

Bastrop County

WCID #2

Board Packet

for

June 26, 2025

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

JUNE 26, 2025 BOARD MEETING

GM MEETING NOTES



- 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 (Special Date) Board of Director’s Meeting scheduled for Thursday, July 24, 2025 at 6:30 p.m.
 - b. Regular Board of Director’s Meeting scheduled for Thursday, August 21, 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 May 15, 2025 Meeting of the Board of Directors; and
 - b. Approval of monthly financial reports for May 2025; 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 sale of District property (Bastrop County Parcel R# 62318) to Texas Rural Water Association – Hightower
- 10.) Discussion and possible action regarding Proposal from Schaumburg & Polk- Hightower
- 11.) Discussion regarding Aquifer Storage and Recovery Meetings with Austin Water and Bastrop County - Hightower
- 12.) Board suggestions on future agenda items
- 13.) Adjourn

Paul Hightower

Digitally Signed & Certified
June 11, 2025 @ 0752 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. May 15th

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, May 15, 2025, 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, VP
Michele Plummer, Secretary
Ron Whipple, Director
Ruth Bullock, Treasurer

BCWCID #2 Staff:

Paul Hightower, General Manager
Patricia Lujan, District Administrator
Adam Brown, Operations Manager
Tyler Walsh, Senior Operations

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:

No comments or discussion.

- 4.) Discussion and possible action regarding scheduling of future meeting dates:
 - a. Regular (Special Date) Board of Director's Meeting scheduled for Thursday, June 26, 2025 at 6:30 p.m.
 - b. Regular (Special Date) Board of Director's Meeting scheduled for Thursday, July 24, 2025 at 6:30 p.m.

Mrs. O'Hanlon stated that the District's June & July Board meetings were moved 1-week later, due to Holidays and staff training. All Board Members stated they should be available for both meetings. Tony Corbett commented that he may have a conflict in time, depending on another meeting he is scheduled for.

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 April 17, 2025 Meeting of the Board of Directors; and
 - b. Approval of minutes from the March 29, 2025 Annual Road meeting; and
 - c. Approval of monthly financial reports for April 2025; and
 - d. Approval of Release of Liens held by District on Real Property.

No comments regarding the Board Meeting minutes.

Mr. Culberson presented the District's financial & cash statements. 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: Scott Ferguson moved to approve the Consent Agenda.

Seconded: Ruth Bullock

Vote: Five (5) in favor, 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.

No further comments or discussion.

- 7.) Discussion and review of 2023 capital improvement projects to be funded with bond proceeds– Hightower

Mr. Hightower stated that the Board had an action below and that more information would be covered with SPIs presentation.

No further comments or discussion.

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

Mr. Hightower stated that the 2023 financials were being wrapped up for the auditors and that the 2023 audit had been started, pending final year end calculations.

No further comments or discussion.

- 9.) Discussion and possible action regarding Bid Openings and possible award of contract for Test Well- Hightower

Schaumburg & Polk Engineering (SPI) made a presentation to the Board regarding the test opening. SPI recommended to not accept the single bid received for the test well bid opening and shared a plan with the Board to seek an ACR (Alternative capacity requirement), with their approval. This will lower our requirements for pumping and capacity. SPI also suggested that we move forward, along with the ACR, to seek information and bids on building an elevated storage tank. Board agreed with everything presented and approved all discussion matters.

Mrs. O’Hanlon called the question.

Motion: Ruth Bullock moved to approve the item as discussed.

Seconded: Scott Ferguson

Vote: Five (5) in favor, motion carries.

No further comments or discussion.

- 10.) Discussion and possible action regarding sale of District property (Bastrop County Parcel R# 62318) to Texas Rural Water Association – Hightower

- a.) Adopt Order Approving Property to be Surplus Property and Not Needed
- b.) Approve contract for sale and conveyance of the Property

Staff presented the surplus order for the property and explained that this was the first step in securing the property for TRWA. Staff stated that the District would work with TRWA and all attorneys, on a contract to be presented to the Board in the future. Tony Corbett commented that the property must be sold at Fair Market Value but that the value can be attained through a monetary or in-kind value, or a combination of both. Board agreed and staff will share any information received, with Tony Corbett.

No further comments or discussion.

Motion: Ron Whipple moved to approve the item as discussed & surplus the property.

Seconded: Scott Ferguson

Vote: Five (5) in favor, motion carries.

No further comments or discussion.

- 11.) Discussion and possible action relating to statements made by plumbing contractor(s) regarding the District's public water system – O'Hanlon / Hightower

President O'Hanlon & staff presented a communications issue, to the rest of the Board regarding public comments from area contractors. After discussion, the Board agreed that the District will put together an educational pamphlet or flyer, to include information regarding the topics. This information will be shared with the publicly via email, office website and other places as needed. Once complete, Staff will share the information with the Board, prior to sending out.

No further comments or discussion.

- 12.) Discussion regarding Aquifer Storage and Recovery Meetings with Austin Water and Bastrop County - Hightower

Staff shared some of the information in reference to the ASR meetings on-going with Bastrop currently. There was not a lot to share this meeting and Staff agreed we would keep this as a running topic until further notice.

No further comments or discussion.

- 13.) Board suggestions on future agenda items

No comments or suggestions.

- 14.) Adjourn 8:20 pm

Mrs. O'Hanlon called the question.

Motion: Scott Ferguson moved to adjourn.

Seconded: Ron Whipple

Vote: Five (5) in favor, motion carries.

Authorized Signature

5b. Financials

Bastrop County Water Control and Improvement District #2
Cash & Investment Report
As of May 31, 2025

Fund	Account Name	Account Number	Bank Name	Yield	Prior Month Balance	Current Balance
Standby Fund						
	Standby Operating Account	2687	Roscoe State Bank	0.00%	\$ 103,194	\$ 103,194
Standby Fund Total					\$ 103,194	\$ 103,194
Roads Fund						
	Roads Construction Account	9330	Roscoe State Bank	0.00%	\$ 418,049	\$ 412,759
	Roads Construction MMA	3131	Roscoe State Bank	1.75%	2,661	2,662
Roads Fund Total					\$ 420,710	\$ 415,421
Debt Service Fund						
	TWDB Reserve Fund - DS	0001	Texpool	3.98%	\$ 456,981	\$ 451,662
	Annual TWDB MMA - DS	4385	First National Banl	0.50%	115,414	41,794
	Wastewater Escrow TWDB Loan -	1041	Amegy Bank		93,834	94,159
	Debt Service Fund - DS	0004	Texpool	3.98%	558,499	552,031
Debt Service Fund Total					\$ 1,224,727	\$ 1,139,646
Capital Fund						
	Water Capital Projects Fund	7780	First National Banl	0.50%	\$ 16,648	\$ 11,408
	Capital Project - Bond Series 2021	0005	Texpool	3.98%	4,803,937	4,821,513
	Water Capital Projects Fund	3653	First National Banl	0.50%	16,441	16,441
	Capital Project - Bond Series 2023	0006	Texpool	3.98%	2,569,451	2,578,852
Capital Fund Total					\$ 7,406,477	\$ 7,428,213
Water Fund						
	Water Operating Account	1469	First National Banl	0.50%	\$ 212,933	\$ 315,613
	Wastewater TWDB Checking	3289	First National Banl	0.00%	572	572
Operating Total:					\$ 213,505	\$ 316,185
	Wastewater /Water MMA	0002	Texpool	3.98%	\$ 447,249	\$ 444,120
	Wastewater /Water Capital	3543	First National Banl	0.50%	104,449	44,369
	Wastewater MMA (Water)	5076	First National Banl	0.50%	138,077	90,266
Water Fund Total					\$ 903,280	\$ 894,940
Total Cash & Investments					\$ 10,058,389	\$ 9,981,414

5c. Liens Release

Lien List Recap for:

MAY 2025

Total Amount of Liens Released	\$64,804.95
Road Assessments Paid	\$62,155.35
Standby Assessments Paid	\$90.00
Attorney Fees	\$6,806.82
 Total actually collected	 \$69,052.17
 Total Write-Offs	 \$0.00

Note: The reason the amount collected **could** be lower than 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

June 26, 2025

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

All plants and stations are currently running at 100%. No major issues at the moment.

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

We have received a draft contract for the elevated tower, from engineering. It will be a vote item below. Crews have done a few in-house updates and line improvements in the system.

6c. Roads maintenance & improvement projects update:

Crews are still finishing & prepping this years roads for the County. We did have some bad loads of base that were dumped, that has caused some issues. We are working thru those now & still moving forward.

6d. Employee & Administrative update:

No current updates.

Agenda

Item #8

FY2023 Financial
Audit Report



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

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

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

Annual Financial Report
For the Year Ended December 31, 2023

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FINANCIAL SECTION

DRAFT 06.25.25

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

Independent Auditor's Report

Board of Directors
Bastrop County Water Control & Improvement District No. 2
Bastrop County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Bastrop County Water Control & Improvement District No. 2 (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of December 31, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which 2

consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Commission on Environmental Quality required supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Commission on Environmental Quality required supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Austin, Texas
May 2, 2023

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

Management Discussion and Analysis For the Year Ended December 31, 2023

The management of Bastrop County Water Control & Improvement District No. 2 (the “District”) offers the following discussion and analysis to provide an overview of the District’s financial activities for the year ended December 31, 2023. Since this information is designed to focus on current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the District’s financial statements that follow.

The District accounts for road reconstruction and maintenance and standby fees using the General Fund. The District accounts for water and wastewater services using a proprietary fund, the Water Wastewater Fund. The government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

FINANCIAL HIGHLIGHTS

Government-Wide

- The District’s total net position decreased by approximately \$276 thousand from the previous year. While the District experienced a decrease of approximately \$927 thousand on governmental activities and an increase of approximately \$329 thousand for business-type activities, the conveyance of roads to Bastrop County most significantly impacted the decrease in total net position.
- During the year, the District generated approximately \$5.5 million in total revenues which was a 0.90% increase as compared to the prior year. This was most significantly impacted by the increase in investment earnings experienced in the current year.

The District’s Funds

- Total expenditures in the General Fund were approximately \$2.1 million of the year ended December 31, 2023, which was an increase of approximately 31% compared to prior year.
- Total expenses in the Water Wastewater Fund operations were approximately \$3.8 million for the year ended December 31, 2023, which was an increase of 10% compared to prior year.

OVERVIEW OF THE FINANCIAL REPORT

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

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

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

Management Discussion and Analysis For the Year Ended December 31, 2023

In 2023, the following roads were conveyed to the Bastrop County or City:

E & W Keamuku Ct	Koolua	Onini
Ewa Ct	Laau Court	Pulehu Ct
Haleakala Dr	Mokolea Lane	Taro Court
Kikipua	Mokuleia Cir	Waihi Court
Koali	Nene	Waipahoehoe Dr
Kolo Court	Okoe Ct (East)	

In 2023, \$85,681 was spent in the performance of road maintenance and \$1,203,570 was spent on road construction. The following roads were reconstructed with the use of contracted labor, WCID2 labor, and support of the Bastrop County or Bastrop City via Interlocal Agreements.

At the end of 2023, the following there were no roads reported as not yet conveyed to Bastrop County or Bastrop City.

On March 25, 2023, at the annual road meeting, the 1992 Master plan will be updated and communicated to the District residents, Bastrop County, and Bastrop City for the change in road inventory, roads to be reconstructed in 2023, future plans and cost estimates to complete. Our current estimate of costs to complete the project of 100% conveyance of roads to the Bastrop County or Bastrop City is \$6.8 Million.

