Bastrop County WCID #2

Board Packet

for

November 21, 2024

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 THURSDAY NOVEMBER 21, 2024 AT 6:30 P.M IN THE BOARD ROOM LOCATED AT 112 CORPORATE DRIVE, BASTROP, TX 78602.

MEETING DISCUSSION TOPICS

APPROVED
By Paul Hightower at 1:35 pm, 11/14/24

1.) Call to Order and Establish a Quorum – O'Hanlon

2.) Salute to Flags – O'Hanlon

3.) Public Comments/Announcements: (The Board respectfully requests that people 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.)

4.) Discussion and possible action regarding schedule of future meeting dates:
   a. Regular Board of Director's Meeting scheduled for Thursday, January 16, 2025 at 6:30 p.m.

5.) 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 17, 2024 Meeting of the Board of Directors; and
   b. Approval of monthly financial report for October 2024; and
   c. Approval of Release of Liens held by District on Real Property.

6.) 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 & Administrative Update

7.) Discussion and review of capital improvement projects to be funded with bond proceeds– Hightower

8.) Discussion and possible action related to Fiscal Year 2023 Financial Audit Report – Hightower

9.) Discussion and possible action regarding engagement of auditor for the District's 2024 Fiscal Year Audit Report– Hightower

10.) Discussion and possible action regarding adoption of Resolution Approving Budget for Fiscal Year 2025 – Hightower / Culberson

11.) Discussion and possible action regarding annual review and approval of the District Investment Policy and Investment Strategies– Hightower

12.) Discussion and possible action regarding adoption of Order Setting Road Fees for 2025 - Hightower

13.) Discussion and possible action regarding adoption of Resolution Approving 2025 Road Fee Exemptions – Hightower

14.) Discussion and possible action regarding filing liens on all delinquent road fee accounts as of January 20, 2025 – Hightower

15.) Executive Session-

a. Pursuant to Section 551.074 of the Texas Open Meetings Act, the Board may convene in Executive Session to discuss personnel matters with respect to Item No. 12 and;

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

16.) Board suggestions on future agenda items

17.) Adjourn

Paul Hightower
Digitally Signed & Certified
November 14, 2024 @ 1336 hours
Kofax Power PDF Solutions

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 #5

Consent Agenda

5a. October 17th

Board Meeting Minutes

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

A regular meeting of the Board of Directors of Bastrop County Water Control and Improvement District #2 was held on Thursday, October 17, 2024, 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
Michele Plummer, Secretary
Ruth Bullock, Treasurer

BCWCID #2 Staff:
Paul Hightower, General Manager
Patricia Lujan, Office Supervisor
Darrel Culberson, Comptroller
Tyler Walsh, Senior Operations

Absentees
Scott Ferguson
Butch Carmack

Remote Participation
Tony Corbett, Attorney

1.) Call to Order and Establish a Quorum – O'Hanlon

By: MaryBeth O'Hanlon Time: 6:30PM

2.) Salute to Flags – O'Hanlon

3.) 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.)

Mel Hamner stopped by as an end-of-term visit and wished to express his Thanks to the Board and staff. The Board thanked him for his many years of service to the community.

No further comments or discussion.

4.) Discussion and possible action regarding scheduling of future meeting dates:
a. Regular Board of Director's Meeting scheduled for Thursday, November 21, 2024 at 6:30 p.m.

Mrs. O'Hanlon stated that the District's next regular Board meeting is Thursday, November 21st at 6:30pm. All Directors stated they should be present. No further comments or suggestions.

5.) 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 19, 2024 Meeting of the Board of Directors; and
b. Approval of monthly financial report for September 2024; and
c. Approval of Release of Liens held by District on Real Property.

The only comment regarding the Board Meeting minutes, was a correction to Joseph Willrich's name.

Mr. Culberson presented the District's financial & cash statement. Board expressed no issues or concerns.

Paul Hightower read the Release of Liens as noted in the report.

No further questions or comments.

Mrs. O'Hanlon called the question.

Motion: Ruth Bullock moved to approve the Consent Agenda.

Seconded: Michele Plummer

Vote: Three (3) in favor, (2) absentees, motion carries.

6.) 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 & Administrative Update

Mr. Hightower read the GM report as posted in the Board packet and shared that we have 2 new field employees. Board also discussed the fee that Tyler Tech is charging us for the extraction of our data, for CUSI. Tony Corbett explained that charging a fee is usually standard and sometimes negotiable. He stated that he didn't see any provisions in our agreement.

No further comments or discussion.

7.) Discussion and review of capital improvement projects to be funded with bond proceeds– Hightower

No comments or discussion. Waiting on SPI.

8.) Discussion and possible action related to approval of Fiscal Year 2023 Financial Audit Report – Hightower

Mr. Hightower stated that the auditors were still working on the audit. Paul & Darrel had a progress meeting with them stating that Phase 1 is complete, and Phase 2 is on track.
No further comments or discussion.

9.) Discussion and review of the FY2025 Proposed Budget – Hightower / Culberson

Staff presented the 2nd round of preliminary budget review. Staff stated that everything was tracking as expected and that changes would follow as we come closer to end of the year. MaryBeth encouraged the Board to review the draft for comments at the next meeting.

No further comments or discussion.

