

Bastrop County

WCID #2

Board Packet

for

April 16, 2026

Bastrop County Water Control and Improvement District No. 2

Meeting Agenda

TO: The Board of Directors of Bastrop County Water Control and Improvement District No. 2,
Bastrop County, Texas and To All Interested Parties:

Notice is hereby given that a meeting of the governing body of the above-named political subdivision will be held on Thursday April 16, 2026 at 6:30 pm in the Board Room located at 112 Corporate Drive, Bastrop, TX 78602.

MEETING DISCUSSION TOPICS



- 1.) Call to Order and Establish a Quorum – O’Hanlon
- 2.) Salute to Flags – O’Hanlon
- 3.) Public Comments/Announcements: (The Board respectfully requests that people limit comments to three (3) minutes. Under the Open Meeting Act, the Board may not deliberate or take action in response to any matter raised during public comment that is not a separate agenda item.)
- 4.) Discussion and possible action regarding schedule of future meeting dates:
 - a. Regular Board of Director’s Meeting scheduled for Thursday, May 21, 2026 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 March 19, 2026 Meeting of the Board of Directors;
 - b. Approval of monthly financial reports for March 2026; 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.) Employee & Administrative Update
- 7.) Discussion and possible action related to Capital Improvement Projects to be funded with bond proceeds– Hightower
- 8.) Discussion and possible action related to Engagement of Patillo, Hill & Brown for FY 2025 Financial Audit– Hightower
- 9.) Discussion and possible action related to a Water System Interconnect Interlocal Agreement with the City of Bastrop – Hightower
- 10.) Discussion regarding cybersecurity training required for public officials – Hightower
- 11.) Discussion regarding Road District Funds – Commissioner Carmack

12.) Board suggestions on future agenda items

13.) Adjourn

Paul Hightower

Digitally Signed & Certified
April 10, 2026 @ 1056 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.

**March 19th 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, March 19, 2026, 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

BCWCID #2 Staff:

Paul Hightower, General Manager
Patricia Lujan, District Administrator
Darrel Culberson, District Comptroller
Adam Brown
Tyler Walsh

Absentees

Ruth Bullock, Treasurer

Remote Participation

Austin Reed, 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 public comments.

- 4.) Discussion and possible action regarding schedule of future meeting dates:
 - a. Regular Board of Director's Meeting scheduled for Thursday, April 16, 2026 at 6:30 p.m.

Mrs. O'Hanlon stated that the District's next board meeting was on April 16th. All Board Members stated they should be there.

No further comments or suggestions.

- 5.) CONSENT AGENDA:

- a. Approval of minutes from the January 15, 2026 Meeting of the Board of Directors;
- b. Approval of monthly financial reports for January 2026; and
- c. 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. Mr. Culberson read the financials as presented in the packet. 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.

Second: Michele Plummer

Vote: Four (4) in favor, One (1) absentee, 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. Employee & Administrative Update

Mr. Hightower read the GM report as posted in the Board packet.

No further comments or discussion.

- 7.) Discussion related to Capital Improvement Projects to be funded with bond proceeds—
Hightower

No comments or discussion.

- 8.) Discussion and possible action related to approval of FY 2024 Financial Audit Report –
Hightower

Mr. Hightower stated that the 2024 Audit was completed and the draft looked great. The auditors noted no negative findings, mishandling or irregular. Everything looked great and they were preparing for 2025. Staff recommended accepting the 2024 audit as presented.

No further comments or actions.

Mrs. O'Hanlon called the question.

Motion: Ron Whipple moved to approve the 2024 Audit

Second: Michele Plummer

Vote: Four (4) in favor, One (1) absentee, motion carries

- 9.) Discussion and possible action related to approval of FY 2024 Financial Audit Report – Hightower

Nothing to report. Engagement letter will be on next months agenda.

- 10.) Discussion and possible action related to a Water Interconnect ILA with the City of Bastrop – Hightower

Mr. Hightower stated that it's still being reviewed by the City. All parties had agreed to an emergency bulk rate for the new meter but were waiting on final approval for a bulk take.

No further comments or action.

- 11.) Discuss, consider and take action regarding May 2, 2026, Director Election:
- a. Accept Certification of Unopposed Candidates.
Aceptar certificación de candidatos únicos.
 - b. Adopt Order Canceling Election.
Adoptar una Orden de cancelación.

Mr. Hightower presented the election cancellation orders as shown in the packet. Staff recommended approval.

No further comments or discussion.

Mrs. O'Hanlon called the question.

Motion: Scott Ferguson moved to approve the election cancellation.

Second: Ron Whipple

Vote: Four (4) in favor, One (1) absentee, motion carries.

- 12.) Board suggestions on future agenda items

Audit engagement and ILA as needed.

- 13.) Adjourn 6:51 pm

Mrs. O'Hanlon called the question.

Motion: Michele Plummer moved to adjourn.

Second: Scott Ferguson

Vote: Four (4) in favor, One (1) absentee, motion carries.

Authorized Signature

5b.

Financials

Bastrop County Water Control and Improvement District #2
Cash & Investment Report
As of March 31, 2026

Fund	Account Name	Account Number	Bank Name	Yield	Prior Month Balance	Current Balance
Standby Fund						
	Standby Operating Account	2687	Roscoe State Bank	0.00%	\$ 103,659	\$ 103,659
Standby Fund Total					\$ 103,659	\$ 103,659
Roads Fund						
	Roads Construction Account	9330	Roscoe State Bank	0.00%	\$ 658,561	\$ 688,629
	Roads Construction MMA	3131	Roscoe State Bank	1.75%	2,672	2,673
Roads Fund Total					\$ 661,233	\$ 691,303
Debt Service Fund						
	TWDB Reserve Fund - DS	0001	Texpool	3.98%	\$ 191,363	\$ 191,960
	Annual TWDB MMA - DS	4385	First National Bank	0.50%	1	91
	Wastewater Escrow TWDB Loan - DS	1041	Amegy Bank	0.25%	96,792	97,061
	Debt Service Fund - DS	0004	Texpool	3.98%	558,892	560,635
Debt Service Fund Total					\$ 847,048	\$ 849,748
Capital Fund						
	Water Capital Projects Fund	7780	First National Bank	0.50%	\$ 4,883	\$ 4,883
	Capital Project - Bond Series 2021	0005	Texpool	3.98%	4,077,182	4,066,864
	Water Capital Projects Fund	3653	First National Bank	0.50%	16,441	16,441
	Capital Project - Bond Series 2023	0006	Texpool	3.98%	2,620,308	2,628,481
Capital Fund Total					\$ 6,718,813	\$ 6,716,668
Water Fund						
	Water Operating Account	1469	First National Bank	0.50%	\$ 378,243	\$ 462,638
	Wastewater TWDB Checking	3289	First National Bank	0.00%	572	572
Operating Total:					\$ 378,815	\$ 463,210
	Wastewater /Water MMA	0002	Texpool	3.98%	\$ 406,571	\$ 407,839
	Wastewater /Water Capital	3543	First National Bank	0.50%	47	47
	Wastewater MMA (Water)	5076	First National Bank	0.50%	115	105
Water Fund Total					\$ 785,549	\$ 871,202
Total Cash & Investments					\$ 9,116,303	\$ 9,232,580

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Statement of Revenues, Expenditures and Changes in Fund Balances (Actual vs. Budget)

Draft

Water Fund

For Quarter Ending March 31, 2026

	First Quarter			Year-to-Date			Annual Budget
	Actual	Budget	Variance Fav (Unfav)	Actual	Budget	Variance Fav (Unfav)	
Revenues:							
Irrigation Permit	\$ 450	\$ 125	\$ 325	\$ 450	\$ 125	\$ 325	\$ 500
Water Late Charge Income	6,628	8,750	(2,122)	6,628	8,750	(2,122)	35,000
Water Line Bore	8,750	8,750	-	8,750	8,750	-	35,000
Capital Reserve Fee	62,355	60,000	2,355	62,355	60,000	2,355	240,000
Copies & Faxes	-	25	(25)	-	25	(25)	100
Interest-Bond	60,905	80,000	(19,095)	60,905	80,000	(19,095)	320,000
Maps Sold	-	25	(25)	-	25	(25)	100
Office Rents	1,800	1,875	(75)	1,800	1,875	(75)	7,500
Pools Fees	-	75	(75)	-	75	(75)	300
Reconnect Fee	285	6,250	(5,965)	285	6,250	(5,965)	25,000
TV Tap Fees	99,500	90,000	9,500	99,500	90,000	9,500	360,000
TV Water Sales	441,769	500,000	(58,231)	441,769	500,000	(58,231)	2,000,000
Interest-Investments	6,968	7,500	(532)	6,968	7,500	(532)	30,000
Other Miscellaneous Revenues	-	1,250	(1,250)	-	1,250	(1,250)	5,000
Proceeds From Sale	-	-	-	-	-	-	-
Backflow Inspections Collected	-	1,500	(1,500)	-	1,500	(1,500)	6,000
Returned Check Fee	-	1,250	(1,250)	-	1,250	(1,250)	5,000
Total Revenues	\$ 689,411	\$ 767,375	\$ (77,964)	\$ 689,411	\$ 767,375	\$ (77,964)	\$ 3,069,500

Expenditures:

Payroll and Taxes

Salaries & Wages - Water	\$ 138,552	\$ 125,000	\$ (13,552)	\$ 138,552	\$ 125,000	\$ (13,552)	\$ 500,000
Salaries & Wages - Holidays - Water	24,379	11,250	(13,129)	24,379	11,250	(13,129)	45,000
Salaries & Wages - Vacation - Water	16,577	10,500	(6,077)	16,577	10,500	(6,077)	42,000
Salaries & Wages - Sick - Water	5,251	7,500	2,249	5,251	7,500	2,249	30,000
Salaries & Wages - Overtime - Water	5,007	5,000	(7)	5,007	5,000	(7)	20,000
Salaries & Wages - On Call Pay - Water	994	1,750	756	994	1,750	756	7,000
Salaries & Wages - Double Time - Water	900	875	(25)	900	875	(25)	3,500
Salaries & Wages - Personal Time - Water	1,191	1,000	(191)	1,191	1,000	(191)	4,000
Salaries & Wages - Bereavement - Water	850	500	(350)	850	500	(350)	2,000
Salaries & Wages - Birthday Pay	520	875	355	520	875	355	3,500
Jury Duty Pay	-	75	75	-	75	75	300
Longevity Pay	-	2,750	2,750	-	2,750	2,750	11,000
FICA Taxes	-	15,000	15,000	-	15,000	15,000	60,000
FUTA	-	500	500	-	500	500	2,000
SUI	-	1,000	1,000	-	1,000	1,000	4,000

Benefits and Insurance

Retirement-Life	\$ -	\$ 42,500	\$ 42,500	\$ -	\$ 42,500	\$ 42,500	\$ 170,000
Health Insurance-Other	7,754	10,000	2,246	7,754	10,000	2,246	40,000
Insurance-Dental	3,651	3,250	(401)	3,651	3,250	(401)	13,000
Insurance-Life	1,008	1,750	742	1,008	1,750	742	7,000
Insurance-Medical	149,459	112,500	(36,959)	149,459	112,500	(36,959)	450,000
Insurance-Vision	1,097	1,000	(97)	1,097	1,000	(97)	4,000
Medical	-	-	-	-	-	-	-
Wellness Program	120	125	5	120	125	5	500
Workers' Compensation	1,975	1,250	(725)	1,975	1,250	(725)	5,000
Total Benefits and Insurance	\$ 165,064	\$ 172,375	\$ 7,311	\$ 165,064	\$ 172,375	\$ 7,311	\$ 689,500

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Statement of Revenues, Expenditures and Changes in Fund Balances (Actual vs.Budget)

Draft

Water Fund (cont.)