USING THIS ANNUAL REPORT

The District's reporting is comprised of a series of financial statements. The Statement of Net Position and Statement of Activities (on pages xx and xx) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page xxx. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

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

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

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

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

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

**Management Discussion and Analysis
For the Year Ended December 31, 2023**

The Required Supplementary Information presents a comparison statement between the District’s adopted budgets and its actual results. These schedules are required for the General Fund. Also included are the required pension related schedules.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District’s total assets were approximately \$21.1 million as of December 31, 2023. Of this amount, approximately \$10.8 million is accounted for by cash and short-term investments. The District had outstanding liabilities of approximately \$13.6 million. The District’s unrestricted net assets, which can be used to finance day to day operations, totaled \$962 thousand.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 340	\$ 1,102	\$ 10,429	\$ 9,249	\$ 10,769	\$ 10,351
Capital assets	301	-	10,060	9,006	10,361	9,006
Total Assets	641	1,102	20,489	18,255	21,130	19,357
Deferred outflows of resources	-	-	73	132	73	132
Total Assets and Deferred Outflows of Resources	641	1,102	20,562	18,387	21,203	19,489
Non-current liabilities	-	-	12,660	10,145	12,660	10,145
Other liabilities	142	33	722	1,288	864	1,321
Total Liabilities	142	33	13,382	11,433	13,524	11,466
Deferred inflows of resources	-	-	10	42	10	42
Total Liabilities and Deferred Inflows of Resources	142	33	13,392	11,475	13,534	11,508
Net Position:						
Net investment in capital assets	301	283	5,692	3,255	5,993	3,538
Restricted - for debt service	-	-	692	2,353	692	2,353
Unrestricted	198	786	786	1,304	984	2,090
Total Net Position, as restated (Note 8)	\$ 499	\$ 1,069	\$ 7,170	\$ 6,912	\$ 7,669	\$ 7,981

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

**Management Discussion and Analysis
For the Year Ended December 31, 2023**

Revenues were approximately \$5.5 million for the year ended December 31, 2023. Expenses were approximately \$4.6 million for the year ended December 31, 2023. Net position decreased \$313 thousand from current year activities. The following chart summarizes the sources of revenue and areas of expenses.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 1,461	\$ 1,396	\$ 3,592	\$ 3,783	\$ 5,053	\$ 5,179
General revenues:						
Capital reserve fees	-	-	76	42	-	-
Rental income	-	-	-	6	-	6
Gain on sale of building	-	-	-	26	-	26
Investment earnings	9	132	386	106	395	238
Miscellaneous	-	-	22	-	22	-
Total Revenues	1,470	1,528	4,076	3,963	5,470	5,449
Expenses:						
General government	307	1,729	-	-	307	1,729
Public works	464	-	-	-	464	-
Water wastewater services	-	-	3,780	3,471	3,780	3,471
Total Expenses	771	1,729	3,780	3,471	4,551	5,200
Increase in net position before special items	699	(201)	296	492	995	291
Special items - Conveyance of roads to County	(1,268)	-	-	-	(1,268)	-
Increase (decrease) in net position	(569)	(201)	296	492	(273)	291
Net position, beginning of year, as restated (Note 8)	1,069	1,270	6,892	6,400	7,961	7,670
Net position, end of year, as restated	\$ 500	\$ 1,069	\$ 7,188	\$ 6,892	\$ 7,688	\$ 7,961

BUDGETARY HIGHLIGHTS

Actual General Fund finished the year over budget by approximately \$136 thousand primarily due to increased engineering and consulting fees. More detailed information about the District's budgetary comparison is presented in the Required Supplementary Information section.

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

Management Discussion and Analysis For the Year Ended December 31, 2023

CAPITAL ASSETS

The District's investment in capital assets totals \$301 thousand for governmental activities and \$10.1 million for business-type activities as of December 31, 2023. A summary of these assets is listed below:

Bastrop County WCID #2 Capital Assets						
(amounts expressed in thousands, net of accumulated depreciation/amortization)						
Figure 8						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 273	\$ 269	\$ 103	\$ 100	\$ 376	\$ 369
WWW Improvements	-	-	8,437	7,584	8,437	7,584
Machinery and Equipment	15	14	530	389	545	403
Buildings	-	-	788	777		777
Vehicles	13	-	165	156	178	156
Right-of-use assets:						
Lease equipment	-	-	24	24	24	24
Software subscription	-	-	13	-	13	-
Net Capital Assets	\$ 301	\$ 283	\$ 10,060	\$ 9,030	\$ 9,573	\$ 9,313

LONG TERM DEBT

The District issued Revenue Note, Series 2023 during the year in the amount of \$2.5 million. Bonded indebtedness of the District at year end was \$12.7 million. More detailed information about the District's long-term debt is presented in the Notes to the Basic Financial Statements.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

DRAFT 06.25.25

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Current Assets:			
Cash - unrestricted	\$ 465,400	\$ 514,739	\$ 980,139
Investments - unrestricted	-	1,471,807	1,471,807
Investments - restricted	-	8,300,993	8,300,993
Receivables (net of allowance for uncollectibles):			
Accounts receivable	-	15,383	15,383
Internal balances	(125,805)	125,805	-
Total current assets	339,595	10,428,727	10,768,322
Noncurrent Assets:			
Capital assets:			
Assets not being depreciated	272,915	103,029	375,944
Assets being depreciated, net	28,435	9,957,024	9,985,459
Total noncurrent assets	301,350	10,060,053	10,361,403
Total assets	640,945	20,488,780	21,129,725
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	-	73,286	73,286
Total deferred outflows of resources	-	73,286	73,286
LIABILITIES			
Accounts payable	141,115	316,872	457,987
Accrued payroll	-	14,979	14,979
Customer deposits	-	323,775	323,775
Current portion of long-term liabilities	-	8,523	8,523
Noncurrent Liabilities:	-		
Pension liability	-	56,818	56,818
Long-term liabilities, less current portion	-	12,660,705	12,660,705
Total liabilities	141,115	13,381,672	13,522,787
DEFERRED INFLOWS OF RESOURCES			
Pension related	-	9,806	9,806
Total deferred inflows of resources	-	9,806	9,806
NET POSITION			
Net investment in capital assets	301,350	5,691,818	5,993,168
Restricted for debt service	-	692,477	
Unrestricted	198,480	786,293	984,773
Total net position	499,830	7,170,588	7,670,418

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 307,009	\$ -	\$ -	\$ -	\$ (307,009)	\$ -	\$ (307,009)
Public works	463,808	1,460,841	-	-	997,033	-	997,033
Total governmental activities	770,817	1,460,841	-	-	690,024	-	690,024
Business-type activities:							
Water Wastewater services	3,779,828	3,591,770	-	-	-	(188,058)	(188,058)
Total primary government	\$ 4,550,645	\$ 5,052,611	\$ -	\$ -	690,024	(188,058)	501,966
General revenues and special item							
General revenues:							
Capital reserve fees					-	75,619	75,619
Investment earnings					8,757	385,729	394,486
Miscellaneous					-	5,271	5,271
Special item:							
Coveyance of roads to County					(1,268,343)	-	-
Total general revenues and special items					(1,259,586)	466,619	(792,967)
Change in net position					(569,562)	278,561	(291,001)
Net position – beginning					1,197,508	6,898,759	8,096,267
Error corrections (Note 8)					(128,116)	(6,732)	(134,848)
Net position - beginning, as restated					1,069,392	6,892,027	7,961,419
Net position – ending					\$ 499,830	\$ 7,170,588	\$ 7,670,418

DRAFT 06/25/23

FUND FINANCIAL STATEMENTS

DRAFT 06.25.25

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**BALANCE SHEET-GOVERNMENTAL FUND
DECEMBER 31, 2023**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 465,400
Total assets	<u>\$ 465,400</u>
LIABILITIES	
Accounts payable	\$ 141,115
Due to other funds	125,805
Total liabilities	<u>\$ 266,920</u>
FUND BALANCES	
Assigned:	
Capital improvements	\$ 198,480
Total fund balances	<u>\$ 198,480</u>

DRAFT 06.25.23

The notes to the financial statement are an integral part of this statement.

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balance – governmental funds		\$ 198,480
Capital assets of \$375,805, net of accumulated depreciation of \$74,455, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		301,350
Net position of governmental activities		<u>\$ 499,830</u>

DRAFT 06.25.25

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND
DECEMBER 31, 2023**

	Major Fund
	General Fund
REVENUES	
Standby charges	\$ 1,000
Road assessment fees	1,459,841
Investment earnings	8,757
Total revenues	1,469,598
EXPENDITURES	
Current:	
General government	307,009
Public Works	461,238
Capital outlay	1,289,251
Total expenditures	2,057,498
Excess (deficiency) of revenues over expenditures	(587,900)
Net change in fund balances	(587,900)
Fund balance - beginning	914,496
Error corrections (Note 8)	(128,116)
Fund balance - beginning of year as restated	786,380
Fund balance - ending	\$ 198,480

The notes to the financial statement are an integral part of this statement.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2023**

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances--total governmental funds		\$ (587,900)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount in which capital outlays exceeded depreciation expense in the current period.		18,338
Change in net position of governmental activities		\$ (569,562)

DRAFT 06.25.23

The notes to the financial statement are an integral part of this statement.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**STATEMENT OF NET POSITION
 PROPRIETARY FUND
 DECEMBER 31, 2023**

	Major Fund
	Water
	Wastewater
	Fund
ASSETS	
Current assets:	
Cash - unrestricted	514,739
Investments - unrestricted	1,471,807
Investments - restricted	8,300,993
Accounts receivable (net of allowance for uncollectibles)	15,383
Due from other funds	125,805
Total current assets	10,428,727
Noncurrent Assets:	
Capital assets:	
Assets not being depreciated	103,029
Assets being depreciated or amortized, net	9,957,024
Total noncurrent assets	10,060,053
Total assets	20,488,780
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	73,286
Total deferred outflows of resources	73,286
LIABILITIES	
Current liabilities:	
Accounts payable	316,872
Salaries and related expenses payable	14,979
Customer deposits	323,775
Current portion of long-term debt	8,523
Total current liabilities	664,149
Noncurrent Liabilities:	
Pension liability	56,818
Long-term liabilities, less current portion	12,660,705
Total noncurrent liabilities	12,717,523
Total liabilities	13,381,672
DEFERRED INFLOWS OF RESOURCES	
Pension related	9,806
Total deferred inflows of resources	9,806
NET POSITION	
Net investment in capital assets	5,691,818
Restricted for debt service	692,477
Unrestricted	786,293
Total net position	\$ 7,170,588

The notes to the financial statement are an integral part of this statement.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 DECEMBER 31, 2023**

	Major Fund
	Water
	Wastewater
	Fund
OPERATING REVENUES:	
Charges for services, net	2,775,188
Water sales	816,582
Reserve fees	75,619
Other operating revenue	5,271
Total operating revenues	3,672,660
OPERATING EXPENSES:	
Personnel services	1,013,541
Operations	482,181
Repairs and maintenance	437,021
Consumables	157,361
Professional services	108,381
Contracted services	98,123
Office expenses	122,619
Cost of services	4,924
Insurance	32,269
Depreciation	860,862
Amortization	34,383
Total operating expenses	3,351,665
Operating income	320,995
NONOPERATING REVENUES (EXPENSES):	
Investment earnings	385,729
Interest and other charges	(428,163)
Total nonoperating revenues (expenses)	(42,434)
Income	278,561
Total net position – beginning	6,898,759
Error corrections (Note 8)	(6,732)
Net position - beginning of year as restated	6,892,027
Total net position – ending	\$ 7,170,588

The notes to the financial statement are an integral part of this statement.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**STATEMENT OF CASHFLOWS
 PROPRIETARY FUND
 DECEMBER 31, 2023**

	Major Fund
	Water
	Wastewater
	Fund
Cash flows from operating activities:	
Cash received from customers, users and others	\$ 3,745,828
Cash paid to employees for services	(1,065,114)
Cash paid for goods and services	(1,231,358)
Net cash flows from operating activities	1,449,356
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,949,045)
Proceeds from long-term debt issued	2,594,140
Principal paid on debt	(753,445)
Miscellaneous	(3,178)
Interest and other charges paid on debt	(42,434)
Net cash flows from capital and related financing activities	(153,962)
Net change in cash and cash equivalents	1,295,394
Cash and cash equivalents - beginning	8,992,145
Cash and cash equivalents - ending	\$ 10,287,539

DRAFT 06.25.23

The notes to the financial statement are an integral part of this statement.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**STATEMENT OF CASHFLOWS (CONTINUED)
 PROPRIETARY FUND
 DECEMBER 31, 2023**

	Major Fund
	Water
	Wastewater
	Fund
Reconciliation of operating income (loss) to net cash flows from operating activities:	
Operating income	\$ 320,995
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation and amortization	895,245
Changes in assets, deferred outflows, liabilities and deferred inflows:	
FEMA receivable & related deferred inflow	30,567
Accounts receivable	22,956
Other receivables	19,645
Due to/due from other funds	26,603
Deferred outflows of resources for pension	58,649
Accrued payroll	(114,170)
Accounts payable	184,918
Deferred inflows of resources for pension	(32,519)
Net pension liability	36,467
Total adjustments	1,128,361
Net cash flows from operating activities	\$ 1,449,356

DRAFT 06.25.25

The notes to the financial statement are an integral part of this statement.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of presentation

Government-wide Financial Statements:

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

Fund Financial Statements:

The fund financial statements provide information about the District's funds. Separate statements for each fund category—governmental and proprietary. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The District reports the following major governmental funds:

General Fund

The *General Fund* includes road construction and maintenance activity which includes charges to property owners within the District to fund road reconstruction and maintenance within the District. Also included in the *General Fund* is standby activity which is the collection of charges to customers within the District to help fund and pay for utility costs of the District. The standby charges have been discontinued as of 2018. The *General Fund* is a budgeted fund.

