10,000
Water Well Admin Service Fee	-	300	-	300	300	300
Op Supplies - Uniforms	8,649	10,000	5,469	2,735	8,204	10,000
Op Supplies - Hand tools	4,749	5,000	2,498	1,249	3,747	5,000
Meters & Supplies	-	-	14,941	7,471	22,412	-
Chemicals-Chlorine	16,757	25,000	15,259	7,630	22,889	25,000
Safety Supplies	4,761	7,500	1,062	531	1,593	7,500
Small Equipment Purchases	-	4,000	2,251	1,126	3,377	4,000
Materials	68,763	75,000	47,171	23,586	70,757	85,000
Depreciation Expense	226,471	275,000	183,333	91,667	275,000	275,000
<b>TOTAL OPERATIONS</b>	<b>576,038</b>	<b>668,250</b>	<b>500,544</b>	<b>261,902</b>	<b>762,446</b>	<b>760,750</b>
<b><u>Allocations</u></b>						
Admin Allocation	(125,475)	(66,904)	(82,930)	(41,465)	(124,395)	(78,000)
Salary Allocations	(132,959)	(125,000)	(75,649)	(37,825)	(113,474)	(125,000)
PPE Allocations	(185,111)	(225,000)	(187,111)	(93,556)	(280,667)	(225,000)
<b>TOTAL ALLOCATIONS</b>	<b>(443,545)</b>	<b>(416,904)</b>	<b>(345,690)</b>	<b>(172,845)</b>	<b>(518,535)</b>	<b>(428,000)</b>
<b>TOTAL EXPENSES</b>	<b>1,569,731</b>	<b>1,846,360</b>	<b>1,295,981</b>	<b>675,413</b>	<b>1,971,395</b>	<b>1,958,714</b>

## BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

### Summary of Revenues and Expenses

Fiscal Year 2023 Budget

#### Water Services

Account Description	Actual FY 2021	Adopted Budget FY 2022	Actual Thru Aug-2022	Projected Sep - Dec-2022	Total Projected FY 2022	Annual Budget FY 2023
<b>Net Ordinary Income</b>	<b>614,818</b>	<b>804,240</b>	<b>417,383</b>	<b>224,789</b>	<b>642,172</b>	<b>836,886</b>
<b><u>Debt Service</u></b>						
Interest Expense	-	150,000	101,977	48,023	150,000	150,000
Cost of Issuance	286,353	-	-	-	-	-
<b>TOTAL DEBT SERVICE</b>	<b>286,353</b>	<b>150,000</b>	<b>101,977</b>	<b>48,023</b>	<b>150,000</b>	<b>150,000</b>
<b><u>Capital Outlay/Projects</u></b>						
Cap Outlay - Equipment	-	45,000	60,122	-	60,122	45,000
Cap Outlay - Vehicles	-	-	-	-	-	45,000
Capital Outlay	-	-	-	-	-	65,000
Capital Outlay Culverts	-	-	-	-	-	35,000
Line Extension	-	25,000	19,000	6,000	25,000	25,000
Water Tank Main	-	90,000	-	90,000	90,000	90,000
Water Well Cap Improv	-	60,000	119,482	-	119,482	60,000
Capital Outlay -Water Line Repl	-	-	-	-	-	-
Buildings Capital	-	75,000	146,622	-	146,622	10,000
Meter System Replacement	-	-	183,587	-	183,587	-
<b>TOTAL CAPITAL OUTLAY/PROJECTS</b>	<b>-</b>	<b>295,000</b>	<b>528,813</b>	<b>96,000</b>	<b>624,813</b>	<b>375,000</b>
<b>NET INCOME</b>	<b>\$ 328,465</b>	<b>\$ 359,240</b>	<b>\$ (213,407)</b>	<b>\$ 80,766</b>	<b>\$ (132,641)</b>	<b>\$ 311,886</b>

## BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

### Summary of Revenues and Expenses

Fiscal Year 2023 Budget

#### Wastewater Services

Account Description	Actual FY 2021	Adopted Budget FY 2022	Actual Thru Aug-2022	Projected Sep - Dec-2022	Total Projected FY 2022	Annual Budget FY 2023
<b>REVENUES</b>						
Interest - Investments	\$ 422	\$ 5,000	\$ 8,949	\$ 4,475	\$ 13,424	\$ 15,000
WW Bore	9,780	10,000	27,250	13,625	40,875	25,000
WW Fees	736,747	915,000	522,321	261,161	783,482	775,000
WW Tap Fees	249,100	330,000	199,162	99,581	298,743	250,000
Commercial Fees	36,879	40,000	25,016	12,508	37,524	40,000
Debt Service Reserve Fee	80,317	75,000	110,769	55,385	166,154	100,000
Interest - Reserves	-	300	-	300	300	300
<b>TOTAL REVENUES</b>	<b>1,113,245</b>	<b>1,375,300</b>	<b>893,467</b>	<b>447,034</b>	<b>1,340,501</b>	<b>1,205,300</b>
<b>EXPENSES</b>						
<b><u>Administration</u></b>						
Salary Allocations	132,959	125,000	75,649	37,825	113,474	125,000
Medical	1,461	1,000	340	170	510	1,000
Workers' Compensation	3,309	7,500	1,986	993	2,979	7,500
ProfServ-Engineering	2,858	5,000	243	122	365	5,000
Legal Fees	-	5,000	120	60	180	5,000
Accounting Services	15,248	20,000	13,619	6,810	20,429	20,000
Auditing Services	7,680	15,000	8,320	-	8,320	15,000
Maint Agreement-Incode	3,489	6,000	3,804	1,902	5,706	6,000
Travel-Lodging	-	500	271	136	407	500
Travel-Meals	-	200	88	44	132	200
Travel-Rental Car	-	200	60	30	90	200
Communication - Telephone	-	1,000	-	1,000	1,000	1,000
Insurance - Property	-	5,000	-	5,000	5,000	5,000
Insurance - General Liability	848	1,500	-	1,500	1,500	1,500
Insurance - Vehicle	1,250	3,000	-	3,000	3,000	3,000
Insurance-E&O	902	800	-	800	800	800
Insurance-Misc	1,048	800	-	800	800	800
Office Supplies	9	250	253	127	380	250
Education / Training	1,103	2,000	624	312	936	2,000
<b>TOTAL ADMINISTRATION</b>	<b>172,164</b>	<b>199,750</b>	<b>105,377</b>	<b>60,629</b>	<b>166,006</b>	<b>199,750</b>
<b><u>Operations</u></b>						
Electricity - Lift station	5,060	5,000	2,837	1,419	4,256	5,000
Equipment Rental	1,465	2,500	80	2,420	2,500	2,500
Labor-Service Lines & Tap	-	2,000	30,000	15,000	45,000	25,000
Fuel, Gasoline and Oil	17,126	12,500	13,087	6,544	19,631	20,000
R&M-Aquascaping	-	-	-	-	-	-
R&M-Equipment	5,954	7,500	5,082	2,418	7,500	8,500
R&M-Lift Station	4,293	-	-	-	-	-

## BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

### Summary of Revenues and Expenses

Fiscal Year 2023 Budget

#### Wastewater Services

Account Description	Actual FY 2021	Adopted Budget FY 2022	Actual Thru Aug-2022	Projected Sep - Dec-2022	Total Projected FY 2022	Annual Budget FY 2023
R&M-Vehicles	10,100	7,500	7,722	3,861	11,583	10,000
Repairs & Maintenance	3,479	7,500	2,747	1,374	4,121	7,500
Grinder Pump Repair	52,619	25,000	24,515	12,258	36,773	50,000
Op & Maint-City	134,821	125,000	99,719	25,281	125,000	145,000
Tools and Equipment	2,389	3,500	4,580	2,290	6,870	3,500
R&M-Lift Station Water	-	7,500	1,083	542	1,625	7,500
R&M-Lift Station WW	-	2,500	15,178	7,589	22,767	2,500
Building Maintenance & Repairs	188	-	273	137	410	-
Miscellaneous Services	730	1,000	-	1,000	1,000	1,000
TCEQ Fees	2,132	3,200	-	-	-	3,200
Damage Claim	1,167	-	-	-	-	-
Filing Fees	800	750	400	200	600	750
Meter Testing	-	225	-	225	225	225
License	-	600	-	-	-	600
Lift Station Admin Service Fee	1,150	2,500	1,150	-	1,150	2,500
Op Supplies - Uniforms	8,480	7,500	4,849	2,651	7,500	7,500
Op Supplies - Chemicals	-	2,500	65	33	98	2,500
Safety Supplies	2,801	7,500	737	6,763	7,500	7,500
Yard Maintenance-Mowing	309	6,000	-	-	-	7,500
Small Equipment Purchases	-	1,000	-	-	-	1,000
Materials	55,696	45,000	43,507	21,754	65,261	45,000
Depreciation Expense	503,098	485,000	323,333	161,667	485,000	485,000
<b>TOTAL OPERATIONS</b>	<b>813,856</b>	<b>770,775</b>	<b>580,944</b>	<b>275,422</b>	<b>856,366</b>	<b>851,275</b>
<b>TOTAL EXPENSES</b>	<b>986,020</b>	<b>970,525</b>	<b>686,321</b>	<b>336,050</b>	<b>1,022,371</b>	<b>1,051,025</b>
<b>Net Ordinary Income</b>	<b>127,225</b>	<b>404,775</b>	<b>207,146</b>	<b>110,984</b>	<b>318,130</b>	<b>154,275</b>
<b><u>Debt Service</u></b>						
Interest Expense	-	158,600	72,111	86,489	158,600	158,600
<b>TOTAL DEBT SERVICE</b>	<b>-</b>	<b>158,600</b>	<b>72,111</b>	<b>86,489</b>	<b>158,600</b>	<b>158,600</b>
<b><u>Capital Outlay/Projects</u></b>						
Impr.-Water/Wastewater Systems	-	25,000	-	25,000	25,000	25,000
Cap Outlay - Equipment	-	45,000	44,925	-	44,925	10,000
Cap Outlay - Vehicles	-	-	-	-	-	45,000
WW Line Extensions	-	-	13,038	-	13,038	25,000
Capital Outlay Grinder Pumps	-	100,000	132,827	(32,827)	100,000	100,000
<b>TOTAL CAPITAL OUTLAY/PROJECTS</b>	<b>-</b>	<b>170,000</b>	<b>190,790</b>	<b>(7,827)</b>	<b>182,963</b>	<b>205,000</b>
<b><u>Transfers Out</u></b>						
Transfer out to Debt Service	1,109,159	-	251,981	315,744	567,725	-
<b>TOTAL TRANSFERS</b>	<b>1,109,159</b>	<b>-</b>	<b>251,981</b>	<b>315,744</b>	<b>567,725</b>	<b>-</b>
<b>NET INCOME</b>	<b>(981,934)</b>	<b>76,175</b>	<b>(307,736)</b>	<b>(283,423)</b>	<b>(591,159)</b>	<b>(209,325)</b>

## BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

### Summary of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year 2023 Budget

#### Debt Service Fund

Account Description	Actual FY 2021	Adopted Budget FY 2022	Actual Thru Aug-2022	Projected Sep - Dec-2022	Total Projected FY 2022	Annual Budget FY 2023
<b>REVENUES</b>						
Interest - Investments	\$ 192	\$ -	\$ 4,653	\$ 1,551	\$ 6,204	\$ -
<b>TOTAL REVENUES</b>	<b>192</b>	<b>-</b>	<b>4,653</b>	<b>1,551</b>	<b>6,204</b>	<b>-</b>
<b>EXPENDITURES</b>						
<i><b>Debt Service</b></i>						
Salary Allocations	175,747	-	-	150,000	150,000	-
<i><b>Total Debt Service</b></i>	<b>175,747</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>150,000</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>175,747</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>150,000</b>	<b>-</b>
Excess (deficiency) of revenues						
Over (under) expenditures	\$ (175,555)	\$ -	\$ 4,653	\$ (148,449)	\$ (143,796)	\$ -
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer From Wastewater	1,109,159	-	251,981	125,991	377,972	-
Transfer From Water	642,718	-	424,065	212,033	636,098	-
<b>TOTAL OTHER SOURCES (USES)</b>	<b>1,751,877</b>	<b>-</b>	<b>676,046</b>	<b>338,023</b>	<b>1,014,069</b>	<b>-</b>
Net change in fund balance	1,576,322	-	680,699	189,574	870,273	-
<b>FUND BALANCE, BEGINNING</b>	<b>-</b>	<b>-</b>	<b>1,576,322</b>	<b>-</b>	<b>1,576,322</b>	<b>2,446,595</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 1,576,322</b>	<b>\$ -</b>	<b>\$ 2,257,021</b>	<b>\$ 189,574</b>	<b>\$ 2,446,595</b>	<b>\$ 2,446,595</b>

# **Agenda**

## **Item #10**

**Discussion**  
**regarding the**  
**District's**  
**Investment Policy**

**BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2  
ORDER AFFIRMING INVESTMENT POLICY AND INVESTMENT STRATEGIES**

THE STATE OF TEXAS                   §

COUNTY OF BASTROP                   §

WHEREAS, Bastrop County Water Control and Improvement District No. 2 (the “*District*”) is a conservation and reclamation district, a body corporate and politic and governmental agency of the State of Texas, created under Article XVI, Sec. 59 of the Texas Constitution, and the District operates under Chapters 49 and 51 of the Texas Water Code, as amended;

WHEREAS, V.T.C.A., Government Code, Chapter 2256, as amended (the “*Public Funds Investment Act*”), requires the governing body of political subdivisions to adopt a written investment policy concerning the investment of its funds and funds under its control;

WHEREAS, Section 49.157(a) of the Texas Water Code, as amended, provides that all District deposits and investments shall be governed by the Public Funds Investment Act;

WHEREAS, the Public Funds Investment Act requires that the Board of Directors of the District review the Investment Policy and its investment strategies not less than annually and make any changes thereto as determined by the Board of Directors to be necessary and prudent, and to adopt an order or resolution stating that it has reviewed the Investment Policy and investment strategies and recording any changes made thereto; and

WHEREAS, in accordance with the requirements of the Public Funds Investment Act, the Board of Directors of the District has reviewed the District’s Investment Policy and desires to approve and affirm the Policy and investment strategies set forth therein.

NOW, THEREFORE BE IT ORDERED BY THE BOARD OF DIRECTORS OF BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 THAT:

Section 1. The matters and facts recited in the preamble to this Order are found to be true and correct and the same are incorporated herein as a part of this Order.

Section 2. The Board has reviewed its Investment Policy and the investment strategies set forth therein in accordance with the requirements of Section 2256.005(e) of the Public Funds Investment Act. Based upon such review, the Board finds and declares that the Investment Policy, including the written investment strategies set forth therein, in the form attached hereto is hereby approved and adopted. The designation of investment officer has been revised in the approved Investment Policy attached hereto, and the Investment Policy includes an updated list of authorized brokers and dealers.

Section 3. The President and the Treasurer are authorized to do all things necessary and proper to evidence the Board's adoption of this Order and to carry out the intent hereof. Upon

execution, a copy of this Order shall be filed in the permanent records of the District.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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Mary Beth O'Hanlon  
President

ATTEST:

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Michele Plummer  
Secretary

# BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

## INVESTMENT POLICY

### I.

#### STATUTORY AUTHORITY

1.01 Statutory Authority. This Policy has been adopted pursuant to, and in accordance with the requirements of, Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) and Chapter 2257 of the Texas Government Code (the Public Funds Collateral Act).

### II.

#### SCOPE

2.01 Scope. This Policy applies to the investment of all funds of Bastrop County Water Control and Improvement District No. 2 (the “District”) and funds under its control. The Board of the District shall review this Investment Policy and the investment strategies set forth herein not less than annually and shall make any changes thereto as determined by the Board of the District to be necessary and prudent for the management of District funds. Not less than annually, the Board shall adopt a written order or resolution stating that it has reviewed the Investment Policy and investment strategies and setting forth any changes made thereto.