10.) Discussion and possible action regarding approval of Interlocal Agreement with Bastrop County relating to 2024/2025 road improvement projects – Hightower

Mr. Hightower presented the 2024/2025 ILA from Bastrop County for next year's roads and stated that Tony Corbett had reviewed and approved.

No further comments or discussion.

Mrs. O'Hanlon called the question.

Motion: Michele Plummer moved to approve the ILA.

Seconded: Ruth Bullock

Vote: Three (3) in favor, (2) absentees, motion carries.

11.) Discussion and possible action regarding renewal of District's employee dental, vision and other employee insurance benefits – Hightower

Mr. Hightower presented the 3 quotes received from the insurance agents regarding the 2025 Health Benefits renewals. Staff recommended retaining Blue Cross at the current plan with proposed rate increase and keeping the rate pass for all other benefits.

No further comments or discussion.

Mrs. O'Hanlon called the question.

Motion: Ruth Bullock moved to the renewal as presented.

Seconded: Michele Plummer

Vote: Three (3) in favor, (2) absentees, motion carries.

12.) Discussion regarding Annual Performance Review for General Manager – O'Hanlon

Board expressed that they would convene to Executive Session to discuss the General Managers position.

13.) Executive Session-

Convene: 7:05 pm
Convene: 7:19 pm

Board expressed that they would retain the GM moving forward.

No further comments or discussion.

14.) Board suggestions on future agenda items

No comments or discussion.

15.) Adjourn 7:23 p.m.

Mrs. O'Hanlon called the question.

Motion: Michele Plummer moved to adjourn.

Seconded Ruth Bullock

Vote: Three (3) in favor, (2) absentees, motion carries.

_____
Authorized Signature

5b. Financials

Bastrop County Water Control and Improvement District #2
Cash & Investment Report
As of October 31, 2024

Fund	Account Name	Account Number	Bank Name	Yield	Prior Month Balance	Current Balance
Standby Fund						
	Standby Operating Account	2687	Roscoe State Bank	0.00%	$ 102,834	$ 102,834
	Standby Fund Total				**$ 102,834**	**$ 102,834**
Roads Fund						
	Roads Construction Account	2709	Roscoe State Bank	0.00%	Closed	Closed
	Roads Construction Account	9330	Roscoe State Bank	0.00%	151,750	39,445
	Roads Construction MMA	3131	Roscoe State Bank	1.75%	2,654	2,655
	Roads Fund Total				**$ 154,403**	**$ 42,099**
Debt Service Fund						
	TWDB Reserve Fund - DS	0001	Texpool	3.98%	$ 225,461	$ 226,402
	Annual TWDB MMA - DS	4385	First National Banl	0.50%	195,676	195,759
	Wastewater Escrow TWDB Loan -	1041	Amegy Bank		85,313	91,201
	Debt Service Fund - DS	0004	Texpool	3.98%	230,214	231,175
	Debt Service Fund Total				**$ 736,664**	**$ 744,537**
Capital Fund						
	Water Capital Projects Fund	7780	First National Banl	0.50%	$ 22,105	$ 22,108
	Capital Project - Bond Series 2021	0005	Texpool	3.98%	4,926,665	4,884,484
	Water Capital Projects Fund	3653	First National Banl	0.50%	16,441	16,441
	Capital Project - Bond Series 2023	0006	Texpool	3.98%	2,503,003	2,513,448
	Capital Fund Total				**$ 7,468,214**	**$ 7,436,480**
Water Fund						
	Water Operating Account	1469	First National Banl	0.50%	$ 583,420	$ 634,850
	Wastewater TWDB Checking	3289	First National Banl	0.00%	572	572
			Operating Total:		**$ 583,992**	**$ 635,422**
	Wastewater /Water MMA	0002	Texpool	3.98%	$ 1,287,068	$ 1,292,438
	Wastewater /Water Capital	3543	First National Banl	0.50%	346,727	346,456
	Wastewater MMA (Water)	5076	First National Banl	0.50%	297,785	297,911
	Water Fund Total				**$ 2,515,572**	**$ 2,572,228**
Total Cash & Investments					**$ 10,977,688**	**$ 10,898,178**

5c. Liens Release

Lien List Recap for: **OCTOBER 2024**

Total Amount of Liens Released	$36,420.50
Road Assessments Paid	$49,375.00
Standby Assessments Paid	$180.00
Attorney Fees	$3,266.55
Total actually collected	$52,641.55
Total Write-Offs	$0.00

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

Agenda
Item #6

General Manager's Report

BASTROP COUNTY WCID NO. 2

General Manager's Update

November 21, 2024

6a. Update on District water plants and lift stations:

The new VFD drive for Station 1 was installed. That station is up and running at roughly 225 gpm, which is up from the 100 gpm it was at before. We are lining out the next upgrades now. All the Lift Stations are getting new fences around them. They were all run down, missing slats, etc. All new wooden treated fences are being installed this and next month.

6b. W/WW Maintenance & Capital Improvements / Engineering update:

We are still at 75% for Schaumburg & Polk. We are waiting for the rest of the assessment and test well information to move forward.

6c. Roads maintenance & improvement projects update:

Nothing to report this month.

6d. Employee & Administrative update:

Nothing to report this month.