Proprietary Fund

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

C. Measurement focus and basis of accounting

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

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

D. Net position/Fund Balance

Net Position. Net position in government-wide and proprietary fund financial statements is classified as investment in capital assets, restricted, and unrestricted. The restricted component of net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

- Nonspendable – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that can be spent only for specific purposes because of constraints imposed by external providers or imposed by constitutional provisions or enabling legislation.
- Committed – Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.
- Assigned – For the General Fund, amounts that are appropriated by the Board or Board designee, if any, that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.
- Unassigned – Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

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

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budget

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

F. Pension

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

G. Cash and Cash Equivalents

These include cash on deposit as well as investments with maturities of three months or less at the time of purchase.

H. Assessment and Service Accounts Receivable

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

Fund	Receivable	Allowance for Doubtful Accounts	Receivable, net
General Fund	\$ 1,933,055	\$ (1,933,055)	\$ -
Water Wastewater Fund	45,183	(29,800)	15,383
Total	\$ 1,978,238	\$ (1,962,855)	\$ 15,383

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include land, administrative facilities and equipment, water production and distribution system, wastewater collection system, road improvements, vehicles, and machinery and Equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at estimated fair market value at the time received. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

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

Asset	Years
Water and wastewater improvements	7-39
Buildings and improvements	7-39
Road improvements	25
Machinery and equipment	5-25
Vehicles	5

J. Interfund Transactions

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

K. Accrued Leave

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

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations, including leases payable and subscriptions payable, are reported as liabilities in the applicable business-type activities statement of net position.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *Deferred Outflows of Resources*, which represent the consumption of the District's net assets that applies to future periods and therefore will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of net position will sometimes report a separate section for *Deferred Inflows of Resources*, which represent an acquisition of net assets that applies to a future period and therefore will not be recognized as a revenue until a future period. In addition to the above, the governmental and proprietary funds may also report unavailable revenues and receivables and deferred inflows of resources.

N. Recently Issued Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, ("SBITA"). The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, readability, relevance, and consistency of information about SBITAs. This statement is effective for reporting periods beginning after June 15, 2022. GASB Statement No. 96 has been implemented in these financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for reporting periods beginning after June 15, 2023. The District has chosen early implementation of this standard. GASB Statement No. 100 has been implemented in these financial statements.

2. CASH AND INVESTMENTS

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

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

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

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

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

Investment	Fair Value Level	Rating	Maturity	Fair Value
Unrestricted				
Money Market	1	AAA	1 Day	\$ 234,843
TexPool	N/A	AAAm	1 Day	\$ 1,236,964
Restricted				
Money Market	1	AAA	1 Day	\$ 469,083
TexPool	N/A	AAAm	1 Day	\$ 7,831,910

The District has restricted \$524,944 of investments in accordance with Texas Water Development Board (the “TWDB”) note requirements for escrow and future debt service payments.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

2. CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

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

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

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

2. CASH AND INVESTMENTS (CONTINUED)

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

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

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

3. CAPITAL ASSETS

During the year the District used operating funds to reconstruct \$1,268,343 in Road Improvements. The District used operating funds and bond proceeds acquire \$1,957,614 in Water and Wastewater System Improvements and other supporting assets serving the District’s residents. All of the District’s facilities, other than Road Improvements, are being depreciated over their estimated useful lives. Depreciation and amortization in the amount of \$2,570 and \$903,814 has been charged to governmental activities and business-type activities, respectively. The majority of governmental activities capital assets are road and related improvements that have been conveyed to the County.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

3. CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets, net of accumulated depreciation and amortization, for the fiscal year ended December 31, 2023 follows:

	Beginning Balances	Additions	Retirements	Transfers In (Out)	Ending Balances
Governmental activities:					
Capital assets, non-depreciable:					
Land	\$ 269,074	\$ 3,841	\$ -	\$ -	\$ 272,915
Road improvements	-	1,268,343	-	(1,268,343)	-
Total capital asset, non-depreciable	269,074	1,272,184	-	(1,268,343)	272,915
Capital assets, depreciable:					
Machinery and equipment	75,545	3,593	-	-	79,138
Vehicles	10,278	13,474	-	-	23,752
Total capital asset, depreciable	85,823	17,067	-	-	102,890
Less accumulated depreciation for:					
Machinery and equipment	(61,607)	(2,570)	-	-	(64,177)
Vehicles	(10,278)	-	-	-	(10,278)
Total accumulated depreciation	(71,885)	(2,570)	-	-	(74,455)
Total capital assets, depreciable, net	13,938	14,497	-	-	28,435
Governmental activities capital assets, net	\$ 283,012	\$ 1,286,681	\$ -	\$ (1,268,343)	\$ 301,350
Business-type activities:					
Capital assets, non-depreciable:					
Land	\$ 100,029	\$ 3,000	\$ -	\$ -	\$ 103,029
Total capital asset, non-depreciable	100,029	3,000	-	-	103,029
Capital assets, depreciable:					
Water wastewater improvements	14,597,319	1,557,411	-	-	16,154,730
Machinery and equipment	1,141,525	204,336	-	-	1,345,861
Buildings	872,264	34,211	-	-	906,475
Vehicles	634,210	78,811	-	-	713,021
Right-of-use assets:					
Lease equipment	41,130	-	-	-	41,130
Software subscription	38,717	-	-	-	38,717
Total capital asset, depreciable	17,325,165	1,874,769	-	-	19,199,934
Less accumulated depreciation/amortization for:					
Water wastewater improvements	(7,012,804)	(704,647)	-	-	(7,717,451)
Machinery and equipment	(752,836)	(63,132)	-	-	(815,968)
Buildings	(95,268)	(23,158)	-	-	(118,426)
Vehicles	(478,186)	(69,925)	-	-	(548,111)
Right-of-use assets:					
Lease equipment	(8,571)	(8,571)	-	-	(17,142)
Software subscription	-	(25,812)	-	-	(25,812)
Total accumulated depreciation/amortization	(8,347,665)	(895,245)	-	-	(9,242,910)
Total capital assets, depreciable, net	8,977,500	979,524	-	-	9,957,024
Business-type activities capital assets, net, restated	\$ 9,077,529	\$ 982,524	\$ -	\$ -	\$ 10,060,053

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

3. CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged as follows:

Governmental Activities:				
Public works				\$ 2,570
Total depreciation, governmental activities				\$ 2,570
Business-Type Activities:				
Water Wastewater services				\$ 895,245
Total depreciation/amortization, business-type activities				\$ 895,245

4. LONG-TERM LIABILITIES

Long-Term Debt

On June 23, 2016, the District issued \$6,345,000 of revenue notes funded by a private placement with TWDB. The notes are payable to the TWDB from the revenue of and are secured by a pledge of the net water and wastewater revenues of the District. The debt agreement with the TWDB requires certain deposits and reserves in place to cover future debt service payments. At December 31, 2023, the District was in compliance with these deposit and reserve requirements.

On August 30, 2021, the District issued \$6,775,000 of revenue notes funded by a private placement with Truist Bank. The notes are payable from the revenue of and are secured by a pledge of the net water and wastewater revenues of the District. The debt agreement with the bank requires certain deposits and reserves in place to cover future debt service payments. At December 31, 2023, the District was in compliance with these deposit and reserve requirements.

On December 7, 2023, the District issued \$2,500,000 of revenue notes funded by a private placement with AmegyBank. The notes are payable to AmegyBank from the revenue of and are secured by a pledge of the net water and wastewater revenues of the District. The debt agreement with the bank requires certain deposits and reserves in place to cover future debt service payments. At December 31, 2023, the District was in compliance with these deposit and reserve requirements.

These notes described above are summarized as follows:

	Issue Date	Final Maturity	Interest Rate	Original Issue	Principal Balance December 31, 2023
Series 2016	6/23/2016	12/1/2035	1.15 - 4.120%	\$ 6,345,000	\$ 4,230,000
Series 2021	8/30/2021	12/1/2035	1.1750%	6,775,000	5,915,000
Series 2023	12/7/2023	12/31/2033	5.2300%	2,500,000	2,500,000
Total Revenue Notes				\$ 15,620,000	\$ 15,620,000

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

4. LONG-TERM LIABILITIES (CONTINUED)

Future debt service requirements as of the end of the year are as follows:

Years Ending December 31,	Revenue Bonds		Leases payable	
	Principal	Interest	Principal	Interest
2024	\$ 940,000	\$ 309,917	8,523	\$ 125
2025	965,000	289,674	7,206	77
2026	995,000	266,134	6,794	34
2027	1,025,000	241,444	1,705	2
2028	1,055,000	215,616	-	-
2029-2035	7,665,000	703,279	-	-
	\$ 12,645,000	\$ 2,026,062	\$ 24,228	\$ 238

Lease liabilities

In March 2020 the District entered into lease agreement for mailing equipment with monthly payments of approximately \$152 ending in March 2025.

In January of 2022 the District entered into a lease agreement for a copier with monthly payments of approximately \$569 ending in April of 2027.

Subscription liabilities

In July of 2021 the District entered into a subscription-based information technology arrangement for software as a service with annual payments of approximately \$25,359 ending in July 2024.

Changes in long-term liabilities

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
Business-Type Activities:					
Revenue bonds	\$ 10,865,000	\$ 2,500,000	\$ (720,000)	\$ 12,645,000	\$ 940,000
Lease liabilities	32,703	-	(8,475)	24,228	8,523
Subscription liabilities	24,970	-	(24,970)	-	-
Net pension obligation - TCDRS	20,351	36,467	-	56,818	-
Total business-type activities, restated	\$ 10,943,024	\$ 2,536,467	\$ (753,445)	\$ 12,726,046	\$ 948,523

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

5. PENSION PLAN

Plan Description

The District participates in the Texas County & District Retirement System (“TCDRS”), which is a statewide, agent multiple-employer, public employee retirement system. All full- and part-time employees participate in the plan, regardless of the number of hours they work in a year. Temporary employees are not eligible for membership. The plan provides retirement, disability and survivor benefits. TCERS is a savings-based plan.

Benefits

TCERS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCERS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer. Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCERS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCERS Act.