For Quarter Ending March 31, 2026

	First Quarter			Year-to-Date			Annual Budget
	Actual	Budget	Variance Fav (Unfav)	Actual	Budget	Variance Fav (Unfav)	
Other Administrative Costs							
ProfServ-IT Services - Water	\$ 944	\$ 3,750	\$ 2,806	\$ 944	\$ 3,750	\$ 2,806	\$ 15,000
Meter Reading Software Annual Fee	-	7,500	7,500	-	7,500	7,500	30,000
ProfServ-Answering Service	1,215	625	(590)	1,215	625	(590)	2,500
Payroll Processing Fee	991	1,000	9	991	1,000	9	4,000
Cleaning-Office	413	875	463	413	875	463	3,500
Pest Control	-	750	750	-	750	750	3,000
Legal Fees	4,890	3,500	(1,390)	4,890	3,500	(1,390)	14,000
Accounting Services	1,070	1,875	805	1,070	1,875	805	7,500
Investment Management Fee	-	250	250	-	250	250	1,000
Auditing Services	1,902	5,000	3,098	1,902	5,000	3,098	20,000
Security Agreement	78	300	222	78	300	222	1,200
Maint Agreement-Incode	-	8,750	8,750	-	8,750	8,750	35,000
Insurance-Property	-	1,625	1,625	-	1,625	1,625	6,500
Insurance-General Liability	-	500	500	-	500	500	2,000
Insurance-Vehicle	-	1,250	1,250	-	1,250	1,250	5,000
Insurance-E&O	-	500	500	-	500	500	2,000
Insurance-Wells	-	1,250	1,250	-	1,250	1,250	5,000
Insurance-Bonding	679	188	(492)	679	188	(492)	750
Insurance-Misc	19,171	25	(19,146)	19,171	25	(19,146)	100
Travel-Air	-	1,250	1,250	-	1,250	1,250	5,000
Travel-Lodging	-	1,125	1,125	-	1,125	1,125	4,500
Travel-Meals	-	625	625	-	625	625	2,500
Travel-Rental Car	-	125	125	-	125	125	500
Communication-Telephone	1,937	1,875	(62)	1,937	1,875	(62)	7,500
Electricity-Office Bldg	628	1,000	372	628	1,000	372	4,000
Postage and Freight	1,123	3,250	2,127	1,123	3,250	2,127	13,000
Communication/Radios	-	1,250	1,250	-	1,250	1,250	5,000
Fax	-	25	25	-	25	25	100
Office Supplies	2,535	2,500	(35)	2,535	2,500	(35)	10,000
Printing	2,044	1,250	(794)	2,044	1,250	(794)	5,000
Advertising	265	125	(140)	265	125	(140)	500
Internet Services	1,521	1,500	(21)	1,521	1,500	(21)	6,000
Misc. Licenses & Permits	114	125	11	114	125	11	500
Misc-Credit Card Fees	4,732	12,500	7,768	4,732	12,500	7,768	50,000
Bank Fees	60	2,500	2,440	60	2,500	2,440	10,000
Misc-Late Fees	125	125	0	125	125	0	500
Mileage Reimbursement	86	375	289	86	375	289	1,500
Vehicle Usage	55	250	195	55	250	195	1,000
Pre-Employment Screening	-	250	250	-	250	250	1,000
Public Notice	223	500	277	223	500	277	2,000
Dues, Licenses, Subscriptions	675	1,250	575	675	1,250	575	5,000
Computer Supplies / Equipment	530	1,250	720	530	1,250	720	5,000
Computer Expense	-	3,750	3,750	-	3,750	3,750	15,000
Office Equipment Lease	519	-	(519)	519	-	(519)	-
Janitorial Supplies	-	63	63	-	63	63	250
Misc. Office	-	250	250	-	250	250	1,000
Election Costs	-	375	375	-	375	375	1,500
Education/Training	535	750	215	535	750	215	3,000
Total Other Administrative	\$ 49,059	\$ 79,725	\$ 30,666	\$ 49,059	\$ 79,725	\$ 30,666	\$ 318,900

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Statement of Revenues, Expenditures and Changes in Fund Balances (Actual vs.Budget)

Draft

Water Fund (Cont.)
For Quarter Ending March 31, 2026

	First Quarter			Year-to-Date			Annual Budget
	Actual	Budget	Variance Fav (Unfav)	Actual	Budget	Variance Fav (Unfav)	
Operations							
Yard Maintenance-Mowing	\$ 2,100	\$ 2,125	\$ 25	\$ 2,100	\$ 2,125	\$ 25	\$ 8,500
Labor-Service Lines & Taps	431	2,500	2,069	431	2,500	2,069	10,000
Fuel, Gasoline and Oil	5,645	10,000	4,355	5,645	10,000	4,355	40,000
Garbage Removal	722	1,000	278	722	1,000	278	4,000
Electricity-Wells	17,473	13,750	(3,723)	17,473	13,750	(3,723)	55,000
Electricity-Maint Bldg	641	1,000	359	641	1,000	359	4,000
Cleaning-Maint Bldg	413	1,250	838	413	1,250	838	5,000
Equipment Rental							10,000
R&M-Equipment	1,531	10,000	8,469	1,531	10,000	8,469	40,000
R&M-Well Maintenance	15,141	6,250	(8,891)	15,141	6,250	(8,891)	25,000
R&M-Vehicles	6,310	7,500	1,190	6,310	7,500	1,190	30,000
Repairs-Contracted	1,380	1,250	(130)	1,380	1,250	(130)	5,000
Contract Labor	33,350	125	(33,225)	33,350	125	(33,225)	500
R&M-Backflow Inspection	-	1,250	1,250	-	1,250	1,250	5,000
Building Maintenance & Repairs	2,653	2,500	(153)	2,653	2,500	(153)	10,000
Water Samples	2,518	1,250	(1,268)	2,518	1,250	(1,268)	5,000
Water Well Admin Service Fee	13,094	3,750	(9,344)	13,094	3,750	(9,344)	15,000
TCEQ Fees	-	2,500	2,500	-	2,500	2,500	10,000
Damage Claim	-	1,250	1,250	-	1,250	1,250	5,000
Filing Fees	-	125	125	-	125	125	500
Meter Testing	250	63	(188)	250	63	(188)	250
License	208	625	417	208	625	417	2,500
OP Supplies-Hand Tools	1,115	1,250	135	1,115	1,250	135	5,000
OP Supplies-Uniforms	347	2,500	2,153	347	2,500	2,153	10,000
Meters & Supplies	19,796	6,250	(13,546)	19,796	6,250	(13,546)	25,000
OP Supplies-Chemicals	4,903	7,500	2,597	4,903	7,500	2,597	30,000
Safety Supplies	423	1,750	1,327	423	1,750	1,327	7,000
Small Equipment Purchase	-	1,250	1,250	-	1,250	1,250	5,000
Materials	33,719	17,500	(16,219)	33,719	17,500	(16,219)	70,000
Materials-Hauling	-	-	-	-	-	-	-
Miscellaneous Services	-	500	500	-	500	500	2,000
Activated Carbon - Water	-	12,500	12,500	-	12,500	12,500	50,000
Depreciation Expense	-	37,500	37,500	-	37,500	37,500	150,000
Total Operations	\$ 164,161	\$ 162,313	\$ (1,849)	\$ 164,161	\$ 162,313	\$ (1,849)	\$ 659,250
Total Expenses	\$ 572,504	\$ 597,988	\$ 25,484	\$ 572,504	\$ 597,988	\$ 25,484	\$ 2,401,950
Net Ordinary Income	\$ 116,907	\$ 166,888	\$ (52,481)	\$ 116,907	\$ 169,388	\$ (52,481)	\$ 667,550

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Statement of Revenues, Expenditures and Changes in Fund Balances (Actual vs.Budget)
Water Fund (Cont.)

Draft

For Quarter Ending March 31, 2026

	First Quarter			Year-to-Date			Annual Budget
	Actual	Budget	Variance Fav (Unfav)	Actual	Budget	Variance Fav (Unfav)	
Debt Service							
Interest Expense	\$ -	\$ 21,963	\$ 21,963	\$ -	\$ 21,963	\$ 21,963	\$ 87,850
2023 Bond Debt Service	-	55,000	55,000	-	55,000	55,000	220,000
2021 Bond Debt Service	-	115,000	115,000	-	115,000	115,000	460,000
Total Debt Service	\$ -	\$ 191,963	\$ 191,963	\$ -	\$ 191,963	\$ 191,963	\$ 767,850
Capital Outlay/Projects							
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay-Culverts	-	-	-	-	-	-	-
Line Extension	44,000	-	(44,000)	44,000	-	(44,000)	-
Water Tank Main	33,000	30,800	(2,200)	33,000	30,800	(2,200)	123,200
Water Well Cap Improv	-	-	-	-	-	-	-
Building Capital	-	-	-	-	-	-	-
Capital Equipment Purchase - Water	-	-	-	-	-	-	-
Capital Vehicle Purchase - Water	20,001	-	(20,001)	20,001	-	(20,001)	-
Total Capital Outlay Projects	\$ 97,001	\$ 30,800	\$ (66,201)	\$ 97,001	\$ 30,800	\$ (66,201)	\$ 123,200
Revenue Over (Under) Expenditures	\$ 19,905	\$ (55,875)	\$ 73,280	\$ 19,905	\$ (53,375)	\$ 73,280	\$ (223,500)

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Statement of Revenues, Expenditures and Changes in Fund Balances (Actual vs.Budget)

Draft

Wastewater Fund

For Quarter Ending March 31, 2026

	First Quarter			Year-to-Date			Annual Budget
	Actual	Budget	Variance Fav (Unfav)	Actual	Budget	Variance Fav (Unfav)	
Revenues:							
Wastewater Fees	\$ 237,119	\$ 225,000	\$ 12,119	\$ 237,119	\$ 225,000	\$ 12,119	\$ 900,000
Wastewater Tap Fees	167,357	112,500	54,857	167,357	112,500	54,857	450,000
Wastewater Bore	10,500	6,250	4,250	10,500	6,250	4,250	25,000
Commercial Fees	8,181	8,750	(569)	8,181	8,750	(569)	35,000
Debt Service Reserve Fee	24,798	22,500	2,298	24,798	22,500	2,298	90,000
Interest-Investments	3,683	15,000	(11,317)	3,683	15,000	(11,317)	60,000
Interest-Reserves	-	-	-	-	-	-	-
Total Revenues	\$ 451,638	\$ 390,000	\$ 61,638	\$ 451,638	\$ 390,000	\$ 61,638	\$ 1,560,000