### III.

#### OBJECTIVES

3.01 Investment Objectives. Investment of funds shall be governed by the following investment objectives, in order of priority:

1. Preservation and safety of principal- The foremost objective of the District’s Investment Policy is to assure safety of the invested funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital while minimizing credit rate and interest rate risk. Investment for speculation is prohibited.

2. Liquidity- Funds will be invested with maturities necessary to maintain sufficient liquidity to provide adequate and timely working funds.

3. Yield- Return on investment is of least importance compared to the safety and liquidity objectives described above.

## IV. INVESTMENT PARAMETERS

4.01. Investment Strategies. The District's overall investment strategy shall be to purchase high credit quality investments that preserve the safety of capital, maximize liquidity, promote diversification, and provide reasonable market yield (in that order of priority), based on the District's anticipated cash flows and the maintenance of a liquidity buffer for unanticipated liabilities. Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity. The choice of high credit quality investments and high-grade money market instruments are designed to assure the marketability of those investments should liquidity needs arise. Detailed strategies by fund type are set forth in **Exhibit "A"** of this Policy. The Board of the District shall review annually the investment strategies and shall make any changes thereto as determined by the Board to be necessary and prudent for the management of the District's funds.

4.02 Maximum Maturities. The District will match its investments with anticipated cash flow requirements. To match anticipated cash flow requirements, the maximum weighted average maturity of the overall portfolio shall not exceed 365 days and a benchmark of the six-month and one-year Treasury Bills shall be used to measure risk in the portfolio. Unless matched to a specific cash flow requirement, the District will not directly invest in securities maturing more than 24 months from the date of purchase.

4.03 Diversification. The District may diversify its portfolio to reduce risk.

4.04. Competitive Bidding Requirement. All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that the District is receiving fair market value/price for the investment. Bids for certificates of deposit may be solicited orally, in writing, electronically, or any combination of these methods.

4.05. Delivery versus Payment. All security transactions entered into by the District shall be conducted on a delivery versus payment (DVP) basis. Securities will be held by a third party custodian designated by the Investment Officer and evidenced by safekeeping receipts.

4.06 Rating Declines or Loss of Rating. The Investment Officer shall monitor the credit rating on all authorized investments in the District's portfolio based on independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by this Policy (i.e. Public Funds Investment Act), the Investment Officer shall immediately solicit bids for and sell the security if possible, regardless of a loss of principal.

4.07 Electronic Wire Transfers. The Investment Officer may use electronic means to transfer or invest funds collected or controlled by the District. Electronic transfers shall only be made between District accounts and in the name of the District, unless otherwise authorized in writing by the Board of the District.

## V. DELEGATION OF INVESTMENT AUTHORITY

5.01 Appointment of Investment Officer. Priscilla Lenzen of Inframark, LLC shall serve as the Investment Officer of the District. The Investment Officer shall be responsible for the

investment of District funds in accordance with this Investment Policy. If the Board has contracted with another investing entity to invest the District's funds, as authorized by the Public Funds Investment Act, the Investment Officer of the other investing entity is considered to be the Investment Officer of the District for such purposes. The authority hereby granted to the Investment Officers to invest the District's funds is effective until rescinded by the Board, until the expiration of the officer's term, the termination of Inframark, LLC's bookkeeping contract with the District, or the termination of the individual's employment with Inframark, LLC.

5.02 Investment Training. The Investment Officer shall attend at least one investment training session from an independent source and containing at least six hours of instruction relating to investment responsibilities within 12 months after taking office or assuming duties. The Investment Officer shall also attend an investment training session within each two-year period after the first year and receive not less than four hours of instruction relating to investment responsibilities from an independent source. Training must include education on investment controls, security risks, strategy risks, market risks, diversification of investment portfolio and compliance with the Public Funds Investment Act.

5.04 Prudence. The standard of care to be used by the Investment Officer shall be prudent person standard, and shall be applied in the context of managing the overall portfolio. This standard states that the person designated as the Investment Officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall take into consideration (i) the investment of all funds over which the Investment Officer has responsibility rather than consideration as to the prudence of a single investment, and (ii) whether the investment decision was consistent with this Investment Policy.

5.05 Ethics. Officers and employees involved in the investment of District funds shall refrain from personal activity that could conflict with the proper execution and management of the District's investment program. Employees and investment officials shall disclose, in writing, any material interests, including personal business relationships, with any financial institution with which it is proposed that the District conduct business. For purposes of District investments, employees or investment officials have a personal business relationship with a business organization if:

- (i) the individual owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (ii) funds received by the individual from the business organization exceed 10 percent of the individual's gross income for the previous year; or
- (iii) the individual has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the individual.

5.06 Limitation of Personal Liability. Authorized representatives of the District who invest the District's funds in accordance with this Policy shall have no personal liability for any individual security's credit risk or market price changes provided deviations from expectations are

reported in a timely manner and appropriate action is taken to control adverse developments.

## VI. INVESTMENT REPORTS

6.01 Internal Management Reports. The Investment Officer shall prepare and submit not less than quarterly to the Board of Directors of the District written reports of investment transactions for all funds of the District for the preceding reporting period. The quarterly reports shall comply with the requirements of Section 2256.023 of the Public Funds Investment Act. Specifically, the quarterly report shall:

- (i) Describe in detail the investment position of the District;
- (ii) Be prepared jointly by all Investment Officer;
- (iii) Be signed by each Investment Officer;
- (iv) Contain a summary statement of each pooled fund group that states the:
  - (A) beginning market value for the reporting period;
  - (B) ending market value for the period;
  - (C) fully accrued interest for the reporting period;
  - (D) state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
  - (E) state the maturity date of each separately invested asset that has a maturity date;
  - (F) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and
  - (G) state the compliance of the investment portfolio of the District as it relates to: (i) the investment strategy expressed in this Policy; and (ii) relevant provisions of the Public Funds Investment Act.

## VII. COLLATERAL, SAFEKEEPING, AND CUSTODY REQUIREMENTS

7.01 Collateral Policy. Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the District to require full collateralization of all District funds on deposit with a depository bank and for repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments, less an amount insured by the FDIC. At its discretion, the District may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with which

the District has a current custodial agreement. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

7.02 Authorized Collateral for Time and Demand Deposits. The District shall accept only the following securities as collateral for time and demand deposits:

- (i) FDIC insurance coverage;
- (ii) Obligations of the United States, its agencies or instrumentalities, or other evidence of indebtedness of the United States guaranteed as to principal and interest; and
- (iii) Obligations of Texas or other states or of a county, city or other political subdivision of a state having been rated as not less than “A” or its equivalent by two nationally recognized rating agencies.

7.03 Authorized Collateral for Repurchase Agreements. The District shall accept as collateral for repurchase agreements only obligations of the United States, its agencies or instrumentalities.

## VIII. AUTHORIZED INVESTMENTS

8.01 Authorized Investments. The following are authorized investments for the District’s funds, as further described and restricted by the Public Funds Investment Act:

- A. Obligations of, or guaranteed by, the United States. Obligations of the United States, its agencies and instrumentalities, excluding mortgage backed securities, and that are authorized investments under Section 2256.009 of the Public Funds Investment Act.
- B. State Obligations. Obligations of the State of Texas or any state of the United States or their respective agencies and instrumentalities, agencies, counties, cities, and other political subdivisions rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent, and that are authorized investments under Section 2256.009 of the Public Funds Investment Act.
- C. Other Governmental Obligations. Obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.

D. Certificates of Deposit/Share Certificates.

(a) Fully insured or collateralized certificates of deposit or share certificates that are approved investments under Section 2256.010 of the Public Funds Investment Act: (i) from a depository institution that has its main office or a branch office in the State of Texas; and (ii) that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or by the National Credit Union Share Insurance Fund or its successor, as applicable. Authorized certificates of deposit shall include such certificates purchased through the CDARS program with a Texas bank.