For the District’s plan, 6% of each employee’s pay is deposited into their TCERS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to an annuity. There are no automatic COLAs. Each year, the District may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation. Benefit terms are established under the TCERS Act. They may be amended as of January 1 each year but must remain in conformity with the Act.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

5. PENSION PLAN (CONTINUED)

Membership

At December 31, 2022, the valuation and membership date, the following employees were covered by the benefit terms:

Membership Information	December 31, 2022
Number of active employees entitled to but not yet receiving benefits	7
Number of active employees	19
Average monthly salary*	\$3,909
Average age*	40.78
Average length of service*	4.67
*Averages reported for active employees	
Inactive Employees (or their Beneficiaries) Receiving Benefits	
Number of benefit recipients	3
Average monthly benefit	\$184

Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer’s governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer’s plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

The District’s contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Bastrop County Water Control and Improvement District 2 contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rate is set by the District and was 6% during the current fiscal year. The contribution rate for the District was 10.6% and 8.6% for the calendar years 2023 and 2022 respectively. The District’s contributions to TCDRS for the year ended December 31, 2023 was \$87,015 and equal to the required contributions.

The most recent comprehensive annual financial report for TCDRS can be found at the following link, [TCDRS.org/Employer](https://www.tcdrs.org/employer).

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

5. PENSION PLAN (CONTINUED)

Actuarial Assumptions

The following is a description of the assumptions used in the December 31, 2022 actuarial valuation analysis for Bastrop County Water Control and Improvement District 2. This information may also be found in the Bastrop County Water Control and Improvement District 2 December 31, 2022 Summary Valuation Report:

Economic Assumptions		
Real rate of return		5.00%
Inflation		2.50%
Long-term investment return		7.50%

The assumed long-term investment return of 7.50% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.50% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members – 135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Service retirees, beneficiaries and non-depositing members – 135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Disabled retirees – 160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disable Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total pension liability as of December 31, 2022, were based on the results of an actuarial experience study for the period January 1, 2017, through December 31, 2020, except where required to be different by GASB 68. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments is 7.6%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. The application of the investment return assumptions was changed for purposes of determining plan liabilities at the March 2022 meeting. All plan liabilities are now valued using a 7.6% discount rate.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

5. PENSION PLAN (CONTINUED)

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2022 information for a 10-year time horizon. The valuation assumption for long-term expected return is reassessed at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in 2022. The target allocation and best estimates of geometric real rates return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Return
Equities		
US Equities	11.5%	6.40%
International Equities - Developed Markets	5.0%	6.40%
International Equities - Emerging Markets	6.0%	6.90%
Global Equities	2.5%	6.70%
Hedge Funds	6.0%	4.15%
Credit Investments		
Strategic Credit	9.0%	4.37%
Distressed Debt	4.0%	7.10%
Direct Lending	16.0%	8.85%
Private Equity	25.0%	9.40%
Real Assets		
REIT Equities	2.0%	5.70%
Private Real Estate Partnerships	6.0%	7.70%
Master Limited Partnerships	2.0%	6.45%
Investment-Grade Bonds	3.0%	1.75%
Cash	2.0%	1.55%
	100.0%	

Discount Rate

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

1. The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

5. PENSION PLAN (CONTINUED)

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years. The discount rate used is 7.60%.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2021	\$ 460,910	\$ 440,559	\$ 20,351
Changes for the year:			
Service cost at the end of the year	125,387	-	125,387
Interest on TOL and cash flows	44,440	-	44,440
Effect of economic/demographic gains or losses	(6,656)	-	(6,656)
Refund of contributions	(1,749)	(1,749)	-
Benefit Payments	(1,424)	(1,424)	-
Administrative expenses	-	(331)	331
Member contributions	-	57,626	(57,626)
Net investment income	-	(37,890)	37,890
Employer contributions	-	87,015	(87,015)
Other	-	20,284	(20,284)
Balance as of December 31, 2022	\$ 620,908	\$ 564,090	\$ 56,818

Sensitivity Analysis

The following presents the net pension liability calculated using the discount rate of 7.60%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower, or 1 percentage point higher than the current rate.

	1% Decrease (6.60%)	Discount Rate (7.60%)	1% Increase (8.60%)
District's proportionate share of the net pension liability (asset)	\$ 175,409	\$ 56,818	\$ (39,875)

TCDRS Pension liability, expense, and related deferred outflows of resources and deferred inflows of resources

At December 31, 2023 the District reported a liability of 56,818. The net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

5. PENSION PLAN (CONTINUED)

For the year ended December 31, 2023 the District recognized a pension expense of \$39,151. At December 31, 2023, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,849	\$ 9,806
Changes of assumptions	20,455	-
Net difference between projected and actual earnings on pension plan investments	33,982	-
District contributions made subsequent to the measurement date	101,008	
Total	\$ 174,294	\$ 9,806

The \$101,008 reported as deferred outflows of resources related to the pension liability, resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31:	
2024	\$ 10,975
2025	11,413
2026	11,419
2027	20,579
2028	5,104
Thereafter	3,990
Total	\$ 63,480

6. RISK MANAGEMENT

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

7. ESTIMATES

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

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

8. CHANGE IN ACCOUNTING PRINCIPLES

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (effective July 1, 2021)

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities

The implementation of GASB 87 resulted in the recognition of lease liabilities totaling \$32,703 and the recognition of lease right-to-use assets, net of amortization, totaling \$32,559.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), effective July 1, 2022

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

The implementation of GASB 96 resulted in the recognition of SBITA liabilities of \$24,970 and SBITA right-to-use assets, net of amortization, totaling \$38,717.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective December 1, 2024 [early adoption]

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

8. CHANGE IN ACCOUNTING PRINCIPLES (CONTINUED)

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

See Footnote 9.

9. ACCOUNTING CHANGES AND ERROR CORRECTIONS

During the year ended December 31, 2022, the District determined that certain amounts reported as accounts receivable in the General Fund in the prior fiscal year were overstated by \$128,116. This resulted in decrease of fund balance for the General Fund of \$128,116.

The District further determined that the net pension liability was not recognized in the prior fiscal year in the Water Wastewater Fund. This resulted in a decrease of net position in the Water Wastewater Fund of \$20,351. An additional unidentified amount of \$16 brings the total reduction of net position to \$20,335 due to error corrections.

Changes in accounting principles, due to the implementation of GASB Statement No. 87, *Leases*, the Water Wastewater Fund net position decreased by \$144. Due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the Water Wastewater Fund was net position increased by \$13,747. The net effect of these changes in accounting principles increased net position in this fund by \$13,603.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

9. ACCOUNTING CHANGES AND ERROR CORRECTIONS (CONTINUED)

Adjustments to both the General Fund and Wastewater Fund also impacted the government-wide statements, similarly. The following is a summary of the adjustments for the restatement of beginning fund balance and beginning net position:

	12/31/2022		Change in	
	As Previously	Error	Accounting	12/31/2022
	Reported	Correction	Principle	As Restated
Government-wide				
Governmental Activities	\$ 1,197,508	\$ (128,116)	-	\$ 1,069,392
Business-type Activities	6,898,759	(20,335)	13,603	6,892,027
Total Primary Government	<u>\$ 8,096,267</u>	<u>\$ (148,451)</u>	<u>\$ 13,603</u>	<u>\$ 7,961,419</u>
Governmental fund				
Major fund:				
General fund	<u>\$ 914,496</u>	<u>\$ (128,116)</u>	<u>\$ -</u>	<u>\$ 786,380</u>
Proprietary fund				
Major fund:				
Water Wastewater Fund	<u>\$ 6,898,759</u>	<u>\$ (20,335)</u>	<u>\$ 13,603</u>	<u>\$ 6,892,027</u>

10. Subsequent Events

The District has evaluated subsequent events as of **May 2, 2023**, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT 06.25.25

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Standby charges	\$ 3,444	\$ 3,444	\$ 1,000	\$ (2,444)
Road assessment fees	1,386,896	1,386,896	1,459,841	72,945
Investment earnings	-	-	8,757	8,757
Total revenues	<u>1,390,340</u>	<u>1,390,340</u>	<u>1,469,598</u>	<u>79,258</u>
EXPENDITURES				
Current:				
General government	387,906	387,906	307,009	80,897
Public works	246,652	246,652	461,238	(214,586)
Capital expenditures	<u>1,286,696</u>	<u>1,286,696</u>	<u>1,289,251</u>	<u>(2,555)</u>
Total expenditures	<u>1,921,254</u>	<u>1,921,254</u>	<u>2,057,498</u>	<u>(136,244)</u>
Excess (deficiency) of revenues over expenditures	<u>(530,914)</u>	<u>(530,914)</u>	<u>(587,900)</u>	<u>(56,986)</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	<u>530,914</u>	<u>530,914</u>	<u>-</u>	<u>(530,914)</u>
Total other financing sources (uses)	<u>530,914</u>	<u>530,914</u>	<u>-</u>	<u>(530,914)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (587,900)</u>	<u>\$ (587,900)</u>

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**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
SUPPLEMENTARY INFORMATION**

DRAFT 06.25.25

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM (TCDRS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

SCHEDULE OF DISTRICT CONTRIBUTIONS ⁽¹⁾					
Year Ending December, 31	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽²⁾	Actual Contribution as a % of Covered Payroll
2018	\$ 36,853	\$ 36,853	-	\$ 518,328	7.1%
2019	45,191	45,191	-	635,593	7.1%
2020	51,494	51,494	-	679,341	7.6%
2021	64,303	64,303	-	745,115	8.6%
2022	87,015	87,015	-	823,222	10.6%

⁽¹⁾ TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

⁽²⁾ Payroll is calculated based on contributions as reported to TCDRS

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BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM (TCDRS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Schedule of Changes in Net Pension Liability and Related Ratios					
	Year Ended December 31,				
	2022	2021	2020	2019	2018
Total Pension Liability					
Service cost	\$ 125,387	\$ 111,408	\$ 73,365	\$ 58,854	\$ 59,781
Interest on total pension liability	44,440	32,859	18,552	9,613	4,842
Effect of plan changes	-	-	33,895	19,212	-
Effect of assump. changes or inputs	-	3,375	26,888	-	-
Effect of economic/demographic (gains) or losses	(6,655)	(1,980)	19,952	9,983	(4,796)
Benefit payments/refunds	(3,174)	(11,191)	(3,702)	-	-
Net change in total pension liability	159,998	134,471	168,950	97,662	59,827
Total pension liability, beginning	460,910	326,439	157,489	59,827	-
Total pension liability, ending (a)	620,908	460,910	326,439	157,489	59,827
Fiduciary Net Position					
Employer contributions	87,015	64,303	51,494	45,191	36,853
Member contributions	57,626	52,158	40,760	31,780	25,916
Investment income net of inv exp	(37,890)	69,797	16,239	10,643	701
Benefit payments/refunds	(3,174)	(11,191)	(3,702)	-	-
Administrative expenses	(331)	(238)	(192)	(118)	(52)
Other	20,285	3,055	2,636	2,656	1,870
Net change in fiduciary net position	123,531	177,884	107,235	90,152	65,288
Fiduciary net position, beginning	440,559	262,675	155,440	65,288	-
Fiduciary net position, ending (b)	564,090	440,559	262,675	155,440	65,288
NPL / (asset), ending = (a) - (b)	\$ 56,818	\$ 20,351	\$ 63,764	\$ 2,049	\$ (5,461)
Fiduciary net position as a % of total pension liability	90.85%	95.58%	80.47%	98.70%	109.13%
Pensionable covered payroll	\$ 823,222	\$ 745,115	\$ 679,341	\$ 635,593	\$ 518,328
NPL/(asset) as % of covered payroll	6.90%	2.73%	9.39%	0.32%	-1.05%
<p>This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.</p>					
<p>Data is based on actuarial valuation performed as of December 31, 2022 pursuant to Governmental Accounting Standards Board 68. Results are presented as of December 31, 2022 (Measurement Date) and are reported as of December 31, 2023.</p>					

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED
BY THE TEXAS WATER COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Schedule of Services and Rates

Schedule of General Fund Expenditures

Temporary Investments

Analysis of Taxes Levied and Receivable

• None

General Long Term Debt Service Requirements by Years

Analysis of Changes in General Long Term Debt

Comparative Schedule of Revenues and Expenditures – All Funds

Board Members, Key Personnel, and Consultants

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BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**SERVICES AND RATES
DECEMBER 31, 2023**

1. Services Provided by the District:

- a.) Retail Water
- b.) Retail Wastewater
- c.) Roads

2. Retail Rates Based on 5/8" Meter

Service	Minimum Charge	Minimum Usage	Flate Rate	Rate per first 1000 Gallons Over Minimum	Rate per add'l 1000 Gallons Over Minimum
Water	\$ 35.53	-	No	\$ 4.87	\$4.87-8.18
Wastewater	\$ 90.00	-	Yes	\$ -	\$ -
Surcharge	\$ 8.50	-	Yes	\$ -	\$ -

Total water and wastewater charges per 10,000 gallons usage: \$ 101.44

3. Retail Service Provided:

Number of retail water and/or wastewater connections.