Expenditures:

Administration

Salaries & Wages - Wastewater	\$ 34,743	\$ 55,000	\$ 20,257	\$ 34,743	\$ 55,000	\$ 20,257	\$ 220,000
Salaries & Wages - Holidays - Wastewater	6,221	2,500	(3,721)	6,221	2,500	(3,721)	10,000
Salaries & Wages - Sick - Wastewater	1,313	2,500	1,187	1,313	2,500	1,187	10,000
Salaries & Wages - Overtime - Wastewater	1,252	1,250	(2)	1,252	1,250	(2)	5,000
Salaries & Wages - On Call Pay - Wastewater	249	500	251	249	500	251	2,000
Salaries & Wages - Double Time - Wastewater	225	250	25	225	250	25	1,000
Medical	-	250	250	-	250	250	1,000
Workers' Compensation	1,975	1,250	(725)	1,975	1,250	(725)	5,000
ProfServ-IT Services - Wastewater	-	-	-	-	-	-	-
Legal Fees	-	1,250	1,250	-	1,250	1,250	5,000
Accounting Services	-	1,875	1,875	-	1,875	1,875	7,500
Auditing Services	2,972	2,500	(472)	2,972	2,500	(472)	10,000
Cleaning-Office	825	825	-	825	825	-	3,300
Travel-Lodging	-	250	250	-	250	250	1,000
Travel-Rental Car	-	125	125	-	125	125	500
Travel-Meals	-	125	125	-	125	125	500
Communication-Telephone	447	625	178	447	625	178	2,500
Maint Agreement-Billing System	-	-	-	-	-	-	-
Insurance-Property	-	250	250	-	250	250	1,000
Insurance-General Liability	-	250	250	-	250	250	1,000
Insurance-Vehicle	-	250	250	-	250	250	1,000
Insurance-E&O	-	250	250	-	250	250	1,000
Insurance-Misc	-	250	250	-	250	250	1,000
Office Supplies	514	500	(14)	514	500	(14)	2,000
Education/Training	534	750	216	534	750	216	3,000
Total Administration	\$ 51,269	\$ 73,575	\$ 22,306	\$ 51,269	\$ 73,575	\$ 22,306	\$ 294,300

Operations

Yard Maintenance-Mowing	\$ 2,100	\$ 2,125	\$ 25	\$ 2,100	\$ 2,125	\$ 25	\$ 8,500
Contract Labor	-	5,000	5,000	-	5,000	5,000	20,000
Labor-Service Lines & Taps	-	2,500	2,500	-	2,500	2,500	10,000
Fuel, Gasoline and Oil	5,584	10,000	4,416	5,584	10,000	4,416	40,000
Electricity-Lift Station	1,359	1,500	141	1,359	1,500	141	6,000
Wastewater Service	46,396	47,500	1,104	46,396	47,500	1,104	190,000
Equipment Rental	107	625	518	107	625	518	2,500
R&M-Equipment	1,586	3,750	2,164	1,586	3,750	2,164	15,000
R&M-Lift Station-WW	24,893	2,500	(22,393)	24,893	2,500	(22,393)	10,000
R&M-Vehicles	6,358	3,750	(2,608)	6,358	3,750	(2,608)	15,000

BASTROP COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2
Statement of Revenues, Expenditures and Changes in Fund Balances (Actual vs. Budget)

Draft

Wastewater Fund (Cont.)
For Quarter Ending March 31, 2026

	First Quarter			Year-to-Date			Annual Budget
	Actual	Budget	Variance Fav (Unfav)	Actual	Budget	Variance Fav (Unfav)	
Operations (cont.)							
Repairs & Maintenance	\$ 10,105	\$ 5,000	\$ (5,105)	\$ 10,105	\$ 5,000	\$ (5,105)	\$ 20,000
R&M - Grinder Pump	-	10,000	10,000	-	10,000	10,000	40,000
Tools And Equipment	952	500	(452)	952	500	(452)	2,000
Op Supplies - Hand Tools	-	375	375	-	375	375	1,500
Miscellaneous Services	-	250	250	-	250	250	1,000
TCEQ Fees	-	875	875	-	875	875	3,500
Filing Fees	-	188	188	-	188	188	750
License	-	188	188	-	188	188	750
Lift Station Admin Service Fee	347	375	-	347	375	28	1,500
OP Supplies-Uniforms	-	375	375	-	375	375	1,500
Op Supplies -Chemicals	477	-	(477)	477	-	(477)	-
Safety Supplies	-	1,250	1,250	-	1,250	1,250	5,000
Small Equipment Purchase	16,707	375	(16,332)	16,707	375	(16,332)	1,500
Materials	-	17,500	17,500	-	17,500	17,500	70,000
Total Operations	\$ 116,971	\$ 116,500	\$ (500)	\$ 116,971	\$ 116,500	\$ (471)	\$ 466,000
Total Expenses	\$ 168,240	\$ 190,075	\$ 21,806	\$ 168,240	\$ 190,075	\$ 21,835	\$ 760,300
Net Ordinary Income	\$ 283,397	\$ 199,925	\$ 83,444	\$ 283,397	\$ 199,925	\$ 83,472	\$ 799,700
Debt Service							
Interest Expense	\$ -	\$ 17,250	\$ 17,250	\$ -	\$ 17,250	\$ 17,250	\$ 69,000
2016 Bond Debt Service	-	78,750	78,750	-	78,750	78,750	315,000
Total Debt Service	\$ -	\$ 96,000	\$ 96,000	\$ -	\$ 96,000	\$ 96,000	\$ 384,000
Capital Outlay/Projects							
Impr.- W/WW Systems	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay-Equipment	-	-	-	-	-	-	-
Capital Outlay-Vehicles	20,001	-	(20,001)	20,001	-	(20,001)	-
WW Line Extensions	-	-	-	-	-	-	-
Capital Outlay-Grinder Pumps	105,192	37,500	(67,692)	105,192	37,500	(67,692)	150,000
Total Capital Outlay/Projects	\$ 125,193	\$ 37,500	\$ (87,693)	\$ 125,193	\$ 37,500	\$ (87,693)	\$ 150,000
Revenue Over (Under) Expenditures	\$ 158,204	\$ 66,425	\$ 31,525	\$ 158,204	\$ 66,425	\$ 31,496	\$ 265,700

5c.

Liens Release

Lien List Recap for:

MARCH 2026

Total Amount of Liens Released	\$12,203.35
Road Assessments Paid	\$12,985.08
Standby Assessments Paid	\$0.00
Attorney Fees	\$1,154.17
Total actually collected	\$14,139.25
Total Write-Offs	\$0.00
Auction Proceeds	\$22,405.80

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

Agenda

Item #6

**General Manager's
Report**

BASTROP COUNTY WCID NO. 2

General Manager's Update

April 16, 2026

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

All plants and stations are currently running at 100%.

No known issues at this time.

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

Electrical plans for the elevated were approved. We have a meeting set with the City of Bastrop next week to review the plans.

6c. Employee & Administrative update:

We hired 1 new employee for the field and are reviewing resumes to add 1 or 2 more.

We have also decided that with the new software in place, it is time to hire another full-time employee for the office. We will advertise and start taking resumes next month.

Agenda

Item #7

Discussion related to
Capital Improvements

Date: 04-13-2026 (Report for April 16, 2026 meeting)

TO: Board of Directors (“Board”)
Bastrop County Water Control and Improvement District No. 2 (“District”)

FROM: John D. Schmeling, P.E.
Schaumburg & Polk, Inc. (“SPI”)

RE: **Elevated Storage Tank Update**

Project Status

SPI has continued design of the proposed elevated storage tank for the District. The draft plans, project manual, and Preliminary Engineering Report (PER) were submitted to the Texas Commission on Environmental Quality (TCEQ) on February 27, 2026, and were approved on March 19, 2026, as documented in the attached TCEQ approval letter.

SPI’s electrical subconsultant, M&E Consulting, is currently finalizing the electrical design components. Upon completion, the project will be ready for bidding.

Proposed Improvements

The project includes construction of a new elevated storage tank and associated site improvements at Water Plant No. 1. The site plan and tank detail sheets are included in the attachments. Key project features include:

- Location: Water Plant No. 1 (113 Tahitian Drive)
- Tank Type: Multi-leg elevated steel tank
- Storage Volume: 400,000 gallons or 500,000 gallons
- Tank Appurtenances:
 - Obstruction lighting
 - PAX jet mixing system
- Site Improvements:
 - Abandonment of existing hydropneumatic pressure tanks
 - Gravel access driveway
 - Intruder-resistant perimeter fencing

Estimated Cost

The current Engineer’s Opinion of Probable Construction Cost (EOPCC) for each tank option is as follows, based on the attached estimate:

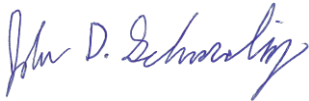
- 400,000 gallon tank: \$3,906,075.04
- 500,000 gallon tank: \$4,621,075.04

Project Schedule

The anticipated schedule for bidding and construction is as follows:

- April 21, 2026: Submit Advertisement for Bids to Austin American-Statesman
- April 23, 2026: Publish plans, specifications, and bid documents on CivCast
- April 24, 2026: First advertisement publication
- April 29, 2026: Second advertisement publication
- May 19, 2026: Non-mandatory pre-bid meeting
- June 4, 2026 at 10:00 AM: Bid opening
 - *This schedule provides approximately six (6) weeks for bid preparation, which is recommended due to the specialized nature of elevated storage tank construction and participation of national contractors.*
- June 18, 2026: Board consideration of contract award
- July 2026 – August 2027: Construction period (estimated)

Respectfully Submitted By,
Schaumburg & Polk, Inc.
TBPE Firm No. 000520



John D. Schmeling, P.E.
Project Manager

Attachments:

- TCEQ Approval Letter (Dated March 19, 2026)
- Cost Estimate
- Proposed Site Plan (Sheet 6 of Plan Set)
- 400,000 gallon Tank Detail (Sheet 9 of Plan Set)
- 500,000 gallon Tank Detail (Sheet 10 of Plan Set)

Brooke T. Paup, *Chairwoman*
Catarina R. Gonzales, *Commissioner*
Tonya R. Miller, *Commissioner*
Kelly Keel, *Executive Director*



PWS_ 1010020_CO_20260319_Plan Ltr

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 19, 2026

John D. Schmeling, P.E.
Schaumburg & Polk, Inc
165 Elmhurst Drive, Suite B,
Kyle, TX 78640

Re: Bastrop County WCID 2 - Public Water System ID No. 0110020
Proposed 400,000-gallon Elevated Storage Tank at Water Plant No. 1
Engineer Contact Telephone: 512-262-0440
Plan Review Log No. P-02272026-230
Bastrop County, Texas

CN600739544 RN100824945

Dear Mr. John:

On February 27, 2026, the Texas Commission on Environmental Quality (TCEQ) received planning material with your letter dated February 27, 2026 for the proposed 400,000-gallon elevated storage tank at Water Plant No. 1. Additional information was received via email on March 11, 2026. Based on our review of the information submitted, the project generally meets the minimum requirements of Title 30 Texas Administrative Code (TAC) Chapter 290 - Rules and Regulations for Public Water Systems and is **conditionally approved for construction** if the project plans and specifications meet the following requirement(s):

1. In accordance with 30 TAC §290.43(c)(5), inlet and outlet facilities must be strategically positioned to ensure adequate circulation and prevent any potential hydraulic short-circuiting within the storage structure.
2. All clearwells and water storage tanks shall have a liquid level indicator located at the tank site. The indicator can be a float with a moving target, an ultrasonic level indicator, or a pressure gauge calibrated in feet of water. Pressure gauges must not be less than three inches in diameter and calibrated at not more than two-foot intervals. Remote reading gauges at the owner's treatment plant or pumping station will not eliminate the requirement for a gauge at the tank site unless the tank is located at the plant or station per 30 TAC Section 290.43(c)(4).
3. Dechlorination of disinfecting water shall be in strict accordance with current AWWA Standard C655-18 or most recent.

