

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
JUNE 24, 2024**

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

The Board of Directors of Hurst Creek Municipal Utility District (the "District") met this date at 9:03 a.m. in Special session, open to the public at 102 Trophy Drive, The Hills, Texas 78738, and the roll was called of the duly constituted officers and members of the Board to wit:

Present:

William A. Coskey	President
James M. Wingard	Vice-President
Mike Maroney	Secretary
Tom Stiles	Treasurer
John Almond	Assistant Secretary

thus, constituting a quorum.

Also present were Earl Wood, Stacey Johnson, Beth Caccamisi, and Sonja De La Fuente of Hurst Creek MUD, Angie Massey of the Village of The Hills, and Sara Jenkins of The Hills POA.

- 1. Consider, discuss, and take any necessary action regarding Hurst Creek MUD's Employee Safety Program.**

Earl Wood reported that staff met last week and discussed Heat Exhaustion. The team reviewed handouts and discussed the signs of heat exhaustion and recognizing the signs in yourself and your coworkers.

- 2. Consider, discuss, and take any necessary action regarding the approval of the Audit Engagement Letter for Fiscal Year 2023-2024.**

Earl Wood reported that the initial quote received was for \$800 more than last year. However, they agreed to keep the price the same this year after brief negotiation. Earl confirmed that there are no personal relationships outside of work between staff and the auditors.

Director Wingard moved to approve the Audit Engagement Letter for Fiscal Year 2023-2024; Director Stiles seconded the motion, which carried 5-0.

3. Consider, discuss, and take any necessary action regarding temporary water service for the project located at 1801 Lohmans Crossing Road.

Earl reported that Legacy Communities, who is developing the land behind the property at 1801 Lohmans Crossing Road, has requested temporary service for up to one year. He has discussed the matter with Lakeway MUD. A tap fee and cost for service would be charged to the development. He advised that the amount of water would be minimal and Hurst Creek MUD would be able to provide the water needed.

Director Maroney moved to approve providing temporary service to Legacy Communities for their project behind 1801 Lohmans Crossing Road; Director Wingard seconded the motion, which carried 5-0.

4. Consider, discuss, and take any necessary action regarding Fiscal Year 2023-2024 Budget Amendments.

Earl explained that charges for repairs at the Barge should have been charged against last year's budget instead of this year's. However, because the charges didn't come through before the last fiscal year ended it affected this year's budget. Therefore, a budget amendment adding \$40,000 to Repairs and Maintenance (Barge) is needed.

Director Almond moved to approve Fiscal Year 2023-2024 Budget Amendments as presented; Director Maroney seconded the motion, which carried 5-0.

5. Consider, discuss, and take any necessary action regarding Fiscal Year 2024-2025 Budget and Tax Rate.

Earl provided the Board with information related to the General Fund (cash reserves) showing revenue and expenses. He also showed a debt comparison over the years. Director Wingard commended staff on good job over the last 15 years. Director Stiles recommended looking at a higher deductible on insurance since there has been some stability in cash reserves. Earl advised he is working with Beth on the budget and will have the first draft at the July meeting for the Board's review. He requested direction from the Board in regard to whether a Budget Review Committee should be established or if the whole Board would like to continue the review process as they have over the last several years. President Coskey recommended continuing as they have been and directing specific questions to him as needed.

6. Consider, discuss, and take any necessary action regarding a drought stage rate structure.

Earl provided the report regarding this item. Board President Coskey pointed out that Hurst Creek MUD's rate structure is flat compared to other districts. Earl shared comparisons with the rate structures of Lakeway MUD, WCID17, Bee Cave, and Austin. He also provided an example of a rate structure that might be considered to implement only during droughts that may also encourage conservation. There was a brief discussion held among the Board regarding drought violation fines, water rates, and the budget.

Board President Coskey recommended the Board consider a drought violation fees and rate structure during the budgeting process.

7. Consider, discuss, and take any necessary action regarding the District's Rate Order.

This item was not discussed.

8. Consider, discuss, and take any necessary action regarding the updated Drought Contingency Plan.

Director Almond moved to approve the updated Drought Contingency Plan; Director Stiles seconded the motion, which carried 5-0.

9. Consider, discuss, and take any necessary action to approve the updated Plumbing Permit Application.

Sonja De La Fuente reviewed updates to the Plumbing Permit application explaining that backflow device testing will now be required for remodels.