	Active Connections	Active ESFC	Inactive Connections (ESFC)
Single Family & Total	2,256	2,256	-

4. Total Water Consumption During the Fiscal Year:

- a.) Gallons pumped into system: 162,114,857
- b.) Gallons billed to customers: 152,524,635

5. Standby Fees:

The District ceased assessing standby fees after 2017.

6. Anticipated sources of funds to be used for debt service payments:

Water & Wastewater Revenue

7. Location of District:

The District is located entirely within Bastrop County.

The District is located partially within the City of Bastrop.

The District is located partially within the City of Bastrop ETJ.

The general membership of the Board is not appointed by an office outside the District.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**SCHEDULE OF EXPENSES BY FUND
DECEMBER 31, 2023**

	Water Wastewater Fund	General Fund
Personnel (including benefits)	\$ 1,013,541	340,364
Professional Fees		
Audit	32,588	11,400
Engineering	42,200	20,167
Legal	27,863	29,652
Accounting	5,730	4,542
	108,381	65,761
Contracted Services		
Repairs	98,123	-
Administrative		
Directors	-	-
Insurance	32,269	-
Office supplies	122,619	36,834
	154,888	36,834
Maintenance		
Operations	487,105	204,414
Repairs and manintenance	437,021	120,874
Supplies	157,361	-
	1,081,487	325,288
Capital expenditures	-	1,289,251
Depreciation	895,245	-
Interest	428,163	-
TOTAL EXPENDITURES	\$ 3,779,828	\$ 2,057,498

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

TEMPORARY INVESTMENTS

DECEMBER 31, 2023

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
Water Wastewater Fund					
Money Market	2065076	Variable	N/A	\$ 146,932	\$ -
Money Market	573543	Variable	N/A	346,167	-
State Investment Pool	7966400002	Variable	N/A	1,236,964	-
Money Market	831041	Variable	N/A	87,911	-
Money Market	2134385	Variable	N/A	122,916	-
State Investment Pool	7966400001	Variable	N/A	214,762	-
State Investment Pool	7966400004	Variable	N/A	310,182	-
State Investment Pool	7966400005	Variable	N/A	4,901,301	-
State Investment Pool	7966400006	Variable	N/A	2,405,665	-
				\$ 9,772,800	\$ -

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BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023**

ANNUAL REQUIREMENTS FOR SERIES 2021			
Due During Fiscal Years Ending	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 445,000	\$ 103,513	\$ 548,513
2025	450,000	95,725	545,725
2026	460,000	87,850	547,850
2027	470,000	79,800	549,800
2028	480,000	71,575	551,575
2029	490,000	63,175	553,175
2030	495,000	54,600	549,600
2031	505,000	45,938	550,938
2032	515,000	37,100	552,100
2033	525,000	28,088	553,088
2034	535,000	18,900	553,900
2035	545,000	9,538	554,538
	\$ 5,915,000	\$ 695,802	\$ 6,610,802

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BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023**

ANNUAL REQUIREMENTS FOR SERIES 2023			
Due During Fiscal Years Ending	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 200,000	\$ 128,571	\$ 328,571
2025	210,000	120,290	330,290
2026	220,000	109,307	329,307
2027	230,000	97,801	327,801
2028	240,000	85,772	325,772
2029	255,000	73,220	328,220
2030	265,000	59,884	324,884
2031	280,000	46,024	326,024
2032	295,000	31,380	326,380
2033	305,000	15,952	320,952
	<u>\$ 2,500,000</u>	<u>\$ 768,201</u>	<u>\$ 3,268,201</u>

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BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023**

ANNUAL REQUIREMENTS FOR ALL SERIES			
Due During Fiscal Years Ending	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 940,000	\$ 309,917	\$ 1,249,917
2025	965,000	289,674	1,254,674
2026	995,000	266,134	1,261,134
2027	1,025,000	241,444	1,266,444
2028	1,055,000	215,616	1,270,616
2029	1,090,000	188,667	1,278,667
2030	1,115,000	160,391	1,275,391
2031	1,150,000	131,160	1,281,160
2032	1,190,000	100,615	1,290,615
2033	1,220,000	68,670	1,288,670
2034	940,000	803,892	1,743,892
2035	960,000	18,087	978,087
	<u>\$ 12,645,000</u>	<u>\$ 2,794,267</u>	<u>\$ 15,439,267</u>

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BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**ANALYSIS OF CHANGES IN GENERAL LONG-TERM DEBT
YEAR ENDED DECEMBER 31, 2023**

	Series 2016	Series 2021	Series 2023	Totals
Interest Rate	1.15 - 4.12%	1.75%	5.23%	
Dates Interest Payable	6/1 : 12/1	6/1 : 12/1		
Maturity Dates	12/31/2035	12/31/2035	12/31/2033	
Bonds at Beginning of Year	\$ 4,515,000	\$ 6,350,000	\$ -	\$ 10,865,000
Bonds Sold During the Year	-	-	2,500,000	2,500,000
Bonds Defeased During the Year	-	-	-	-
Retirements During the Year	(285,000)	(435,000)	-	(720,000)
Bonds at End of Year	<u>\$ 4,230,000</u>	<u>\$ 5,915,000</u>	<u>\$ 2,500,000</u>	
Interest Paid During the Year	\$ 162,962	\$ 111,125	-	\$ 274,087
Change in Accrued Interest	-	-	-	-
Interest Expense	<u>\$ 162,962</u>	<u>\$ 111,125</u>	<u>\$ -</u>	<u>\$ 12,645,000</u>
Paying Agent	TWDB			
	Revenue Bonds			
Bond Authority:				
Bonds	\$ 15,620,000 (a)			
Amount Issued	15,620,000			
Remaining to Be Issued	<u>\$ -</u>			
Cash and Temporary Investments balances as of December 31, 2023				\$ 10,287,539
Average annual debt service payment (principal & interest) for remaining term of all debt				\$ 1,286,606
(a) Since the District has no taxing authority, it has no specific standing authorization to issue bonds.				

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES – WATER WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2023**

	AMOUNTS					PERCENT OF FUND TOTAL REVENUE				
	2023 [1]	2022	2021	2020	2019	2023	2022	2021	2020	2019
REVENUES										
Water and Wastewater Service	\$ 2,775,188	\$ 2,700,659	\$ 2,365,053	\$ 2,375,667	\$ 2,121,670	68%	51%	46%	47%	50%
Tap Connection Fees	816,582	698,587	620,779	734,567	467,329	20%	13%	12%	15%	11%
Debt Service Reserve Fee	75,619	383,779	285,567	236,241	160,173	2%	7%	6%	5%	4%
Standby Charges [1]	-	3,240	14,741	15,790	3,407	0%	0%	0%	0%	0%
Road Assessment Fees [1]	-	1,393,043	1,576,034	1,260,055	1,328,741	0%	26%	31%	25%	31%
FEMA Grants	-	-	-	126,669	-	0%	0%	0%	3%	0%
Interest and Other	391,000	137,875	255,673	310,836	202,277	10%	3%	5%	6%	5%
TOTAL REVENUES	4,058,389	5,317,183	5,117,847	5,059,825	4,283,597	100%	100%	100%	100%	100%
EXPENDITURES										
Salary Allocation	1,013,541	1,281,686	1,078,540	989,473	900,443	25%	24%	21%	20%	21%
Operations	482,181	726,138	482,321	416,521	475,934	12%	14%	9%	8%	11%
Repairs and Maintenance	437,021	214,819	225,523	156,800	171,738	11%	4%	4%	3%	4%
Contract Services	98,123	16,100	62,100	800	65,725	2%	0%	1%	0%	2%
Consumable Supplies	157,361	393,211	284,826	177,737	171,221	4%	7%	6%	4%	4%
Professional Fees	108,381	365,490	360,179	237,017	300,740	3%	7%	7%	5%	7%
Office	122,619	171,300	99,523	101,759	102,046	3%	3%	2%	2%	2%
Insurance and Other	37,193	45,013	32,121	36,252	54,566	1%	1%	1%	1%	1%
Capital Expenditures [1]	-	695,927	806,976	849,021	182,148	0%	13%	16%	17%	4%
Depreciation	860,862	836,313	729,569	700,154	684,890	21%	16%	14%	14%	16%
Interest	462,546	318,204	175,747	180,999	185,349	11%	6%	3%	4%	4%
TOTAL EXPENDITURES	3,779,828	5,064,201	4,337,425	3,846,533	3,294,800	93%	95%	85%	76%	77%
Excess (Deficit) of Revenues over Expenditures	<u>\$ 278,561</u>	<u>\$ 252,982</u>	<u>\$ 780,422</u>	<u>\$ 1,213,292</u>	<u>\$ 988,797</u>	7%	5%	15%	24%	23%
TOTAL ACTIVE RETAIL										
WATER CONNECTIONS	2,256	2,187	2,087	2,053	1,964					
TOTAL ACTIVE RETAIL										
WASTEWATER CONNECTIONS	889	852	828	796	753					

[1] In 2023 the District identified the General Fund had been incorrectly comingled with the Water Wastewater Fund. The District has corrected this in 2023 by removing General Fund activity from this schedule.

BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

**BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
DECEMBER 31, 2023**

Complete District Mailing Address:			P.O. Box 708, Bastrop, Texas 78602		
District Business Telephone Number:			(512) 321-1688		
Submission Date of the most recent District Registration form (TWC Sections 36.054 and 49.054):			February 21, 2025		
Limit on Fee of Office that a Director may received during a fiscal year: (Set by Board Resolution - TWC Section 49.060)			\$7,200		
		Term of Office (Elected or Appointed) or Date of Hire	Fees of Office Paid* (FYE date)	Expense Reimburse- ments (FYE date)	Title at Year End
Names					
Directors					
	Mary Beth O'Hanlon	Elected 5/22-5/26	\$ -	\$ -	President
	Scott Ferguson	Elected 11/20-5/24	\$ -	\$ -	Vice-President
	Michele Plummer	Elected 5/22-5/26	\$ -	\$ -	Secretary
	Ron Whipple	Elected 11/20-5/24	\$ -	\$ -	Treasurer
	Butch Carmack	Elected 5/22-5/26	\$ -	\$ -	Director
Key Administrative Personnel:					
	Paul Hightower				
	Tyler Walsh/Adam Brown				
	Dale Culberson				
Consultants					
	McLean & Howard		\$ -	\$ -	Attorney
	SAMCO Capital Markets		\$ -	\$ -	Financial Advisor
	Schaumburg & Polk		\$ -	\$ -	Engineer
	West, Davis & Company		\$ -	\$ -	Auditor

Agenda

Item #10

Proposal from
SPI Engineering

SHORT FORM OF AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES

This is an Agreement between **Bastrop County Water Control and Improvement District No. 2** (Owner) and **Schaumburg & Polk, Inc.** (Engineer). Owner's Project, of which Engineer's services under this Agreement are a part, is generally identified as **Elevated Storage Tank** (Project). Engineer's services under this Agreement (Services) are generally identified as **design and administration of construction of a 400,000 gallon multi-column elevated storage tank to be located at 113 Tahitian Drive, Bastrop, TX 78602.**

Owner and Engineer further agree as follows:

1.01 Services of Engineer

- A. Engineer shall provide or furnish the Services set forth in this Agreement, and any Additional Services authorized by Owner and consented to by Engineer. **The parties must agree upon compensation for additional services before the Owner will authorize the Additional Services.**

2.01 Owner's Responsibilities

- A. Owner shall provide Engineer with existing Project-related information and data in Owner's possession and needed by Engineer for performance of Engineer's Services. Owner will advise the Engineer of Project-related information and data known to Owner but not in Owner's possession. Engineer may use and rely upon Owner-furnished information and data in performing its Services, subject to any express limitations applicable to the furnished items.
 - 1. Following Engineer's assessment of initially-available Project information and data, and upon Engineer's request, Owner shall obtain, furnish, or otherwise make available (if necessary through retention of specialists or consultants) such additional Project-related information and data as is reasonably required to enable Engineer to complete its Services; or, with consent of Engineer, Owner may authorize the Engineer to obtain or provide all or part of such additional information and data as Additional Services.
- B. Owner shall provide necessary direction and make decisions, including prompt review of Engineer's submittals, and carry out its other responsibilities in a timely manner so as not to delay Engineer's performance. Owner shall give prompt notice to Engineer whenever Owner observes or otherwise becomes aware of (1) any relevant, material defect or nonconformance in Engineer's Services, or (2) any development that affects the scope or time of performance of Engineer's Services.