John D. Schmeling, P.E.
Page 2
March 19, 2026

The submittal consisted of 18 sheets of engineering drawings technical specifications and engineering report. The approved project consists of:

- Construction of one (1) 400,000-gallon (base bid) or 500,000-gallon (alt. bid) AWWA D100 multi-column welded carbon steel elevated storage tank;
- Associated valves, yard piping, fittings and appurtenances.

This approval is for the construction of the above listed items only. Any wastewater components contained in this design were not considered. The authorization provided in this letter does not relieve a Public Water System from the need to comply with other applicable state and federal regulations.

The Bastrop County WCID 2 public water supply system provides water treatment. The project is located at 113 Tahitian Drive within the Tahitian Village subdivision in Bastrop County, Texas.

An appointed engineer must notify the TCEQ's Region 11 Office in Austin by email at RIIPWS@TCEQ.Texas.gov when construction will start. Please keep in mind that upon completion of the water works project, the engineer or owner will notify the commission's Water Supply Division, in writing, as to its completion and attest to the fact that the completed work is substantially in accordance with the plans and change orders on file with the commission as required in 30 TAC §290.39(h)(3). This notification may be sent to PTRS@tceq.texas.gov.

If you have any questions regarding this letter, please contact Rosa Yaya at 512-239-4606, by email at rosa.yayabeas@tceq.texas.gov or another member of the Plan Review Team at PTRS@tceq.texas.gov.

Sincerely,



Garrett Heathman, Team Leader
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

GH/pt/ry/av

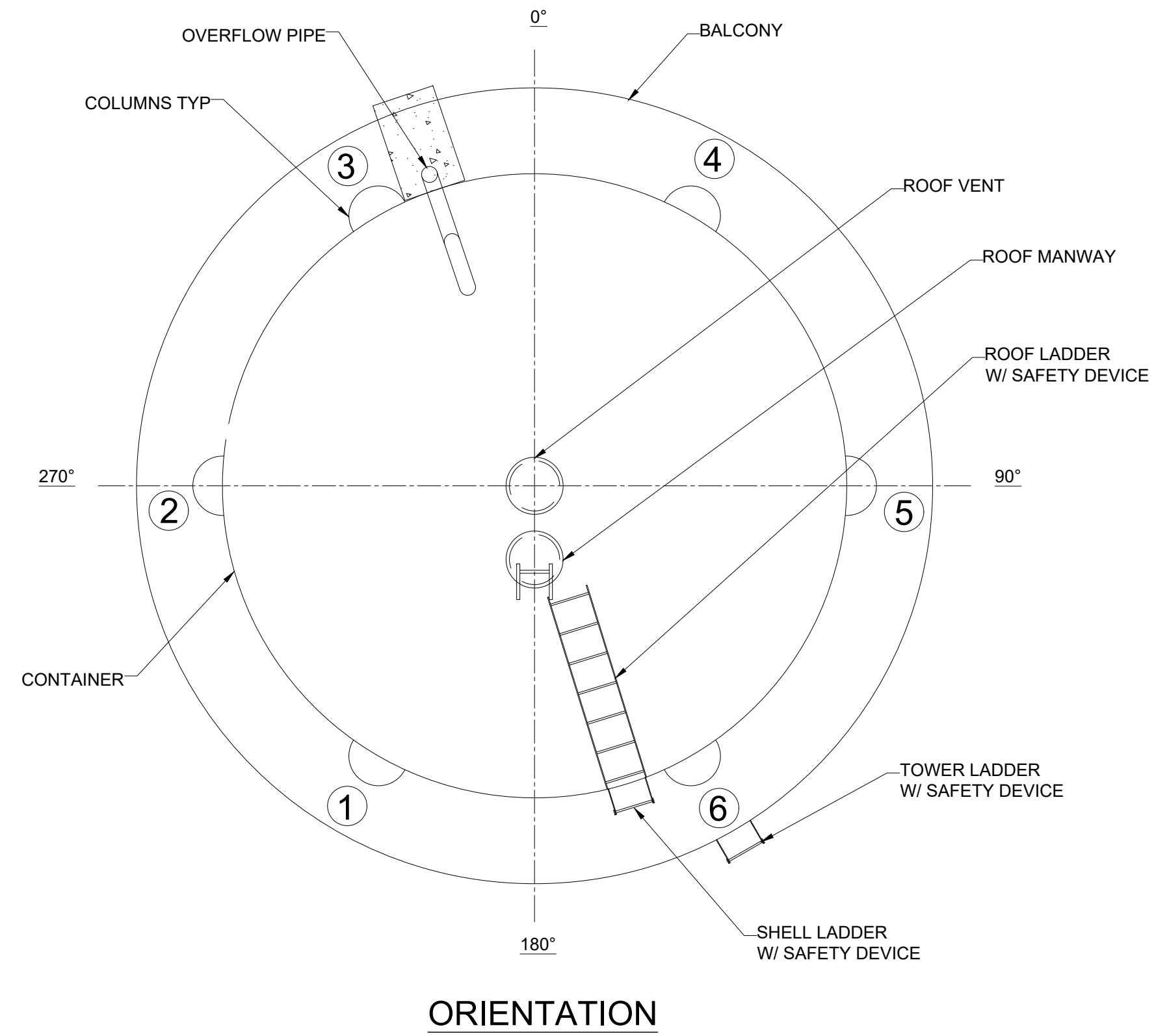
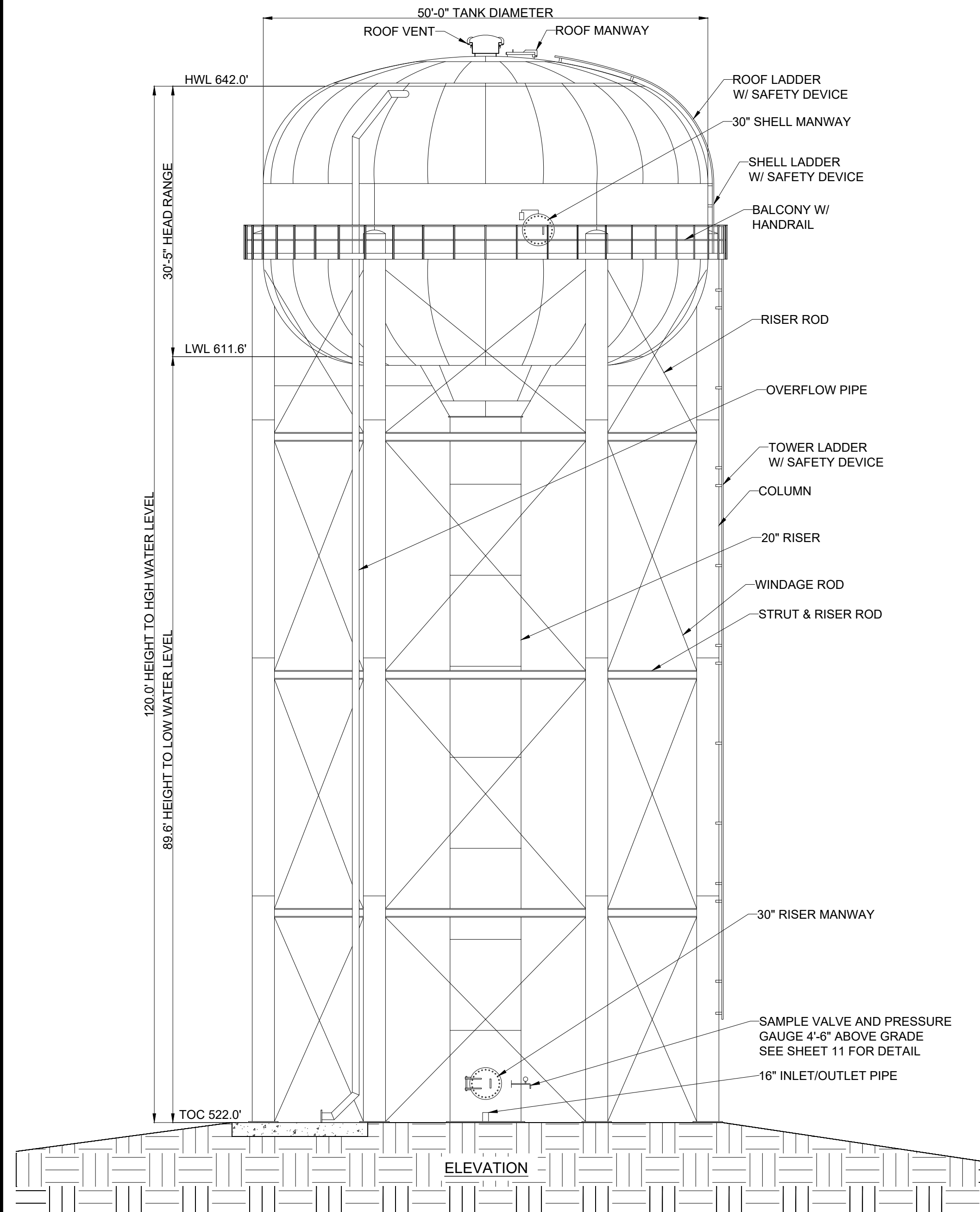
cc: Bastrop County WCID 2, Attn: Paul Hightower, General Manager, 112 Corporate Drive, Bastrop, TX 78602-4661