Agenda
Item #10

Discussion & Approval of
FY2025 Proposed Budget

A RESOLUTION APPROVING THE 2025 FISCAL YEAR OPERATING BUDGET OF BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

WHEREAS, Bastrop County Water Control and Improvement District No. 2 (the "District") has been duly and lawfully created and operates pursuant to the provisions of Chapters 49 and 51 of the Texas Water Code, as amended;

WHEREAS, Title 30, Section 293.97(b), Texas Administrative Code, provides that any amendments to a fiscal year budget shall be passed and approved by a resolution of the governing board and shall be made a part of the governing board minutes; and

WHEREAS, the Board of Directors of the District desires to adopt a budget for the 2025 fiscal year in an open, public meeting, proper notice of which has been given as required by law.

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

Section 1. The Board of Directors hereby approves the 2025 fiscal year budget attached hereto as Appendix "A".

Section 2. A copy of this Resolution and the amended budget shall be attached to the meeting minutes of the Board's November 21, 2024 meeting.

Section 3. The President and Secretary of the Board are hereby authorized and directed to execute this Resolution. After this Resolution is executed, an original Resolution shall be filed in the permanent records of the District.

PASSED AND APPROVED this 21st day of November, 2024.

_____
President, Board of Directors

ATTEST:

_____
Secretary, Board of Directors

Appendix "A"
Fiscal Year Budget

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Proposed Budget Fiscal Year 2025
Water Fund

	FY 2024 CYE	FY 2024 Budget	FY 2025 roposed Budget	Notes
Revenues:				
Irrigation-Usage	$ 288	$ 250	$ 250	
Water Late Charge Income	30,408	20,000	30,000	
Water Line Bore	31,500	20,000	30,000	
Capital Reserve Fee	218,262	175,000	210,000	
Copies & Faxes	16	50	50	
Interest-Bond	350,189	225,000	300,000	
Maps Sold	19	75	100	
Office Rents	6,000	7,200	7,200	
Pools Fees	150	300	300	
Reconnect Fee	20,125	10,000	20,000	
TV Tap Fees	312,525	250,000	255,000	
TV Water Sales	1,822,076	2,098,536	2,000,000	
Interest-Investments	25,674	15,000	25,000	
Other Miscellaneous Revenues	3,508	10,000	10,000	
Backflow Inspections Collected	5,475		25,000	
Returned Check Fee	1,820	5,000	3,000	
Total Revenues	$ 2,828,032	$ 2,836,411	$ 2,915,900	
Expenditures:				
Payroll and Taxes				
Salaries	$ 389,343	$ 750,000	$ 500,000	
Holidays	41,473	55,000	50,000	
Annual Leave	35,204	35,000	35,000	
Sick	25,709	25,000	25,000	
Over Time	19,183	25,000	25,000	
On Call Pay	6,818	15,000	15,000	
Double Time	2,758	5,000	5,000	
Personal Time	3,159	4,250	4,250	
Bereavement	3,711	2,000	2,500	
Jury Duty Pay	75	300	300	
Longevity Pay	3,170	12,680	12,680	
FICA Taxes	9,625	38,500	20,000	
FUTA	563	2,250	2,250	
SUI	1,625	6,500	5,000	
Total Payroll and Taxes	$ 542,418	$ 976,480	$ 701,980	
Benefits and Insurance				
Retirement-Life	$ 142,591	$ 115,000	$ 140,000	
Health Insurance-Other	27,019	20,000	32,400	~$2,700 monthly Aflac
Insurance-Dental	13,242	10,000	13,000	
Insurance-Life	5,884	14,000	10,000	
Insurance-Medical	476,541	245,000	378,400	~$31,524 Monthly
Insurance-Vision	3,782	4,000	4,000	
Medical	15,145	60,000	20,000	
Wellness Program	250	1,000	500	
Workers' Compensation	2,500	10,000	10,000	
Total Benefits and Insurance	$ 686,954	$ 479,000	$ 608,300	

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Proposed Budget Fiscal Year 2025
Water Fund

	FY 2024 CYE	FY 2024 Budget	FY 2025 roposed Budget	
Other Administrative Costs				
ProfServ-Engineering	$ 11,250	$ 45,000	$ 15,000	
Payroll Processing Fee	3,901	3,500	4,000	
Cleaning-Office	3,350	3,500	3,500	
Pest Control	1,657	2,500	2,500	
Legal Fees	9,560	15,000	15,000	
Accounting Services	777		1,000	QuickBooks Subscriptions
Investment Management Fee	1,150		1,500	Zions Bank Escrow Agent Fees
Auditing Services	8,864	15,000	15,000	
Security Agreement	667	1,500	1,000	
Maint Agreement-Incode	39,760	35,000	35,000	CUSI Startup?
Insurance-Property	1,625	6,500	6,500	
Insurance-General Liability	375	1,500	1,500	
Insurance-Vehicle	500	2,000	2,000	
Insurance-E&O	972	750	1,200	
Insurance-Wells	1,875	7,500	7,500	
Insurance-Bonding	375	1,500	750	
Insurance-Misc	25	100	100	
Reserve Fund Requirement 2023 Bonds	16,250	65,000	65,000	
Reserve Fund Requirement 2021 Bonds	-		110,400	
Travel-Air	1,490	5,000	5,000	
Travel-Lodging	2,112	4,500	4,500	
Travel-Meals	6,411	2,500	2,500	
Travel-Rental Car	125	500	1,000	
Communication-Telephone	5,679	10,000	7,500	
Electricity-Office Bldg	3,371	5,000	4,500	
Postage and Freight	17,514	10,000	13,000	
Communication/Radios	1,250	5,000	5,000	
Fax	25	100	100	
Office Supplies	9,383	10,000	10,000	
Printing	3,708	5,000	5,000	
Advertising	1,353	750	750	
Internet Services	6,162	2,000	4,500	
Misc. Licenses & Permits	125	500	500	
Misc-Credit Card Fees	60,433	50,000	50,000	
Bank Fees	3,601	10,000	15,000	
Misc-Late Fees	375	1,500	1,000	
Mileage Reimbursement	861	1,500	1,500	
Vehicle Usage	404	1,500	1,000	
Pre-Employment Screening	362	1,000	1,000	
Public Notice	742	2,500	2,500	
Dues, Licenses, Subscriptions	7,644	3,500	5,000	
Computer Supplies / Equipment	1,250	5,000	5,000	
Computer Expense	21,392	20,000	20,000	
Office Equipment Lease	10,631	12,500	12,000	
Janitorial Supplies	63	250	250	
Misc. Office	1,250	5,000	1,000	
Election Costs	825	3,000	1,500	
Education/Training	6,394	5,000	6,000	
Total Other Administrative	$ 282,511	$ 392,950	$ 479,150	