(b) Fully insured certificates of deposit purchased from a broker or a bank that has its main office or a branch office in the State of Texas and is selected from the list of qualified brokers attached to this Investment Policy. All investments in such brokered certificates of deposit shall be made on a delivery versus payment basis to the District's safekeeping agent, and the Investment Officer shall verify that the bank is fully insured by the Federal Deposit Insurance Corporation prior to purchase. In the event any bank from which the District has purchased a brokered certificate of deposit merges with, or is acquired by, another bank in which brokered certificates of deposit are owned by the District, the Investment Officer shall immediately contact the banks and liquidate any brokered certificate that exceeds FDIC insurance levels.

E. Repurchase Agreements. Fully collateralized repurchase agreements with a defined termination date executed with a primary dealer as defined by the Federal Reserve or a financial institution doing business in this state, and that are authorized investments under Section 2256.011 of the Public Funds Investment Act.

F. Mutual Funds. AAA-rated, SEC registered money market mutual funds that are registered and regulated by the Securities and Exchange Commission subject to the limitations set forth in Section 2256.014 of the Public Funds Investment Act.

G. Commercial Paper. Commercial paper that has a stated maturity of 270 days or fewer from the date of its issuance and that is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies, or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United State or any state, as authorized under Section 2256.013 of the Public Funds Investment Act

H. Investment Pools. AAA-rated, constant-dollar local government investment pools that meet the requirements set forth in the Public Funds Investment Act for the investment of public funds, including Sections 2256.016, .017, .018, and .019, and provided further that such investments must be approved by the Board of Directors of the District by separate

resolution.

I. Interest bearing accounts of any FDIC bank in Texas.

IX.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

9.01 Authorized Financial Dealers and Institutions. The Board may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of public funds; provided, that a contract may not be for a term longer than two years, and any renewal or extension thereof must be made by the Board by order or resolution.

X.

MISCELLANEOUS

10.01 Policy to be Presented to Investment Officer. The Investment Officer shall be presented a copy of this Investment Policy and shall execute a written instrument substantially in the form attached hereto as **Exhibit “B”** to the effect that the Investment Officer has:

1. received and thoroughly reviewed a copy of this Investment Policy; and
2. implemented procedures and controls to comply with the Investment Policy.

10.02 Business Organizations that Invest or Manage the District’s Investment Portfolio. A written copy of this Investment Policy shall be presented to any business organization offering to engage in an investment transaction with the District. For purposes of this Policy, a “*business organization*” means an investment pool or investment management firm under contract with the District to invest or manage the District’s investment portfolio that has accepted authority granted by the District under the contract to exercise investment discretion in regard to the District’s funds. The qualified representative of the business organization offering to engage in an investment transaction with the District shall execute a written instrument in a form acceptable to the District and the business organization substantially to the effect that the business organization has:

- (i) Received and reviewed this Investment Policy; and
- (ii) Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized under this Investment Policy, except to the extent that the authorization: (A) is dependent on an analysis of the makeup of the District’s entire portfolio; (B) requires an interpretation of subjective investment standards; or (C) relates to investment transactions of the District that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The District shall not acquire or otherwise obtain any authorized investment described in this Investment Policy from a business organization that has not delivered the instrument described above.

10.03 Annual Financial Audit. The District, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies.

10.04 Selection of Authorized Brokers. The District shall annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District. Approved Investment Brokers are those listed in **Exhibit C** of this Policy.

10.05 Effective Date. This Policy shall be effective immediately upon adoption.

## **EXHIBIT A - 1**

### **INVESTMENT STRATEGY**

#### **DEBT SERVICE FUNDS**

##### Investment Objective:

To purchase investments that will preserve the safety of capital and maximize yield (in that order of priority) taking into account the timing of the District's debt service payments.

##### Investment Strategy:

To invest in any of the authorized investments listed in Article VIII of the District's Investment Policy, provided that:

1. For funds needed for the District's next debt service payment, the investment shall mature no later than the date the debt service payment is due.
2. For funds in the debt service reserve fund, the maximum stated maturity date of the investment shall be no greater than 24 months after the date of purchase and cannot exceed the final maturity of the underlying bond(s) or note(s) for which it is reserved.

## **EXHIBIT A – 2**

### **INVESTMENT STRATEGY**

#### **CONSTRUCTION FUNDS**

Investment Objective:

To purchase investments that will preserve the safety of capital and maximize yield (in that order of priority) taking into account the timing of the District's cash flow requirements for its construction projects.

Investment Strategy:

To invest in any of the authorized investments listed in Article VIII of the District's Investment Policy, provided that:

1. Investment maturities shall generally follow anticipated cash flow requirements. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
2. Market conditions and arbitrage regulations shall be considered to avoid arbitrage.

## **EXHIBIT A-3**

### **INVESTMENT STRATEGY UNRESTRICTED OPERATING FUNDS**

#### Investment Objective:

To purchase investments that will preserve the safety of capital, maximize liquidity, and maximize yield (in that order of priority), taking into account the District's monthly operating expenses, capital improvements, special projects, and other expenditures and ensuring the availability of funds as necessary.

#### Investment Strategy:

To invest in any of the authorized investments listed in Article VIII of the District's Investment Policy, provided that the investment will mature no later than 24 months after the date of purchase. Investments must meet projected cash flow requirements.

**EXHIBIT A – 4**

**INVESTMENT STRATEGY**

**ROAD MAINTENANCE FUNDS**

Investment Objective:

To purchase investments that will preserve the safety of capital and maximize yield (in that order of priority) taking into account the timing of the District's cash flow requirements for its road maintenance and improvement projects.

Investment Strategy:

To invest in any of the authorized investments listed in Article VIII of the District's Investment Policy, provided that:

1. Investment maturities shall generally follow anticipated cash flow requirements. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

**EXHIBIT B**

**INVESTMENT OFFICER AND INVESTMENT FIRM CERTIFICATION  
OF RECEIPT AND REVIEW OF INVESTMENT POLICY**

THE STATE OF TEXAS

COUNTY OF BASTROP

I, \_\_\_\_\_ of \_\_\_\_\_,  
do hereby certify that I have been presented a copy of the Investment Policy for Bastrop County  
Water Control and Improvement District No. 2 dated \_\_\_\_\_. I have thoroughly reviewed  
the Investment Policy and acknowledge that \_\_\_\_\_ has implemented  
procedures and controls to comply with the Investment Policy.

WITNESS MY HAND THIS \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT C**  
**List of Approved Brokers and Investment Firms**

# **Agenda**

## **Item #11**

### **Discussion**

**regarding West**

**Davis & Co. Audit**

**Engagement Letter**

# WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

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November 4, 2022

Board of Directors  
Bastrop County WCID No. 2  
c/o Paul Hightower, General Manager  
PO Box 708  
Bastrop, Texas 78602

We are pleased to confirm our understanding of the services we are to provide the Bastrop County Water Control and Improvement District No. 2 (the “District”) for the year ended December 31, 2022. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the District’s basic financial statements, as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the District’s 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. As part of our engagement, we will apply certain limited procedures to the District’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management’s Discussion and Analysis
2. Budget Comparison for the Road Reconstruction and Maintenance Fund.

We have also been engaged to report on supplementary information other than RSI that accompanies the District’s basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor’s report on the financial statements:

1. TCEQ required schedules.

## **Audit Objective**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

## **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected

individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

### **Other Services**

We will also prepare the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

### **Audit Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service provider.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of West, Davis and Company and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to TCEQ or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of West, Davis and Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to TCEQ or its designee. TCEQ or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on approximately January 1, 2023, and to issue our reports no later than March 31, 2023. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs except that we agree that our gross fee, including expenses, will be in the range of \$30,000-\$40,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoice for these fees will be rendered upon completion of our work and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope and estimated fees for those additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

The District agrees to hold WDC and its partners, heirs, executors, personal representatives, successors, and assigns harmless from any and all claims of the District which arise from knowing misrepresentations to WDC by the management of the District, or the intentional withholding or concealment of information from WDC by the management of the District. The District also agrees to indemnify WDC for any and all claims made against WDC by third parties which arise from any of these actions by the management of the District, as long as WDC is not negligent in the performance of its services.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Bob West, CPA  
Partner

RESPONSE:

This letter correctly sets forth the understanding of Bastrop County Water Control and Improvement District No. 2.