Director Almond moved to approve the updated Plumbing Permit application; Director Stiles seconded the motion, which carried 5-0.

10. Consider, discuss, and take any necessary action regarding the District's Investment Policy.

Earl reported that there have not been any changes to the Investment Policy since last approved.

Director Maroney moved to approve the District's Investment Policy; Director Almond seconded the motion, which carried 5-0.

11. Consider, discuss, and take any necessary action to adopt an Order Calling Directors Election and authorization to publish Notice of Election to be held on November 5, 2024, for the purpose of electing two Directors for terms of four years each.

Considerar, discutir y tomar las medidas necesarias para adoptar una Orden de Convocatoria a la Elección de Directores y la autorización para publicar el Aviso de Elección que se llevará a cabo el 5 de noviembre del 2024, con el propósito de elegir a dos Directores por períodos de cuatro años cada uno.

Director Stiles moved to approve the Order Calling Directors Election and authorize staff to publish Notice of Election to be held November 5, 2024, for the purpose of electing two Directors for terms of four years each; Director Almond seconded the motion, which carried 5-0.

12. Consider, discuss, and take any necessary action on drainage and MS4.

Earl reported that there is a drainage issue in the drainage easement between Falling Oaks Place and Butterfly Place and showed the area on a map. He explained that staff is looking into solutions and working with a property owner on Lost Meadow Trail.

13. Consider, discuss, and take any necessary action to approve the Minutes of the May 20, 2024, Regular Board Meeting.

The Board reviewed the minutes of the May 20, 2024, Regular Board Meeting as presented.

Director Maroney moved to approve the Minutes of the May 20, 2024, Regular Board meeting; Director Almond seconded the motion, which carried 5-0.

14. Consider, discuss, and take any necessary action to approve the May 2024 Bookkeeper's Report and paid invoices.

Beth Caccamisi reviewed the written report with the Board. The General Fund closed the month with a balance of \$1.5 million and the Debt Service Fund closed the month with a balance of \$124,000. A bond payment is scheduled in September. 97.85% of the property taxes have been received. 5.32% interest was earned in TexPool. Revenues were \$15,000 over budget for the month and \$10,000 under for the year. Expenses were \$1,600 over budget for the month and \$52,000 over for the year. She also reported that Jake Pendleton has been with Hurst Creek MUD for nine years.

Director Stiles moved to approve the May 2024 Bookkeeper's Report and paid invoices; Director Almond seconded the motion, which carried 5-0.

15. Consider, discuss, and take any necessary action to approve the May 2024 Manager's Operating Report.

Earl reviewed the written report with the Board. He reiterated that 97.85% of the property taxes have been received. A Bond payment was made in March and, as Beth mentioned, the next Bond payment will be made in September. There were a couple of new connections for service in May. Precipitation during the month of May was 3.15 inches. The treatment plant is doing well. There was 98% backwash recovery during the month of May. The combined lake storage is now over 1.1 million acre feet. Therefore, the District has moved back into Stage 1 of the Drought Contingency Plan. The Wastewater Permit renewal is ready and he will sign off for it to be submitted to TCEQ for approval.

Director Almond moved to approve the May 2024 Manager's Operating Report; Director Stiles seconded the motion, which carried 5-0.

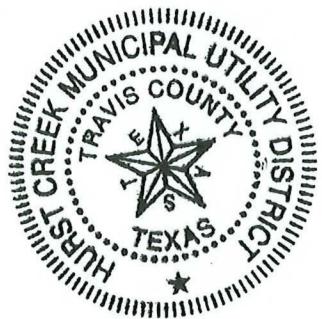
16. The Board may go into Executive Session pursuant to Texas Government Code Sections §551.071 – Consultation With Attorney; §551.072 – Deliberation Regarding Real Property; §551.073 – Deliberation Regarding Prospective Gift; §551.074 – Personnel Matters; and/or §551.076 – Deliberation Regarding Security Devices or Security Audits.

The Board convened to Executive Session at 10:50 A.M. and reconvened the Special meeting at 11:00 A.M. There was no reportable action.

The meeting adjourned at 11:00 A.M.

Signed this 15th day of July 2024.

(seal)



Mike Maroney, Secretary