3.01 Schedule for Rendering Services

- A. Engineer shall complete its Services within the following specific time period: **within 550 days of the effective date of the agreement.** If no specific time period is indicated, Engineer shall complete its Services within a reasonable period of time.
- B. If, through no fault of Engineer, such periods of time or dates are changed, or the orderly and continuous progress of Engineer's Services is impaired, or Engineer's Services are

delayed or suspended, then the time for completion of Engineer's Services, and the rates and amounts of Engineer's compensation, shall be adjusted equitably.

4.01 Invoices and Payments

- A. Invoices: Engineer shall prepare invoices in accordance with its standard invoicing practices and submit the invoices to Owner on a monthly basis. Invoices for authorized services, and authorized Additional Services, are due and payable within 30 days of receipt.
- B. Payment: As compensation for Engineer providing or furnishing Services and Additional Services, Owner shall pay Engineer as set forth in this Paragraph 4.01, Invoices and Payments. If Owner disputes an invoice, either as to amount or entitlement, then Owner shall promptly advise Engineer in writing of the specific basis for doing so, may withhold only that portion so disputed, and must pay the undisputed portion.
- C. Failure to Pay: If Owner fails to make any payment due Engineer for Services, Additional Services, and expenses within 30 days after receipt of Engineer's invoice, then (1) the amounts due Engineer will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day; (2) in addition Engineer may, after giving 7 days' written notice to Owner, suspend Services under this Agreement until Engineer has been paid in full all amounts due for Services, Additional Services, expenses, and other related charges, and in such case Owner waives any and all claims against Engineer for any such suspension; and (3) if any payment due Engineer remains unpaid after 90 days, Engineer may terminate the Agreement for cause pursuant to Paragraph 5.01.A.2.
- D. Reimbursable Expenses: Engineer is entitled to reimbursement of expenses only if so indicated in Paragraph 4.01.E or 4.01.F. If so entitled, and unless expressly specified otherwise, the amounts payable to Engineer for reimbursement of expenses will be the Project-related internal expenses actually incurred or allocated by Engineer, plus all invoiced external expenses allocable to the Project, including Engineer's subcontractor and subconsultant charges, with the external expenses multiplied by a factor of **1.1**.
- E. Basis of Payment
 - 1. Lump Sum. Owner shall pay Engineer for Services as follows:
 - a. A Lump Sum amount of **\$492,000**.
 - b. In addition to the Lump Sum amount, reimbursement of the following expenses: None.
 - c. The portion of the compensation amount billed monthly for Engineer's Services will be based upon Engineer's estimate of the percentage of the total Services actually completed during the billing period.
- F. Additional Services: For Additional Services, Owner shall pay Engineer an amount equal to the cumulative hours charged in providing the Additional Services by Engineer's employees, times standard hourly rates for each applicable billing class; plus reimbursement of expenses incurred in connection with providing the Additional Services. Engineer's standard hourly rates are attached as Appendix 1.

5.01 Termination

- A. Termination for Cause

1. Either party may terminate the Agreement for cause upon 30 days' written notice in the event of substantial failure by the other party to perform in accordance with the terms of the Agreement, through no fault of the terminating party.
 - a. Notwithstanding the foregoing, this Agreement will not terminate under Paragraph 5.01.A.1 if the party receiving such notice begins, within 7 days of receipt of such notice, to correct its substantial failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt thereof; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30-day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein will extend up to, but in no case more than, 60 days after the date of receipt of the notice.
 2. In addition to its termination rights in Paragraph 5.01.A.1, Engineer may terminate this Agreement for cause upon 7 days' written notice (a) if Owner demands that Engineer furnish or perform services contrary to Engineer's responsibilities as a licensed professional, (b) if Engineer's services for the Project are delayed or suspended for more than 90 days for reasons beyond Engineer's control, (c) if payment due Engineer remains unpaid for 90 days, as set forth in Paragraph 4.01.C, or (d) as the result of the presence at the Site of undisclosed Constituents of Concern as set forth in Paragraph 6.01.I.
 3. Engineer will have no liability to Owner on account of any termination by Engineer for cause.
- B. Termination for Convenience: Owner may terminate this Agreement for convenience, effective upon Engineer's receipt of notice from Owner.
- C. Payments Upon Termination: In the event of any termination under Paragraph 5.01, Engineer will be entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement, and to reimbursement of expenses incurred through the effective date of termination. Upon making such payment, Owner will have the limited right to the use of all deliverable documents, whether completed or under preparation, subject to the provisions of Paragraph 6.01.F, at Owner's sole risk.
1. If Owner has terminated the Agreement for cause and disputes Engineer's entitlement to compensation for services and reimbursement of expenses, then Engineer's entitlement to payment and Owner's rights to the use of the deliverable documents will be resolved in accordance with the dispute resolution provisions of this Agreement or as otherwise agreed in writing.
 2. If Owner has terminated the Agreement for convenience, or if Engineer has terminated the Agreement for cause, then Engineer will be entitled, in addition to the payments identified above, to invoice Owner and receive payment of a reasonable amount for **authorized** services and **authorized** expenses directly attributable to termination, both before and after the effective date of termination, such as reassignment of personnel, costs of terminating contracts with Engineer's subcontractors or subconsultants, and other related close-out costs, using methods and rates for **authorized** Additional Services as set forth in Paragraph 4.01.F.

6.01 General Considerations

- A. The standard of care for all professional engineering and related services performed or furnished by Engineer under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with any services performed or furnished by Engineer. Subject to the foregoing standard of care, Engineer may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.
- B. Engineer shall not at any time supervise, direct, control, or have authority over any Constructor's work, nor will Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, or the safety precautions and programs incident thereto, for security or safety at the Project site, nor for any failure of a Constructor to comply with laws and regulations applicable to that Constructor's furnishing and performing of its work. Engineer shall not be responsible for the acts or omissions of any Constructor.
- C. Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform its work.
- D. Engineer's opinions of probable construction cost (if any) are to be made on the basis of Engineer's experience, qualifications, and general familiarity with the construction industry. However, because Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that proposals, bids, or actual construction cost will not vary from opinions of probable construction cost prepared by Engineer. If Owner requires greater assurance as to probable construction cost, then Owner agrees to obtain an independent cost estimate.
- E. Engineer shall not be responsible for any decision made regarding the construction contract requirements, or any application, interpretation, clarification, or modification of the construction contract documents, other than those made by Engineer.
- F. All documents prepared or furnished by Engineer are instruments of service, and Engineer retains an ownership and property interest (including the copyright and the right of reuse) in such documents, whether or not the Project is completed. Engineer grants to Owner a limited license to use the deliverable documents on the Project, extensions of the Project, and for related uses of the Owner, subject to receipt by Engineer of full payment due and owing for all Services and Additional Services relating to preparation of the deliverable documents, and subject to the following limitations:
 - 1. Owner acknowledges that such documents are not intended or represented to be suitable for use on the Project unless completed by Engineer, or for use or reuse by Owner or others on extensions of the Project, on any other project, or for any other use or purpose, without written verification or adaptation by Engineer;
 - 2. any such use or reuse, or any modification of the documents, without written verification, completion, or adaptation by Engineer, as appropriate for the specific

purpose intended, will be at Owner's sole risk and without liability or legal exposure to Engineer or to its officers, directors, members, partners, agents, employees, and subconsultants;

3. Owner shall indemnify and hold harmless Engineer and its officers, directors, members, partners, agents, employees, and subconsultants from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from any use, reuse, or modification of the documents without written verification, completion, or adaptation by Engineer; and
 4. such limited license to Owner shall not create any rights in third parties.
- G. Owner and Engineer agree to transmit, and accept, Project-related correspondence, documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website, in accordance with a mutually agreeable protocol.
 - H. Waiver of Damages; Limitation of Liability: To the fullest extent permitted by law, Owner and Engineer (1) waive against each other, and the other's officers, directors, members, partners, agents, employees, subconsultants, and insurers, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to this Agreement or the Project, from any cause or causes, and (2) agree that Engineer's total liability to Owner under this Agreement shall be limited to \$100,000 or the total amount of compensation received by Engineer, whichever is greater.
 - I. The parties acknowledge that Engineer's Services do not include any services related to unknown or undisclosed Constituents of Concern. If Engineer or any other party encounters, uncovers, or reveals an unknown or undisclosed Constituent of Concern, then Engineer may, at its option and without liability for consequential or any other damages, suspend performance of Services on the portion of the Project affected thereby until such portion of the Project is no longer affected, or terminate this Agreement for cause if it is not practical to continue providing Services.
 - J. Owner and Engineer agree to negotiate each dispute between them in good faith during the 30 days after notice of dispute. If negotiations are unsuccessful in resolving the dispute, then the dispute will be mediated. If mediation is unsuccessful, then the parties may exercise their rights at law.
 - K. This Agreement is to be governed by the laws of the state in which the Project is located.
 - L. Engineer's Services do not include: (1) serving as a "municipal advisor" for purposes of the registration requirements of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission; (2) advising Owner, or any municipal entity or other person or entity, regarding municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, or other similar matters concerning such products or issuances; (3) providing surety bonding or insurance-related advice, recommendations, counseling, or research, or enforcement of construction insurance or surety bonding requirements; or (4) providing legal advice or representation.

7.01 Definitions

- A. Constructor—Any person or entity (not including the Engineer, its employees, agents, representatives, subcontractors, and subconsultants), performing or supporting construction activities relating to the Project, including but not limited to contractors, subcontractors, suppliers, Owner's work forces, utility companies, construction managers, testing firms, shippers, and truckers, and the employees, agents, and representatives of any or all of them.
- B. Constituent of Concern—Asbestos, petroleum, radioactive material, polychlorinated biphenyls (PCBs), lead based paint (as defined by the HUD/EPA standard), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to laws and regulations regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.

8.01 Successors, Assigns, and Beneficiaries

A. Successors and Assigns

- 1. Owner and Engineer are hereby bound and the successors, executors, administrators, and legal representatives of Owner and Engineer (and to the extent permitted by Paragraph 8.01.A.2 the assigns of Owner and Engineer) are hereby bound to the other party to this Agreement and to the successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.
- 2. Neither Owner nor Engineer may assign, sublet, or transfer any rights under or interest (including, but without limitation, money that is due or may become due) in this Agreement without the written consent of the other party, except to the extent that any assignment, subletting, or transfer is mandated by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

- B. Beneficiaries: Unless expressly provided otherwise, nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by Owner or Engineer to any Constructor, other third-party individual or entity, or to any surety for or employee of any of them. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Engineer and not for the benefit of any other party.