By: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

# **Agenda**

## **Item #12**

**Discussion  
regarding Order  
setting 2023  
Road Fees**

**CERTIFICATE FOR RESOLUTION**

THE STATE OF TEXAS

COUNTY OF BASTROP

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

§  
§  
§  
§  
§

We, the undersigned officers of the Board of Directors of Bastrop County Water Control and Improvement District No. 2 (the “District”) hereby certify as follows:

1. The Board of Directors of the District convened in regular session on the 17th day of November, 2022, at the regular meeting place thereof, and the roll was called of the duly constituted members of the Board, to wit:

- Mary Beth O’Hanlon, President
- Scott Ferguson, Vice President
- Ron Whipple, Treasurer
- Michele Plummer, Secretary
- Butch Carmack, Director

and all of said persons were present except \_\_\_\_\_, thus constituting a quorum.

Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION ESTABLISHING 2023 ROAD FEE; AND PROVIDING AN EFFECTIVE  
DATE

was introduced for the consideration by the Board. It was then duly moved and seconded that the ORDER be adopted; and, after due discussion, the motion, carrying with it the adoption of the ORDER was duly passed and adopted by the Board by the following vote:

\_\_\_ “For” \_\_\_ “Against” \_\_\_ Abstained

2. That a true, full and correct copy of the aforesaid ORDER adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; the ORDER has been duly recorded in the Board’s minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

EXECUTED AND SEALED this the 17th day of November, 2022.

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Michele Plummer  
Secretary, Board of Directors

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Mary Beth O'Hanlon  
President, Board of Directors

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

**RESOLUTION SETTING THE DISTRICT'S ROAD FEES  
FOR 2023; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, Bastrop County Water Control and Improvement District No. 2 (the "*District*") is a political subdivision of the State of Texas, operating under the laws of the State of Texas, including without limitation Chapters 49 and 51, Texas Water Code and the holder of Certificates of Convenience No. 10990 and 20961 issued by the Texas Commission on Environmental Quality; and

WHEREAS, pursuant to Chapter 11001 of the Texas Special District and Local Laws Code, the District has all of the rights, powers, privileges, functions, responsibilities, and duties that general law grants a road district created under Section 52, Article III, Texas Constitution; and

WHEREAS, Section 11001.007(a) of the Texas Special District and Local Laws Code authorizes the Board of Directors of the District (the "Board") to impose a monthly charge in an amount not to exceed \$15 for each developed or undeveloped lot, tract, or reserve in the District to be used for constructing, maintaining, or repairing public streets or roadways in the District or for purchasing equipment necessary to maintain or repair public streets or roadways in the District (the "*Road Fee*"); and

WHEREAS, Section 11007.001(a-1) authorizes the Board to increase the monthly charge for a developed or undeveloped lot, tract, or reserve in the District by more than \$3 in any calendar year; and

WHEREAS, the Board of Directors desires to establish the Road Fee for calendar year 2023 in accordance with the terms of Section 11007.001 of the Texas Special District and Local Laws Code;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 THAT:

1. The facts and recitations in the preamble of this Order are hereby found and declared to be true and correct, and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.
2. The Board of Directors for the District hereby establishes the Road Fee for calendar year 2023 at \$204.00 per month for each developed or undeveloped lot, tract, or reserve in the District, such fee being the same Road Fee as was in effect during the preceding calendar year.
3. By separate Resolution, the Board of Directors has approved exemptions to the payment of any increase in Road Fees for calendar year 2023 in accordance with

the authority set forth in Section 11007.001(a-1) of the Texas Special District and Local Laws Code.

4. District staff are authorized to take any and all actions necessary to implement this Resolution.
5. This Resolution shall become effective upon adoption by the Board of Directors of the District.
6. If any provision, section, subsection, sentence, clause or phrase of this Resolution, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Resolution nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Board in adopting this Resolution that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Resolution are declared to be severable for that purpose.
7. This Resolution shall be cumulative of all provisions of the orders and resolutions of the Bastrop County Water Control and Improvement District No. 2 relating to the same subject matter hereof. All provisions of any orders and resolutions of the Bastrop County Water Control and Improvement District No. 2 in conflict with this Resolution are hereby repealed and all other provisions of the orders and resolutions of the District not in conflict with the provisions of this Resolution shall remain in full force and effect.
8. It is further found and determined that notice of the date, place, and subject of this meeting was posted in accordance with the terms and provisions of the Texas Government Code, Chapter 551 at least 72 hours preceding the scheduled time of this meeting and that the District has complied with the terms and provisions of said Chapter 551 of the Texas Government Code.

PASSED, APPROVED and EXECUTED this 17<sup>th</sup> day of November, 2022.

---

Mary Beth O'Hanlon  
President, Board of Directors

ATTEST:

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Scott Ferguson  
Secretary, Board of Directors

# **Agenda**

## **Item #13**

**Discussion regarding  
Bastrop County ILA  
Agreement for 2023  
Road Improvements**

**INTERLOCAL AGREEMENT FOR ROAD IMPROVEMENTS  
(2022-2023)**

STATE OF TEXAS	§	COUNTY OF BASTROP AND
	§	BASTROP COUNTY WATER CONTROL
COUNTY OF BASTROP	§	AND IMPROVEMENT DISTRICT NO. 2

---

THE COUNTY OF BASTROP ("County"), a political subdivision of the State of Texas, and the BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 ("BCWCID #2"), a conservation and reclamation district and political subdivision of the State of Texas, hereby enter into this Interlocal Agreement For Road Improvements ("Agreement"). The County and BCWCID #2 are individually referred to herein as a "Party" and collectively referred to herein as the "Parties."

**Recitals**

WHEREAS, the County has an interest in protecting the health and safety of citizens of Bastrop County; and

WHEREAS, the County also has an interest in improving and maintaining the roads of the unincorporated sections of Bastrop County, including roads located within unincorporated areas of the District; and

WHEREAS, pursuant to Chapter 11001 Texas Special District Local Laws Code (the "Act"), BCWCID #2 has all of the rights, powers, privileges, functions, responsibilities, and duties that general law grants a road district created under Section 52, Article III, Texas Constitution; and

WHEREAS, a number of the roads previously constructed within the County that are located within the boundaries of BCWCID #2 are in poor condition, create potential hazards to public safety, and are in need of repairs and improvements; and

WHEREAS, in accordance with the requirements of the Act, BCWCID #2 has previously adopted and updated a master plan for road improvements (the "Master Plan"), which master plan has been approved by the County for road improvements to be made in the County's jurisdiction; and

WHEREAS, the Master Plan includes improvement to the roads more particularly identified in **Exhibit "A"** attached hereto (the "Project"); and

WHEREAS, the Parties desire to enter into this Agreement in order to set forth the terms and conditions pursuant to which the District will endeavor to complete the Project roads prior to September 30, 2022, and the County will provide certain assistance to the District in connection therewith.

NOW THEREFORE, the Parties, for and in consideration of the covenants and agreements herein set forth, to be kept and performed by them respectively, have agreed to and do hereby agree together as follows:

**Agreement**

## 1. Purpose

Pursuant to Chapter 791 of the Texas Government Code, the County and BCWCID #2 are local governments and desire to enter into this Agreement for the purpose of providing governmental functions in which the Parties are mutually interested and with each Party performing functions they would be authorized to perform individually; specifically: financing, project management, design, construction installation and maintenance of the Project, which will improve roads in Bastrop County and will promote the public health, safety and welfare.