Bastrop County WCID No. 2 New Elevated Storage Tank

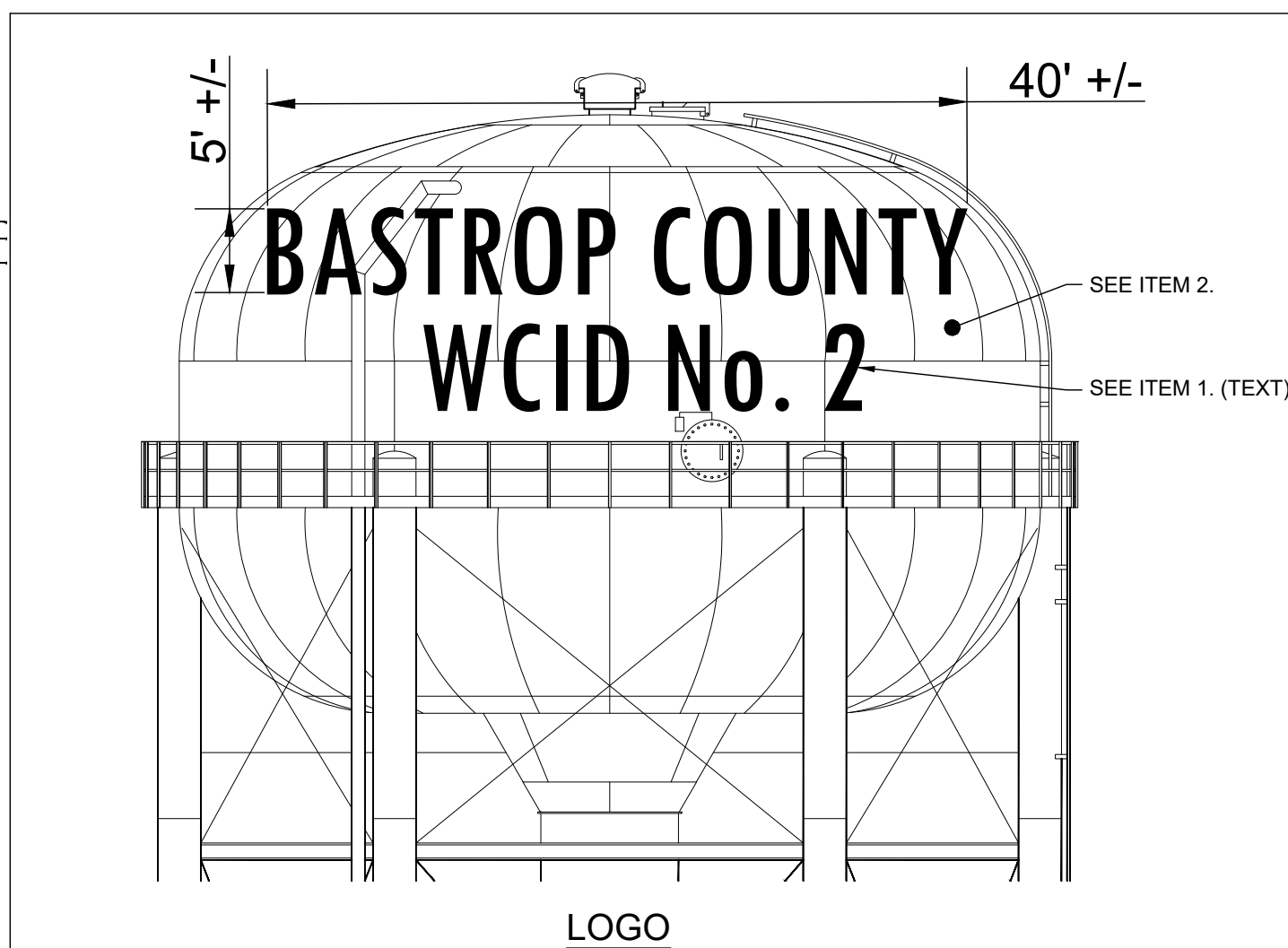
Engineer's Opinion of Probable Construction Cost

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	Clear and Grub Tree	6	EA	\$1,000.00	\$6,000.00
6	Silt Fence	565	LF	\$2.00	\$1,130.00
7	Gravel Driveway	1	LS	\$10,000.00	\$10,000.00
8	Remove Chainlink Fence	130	LF	\$30.00	\$3,900.00
9	14' Wide Double Gate	2	EA	\$5,000.00	\$10,000.00
10	Intruder Resistant Fencing	300	LF	\$20.00	\$6,000.00
11	Tank Foundation	1	LS	\$500,000.00	\$500,000.00
12	400,000 gal Multi-Column Elevated Storage Tank	1	LS	\$2,100,000.00	\$2,100,000.00
13	Connect to Existing 16" PVC Tee	1	EA	\$5,000.00	\$5,000.00
14	Decommission Pressure Tanks and Tie-in System to Existing Plant	1	LS	\$25,000.00	\$25,000.00
15	16" C900 PVC Water Line with Fittings	87	LF	\$150.00	\$13,050.00
16	Butterfly Valve	1	EA	\$25,000.00	\$25,000.00
17	Electrical Improvements	1	LS	\$15,000.00	\$15,000.00
18	Tank Mixer and Controller	1	LS	\$40,000.00	\$40,000.00
Subtotal Base Bid Construction Cost:					\$2,935,080.00
+ 10% Contingency:					\$293,508.00
Total Base Bid Construction Cost:					\$3,228,588.00
Alt1	Cost to Upsize to 500,000 gal Multi-Column Elevated Storage Tank	1	LS	\$650,000.00	\$650,000.00
Subtotal Alternate Bid Construction Cost:					\$650,000.00
+ 10% Contingency:					\$65,000.00
Total Alternate Bid Construction Cost:					\$715,000.00
Total Base Bid + Alternate Bid Construction Cost:					\$3,943,588.00
Engineering Costs					
				+ LS Design	\$362,000.00
				+ 8% Construction	\$315,487.04
Total Cost:					\$4,621,075.04

Prepared by John D. Schmeling, P.E. License No. 143141



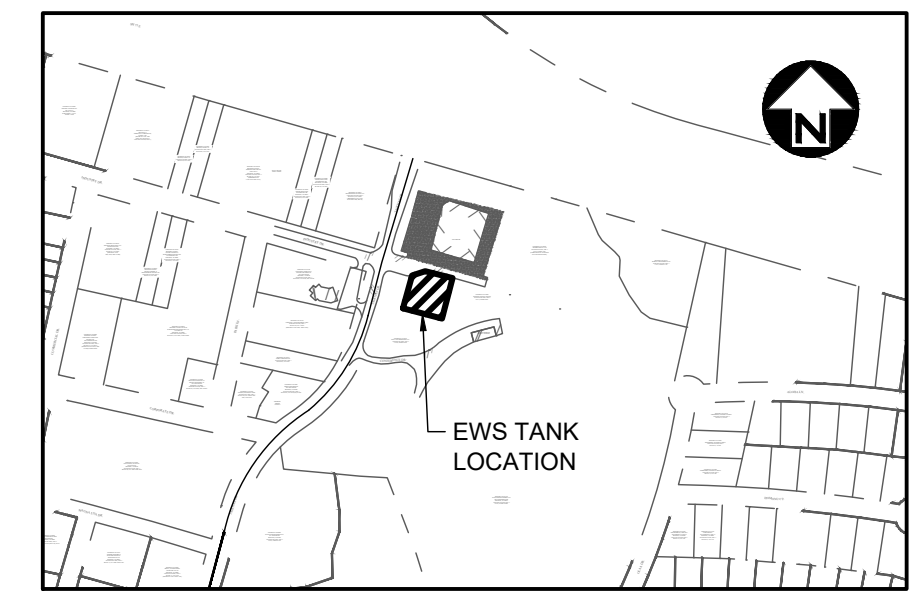
400k GALLON TANK BASE BID



ITEM	COLOR NAME	*TNEMEC
1	SOLID BLACK	35GR
2	CLOUD	57BR

*NOTE: PANTONE MATCHING SYSTEM (PMS)

- NOTES:
- THE LETTERING/LOGO SHALL BE TNEMEC SERIES 700-COLOR HYDROFLON APPLIED AT 2.0 TO 3.0 DRY MILS.
 - THE CONTRACTOR SHALL SUBMIT SCALED, DIMENSIONED DRAWINGS FOR APPROVAL BY OWNER.



REV. NO.	BY	DATE	REVISION DESCRIPTION
1.	T.M.O.	03/10/2026	TCEQ - ADDED SAMPLE VALVE LOCATION

DRAFT 90%

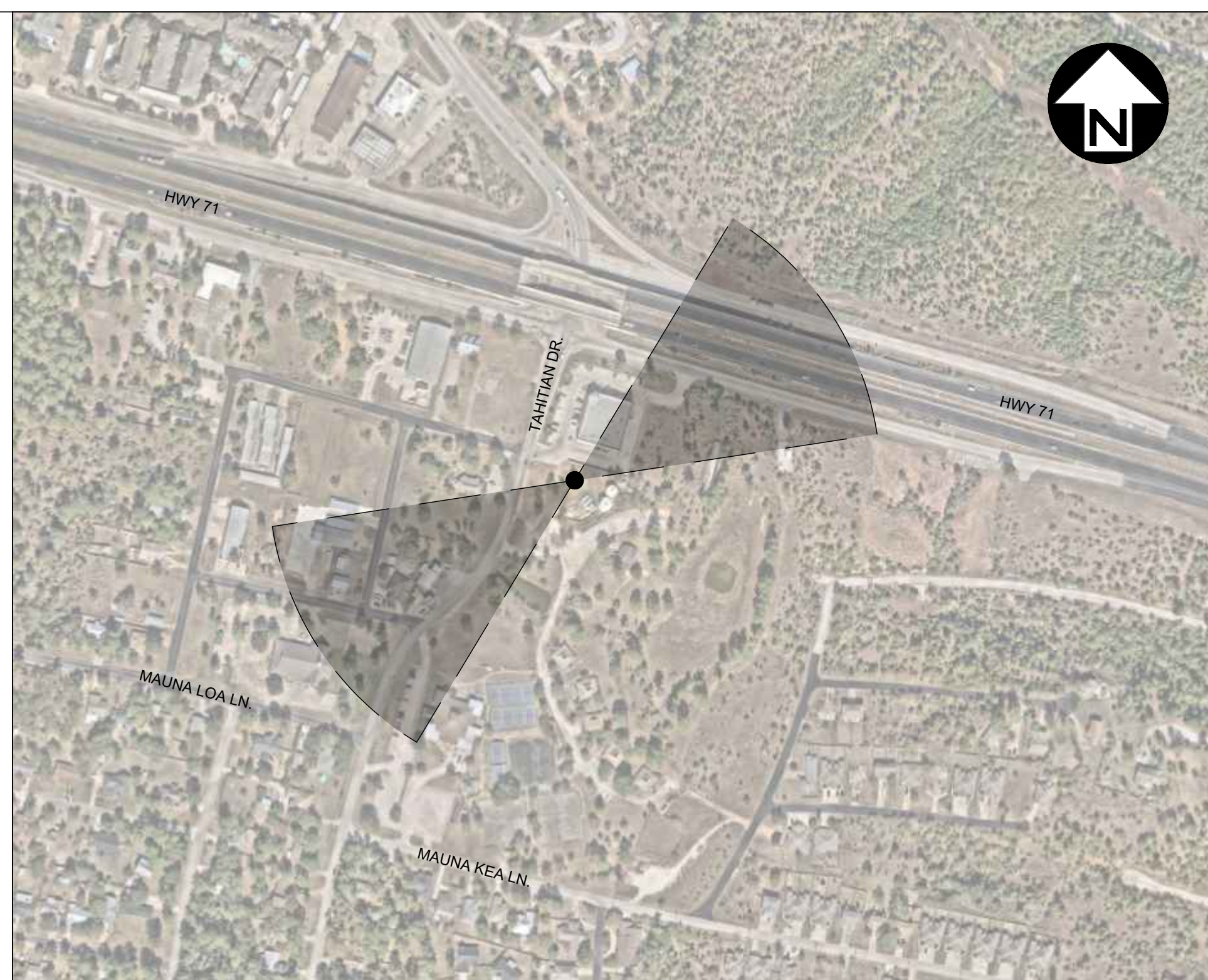
THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF JOHN D. SCHMELING LIC. # 143141 04/06/2026. IT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING OR PERMIT PURPOSES.