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Proposed Budget Fiscal Year 2025
Water Fund

	FY 2024 CYE	FY 2024 Budget	FY 2025 roposed Budget	
Operations				
Yard Maintenance-Mowing	$ 8,550	$ 9,000	$ 9,000	
Labor-Service Lines & Taps	12,500	50,000	50,000	
Fuel, Gasoline and Oil	33,427	40,000	40,000	
Electricity-Pump Station	2,500	10,000		No bills being coded to this at this ti
Garbage Removal	3,745	1,500	3,000	
Electricity-Wells	54,637	50,000	50,000	
Electricity-Maint Bldg	4,167	3,500	4,000	
Equipment Rental	1,250	5,000	5,000	
R&M-Equipment	14,434	15,000	15,000	
R&M-Well Maintenance	34,480	35,000	40,000	
R&M-Vehicles	28,487	20,000	25,000	
Repairs & Maintenance	59,059	35,000	35,000	
Repairs-Contracted	625	2,500	2,500	
Contract Labor	27,527	75,000	50,000	
R&M-Backflow Inspection	125	500	500	
Building Maintenance & Repairs	5,279	5,000	5,000	
Water Samples	9,850	20,000	20,000	
Water Well Admin Service Fee		-	-	
Ground Water Assessment Fee	16,224	150	10,000	
TCEQ Fees	17,027	15,000	20,000	
Damage Claim	2,871	5,000	5,000	
Filing Fees	125	500	500	
Meter Testing	63	250	250	
License	625	2,500	2,500	
OP Supplies-Hand Tools	3,273	5,000	5,000	
OP Supplies-Uniforms	5,187	10,000	10,000	Uniform allowance for each employe
Meters & Supplies	51,071	15,000	25,000	
OP Supplies-Chlorine	22,860	25,000	25,000	
Safety Supplies	4,110	7,500	7,000	
Small Equipment Purchase	1,250	5,000	5,000	
Materials	66,915	100,000	75,000	
Materials-Hauling	6,250	25,000	5,000	
Miscellaneous Services	1,250	5,000	2,500	
Depreciation Expense	68,750	275,000	275,000	
Total Operations	$ 568,491	$ 872,900	$ 826,750	
Allocations				
Salary Allocations to WW	$ -	$ (135,000)		
Admin Allocations	-	-		
PPE Allocations	-	(175,000)		
Total Allocations	$ -	$ (310,000)		
Total Expenses	**$ 2,080,373**	**$ 2,411,330**	**$ 2,616,180**	
Net Ordinary Income	**$ 747,659**	**$ 425,081**	**$ 299,720**	
Total Debt Service	**$ 230,285**	**$ 150,000**	**$ 150,000**	

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Proposed Budget Fiscal Year 2025
Water Fund

	FY 2024 CYE	FY 2024 Budget	FY 2025 roposed Budget
Capital Outlay/Projects			
Capital Outlay	$ 85,686	$ -	$ 100,000
Capital Outlay-Culverts	25,000	100,000	-
Line Extension	11,250	45,000	60,000
Water Tank Main	22,500	90,000	75,000
Water Well Cap Improv	6,250	25,000	75,000
Building Capital	1,250	5,000	-
Total Capital Outlay Projects	$ 212,773	$ 3,515,000	$ 310,000
Revenue Over (Under) Expenditures	$ 365,437	$ 10,081	$ (160,280)

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Proposed Budget Fiscal Year 2025
Wastewater Fund