## 2. General Agreement

The County and BCWCID #2 hereby agree to cooperate in good faith and as further set forth in this Agreement for purposes of undertaking and completing the Project prior to September 30, 2023. The Parties mutually acknowledge and agree that the completion of the Project improvements by this deadline will be subject to the availability of funding, personnel, equipment, resources, weather and other matters, and the completion of the Project cannot be guaranteed by either Party.

## 3. BCWCID #2 Responsibilities

- A. BCWCID #2 authorizes the County to seal and pave the Project roads, and to perform compaction testing.
- B. BCWCID #2 shall reimburse the County for 1/2 of fuel costs associated with the work performed by the County pursuant to the terms and scope of the Project as described herein and for the compaction test necessary for the paving of the roads described in the Project.
- C. BCWCID #2 will reimburse the County for all materials. Attached as **Exhibit "B"** is the current estimate of materials for the Project. Prices are subject to change based on market conditions. In the event that prices for materials change, the County shall notify BCWCID #2 of the updated price estimates for materials for the Project no later than ten (10) days prior to purchasing the material and to submitting to BCWCID #2 an invoice for materials reflecting the changed price.
- D. BCWCID #2 will pay for all surveys necessary for the construction/paving of those roads described herein as the Project.
- E. BCWCID #2 will pay for any of the County's consultations with BCWCID #2's consulting engineer.
- F. BCWCID #2 shall pay the contractor for preparation of the Project roads (excluding sealing and paving).
- G. Upon completion of each Project road improvement, BCWCID #2 shall contact the County and schedule a joint inspection of the completed Project improvements.

- H. BCWCID #2 shall remain responsible for repair and maintenance of the Project improvements for a one year warranty period after initial completion of construction and until acceptance by the County.
- I. BCWCID #2 will carry and maintain insurance or risk pool coverage for personal injury and property claims arising out of BCWCID #2's personnel operating the County equipment.

#### **4. County Responsibilities**

- A. The County, using personnel and equipment from Precinct 1, will furnish and install chip seal for those roads identified herein in accordance with the County's applicable design and construction standards, unless otherwise agreed by the parties. Specifically, the County will provide BCWCID #2 a two-course paving (with bottom rock and top rock) on the prepared, compacted 8 inch base. The County's applicable design and construction standards shall be those applicable to new subdivisions within the County; provided, however, representatives of the County and BCWCID #2 shall from time to time conduct on site inspections at which variances may be identified and approved by the County, which shall be documented by BCWCID #2's engineer.
- B. The County will purchase all materials for the Project.
- C. The County will consult with BCWCID #2's drainage plan. If needed, the County will consult with BCWCID #2's consulting engineer, at BCWCID #2's expense, regarding the impact of the Project on BCWCID #2's drainage plan.
- D. Upon completion by BCWCID #2 of each Project improvement, a representative of the County shall promptly inspect the completed improvements to confirm completion in accordance with the approved plans and specifications. The County representative shall identify any required improvements for final completion.
- E. After expiration of the one year warranty period commencing upon initial completion of construction of the Project, the County shall include an item for acceptance of the completed Project improvement on its next Commissioners Court meeting agenda. Upon acceptance, the County shall be responsible for ownership, operation, maintenance, repair and improvement of the Project for all purposes.
- F. The County will loan available road equipment to BCWCID #2, at no cost or expense to the District (except maintenance and repairs necessitated by BCWCID#2's use and operation thereof) for the construction and grading of the Project roads and drainage improvements, including the County's spare grader, steel roller. water truck and reclaimer machine.

#### **5. Other Agreements Relating to the Project**

- A. All services must be complete within the County Fiscal Year 2021-2022 (October 1, 2021 – September 30, 2022) unless otherwise agreed by the Parties in writing.
- B. The County will invoice BCWCID for 1/2 of fuel costs and for the entire purchase of materials related to the services furnished by the County under this Agreement.

- C. Payment is expected within 30 days of invoice.
- D. Each Party agrees to conform to its own applicable purchasing laws, regulations, policies, and procedures with respect to the portion of the work under this Agreement performed by each party.
- E. E. The County and BCWCID #2 will coordinate work schedules in order to provide for minimal disruption of traffic and operation of the roads described herein.
- F. This Agreement may be renewed every fiscal year upon written request from BCWCID #2 to the County and written acceptance by the County of said request.
- G. In the event that technical issues regarding the construction of a roads included in the Project are identified that cause substantial delay in the commencement or completion of work on said road, the Parties may identify and substitute another road or segment of road of approximately the same length to be included in the Project instead of that road originally identified.
- H. The County will provide TXLAP equipment training to District personnel at no cost or expense to BCWCID #2.

**6. Miscellaneous**

- A. Notice and Addresses. All notices required hereunder must be given by certified mail or registered mail, addressed to the proper Party, at the following addresses:

To the County: County of Bastrop  
 Attn: Mel Hamner  
 County Commissioner  
 804 Pecan  
 Bastrop, Texas 78602

To BCWCID #2: BCWCID #2  
 Attn: Paul Hightower  
 General Manager  
 112 Corporate Drive  
 Bastrop, TX 78602

Either Party may change the address to which notices are to be sent by giving the other Party notice of the new address in the manner provided in this section. Notices shall be deemed to have been received three (3) days after deposit in the mail.

For ease of administration of this contract, a main contact person has been designated for the Parties as follows:

For the County: County of Bastrop  
 Attn: Gus Navejas  
 Foreman, Pct. 1  
 804 Pecan Street

Bastrop, TX 78602

For BCWCID #2: Paul Hightower  
General Manager  
112 Corporate Drive  
Bastrop, TX 78602

- B. Parties Bound. This Agreement shall be binding upon, and inure to the benefit of, the Parties to this Agreement and their respective heirs, executors, administrators, legal representatives, successors, and assigns.
- C. Prior Agreement Superseded. This Agreement constitutes the sole and only agreement of the Parties regarding their responsibilities to each other concerning the work noted herein on the Project and supersedes any prior understandings or written or oral agreements between the Parties respecting the Project. This Agreement in no way modifies or supersedes any document executed by the Parties prior to this Agreement which does not involve the Project.
- D. Amendment. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the Parties to this Agreement.
- E. General Waiver by the Parties. The Parties hereby waive and release each other from all claims for loss or damage caused by any act or omission by the other, their respective employees, or agents, in the performance of this Agreement, except for gross negligence and/or willful misconduct, and except as otherwise provided by the Texas law. To the extent authorized by Texas law, the County and BCWCID #2 agree that each entity is responsible for its own proportionate share of any liability for personal injury or death or property damage arising out of or connected to its own negligent acts or omissions in connection with this Agreement as determined by a court of competent law.
- F. Violation of Law. The Parties shall not violate any federal, state or local laws, regulations or ordinances in the performance of this Agreement.
- G. Enforceability. If any provision of this Agreement proves unlawful or unenforceable by a court having jurisdiction over the Parties or the subject matter, such provision shall be severable from the other provisions of this Agreement, and all remaining provisions shall be fully enforceable.
- H. Governing Law and Place for Performance. This Agreement shall be governed by the laws of Texas, which state shall also be deemed the place where this Agreement was entered into and the place of performance and transaction of business and Parties. In the event of litigation pertaining to the Agreement, the exclusive forum, venue and place of jurisdiction shall also be the County of Bastrop and the State of Texas unless otherwise agreed in writing by the Parties. The Parties acknowledge that each has had the unfettered opportunity to review, revise and negotiate the terms of this Agreement, and that if in the future there is a dispute as to the meaning of any provision herein, then no such provision shall be construed against the drafter of the Agreement.
- I. Signature Warranty Clause. The signatories to this Agreement represent that they have the authority to execute this agreement on behalf of BCWCID #2 and the County, respectively.