BASTROP COUNTY WCID NO. 2

ELEVATED WATER STORAGE TANK

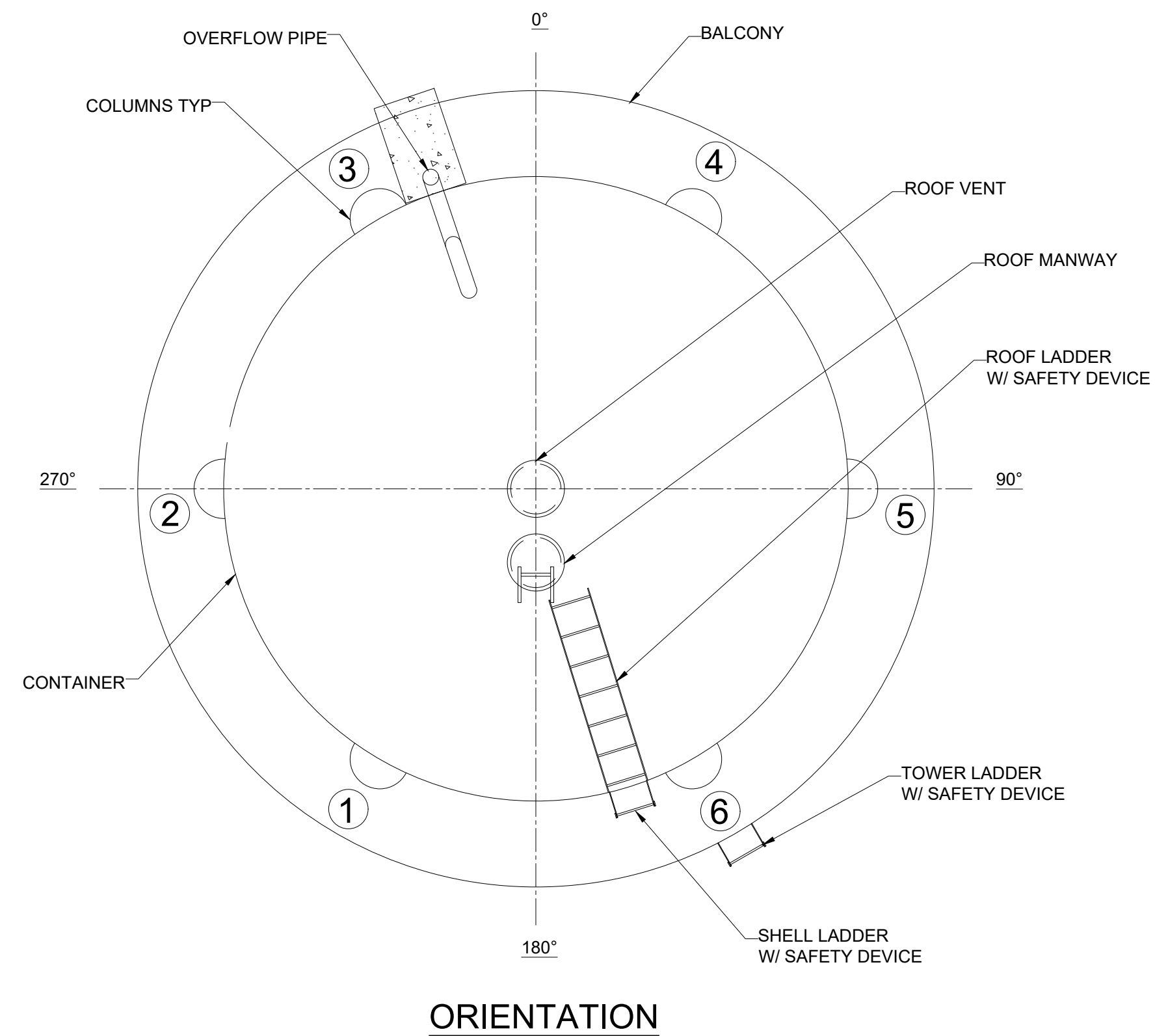
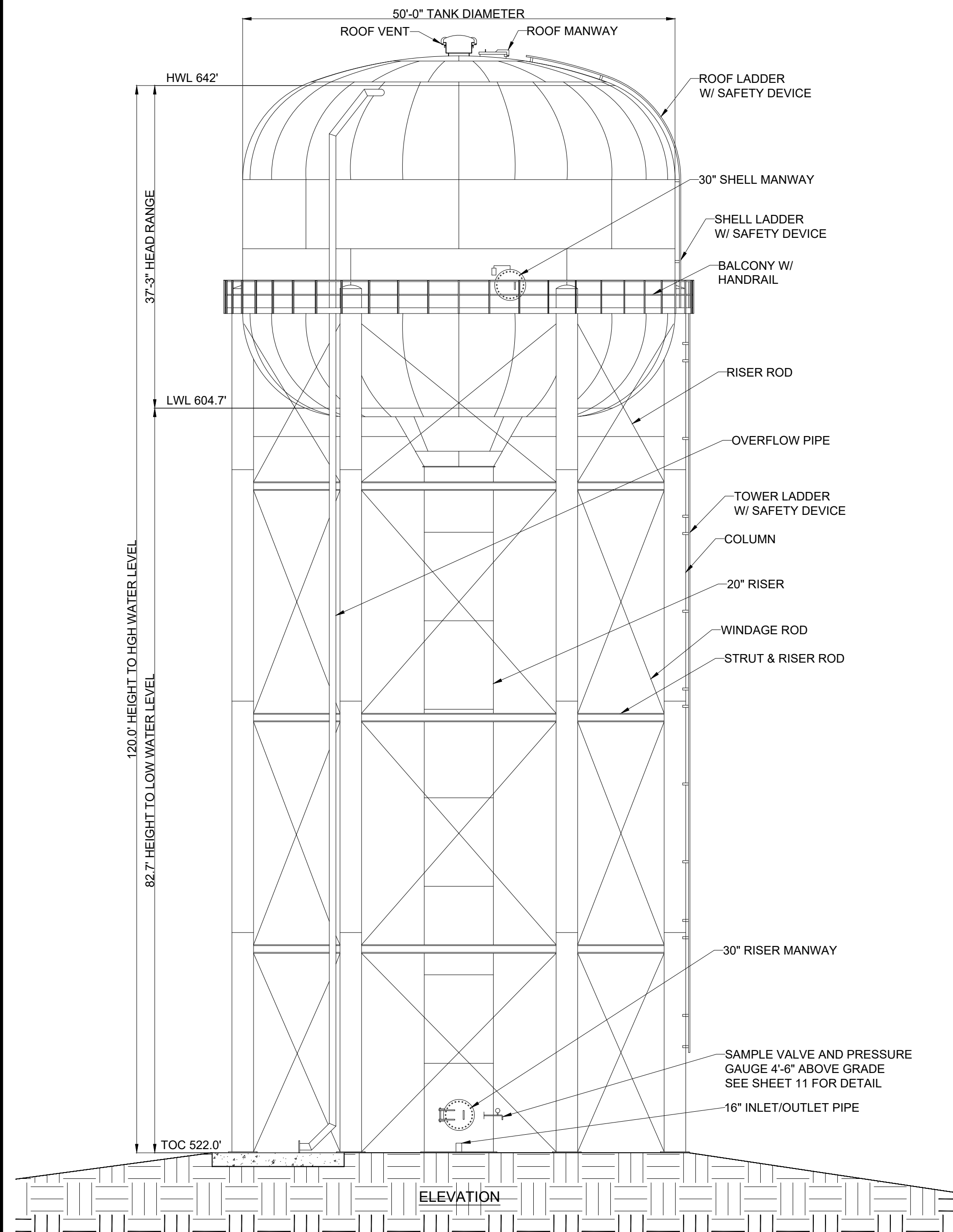
ELEVATED STORAGE TANK DETAIL - 400K GALLON

- DESIGN CRITERIA
 - THE TANK AND SUPPORT STRUCTURE SHALL BE DESIGNED, FABRICATED, AND ERECTED IN ACCORDANCE WITH AWWA D100-11 AND THE PROJECT SPECIFICATIONS.
- MATERIALS
 - STEEL PLATE: ASTM A283 OR ASTM A36
 - STRUCTURAL SHAPES: ASTM A36 OR ASTM A992
 - LADDER RUNGS: ASTM A706
- GENERAL
 - ALL ACCESSORIES SHOWN ON THE ELEVATION DRAWING ARE ROTATED FOR CLARITY.
 - THE NUMBER OF PERIMETER COLUMNS SHALL BE PER MANUFACTURER'S STANDARD DESIGN.
 - ALL LADDERS, LADDER SAFETY DEVICES, PLATFORMS, HANDRAILS, ETC. SHALL CONFORM TO CURRENT OSHA REGULATIONS.
 - TANK CONTRACTOR SHALL GROUT BENEATH COLUMN AND RISER BASE PLATES UPON COMPLETION OF ERECTION.
 - SURFACE PREPARATION AND COATING REQUIREMENTS SHALL BE IN ACCORDANCE WITH THE PROJECT SPECIFICATIONS.
 - THE TANK SHALL BE DISINFECTED IN ACCORDANCE WITH AWWA C652-02.