9.01 Total Agreement

- A. This Agreement (including any expressly incorporated attachments), constitutes the entire agreement between Owner and Engineer and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

Attachments:

Attachment "A" Specific Scope of Work, Fee Proposal, and Schedule

Appendix 1, Engineer's Standard Hourly Rates

Statutory Verification Addendum

This Agreement's Effective Date is .

Owner:

Bastrop County Water Control and
Improvement District No. 2

(name of organization)

By:

(authorized individual's signature)

Date:

(date signed)

Name: Paul Hightower

(typed or printed)

Title: General Manager

(typed or printed)

Address for giving notices:

112 Corporate Dr

Bastrop, TX 78602

Designated Representative:

Name: Paul Hightower

(typed or printed)

Title: General Manager

(typed or printed)

Address:

112 Corporate Dr

Bastrop, TX 78602

Phone: 512-321-1688

Email: paul@bcwcid2.org

Engineer:

Schaumburg & Polk, Inc.

(name of organization)

By:

(authorized individual's signature)

Date:

(date signed)

Name: Nick DuBose, P.E.

(typed or printed)

Title: Branch Office Manager - Kyle

(typed or printed)

Address for giving notices:

165 Elmhurst Dr, Suite B

Kyle, TX 78640

Designated Representative:

Name: John Schmeling, P.E.

(typed or printed)

Title: Project Manager

(typed or printed)

Address:

165 Elmhurst Dr, Suite B

Kyle, TX 78640

Phone: 512-262-0440

Email: jschmeling@spi-eng.com

Attachment "A"

SPECIFIC SCOPE OF WORK, FEE PROPOSAL AND SCHEDULE

Bastrop County Water Control and Improvement District No. 2 (District)

Proposed 400,000 gallon Multi-Column Elevated Water Storage Tank (EST)

6/18/2025

Items of work specified below shall be included as Exhibit A to the EJCDC Form of Agreement between Owner and Engineer for Professional Services.

BASIC SERVICES

1. Study and Report

- a. Project includes a 400,000 gallon multi-column EST at Water Plant 1 located at 113 Tahitian Dr.
- b. Develop a preliminary opinion of construction cost.
- c. Review and revise the District's existing water model and prepare a summary report including recommendations for:
 - Water line improvements to improve distribution from the proposed EST.
 - Operating range for proposed EST.
 - Recommended overflow for proposed EST.
- d. Furnish the report to the District.

2. Preliminary Design

- a. Prepare a preliminary set of plans and specifications and present them to the District.
- b. Develop updated opinion of construction cost.

3. Final Design

- a. Prepare and furnish final plans and contract documents for the proposed water storage tank to the District for review.
- b. Incorporate District comments to the plans and contract documents.
- c. Submit plans and contract documents to TCEQ.
- d. Advise the District of adjustments to the opinion of probable construction cost.

4. Bidding

- a. Provide contract documents and assist District in bidding project.
- b. Provide for distribution of plans and specifications through CivCast.
- c. Issue addenda as appropriate to interpret, clarify, or expand the Bidding Documents.
- d. Conduct bid opening, tabulate bids, and recommend award to Owner.
- e. Attend a District Board meeting to award project.

5. Construction Phase

- a. Conduct pre-construction conference.
- b. Receive and review the project schedule, schedule of submittals and schedule of values.
- c. Make periodic site visits at various stages of the project to observe the progress of the project and conformity to the plans and contract documents. Engineers site visits are based on approximately 8 hours per week for an anticipated 55-week construction period. Actual visits will be based on Contractor's performance and construction progress.
- d. Issue necessary clarifications and interpretations of the contract documents.
- e. Review submittals.
- f. Review the contractors' pay requests.
- g. If necessary, prepare change orders.
- h. Receive and review O&M manuals.
- i. Conduct a substantial completion site visit and put together a list of punch list items.
- j. Conduct a final inspection.
- k. Prepare record drawings.
- l. Prepare close documents.

2. Additional Services

- A. Topographic survey to be prepared by subconsultant.
- B. Electrical design, bidding, and construction services to be done by subconsultant.
- C. Geotechnical borings and foundation report to be prepared by subconsultant.

PROJECT DELIVERABLES

1. Preliminary Engineering Report (PER)
2. 30% Design Plans and Cost Estimate
3. 60% Design Plans, Cost Estimate, and Specifications
4. 90% Design Plans, Cost Estimate, Specifications, and Bidding Documents
5. Final Signed and Sealed Design Plans, Cost Estimate, Specifications, and Bidding Documents.
6. Construction Reports and Record Drawings.

RESPONSIBILITIES OF OWNER

1. The Owner is responsible for all fees required for any permits and project advertising.
2. This proposal excludes construction materials testing.
3. This proposal excludes the services of a full-time resident project representative.

PROFESSIONAL SERVICES FEE

SPI proposes to complete the scope of services described herein for the Lump Sum Fee of \$492,000.00.

Fee Proposal

Study and Report	\$40,000.00
Preliminary Design	\$150,000.00
Final Design	\$150,000.00
Bidding	\$22,000.00
Construction Phase	\$130,000.00
TOTAL FEE	\$492,000.00

PROFESSIONAL SERVICES SCHEDULE

The Engineer proposes the following schedule:

<u>Party</u>	<u>Action</u>	<u>Schedule</u>
Engineer	Furnish five (5) review copies of the 30% complete plans and PER to Owner.	Within 60 days of the Effective Date of the Agreement.
Owner	Submit review comments on 30% plans and PER to Engineer.	Within 10 days of the receipt of submittal from Engineer.
Engineer	Furnish five (5) review copies of the 60% complete plans, cost estimate, specifications and final PER to Owner.	Within 150 days of the Effective Date of the Agreement.
Owner	Submit review comments on 60% plans, cost estimate, and specifications to Engineer.	Within 10 days of the receipt of submittal from Engineer.
Engineer	Furnish five (5) review copies of the 90% complete plans, cost estimate, specifications, and bidding documents to Owner.	Within 195 days of the Effective Date of the Agreement.
Owner	Submit review comments on 90% plans, cost estimate, specifications, and bidding documents to Engineer.	Within 10 days of the receipt of submittal from Engineer.
Engineer	Furnish five (5) review copies of the final signed and sealed plans, cost estimate, specifications, and bidding documents to Owner.	Within 240 days of the Effective Date of the Agreement.

Owner / Engineer	Conduct Bid Opening	Upon completion of Final Design based on schedule agreed with Owner.
Owner / Engineer/ Contractor	Construction of Elevated Storage Tank	Construction is estimated to take about 400 calendar days.
Engineer	Furnish five (5) copies of record drawings and operations and maintenance manual to Owner	Within 45 days of the date of final completion.

Thank you for considering Schaumburg & Polk, Inc. for this project!

END OF 4-PAGE SPECIFIC SCOPE OF WORK, FEE PROPOSAL AND SCHEDULE



2025 SCHEDULE OF HOURLY RATES and EXPENSES

ADMINISTRATIVE ASSISTANT	\$ 85.00 /HOUR
INTERN	\$ 75.00 /HOUR
SURVEY CREW	\$ 180.00 /HOUR
SURVEYOR I	\$ 60.00 /HOUR
SURVEYOR II	\$ 80.00 /HOUR
SURVEYOR III	\$ 100.00 /HOUR
SURVEYOR IV	\$ 120.00 /HOUR
SURVEYOR TECH	\$ 115.00 /HOUR
RPLS	\$ 185.00 /HOUR
CONSTRUCTION REPRESENTATIVE I	\$ 100.00 /HOUR
CONSTRUCTION REPRESENTATIVE II	\$ 115.00 /HOUR
CONSTRUCTION REPRESENTATIVE III	\$ 140.00 /HOUR
DESIGN TECHNICIAN I	\$ 90.00 /HOUR
DESIGN TECHNICIAN II	\$ 105.00 /HOUR
DESIGN TECHNICIAN III	\$ 125.00 /HOUR
DESIGN TECHNICIAN IV	\$ 155.00 /HOUR
ENGINEER I / II	\$ 125.00 /HOUR
ENGINEER III	\$ 145.00 /HOUR
ENGINEER IV	\$ 165.00 /HOUR
ENGINEER V	\$ 195.00 /HOUR
ENGINEER VI	\$ 235.00 /HOUR
ENGINEER VII	\$ 270.00 /HOUR
ENGINEER VIII	\$ 285.00 /HOUR
ENGINEER IX	\$ 300.00 /HOUR

REIMBURSABLE EXPENSES	
Mileage	IRS Allowable Rate
Travel and Meal	Actual Cost x 1.10
Misc. Reimbursable	Actual Cost x 1.10

OUTSIDE CONSULTANT RATES	
Subconsultants	Actual Cost x 1.10

Schaumburg & Polk, Inc. furnishes General Liability Insurance, Professional Liability Insurance and State of Texas mandatory limits of Worker's Compensation insurance.

Preparation for and furnishing expert witness testimony will be billed at three times the hourly rates shown above for the various classifications.

Rates Effective: January 1, 2025 (*adjusted annually*)

Bastrop County WCID2 Elevated Storage Tank

Engineer's Opinion of Probable Construction Cost

Base Bid Items					
Item No.	Description	Quantity	Unit	Unit Price	Total Price
1	Contractor Mobilization, Bonds & Insurance	1	LS	\$150,000.00	\$150,000.00
2	Construction Staking	1	LS	\$5,000.00	\$5,000.00
3	Storm Water Pollution Prevention Plan	1	LS	\$5,000.00	\$5,000.00
4	Site Preparation, Grading, and Seeding	1	LS	\$15,000.00	\$15,000.00
5	10' Wide Double Gate	2	EA	\$3,000.00	\$6,000.00
6	Intruder Resistant Fencing	300	LF	\$20.00	\$6,000.00
7	Tank Foundation	1	LS	\$500,000.00	\$500,000.00
8	400,000 gal Multi-Column Elevated Storage Tank	1	LS	\$2,500,000.00	\$2,500,000.00
9	Tie-in System to Existing Plant	1	LS	\$5,000.00	\$5,000.00
10	Yard Piping	1	LS	\$25,000.00	\$25,000.00
11	Butterfly Valve	1	EA	\$25,000.00	\$25,000.00
12	Electrical Improvements	1	LS	\$75,000.00	\$75,000.00
Subtotal Construction Cost:					\$3,317,000.00
+ 20% Contingency:					\$663,400.00
Total Construction Cost:					\$3,980,400.00

Disclaimer: This cost estimate is for the project's Preliminary completion submittal and is intended for preliminary review only. It is not intended for construction, bidding, or permitting purposes. Prepared by John D. Schmeling, P.E. License No. 143141