- J. No Waiver of Immunities. Nothing in the Agreement shall be construed to waive any immunity from suit or liability enjoyed by BCWCID #2, the County, their past or present officers, employees, or agents.
- K. Approval of Governing Bodies. This Agreement has been approved by the governing bodies of the County and BCWCID #2.
- L. Assignment. Neither Party may assign their interests in this Agreement except upon receiving the written consent of the other Party.
- M. Termination. This agreement may be terminated by either Party, with or without cause, upon 30 calendar days written notice to the other Party.
- N. Governmental Purpose. Each Party hereto is entering into this Agreement for the purpose of providing for governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.
- O. Commitment of Current Revenues Only. In the event that, during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then either Party may terminate this Agreement upon thirty (30) days written notice to the other party. Each of the Parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The Parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each Party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. §271.903.

EXECUTED TO BE EFFECTIVE this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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

By: \_\_\_\_\_  
Printed Name: Mary Beth O'Hanlon  
Title: President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
Printed Name: Michele Plummer  
Title: Secretary, Board of Directors

**COUNTY OF BASTROP**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

**Exhibit "A"**

**Identification of 2022-2023 Project Roads**

<b>ROAD/ROAD SEGMENT</b>		<b>ANTICIPATED CONSTRUCTION TIME FRAME</b>
1.	Koolua	Oct. 2022-Sept. 2023
2.	Haleakala Dr.	Oct. 2022-Sept. 2023
3.	Waihi Ct.	Oct. 2022-Sept. 2023
4.	Laau Ct..	Oct. 2022-Sept 2023
5.	Kikipau Ln.	Oct. 2022-Sept. 2023
6.	Waipahoehoe Dr.	Oct. 2022-Sept. 2023
7.	Mokuleia Cr..	Oct. 2022-Sept 2023
8.	Nene Ln.	Oct. 2022-Sept 2023

**Attachment "B"**

	Street	Length	Cost
1.	Koolua.	2090 Ft	
2.	Haleakala Dr.	1500 Ft.	
3.	Waihi Ct	180 Ft	
4.	Kikipau Ln.	1300 Ft	
5.	Waipahoehoe Dr.	3100 Ft.	
6.	Mokuleia Cr.	2500 Ft.	
7.	Mokolea Ln	950 Ft.	

# **Agenda**

## **Item #14**

**Discussion regarding  
approving 2023**

**Road Fee Exemptions**

**CERTIFICATE FOR RESOLUTION**

THE STATE OF TEXAS

COUNTY OF BASTROP

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

§  
§  
§  
§

We, the undersigned officers of the Board of Directors of Bastrop County Water Control and Improvement District No. 2 (the "District") hereby certify as follows:

1. The Board of Directors of the District convened in regular session on the 17th day of November, 2022, at the regular meeting place thereof, and the roll was called of the duly constituted members of the Board, to wit:

- Mary Beth O'Hanlon, President
- Scott Ferguson, Vice President
- Ron Whipple, Treasurer
- Michele Plummer, Secretary
- Butch Carmack, Director

and all of said persons were present except \_\_\_\_\_, thus constituting a quorum.

Whereupon, among other business, the following was transacted at the meeting: a written

**RESOLUTION APPROVING ROAD FEE EXEMPTION FOR CALENDAR YEAR 2023**

was introduced for the consideration by the Board. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, the motion, carrying with it the adoption of the Resolution was duly passed and adopted by the Board by the following vote:

\_\_\_ "For" \_\_\_ "Against" \_\_\_ Abstained

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

EXECUTED AND SEALED this the \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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Michele Plummer  
Secretary, Board of Directors

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Mary Beth O'Hanlon  
President, Board of Directors

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

### **RESOLUTION ESTABLISHING ROAD FEE EXEMPTION FOR 2023**

WHEREAS, Bastrop County Water Control and Improvement District No. 2 (the "District") is a political subdivision of the State of Texas, operating under the laws of the State of Texas, including without limitation Chapters 49 and 51, Texas Water Code and the holder of Certificates of Convenience No. 10990 and 20961 issued by the Texas Commission on Environmental Quality; and

WHEREAS, pursuant to Chapter 11001 of the Texas Special District and Local Laws Code, the District has all of the rights, powers, privileges, functions, responsibilities, and duties that general law grants a road district created under Section 52, Article III, Texas Constitution; and

WHEREAS, Section 11001.007(a) of the Texas Special District and Local Laws Code authorizes the Board of Directors of the District (the "Board") to impose a monthly charge in on for each developed or undeveloped lot, tract, or reserve in the District to be used for constructing, maintaining, or repairing public streets or roadways in the District or for purchasing equipment necessary to maintain or repair public streets or roadways in the District (the "Road Fee"); and

WHEREAS, Section 11007.001(a-1) authorizes the Board to grant an exemption to an increase in the monthly charge to the owner of a lot, tract, or reserve in the District who (1) is 65 years of age or older; or (2) has been determined to have a disability by and has written documentation of the disability from the United States Social Security Administration or the United States Department of Veterans Affairs; and

WHEREAS, the Board of Directors desires to clarify the availability of the exemption to the Road Fee for calendar year 2022 in accordance with the terms of Section 11007.001(a-1) of the Texas Special District and Local Laws Code;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 THAT:**

1. The facts and recitations in the preamble of this Resolution are hereby found and declared to be true and correct, and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.
2. The Board hereby approves and maintains in effect for calendar year 2023 a Road Fee exemption for persons over the age of 65 provided such persons own a lot, tract, or reserve in the District and use such lot, tract or reserve as a residence.
4. The Board hereby approves and maintains in effect for calendar year 2023 the Road Fee exemption for disabled persons who own a lot, tract, or reserve in the District provided the existence of the disability is substantiated by written documentation

provided by the United States Social Security Administration or the United States Department of Veteran Affairs.

3. Property owners over the age of 65 applying for an exemption must provide proof of ownership; proof that the property is used as a residence; and written documentation that the owner is 65 years of age or older.
4. Property owners who are disabled applying for an exemption must provide written documentation from either the United States Social Security Administration or the United States Department of Veterans Affairs that the owner has a disability.
4. District staff are authorized to take any and all actions necessary to implement this Resolution.
5. This Resolution shall become effective upon adoption by the Board of Directors of the District.
6. If any provision, section, subsection, sentence, clause or phrase of this Resolution, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Resolution nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Board in adopting this Resolution that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Resolution are declared to be severable for that purpose.
7. This Resolution shall be cumulative of all provisions of the orders and resolutions of the Bastrop County Water Control and Improvement District No. 2 relating to the same subject matter hereof. All provisions of any orders and resolutions of the Bastrop County Water Control and Improvement District No. 2 in conflict with this Resolution are hereby repealed and all other provisions of the orders and resolutions of the District not in conflict with the provisions of this Resolution shall remain in full force and effect.
8. It is further found and determined that notice of the date, place, and subject of this meeting was posted in accordance with the terms and provisions of the Texas Government Code, Chapter 551 at least 72 hours preceding the scheduled time of this meeting and that the District has complied with the terms and provisions of said Chapter 551 of the Texas Government Code.

PASSED, APPROVED and EXECUTED this 17th day of November, 2022.