	FY 2024 CYE	FY 2024 Budget	FY 2025 Proposed	Notes
Revenues:				
Wastewater Fees	$ 855,194	$ 847,969	$ 850,000	
Wastewater Tap Fees	412,364	300,000	400,000	
Wastewater Bore	18,500	25,000	20,000	
Commercial Fees	34,874	35,000	35,000	
Debt Service Reserve Fee	89,487	85,000	85,000	
Interest-Investments	62,467	45,000	60,000	
Interest-Reserves	-	-	-	
Total Revenues	$ 1,472,887	$ 1,337,969	$ 1,450,000	
Expenditures:				
Administration				
Salary Allocations	$ 110,333	$ 135,000	$ 110,000	
Holidays	4,998	-	5,000	
Sick	4,016	-	4,000	
Over Time	2,678	-	3,000	
On Call Pay	625	-	1,000	
Double Time	261	-	1,000	
Medical	250	1,000	1,000	
Workers' Compensation	1,250	5,000	5,000	
ProfServ-Engineering	1,250	5,000	5,000	
Legal Fees	1,250	5,000	5,000	
Accounting Services	883	-	900	Coding QB on water side…
Auditing Services	5,894	15,000	10,000	
Cleaning-Office	2,850	1,500	3,300	$275 per month
Travel-Lodging	375	1,500	1,000	
Travel-Rental Car	125	500	500	
Travel-Meals	125	500	500	
Communication-Telephone	2,776	1,500	2,500	
Maint Agreement-CUSI	750	3,000	1,000	
Insurance-Property	625	2,500	1,000	
Insurance-General Liability	625	2,500	1,000	
Insurance-Vehicle	875	3,500	1,000	
Insurance-E&O	313	1,250	1,000	
Insurance-Misc.	250	1,000	1,000	
Office Supplies	1,741	500	1,500	
Education/Training	4,669	2,500	4,000	Field Staff Certifications/ traini
Total Administration	$ 149,786	$ 188,250	$ 170,200	
Operations				
Yard Maintenance-Mowing	$ 8,175	$ 7,500	$ 8,000	
Contract Labor	12,820	50,000	40,000	
Labor-Service Lines & Taps	5,000	20,000	20,000	
Fuel, Gasoline and Oil	30,607	30,000	30,000	
Electricity-Lift Station	5,653	6,500	6,000	
Wastewater Service	189,453	165,000	185,000	
Equipment Rental	625	2,500	2,500	

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Proposed Budget Fiscal Year 2025
Wastewater Fund

	FY 2024 CYE	FY 2024 Budget	FY 2025 Proposed	Notes
R&M-Equipment	12,624	10,000	10,000	
R&M-Lift Station-WW	625	2,500	10,000	
R&M-Vehicles	3,750	15,000	20,000	
Repairs & Maintenance	17,855	8,000	25,000	
Grinder Pump Repair	10,000	40,000	40,000	
Op & Maint-City	-	-	-	
Tools And Equipment	625	2,500	2,500	
Op Supplies - Hand Tools	375	1,500	1,500	
Miscellaneous Services	939	1,000	1,000	
TCEQ Fees	875	3,500	3,500	
Filing Fees	188	750	750	
Meter Testing	863	250	-	
License	188	750	750	
Lift Station Admin Service Fee	375	1,500	1,500	
OP Supplies-Uniforms	-		1,000	
Op Supplies -Chemicals	1,480	1,500	-	
Safety Supplies	1,250	5,000	5,000	
Small Equipment Purchase	1,483	1,000	1,000	
Materials	18,750	75,000	75,000	
Materials-Hauling	46,466	5,000	5,000	
Depreciation Expense	1,250	5,000	-	
Total Operations	$ 372,292	$ 461,250	$ 495,000	
Total Expenses	**$ 522,078**	**$ 649,500**	**$ 665,200**	
Net Ordinary Income	$ 950,808	$ 688,469	$ 784,800	
Debt Service				
Interest Expense	$ 41,250	$ 165,000	$ -	
Total Debt Service	$ 41,250	$ 165,000	$ -	
Capital Outlay/Projects				
Impr.- W/WW Systems	$ 31,250	$ 125,000	$ 150,000	
Capital Outlay-Equipment	23,200	-	100,000	
Capital Outlay-Vehicles	39,728	-	-	
WW Line Extensions	22,555	25,000	25,000	
Capital Outlay-Grinder Pumps	171,594	125,000	125,000	
Total Capital Outlay/Projects	$ 288,328	$ 275,000	$ 400,000	
Revenue Over (Under) Expenditures	$ 621,230	$ 248,469	$ 384,800	

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Proposed Budget Fiscal Year 2025
Roads Fund

	FY 2024 CYE	FY 2024 Budget	FY 2025 Proposed Budge	Notes
Revenues:				
Assessments	$ 1,167,696	$ 1,489,503	$ 1,500,000	
Assessments-Prior to 97	25,732	35,000	25,000	
Late Fees	31,624	20,000	30,000	
Late Fees-Prior	790	2,500	2,000	
Lien Fees	38,231	25,000	40,000	
Returned Check Fee	43	50	100	
Filing Fees	10,276	2,000	10,000	
Attorney Fees	35,034	20,000	35,000	
Driveway Fees	625	2,500	1,000	
Deed Admin Fee	2,500	10,000	5,000	
Interest-Improvements	2,061	5,000	5,000	
Total Revenues	$ 1,314,612	$ 1,611,553	$ 1,653,100	
Expenditures:				
Road Construction				
Salary Allocations	$ 77,468	$ 94,000	$ 80,000	
Workers' Compensation	1,125	4,500	4,500	
ProfServ-Engineering	28,750	115,000	75,000	
ProfServ-Other	125	500	500	
Attorney Fees (County)	2,500	10,000	5,000	
Attorney Fees Written Off	1,875	7,500	2,500	
Legal fees	38,413	20,500	25,000	
Accounting Fees			500	QuickBooks Subscription
Auditing Sevices	7,595	18,500	10,000	
Maint-Agreement-Incode	2,500	10,000	5,000	CUSI Sytem
Postage and Freight	5,875	7,500	7,500	
Equipment Rental	62,333	50,000	30,000	Expect to drop w/ eq. purchase
Materials Hauling	8,750	35,000	15,000	
Materials	25,310	100,000	40,000	
Miscellaneous Services	625	2,500	2,000	
Misc-Property Taxes	188	750	750	
Misc-Bad Debt	5,000	20,000	10,000	
Misc-Credit Card Fees	18,745	32,500	20,000	
Lien Fees Written Off	375	1,500	1,500	
Damage Claim	13	50	50	
Filing Fees	625	2,500	2,500	
Road Fees Written Off	2,500	10,000	5,000	
Road Late Fees Written Off	375	1,500	1,500	
Road Prior Written Off	2,500	10,000	5,000	
Total Road Construction	$ 293,564	$ 554,300	$ 348,800	