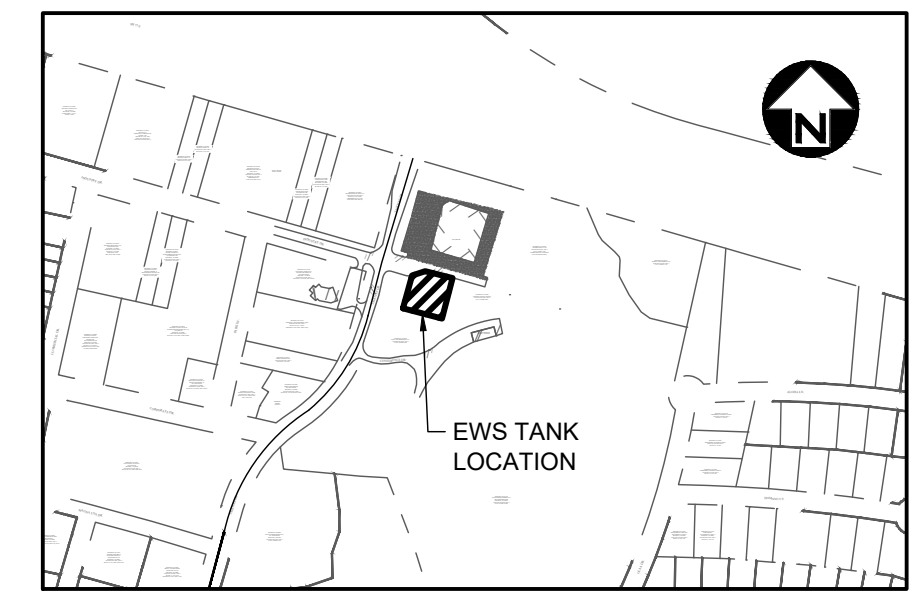


SPI
 SCHAUMBURG & POLK, INC.
 BEAUMONT | HOUSTON | RICHARDSON
 KYLE | PORT ARTHUR | TERRELL | TYLER
 165 Elmhurst Drive, Suite B
 Kyle, TX 78540
 512.262.0440
 Firm Registration No. F-520

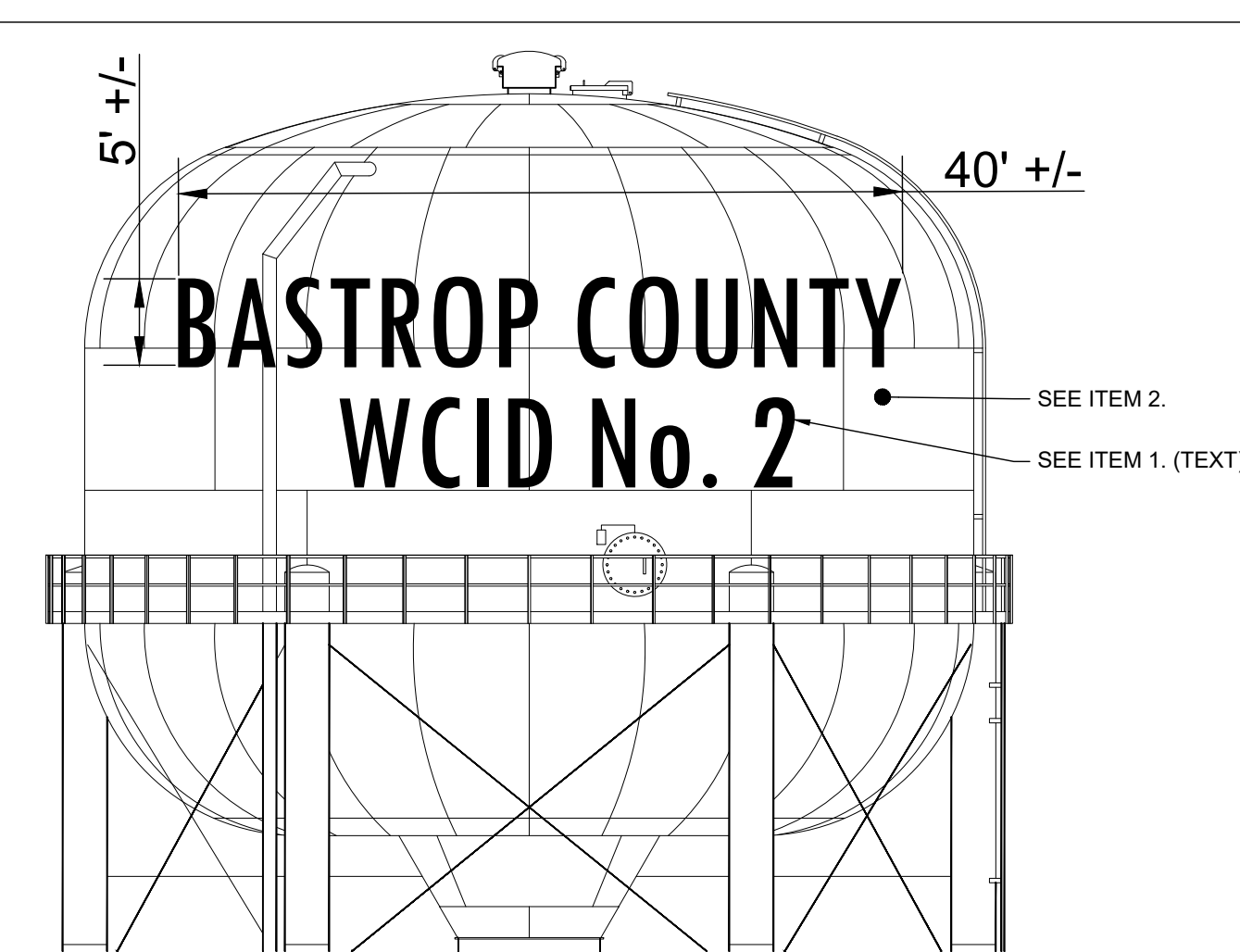
NOTES	NAME	DATE
SURVEY BY		
DRAWN BY		
DESIGNED BY		
CHECKED BY		
REVIEWED BY		



500k GALLON TANK ALTERNATE BID



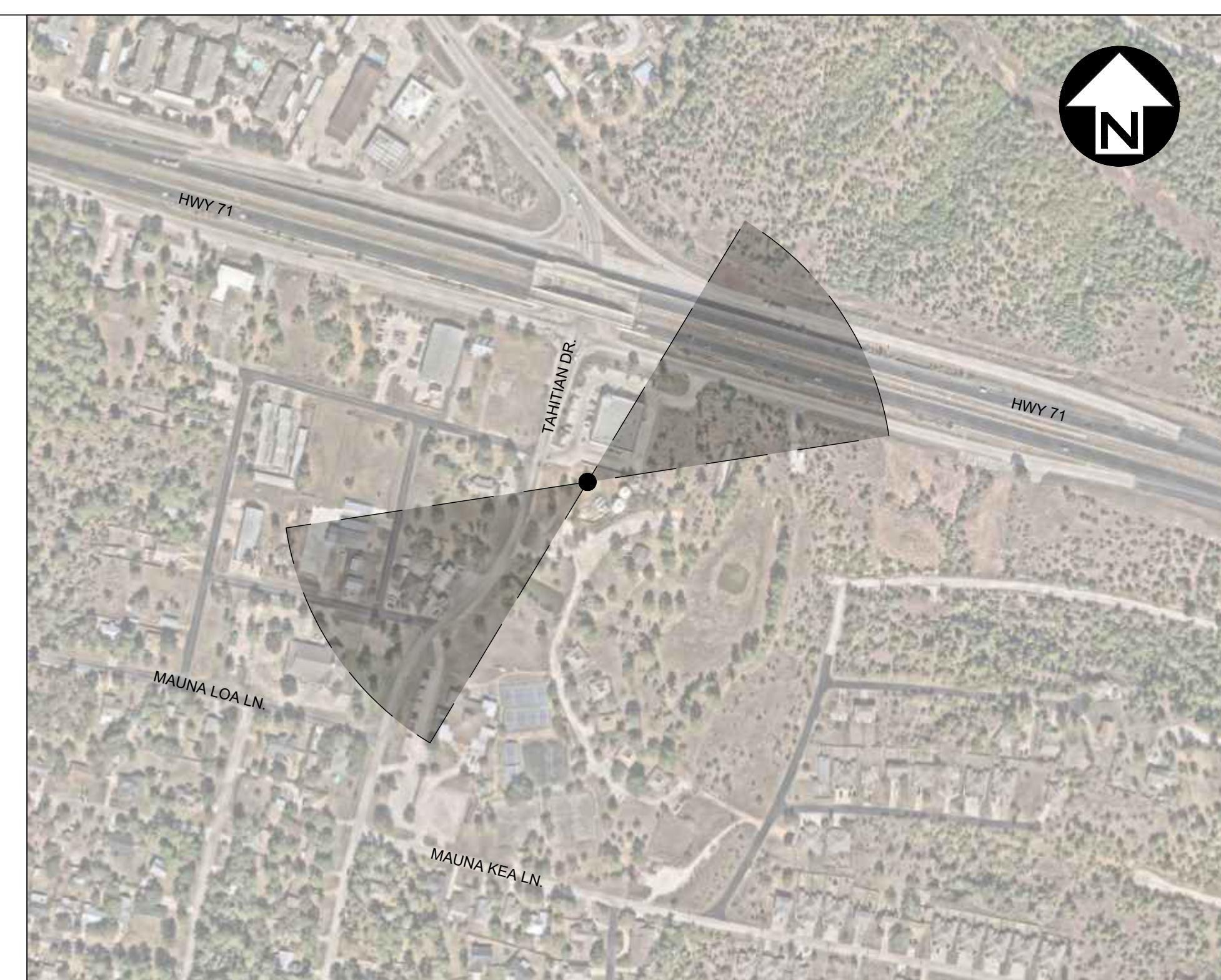
1. DESIGN CRITERIA
 - 1.A. THE TANK AND SUPPORT STRUCTURE SHALL BE DESIGNED, FABRICATED, AND ERECTED IN ACCORDANCE WITH AWWA D100-11 AND THE PROJECT SPECIFICATIONS.
2. MATERIALS
 - 2.A. STEEL PLATE: ASTM A283 OR ASTM A36
 - 2.B. STRUCTURAL SHAPES: ASTM A36 OR ASTM A992
 - 2.C. LADDER RUNGS: ASTM A706
3. GENERAL
 - 3.A. ALL ACCESSORIES SHOWN ON THE ELEVATION DRAWING ARE ROTATED FOR CLARITY.
 - 3.B. THE NUMBER OF PERIMETER COLUMNS SHALL BE PER MANUFACTURER'S STANDARD DESIGN.
 - 3.C. ALL LADDERS, LADDER SAFETY DEVICES, PLATFORMS, HANDRAILS, ETC. SHALL CONFORM TO CURRENT OSHA REGULATIONS.
 - 3.D. TANK CONTRACTOR SHALL GROUT BENEATH COLUMN AND RISER BASE PLATES UPON COMPLETION OF ERECTION.
 - 3.E. SURFACE PREPARATION AND COATING REQUIREMENTS SHALL BE IN ACCORDANCE WITH THE PROJECT SPECIFICATIONS.
 - 3.F. THE TANK SHALL BE DISINFECTED IN ACCORDANCE WITH AWWA C652-02.



ITEM	COLOR NAME	*TNE MEC
1	SOLID BLACK	35GR
2	CLOUD	57BR

*NOTE: PANTONE MATCHING SYSTEM (PMS)

- NOTES:
1. THE LETTERING/LOGO SHALL BE TNE MEC SERIES 700-COLOR HYDROFLON APPLIED AT 2.0 TO 3.0 DRY MILS.
 2. THE CONTRACTOR SHALL SUBMIT SCALED, DIMENSIONED DRAWINGS FOR APPROVAL BY OWNER.



REV. NO.	BY	DATE	REVISION DESCRIPTION
1.	IMO	03/10/2026	TCEG - ADDED SAMPLE VALVE LOCATION

DRAFT 90%

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF JOHN D. SCHMELING LIC. # 143141 04/06/2026. IT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING OR PERMIT PURPOSES.