Agenda

Item #12

Discussions regarding
ASR Meetings

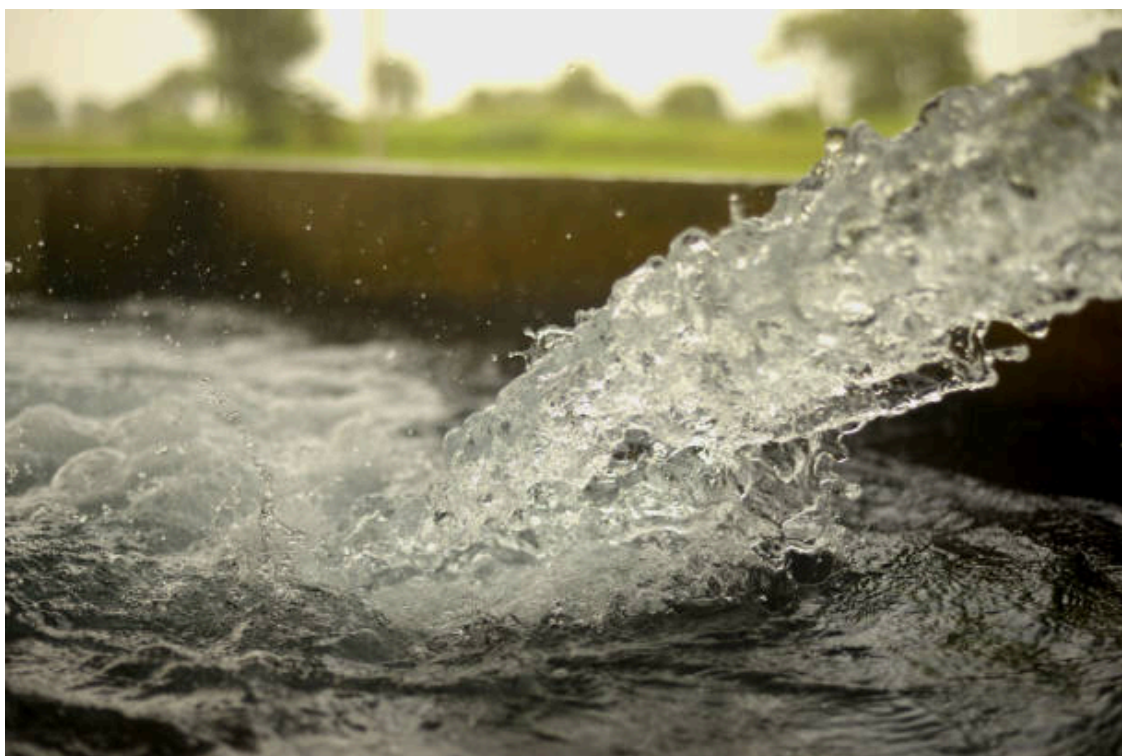
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**TEXAS WATER UTILITIES
ASSOCIATION**

NEWSLETTER

Aquifer Storage and Recovery



Drought conditions are ongoing in Texas, and forecasts indicate the state will continue to experience drought. Like other states similarly affected, Texas is exploring many ways to plan for and address drought. Aquifer storage and recovery (ASR) is a promising tool in this fight.

What is ASR?

Aquifer Storage and Recovery is like a savings account, in which you set money aside for a future need. As part of an overall water supply management

demand, then pump it back to the surface when demand exceeds supply.

What does an ASR site need?

In 2019, the Texas Legislature authorized a statewide suitability study to identify potential ASR sites. Good locations have specific characteristics:

- Porous rock layers, such as limestone or sandstone, so that water can flow freely in and out.
- Barriers like clay to prevent water from escaping.
- Absence of minerals that cause chemical reactions.

How is a site selected and created?

Aside from the geological requirements, a potential aquifer site must not have attributes that would harm the safety of water stored there, and the water must be treated before storage. Water in ASR systems includes surface, ground, and reclaimed water.

ASR systems use injection wells to move the water underground for storage, then use the same wells to extract the water when needed. Water recovered from aquifers may need some treatment before being added to the drinking water supply. Because the aquifers are underground, evaporation is not a concern. However, some water remains underground as a buffer zone for the stored water.

What is the potential for ASR in Texas?

Texas currently has eight ASR systems, and the State Water Plan issued in 2022 recommended 27 more projects, four of which are in development. While ASRs can't unilaterally solve our water problems, these aquifers offer a significant tool in the overall strategy to meet Texas's future water supply needs. As drought conditions persist, Aquifer Storage and Recovery offers Texas a valuable, long-term solution to manage water sustainably. By investing in ASR systems, the state can better prepare for future shortages and strengthen the resilience of its water supply.



Texas Water Utilities Association
512-459-3124 or **888-367-8982**
info@twua.org



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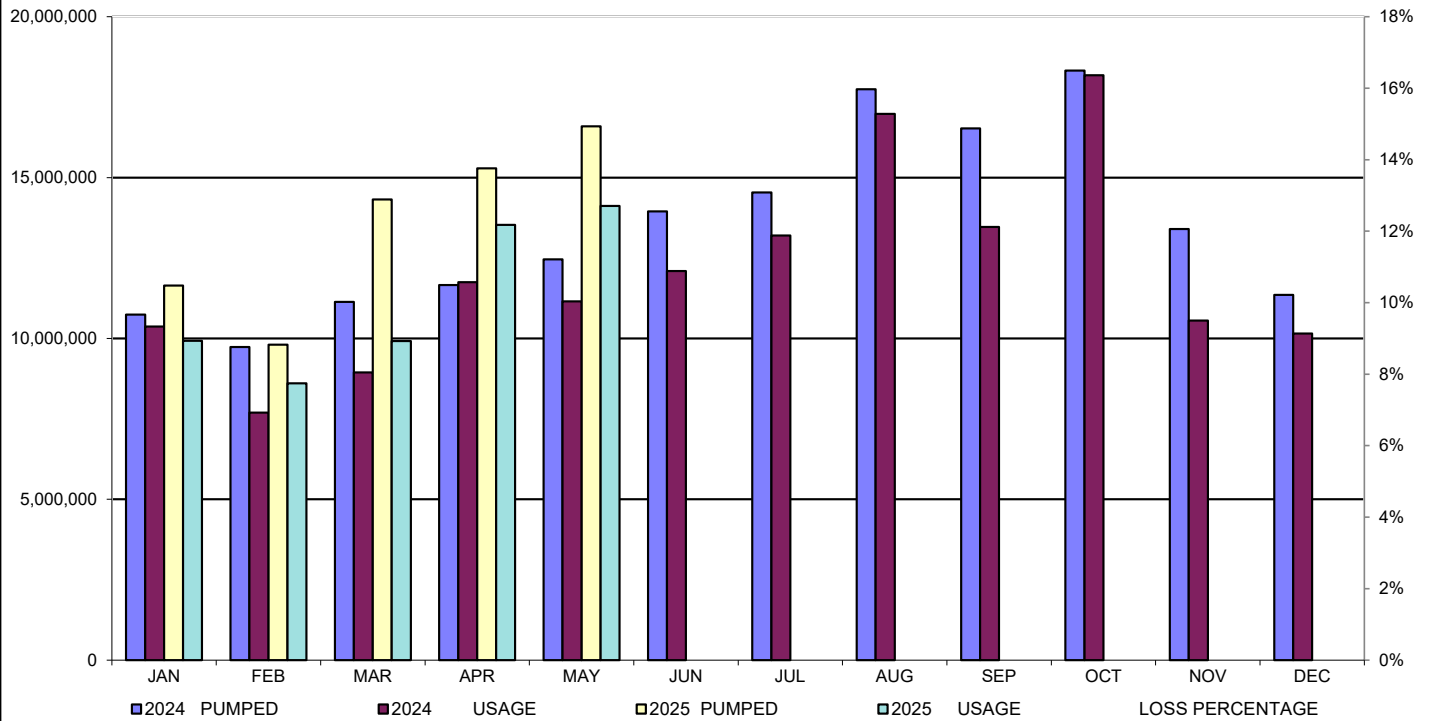
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Misc Reports

Consumption Report

MONTH	2024	2024	2025	2025	2025	ACTIVE	LOSS
	PUMPED	USAGE	PUMPED	USAGE	PUMPED		
	WATER	OF WATER	WATER	OF WATER	UNBILLED	METERS	%
JAN	10,742,789	10,367,301	11,644,829	9,929,979	1,284,425	2,363	4%
FEB	9,733,921	7,695,855	9,804,440	8,605,351	714,200	2,366	5%
MAR	11,134,303	8,939,458	14,316,694	9,915,235	2,143,275	2,363	16%
APR	11,662,091	11,746,378	15,289,055	13,530,994	1,280,125	2,374	3%
MAY	12,460,572	11,151,158	16,589,422	14,115,350	1,109,000	2,381	8%
JUN	13,951,837	12,095,889					
JUL	14,534,984	13,196,265					
AUG	17,748,387	16,980,487					
SEP	16,524,854	13,461,341					
OCT	18,326,500	18,178,879					
NOV	13,401,272	10,553,461					
DEC	11,350,025	10,149,752					
TOTALS	161,571,535	144,516,224	67,644,440	56,096,909	6,531,025		7%



JOB CODE	----- ISSUED THIS PERIOD -----				----- PRIOR ORDERS -----			TOTAL	TOTAL
	ISSUED	COMPLETED	VOIDED	OUTSTANDING	COMPLETED	VOIDED	OUTSTANDING	COMPLETED	OUTSTANDING
ALARM SEWER ALARM	20	18	0	0	2,820	33	0	2,838	0
BROWN BROWN WATER	2	2	0	0	408	3	0	410	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	6	0	0	961	1	0	967	0
HSWAP METER HEAD SWAP	2	0	0	0	154	17	0	154	0
IRRIG IRRIGATION PERMIT	0	0	0	0	65	2	1	65	1
LEAK CHECK FOR LEAK	5	4	1	0	2,085	27	1	2,089	1
LKMTR LOCK MTR	0	0	0	0	242	76	0	242	0
LNLOC LINE LOCATE	0	0	0	0	268	5	0	268	0
METER MOVE METER CHARGE	0	0	0	0	7	8	0	7	0
MI METER INFORMATION	0	0	0	0	194	14	0	194	0
MISCE MISCELLANEOUS	7	5	0	0	3,563	190	10	3,568	10
MOW MOWING GRASS	0	0	0	0	279	1	0	279	0
OCC OCCUPANT CHANGE	21	20	1	0	4,749	73	0	4,769	0
ODOR SMELLY WATER	2	2	0	0	54	0	0	56	0
OFF TURN OFF SERVICE	16	16	0	0	3,197	309	0	3,213	0
OFFEE TRIP CHARGE TURN OFF	0	0	0	0	23	0	0	23	0
ON TURN ON SERVICE	24	24	0	0	4,356	92	0	4,380	0
ONFEE TRIP CHARGE TURN ON	0	0	0	0	25	2	0	25	0
POOLS POOL/SPA PERMIT	1	1	0	0	62	1	0	63	0
RADIO RADIO READ REPORT	0	0	0	0	154	5	0	154	0
RC READ CHECK	2	2	0	0	456	111	0	458	0
ROAD ROAD REPAIR	9	0	0	0	4,007	26	8	4,007	8
RRMON RADIO READ MONITOR (RENT)	0	0	0	0	0	1	0	0	0
SEWER WASTEWATER MISC SERVICE	2	2	0	0	1,514	32	2	1,516	2
SIGN STREET SIGN	0	0	0	0	77	4	1	77	1
SWAP METER SWAP-OUT	6	2	0	0	1,860	118	0	1,862	0
SWTAP W/W TAP	3	1	0	2	581	27	1	582	3
TMPWT TMP WTR	0	0	0	0	9	5	0	9	0
W/W W/W ESTIMATE	4	4	0	0	1,372	57	5	1,376	5
WMEAS MEASURE FOR WATER TAP	10	10	0	0	2,146	57	2	2,156	2
WPRES LOW WATER PRESSURE	8	8	0	0	456	19	0	464	0
WTRTP WATER TAP	15	12	0	3	500	794	0	512	3
WWMOV W/W ESTIMATE FOR RELOCATE	0	0	0	0	11	6	0	11	0
** GRAND TOTALS **	165	139	2	5	37,215	2,127	31	37,354	36

MAY 2025
BCWCID#2

Re-Cap of Wastewater Tap Applications

WASTEWATER TAPS:

2025 Pending	6
2025 Complete.....	16
2024 Pending	1
2024 Complete.....	47
2023 Complete.....	32
2022 Complete.....	35
2021 Complete.....	34
2020 Complete.....	43
2019 Complete.....	34
2018 Complete.....	52
2017 Complete	35
2016 Complete	40
2015 Complete	32
2014 Complete	26

Active Wastewater Customers: 956

MAY 2025

BCWCID#2

Re-Cap of Water Tap Applications

WATER TAPS:

2025 Pending	17
2025 Complete.....	25
2024 Complete.....	99
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