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Mary Beth O'Hanlon  
President, Board of Directors

ATTEST:

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Michele Plummer  
Secretary, Board of Directors

# **Agenda**

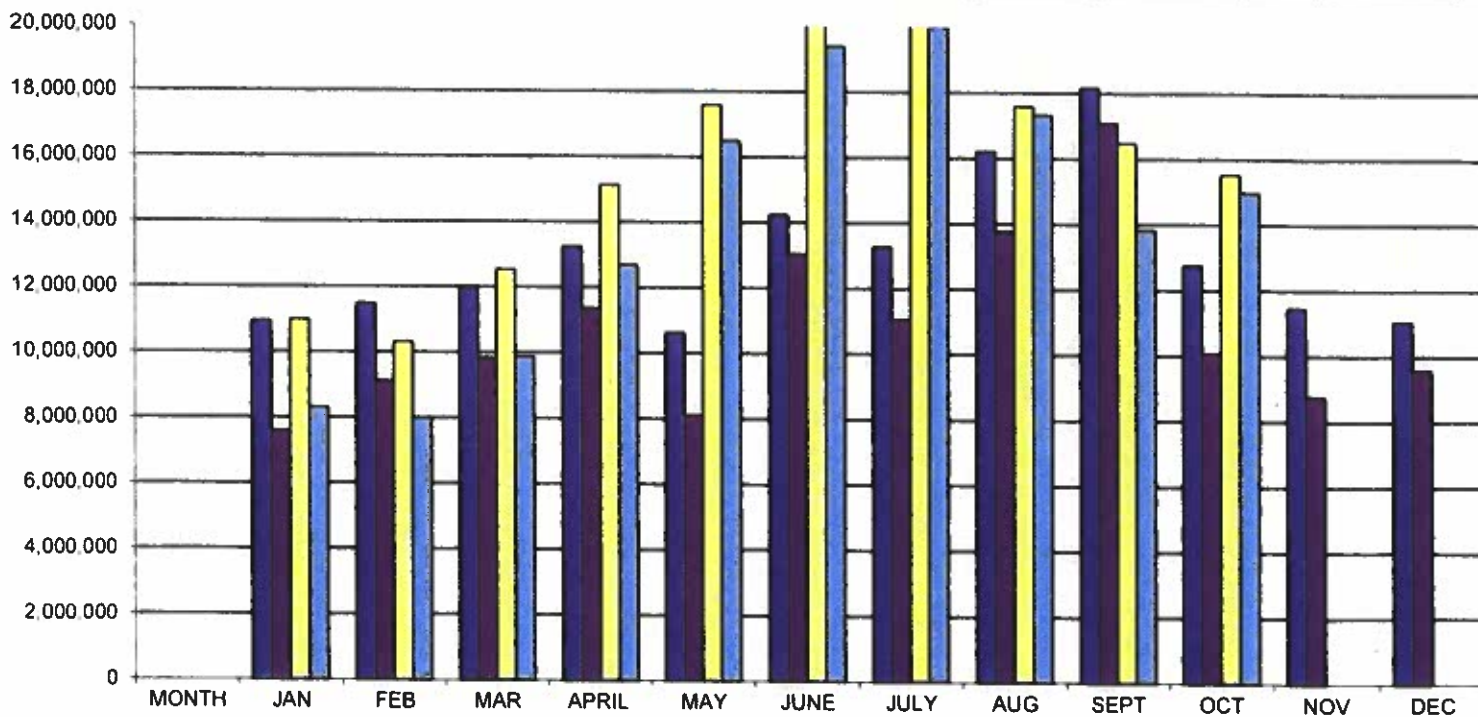
## **Item #15**

**Discussion regarding  
liens on delinquent  
road fee accounts**

# **MISC REPORTS**

**BCWCID#2 2022  
CONSUMPTION REPORT**

	2021 PUMPED	2021 USAGE	2022 PUMPED	2022 USAGE	2022 PUMPED	ACTIVE	
MONTH	WATER	OF WATER	WATER	OF WATER	UNBILLED	METERS	%
JAN	10937141	7581186	10980840	8301028	1,230,350	2,072	13%
FEB	11474637	9113179	10311316	7973843	1,489,700	2,093	8%
MAR	11931647	9832526	12528882	9858949	1,575,500	2,102	9%
APRIL	13241784	11343200	15127456	12692037	1,269,175	2,107	8%
MAY	10626677	8100970	17583275	16483711	1,059,375	2,120	0%
JUNE	14231549	13035672	21155965	19383640	1,375,950	2,127	2%
JULY	13272274	11047746	23197965	21413487	800,130	2,160	4%
AUG	16205936	13762896	17584984	17316186	781,265	2,166	-3%
SEPT	18171681	17094379	16468129	13817511	834,232	2,174	11%
OCT	12755952	10062400	15529134	14988616	731294	2,180	-1%
NOV	11459767	8756182					#DIV/0!
DEC	11048483	9585119					#DIV/0!
<b>TOTALS</b>	<b>155,357,528</b>	<b>129,315,455</b>	<b>160,467,946</b>	<b>142,229,008</b>	<b>11,146,971</b>		<b>4%</b>



JOB CODE	----- ISSUED THIS PERIOD -----				----- PRIOR ORDERS -----			TOTAL	TOTAL
	ISSUED	COMPLETED	VOIDED	OUTSTANDING	COMPLETED	VOIDED	OUTSTANDING	COMPLETED	OUTSTANDING
ALARM SEWER ALARM	15	14	0	0	2,193	25	0	2,207	0
BROWN BROWN WATER	2	2	0	0	388	3	0	390	0
CHANG CHANGE SIGN	0	0	0	0	37	0	0	37	0
CULVE CULVERT PERMIT	2	1	0	1	490	11	0	491	1
FLUSH FLUSH WATER LINE	3	3	0	0	856	1	0	859	0
HSWAP METER HEAD SWAP	0	0	0	0	152	14	0	152	0
IRRIG IRRIGATION PERMIT	0	0	0	0	55	2	0	55	0
LEAK CHECK FOR LEAK	11	9	0	0	1,823	22	0	1,832	0
LKMTR LOCK MTR	1	1	0	0	231	64	0	232	0
LNLOC LINE LOCATE	0	0	0	0	266	5	0	266	0
METER MOVE METER CHARGE	0	0	0	0	6	7	0	6	0
MI METER INFORMATION	0	0	0	0	170	10	0	170	0
MISCE MISCELLANEOUS	6	6	0	0	3,407	184	6	3,413	6
MOW MOWING GRASS	0	0	0	0	262	1	1	262	1
OCC OCCUPANT CHANGE	13	13	0	0	4,193	67	0	4,206	0
ODOR SMELLY WATER	1	1	0	0	31	0	0	32	0
OFF TURN OFF SERVICE	11	11	0	0	2,820	290	0	2,831	0
OFFEE TRIP CHARGE TURN OFF	0	0	0	0	21	0	0	21	0
ON TURN ON SERVICE	19	19	0	0	3,766	85	0	3,785	0
ONFEE TRIP CHARGE TURN ON	2	2	0	0	20	2	0	22	0
POOLS POOL/SPA PERMIT	0	0	0	0	54	1	0	54	0
RADIO RADIO READ REPORT	0	0	0	0	154	5	0	154	0
RC READ CHECK	0	0	0	0	426	109	0	426	0
ROAD ROAD REPAIR	4	1	0	0	3,870	25	7	3,871	7
RRMON RADIO READ MONITOR (RENT)	0	0	0	0	0	1	0	0	0
SEWER WASTEWATER MISC SERVICE	2	1	0	0	1,464	32	2	1,465	2
SIGN STREET SIGN	0	0	0	0	75	3	1	75	1
SWAP METER SWAP-OUT	3	1	1	1	1,805	103	3	1,806	4
SWTAP W/W TAP	2	0	0	2	475	26	2	475	4
TMPWT TMP WTR	0	0	0	0	9	5	0	9	0
W/W W/W ESTIMATE	8	8	0	0	1,166	43	0	1,174	0
WMEAS MEASURE FOR WATER TAP	15	15	0	0	1,793	49	0	1,808	0
WPRES LOW WATER PRESSURE	0	0	0	0	377	15	0	377	0
WTRTP WATER TAP	5	4	0	1	289	793	0	293	1
WWMOV W/W ESTIMATE FOR RELOCATE	0	0	0	0	11	6	0	11	0
** GRAND TOTALS **	125	112	1	5	33,155	2,009	22	33,267	27

# OCTOBER 2022

## BCWCID#2

### Re-Cap of Water Tap Applications

#### WATER TAPS:

2022 Pending .....	2	
2022 Complete.....	107	
2021 Complete.....	112	
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	

# OCTOBER 2022

## BCWCID#2

### Re-Cap of Wastewater Tap Applications

#### WASTEWATER TAPS:

2022 Pending .....	5
2022 Complete.....	25
2021 Pending .....	1
2021 Complete.....	33
2020 Complete.....	43
2019 Complete.....	34
2018 Complete.....	52
2017 Complete .....	35
2016 Complete .....	40
2015 Complete .....	32
2014 Complete .....	26

**Active Wastewater Customers: 849**