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Proposed Budget Fiscal Year 2025
Roads Fund

	FY 2024 CYE	FY 2024 Budget	FY 2025 Proposed Budge	Notes
Road Maintenance				
Salary Allocations	$ 283,863	$ 281,000	$ 285,000	
Workers' Compensation	500	2,000	2,000	
ProfServ-Engineering	625	2,500	1,000	
Legal Fees	1,750	7,000	7,000	
Contractural Labor	116,496	12,500	100,000	
Equipment Rental	24,336	15,000	15,000	
District Contract Mowing	27,500		-	County will be mowing
R&M-Equipment	7,817	15,000	15,000	
R&M-Vehicles	20,198	15,000	15,000	
Repairs and Maintenance	8,483	20,000	15,000	
Matertials-Hauling	2,500	10,000	10,000	
Repairs-Contracted	126,857	25,000	100,000	
Misc-Licenses & Permits	313	1,250	1,250	
Misc. Office	727	1,000	1,000	
Uniforms	-		2,500	
Small Equipment/Hand Tools	445	1,000	1,000	
Office Supplies	477			
Safety Supplies	1,841	5,000	5,000	
Materials	37,634	25,000	25,000	
Total Road Maintenance	$ 662,359	$ 438,250	$ 600,750	
	69%	44%		
Roads-Capital Outlay				
Capital Outlay - Equipment	$ 6,250	$ 25,000	$ 25,000	
Capital Outlay- RM	47,058	25,000	25,000	
Capital Outlay- RC	682,446	950,000	650,000	
Total Roads-Capital Outlay	$ 735,754	$ 1,000,000	$ 700,000	
Total Expenditures	**$ 1,691,677**	**$ 1,992,550**	**$ 1,649,550**	
Revenue Over (Under) Expenditures	$ (377,065)	$ (380,997)	$ 3,550	

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Proposed Budget Fiscal Year 2025
Standby Fund

	FY 2023 Actual	FY 2024 CYE	FY 2024 Budget	FY 2025 Proposed Budget	Notes
Revenues:					
Pine Forest Standby	$ -	$ 625	$ 2,500	$ 2,500	
TV Standby	2,724	1,895	3,500	3,500	
Late Fees	820	955	1,000	1,000	
Attorney Fees	380	215	500	500	
Total Revenues	$ 3,924	$ 3,690	$ 7,500	$ 7,500	
Expenditures:					
Administration					
Legal Fees	$ -	$ 125	$ 500	$ 500	
Accounting Fees	784			100	QuickBooks Subscription
Auditing Services		500	2,000	2,500	
Total Administration:		625	2,500	3,100	
Total Expenditures	$ 784	$ 1,250	$ 2,500	$ 3,100	
Revenue Over (Under) Expenditures	$ 3,140	$ 2,440	$ 5,000	$ 4,400	

* Note CYE is Actual up date pluse remaining budget allocated .

Agenda
Item #11

Discussion regarding
District Investment Policy
and Investment Strategies

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 list of authorized brokers/dealers has been updated.

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 21st day of November, 2024.

_____
Mary Beth O'Hanlon
President

ATTEST:

_____
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.

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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. The individual serving as Comptroller for the District shall serve as the Investment Officer of the District. In the event no person is serving as a Comptroller for the District, then the Treasurer of the District 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 Officer(s) to invest the District's funds is effective until rescinded by the Board, until the individual no longer serves as Comptroller for the District, or until the individual no longer serves as Treasurer, as applicable.

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 immediate 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, Darrel Culberson of Bastrop County WCID2, 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 11/21/2024. I have thoroughly reviewed the Investment Policy and acknowledge that BCWCID2 has implemented procedures and controls to comply with the Investment Policy.

WITNESS MY HAND THIS 21st day of November, 2024.

Name: MaryBeth O'Hanlon

Title: Board President

Name: Darrel Culberson

Title: Comptroller

EXHIBIT C
List of Approved Brokers and Investment Firms

Agenda
Item #12

Discussion regarding Setting Road Fees for 2025

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 21st day of November, 2024, 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
Ruth Bullock, 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 2025 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 21st day of November, 2024.

Michele Plummer Secretary, Board of Directors	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 2025; 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 2025 at $204 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 2025 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 21st day of November, 2024.