BASTROP COUNTY WCID NO. 2

ELEVATED WATER STORAGE TANK

ELEVATED STORAGE TANK DETAIL - 500K GALLON

SPI
 SCHAUMBURG & POLK, INC.
 BEAUMONT | HOUSTON | RICHARDSON
 KYLE | PORT ARTHUR | TERRELL | TYLER
 165 Elmhurst Drive, Suite B
 Kyle, TX 78540
 512.262.0440
 Firm Registration No. F-520

NOTES	NAME	DATE
SURVEY BY		
DRAWN BY		
DESIGNED BY		
CHECKED BY		
REVIEWED BY		

A:\0002_PROJECTS\00021_PROJECT FOLDERS\BASTROP COUNTY WCID 2\6056926202\ELEVATED STORAGE TANK\03_CAD\13_PLAN N PROD DWG\6056926202-S-GN-DETL_01.DWG - 1 - COA_PLOT_STYLES.STB 4/6/2026 2:52 PM MARCUS OMARA

Agenda

Item #8

Discussion related to
FY2025 Audit Engagement



April 13, 2026

Bastrop County WCID#2
112 Corporate Dr
Bastrop, TX 78602

The following represents our understanding of the services we will provide Bastrop County WCID #2 (the "Entity").

You have requested that we audit the governmental activities, the business-type activities, and each major fund of the Entity as of December 31, 2025, and for the year then ended and the related notes, which collectively comprise the Entity's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit 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 opinion. 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 auditing standards generally accepted in the United States of America (GAAS); will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that the management's discussion and analysis, budgetary comparison information, and pension and other postemployment benefit be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



- Budgetary Schedules.

Supplementary information other than RSI will accompany the Entity's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole.

- Texas Commission on Environmental Quality Schedules

Auditor Responsibilities

We will conduct our audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 Entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Entity's basic financial statements. Our report will be addressed to those charged with governance of the Entity. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are

other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Compliance with Laws and Regulations

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

Management Responsibilities

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America.
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters.
 - ii. Additional information that we may request from management for the purpose of the audit.
 - iii. Unrestricted access to persons within the Entity from whom we determine it necessary to obtain audit evidence.
 - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report.
 - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us.
- e. For identifying and ensuring that the Entity complies with the laws and regulations applicable to its activities.
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole.
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work.
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.
- i. For informing us of any known or suspected fraud affecting the Entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials.
- j. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Engagement Administration, Fees and Timing

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

The timing of our audit will be scheduled for performance and completion as follows:

Document internal control and preliminary tests	April 2026
Mail confirmations	April 2026
Perform year-end audit procedures	April-May 2026
Issue audit report	June-July 2026

Kent Willis is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Pattillo, Brown & Hill, LLP’s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees for these services will be at our standard hourly rates plus out-of-pocket cost (such as reports reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$37,044. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional cost.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or email, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications. In addition to fax and email, our firm also exchanges data over the internet using other methods (such as portals) or store electronic data via software applications hosted remotely through a third-party vendor's secured portal and/or cloud.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

You authorize us to disclose any and all information you furnish to us in connection with the services provided under this engagement, including audit procedures, to third-party service providers who assist us in fulfilling our professional responsibilities. These service providers may be located within or outside the United States. Such disclosures may include, but are not limited to, confidential financial or investment information necessary to complete assessments or verify valuations. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

The audit documentation for this engagement is the property of Pattillo, Brown & Hill, LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Pattillo, Brown & Hill's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the Entity's significant accounting practices.
- Significant difficulties, if any, encountered during the audit.
- Uncorrected misstatements, other than those we believe are trivial, if any.
- Disagreements with management, if any.
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process.
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.
- Representations we requested from management.
- Management consultations with other accountants, if any.
- Significant issues, if any, arise from the audit that were discussed, or the subject of correspondence, with management.

We have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,
Pattillo, Brown & Hill, L.L.P.

A handwritten signature in black ink that reads "Kent Willis". The signature is written in a cursive, slightly slanted style.

Kent Willis, CPA
Waco, Texas

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Bastrop County WCID#2 by:

Name: _____

Title: _____

Date: _____

Agenda

Item #10

Discussion related to
Cybersecurity Training

MEMORANDUM

TO: Board of Directors- Bastrop County Water Control & Improvement District
No. 2

FROM: Armbrust & Brown, PLLC

RE: Cybersecurity Training and Audit Requirements for Special Districts

DATE: March 18, 2026

- With the passage of House Bill 1500 in the most recent legislative session, Section 2054.191 of the Texas Government Code was changed with respect to cybersecurity training requirements for local government (including special districts) elected and appointed officials and employees (collectively, the “*District Representatives*”).
- Previously, only those District Representatives who had access to a local government computer system or database and used a computer to perform at least 25 percent of their required duties were subject to the cybersecurity training requirement.
- Now, the legislature has made cybersecurity training mandatory for all District Representatives, without exception (the “*Training Requirement*”).
- In accordance with this change, the Texas Department of Information Resources (the “*DIR*”) has established an August 31 deadline for special districts to report their District Representatives’ compliance with the Training Requirement.
- Each district must verify and report on the completion of a yearly cybersecurity training course by the District’s Representatives through the submission of the Cybersecurity Training Certification Form created by the DIR (the “*Certification Form*”), which can be found at the link below:

<https://dir.my.site.com/SecurityTrainingVerification/s/CybersecurityTrainingCertification>

- Local governments can track compliance in any method they choose and do not submit training records or employee certificates of completion to the DIR, only the Certification Form.
- While there are many cybersecurity training courses available and certified by the DIR, we have identified a YouTube video put together by the TMLIRP, which can be found at the link below:

https://youtu.be/ZUbF_MBUwh4?si=5yhVF4Q1Po9L1fmN

Also, in a podcast format:

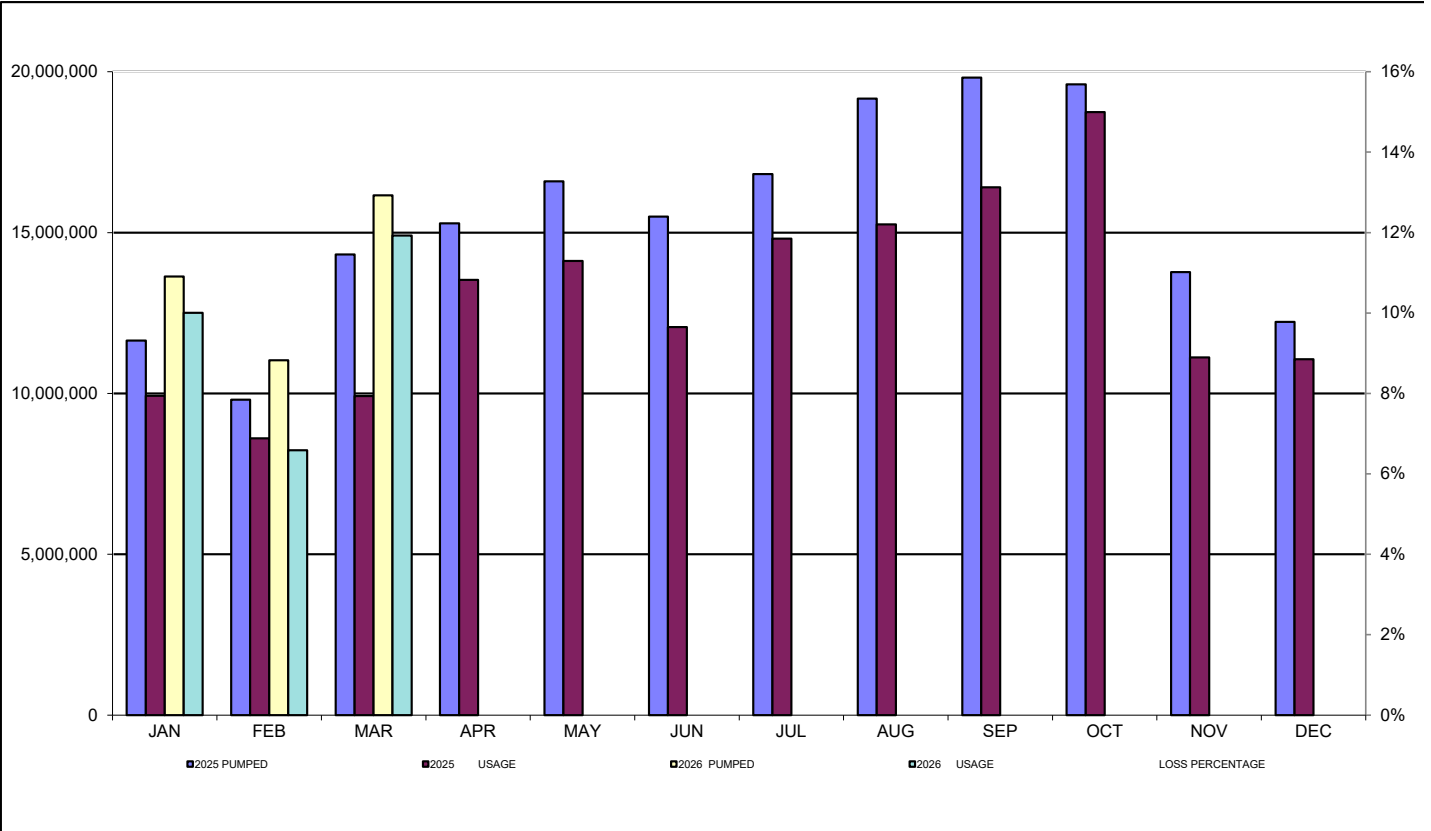
<https://audio.buzzsprout.com/8qc6hfydan9kriowq6v6izcycix?response-content-disposition=inline>

- In lieu of each District Representative viewing this video on their own, a suggestion is to play this at a board meeting /employee meeting so that training could be completed quickly for all District Representatives and compliance could be easily verified prior to submission of the Certification Form.
- In addition to the Training Requirement, special districts must also conduct periodic audits to ensure compliance by all District Representatives.
- There is no separate reporting requirement for the audit, however, and attorneys should determine the frequency at which the audit is conducted.

Misc Reports

Consumption Report

MONTH	2025 PUMPED	2025 USAGE	2026 PUMPED	2026 USAGE	2026 PUMPED	ACTIVE	LOSS
	WATER	OF WATER	WATER	OF WATER	UNBILLED	METERS	PERCENTAGE
							%
JAN	11,644,829	9,929,979	13,634,738	12,507,970	797,340	2,453	2%
FEB	9,804,440	8,605,351	11,032,157	8,233,087	1,124,550	2,463	15%
MAR	14,316,694	9,915,235	16,160,071	14,909,761	996,275	2,459	2%
APR	15,289,055	13,530,994					
MAY	16,589,422	14,115,350					
JUN	15,499,315	12,062,500					
JUL	16,816,336	14,814,711					
AUG	19,163,468	15,252,108					
SEP	19,816,181	16,404,569					
OCT	19,603,392	18,745,991					
NOV	13,768,497	11,116,008					
DEC	12,222,495	11,064,330					
TOTALS	184,534,124	155,557,126	40,826,966	35,650,818	2,918,165		



MARCH 2026

BCWCID#2

Re-Cap of Water Tap Applications WATER TAPS:

2026 Complete.....	3
2026 Pending	26
2025 Complete.....	90
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

MARCH 2026

BCWCID#2

Re-Cap of Wastewater Tap Applications

WASTEWATER TAPS:

2026 Complete.....	12
2026 Pending	13
2025 Complete.....	38
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: 979