_____
Mary Beth O'Hanlon
President, Board of Directors

ATTEST:

_____
Secretary, Board of Directors

Agenda
Item #13

Discussion regarding Approving 2025 Road Fees 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 21st day of November, 2024, 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
Ruth Bullock, 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 EXEMPTIONS FOR CALENDAR YEAR 2025

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 21st day of November, 2024.

_____	_____
Michele Plummer	Mary Beth O'Hanlon
Secretary, Board of Directors	President, Board of Directors

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

RESOLUTION ESTABLISHING ROAD FEE EXEMPTIONS FOR 2025

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 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 adopt exemptions for payment of the Road Fee for calendar year 2025 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 2025 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.

3. The Board hereby approves and maintains in effect for calendar year 2025 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.

4. 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.

5. 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.

6. District staff are authorized to take any and all actions necessary to implement this Resolution.

7. This Resolution shall become effective upon adoption by the Board of Directors of the District.

8. 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.

9. 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.

10. 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 21st day of November, 2024.

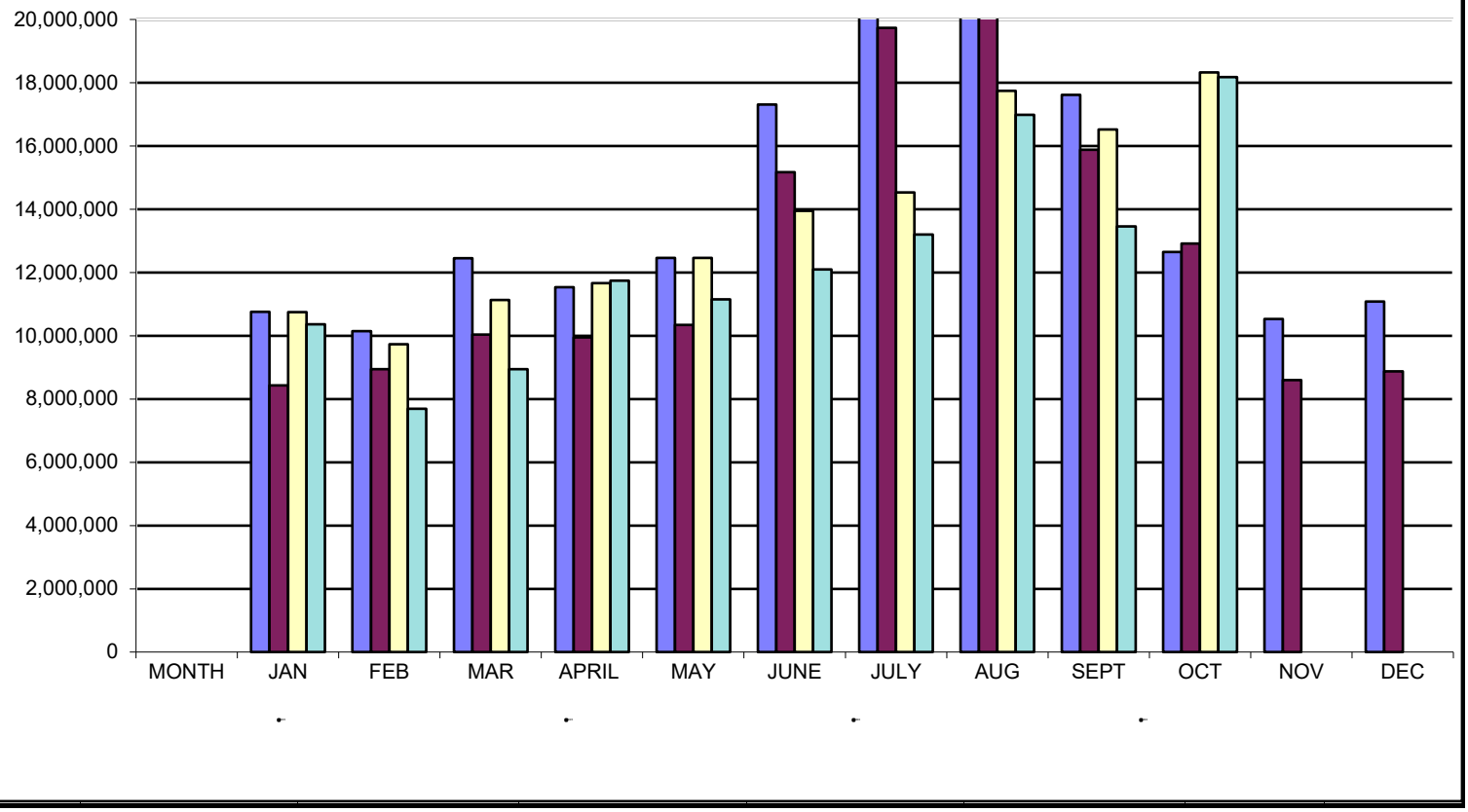
_____
Mary Beth O'Hanlon
President, Board of Directors

ATTEST:

_____
Michele Plummer
Secretary, Board of Directors

Misc Reports

	2023	2023	2024	2024	2024		
	PUMPED	USAGE	PUMPED	USAGE	PUMPED	ACTIVE	
MONTH	WATER	OF WATER	WATER	OF WATER	UNBILLED	METERS	%
JAN	10760239	8426807	10742789	10367301	309,996	2,271	1%
FEB	10147969	8939642	9733921	7695855	953,700	2,268	11%
MAR	12454621	10041789	11134303	8939458	800,927	2,280	13%
APRIL	11537934	9950485	11662091	11746378	699,375	2,279	-7%
MAY	12462381	10344180	12460572	11151158	1,037,239	2,279	2%
JUNE	17314556	15172654	13951837	12095889	975,557	2,279	6%
JULY	23565506	19738094	14534984	13196265	1,097,433	2,298	2%
AUG	24789200	23637321	17748387	16980487	680,382	2,315	0%
SEPT	17613065	15879891	16524854	13461341	1,293,900	2,329	11%
OCT	12646027	12919807	18326500	18178879	758269	2,342	-3%
NOV	10525332	8598438					#DIV/0!
DEC	11076969	8875527					#DIV/0!
TOTALS	174,893,799	152,524,635	136,820,238	123,813,011	8,606,778		3%



JOB CODE		ISSUED THIS PERIOD ISSUED	COMPLETED	VOIDED	OUTSTANDING	PRIOR ORDERS COMPLETED	VOIDED	OUTSTANDING	TOTAL COMPLETED	TOTAL OUTSTANDING
ALARM	SEWER ALARM	31	31	0	0	2,661	32	0	2,692	0
BROWN	BROWN WATER	0	0	0	0	402	3	0	402	0
CHANG	CHANGE SIGN	0	0	0	0	37	0	0	37	0
CULVE	CULVERT PERMIT	0	0	0	0	523	11	0	523	0
FLUSH	FLUSH WATER LINE	6	5	0	0	939	1	0	944	0
HSWAP	METER HEAD SWAP	0	0	0	0	154	17	0	154	0
IRRIG	IRRIGATION PERMIT	0	0	0	0	63	2	1	63	1
LEAK	CHECK FOR LEAK	4	4	0	0	2,046	27	0	2,050	0
LKMTR	LOCK MTR	0	0	0	0	242	76	0	242	0
LNLOC	LINE LOCATE	0	0	0	0	267	5	0	267	0
METER	MOVE METER CHARGE	0	0	0	0	7	8	0	7	0
MI	METER INFORMATION	0	0	0	0	193	14	0	193	0
MISCE	MISCELLANEOUS	1	1	0	0	3,539	190	10	3,540	10
MOW	MOWING GRASS	0	0	0	0	279	1	0	279	0
OCC	OCCUPANT CHANGE	21	21	0	0	4,634	72	0	4,655	0
ODOR	SMELLY WATER	0	0	0	0	50	0	0	50	0
OFF	TURN OFF SERVICE	12	12	0	0	3,133	306	0	3,145	0
OFFEE	TRIP CHARGE TURN OFF	0	0	0	0	23	0	0	23	0
ON	TURN ON SERVICE	19	19	0	0	4,243	91	0	4,262	0
ONFEE	TRIP CHARGE TURN ON	1	1	0	0	23	2	0	24	0
POOLS	POOL/SPA PERMIT	1	1	0	0	59	1	0	60	0
RADIO	RADIO READ REPORT	0	0	0	0	154	5	0	154	0
RC	READ CHECK	0	0	0	0	449	111	0	449	0
ROAD	ROAD REPAIR	8	0	0	1	3,989	26	5	3,989	6
RRMON	RADIO READ MONITOR (RENT)	0	0	0	0	0	1	0	0	0
SEWER	WASTEWATER MISC SERVICE	3	0	0	0	1,507	32	3	1,507	3
SIGN	STREET SIGN	0	0	0	0	77	4	1	77	1
SWAP	METER SWAP-OUT	4	3	0	1	1,844	117	0	1,847	1
SWTAP	W/W TAP	7	1	0	6	552	27	1	553	7
TMPWT	TMP WTR	0	0	0	0	9	5	0	9	0
W/W	W/W ESTIMATE	11	11	0	0	1,334	53	3	1,345	3
WMEAS	MEASURE FOR WATER TAP	15	14	1	0	2,074	55	1	2,088	1
WPRES	LOW WATER PRESSURE	1	1	0	0	445	18	0	446	0
WTRTP	WATER TAP	12	7	0	5	455	794	0	462	5
WWMOV	W/W ESTIMATE FOR RELOCATE	0	0	0	0	11	6	0	11	0
**	GRAND TOTALS **	157	132	1	13	36,417	2,113	25	36,549	38

OCTOBER 2024
BCWCID#2

Re-Cap of Wastewater Tap Applications

WASTEWATER TAPS:

2024 Pending ……...	8
2024 Complete…….	34
2023 Complete…….	32
2022 Complete…….	35
2021 Pending ……...	1
2021 Complete…….	33
2020 Compete……..	43
2019 Complete…….	34
2018 Complete……..….	52
2017 Complete …….……	35
2016 Complete ……..……	40
2015 Complete …….	32
2014 Complete ..……	26

Active Wastewater Customers: 925

Prepared by: Patricia Lujan 11/15/2024

OCTOBER 2024
BCWCID#2

Re-Cap of Water Tap Applications
WATER TAPS:

2024 Pending	16	
2024 Complete……..…….....	73	
2023 Complete……	78	
2022 Complete……	117	
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	

Prepared by: Patricia Lujan 11/15/2024