

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
SEPTEMBER 16, 2024**

THE STATE OF TEXAS

COUNTY OF TRAVIS

The Board of Directors of Hurst Creek Municipal Utility District (the "District") met this date at 9:00 a.m. in Regular 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, Kurt Pendleton, Stacey Johnson, Beth Caccamisi, and Sonja De La Fuente of Hurst Creek MUD, Sarah Carroll and 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.

Kurt Pendleton reported that staff met on September 12th and discussed Excavation and Trench Safety. A brief discussion was held regarding excavation equipment use and staff communication when seeing something that appears unsafe.

2. Consider, discuss, and take any necessary action regarding setting the 2024 Tax Rate, including holding a public hearing on the tax rate.

Director Coskey reported that the proposed tax rate for 2024 is \$0.2304 per \$100 in value as discussed at the August Board meeting.

He opened the Public Hearing regarding the 2024 Tax Rate at 9:05 A.M.

Sarah Carroll commented that she appreciates the reduction in the tax rate this year.

Seeing no further comments, Director Coskey closed the Public Hearing at 9:06 A.M.

3. Consider, discuss, and take any necessary action to adopt the 2024 Tax Rate and executing the Order Levying Taxes.

Director Almond moved to adopt the 2024 Tax Rate as presented and execute the Order Levying Taxes; Director Maroney seconded the motion, which carried 5-0.

4. Consider, discuss, and take any necessary action regarding Hurst Creek MUD customer utility rates.

Earl Wood provided the report regarding this item. He shared various scenarios and recommendations for the Board to consider related to customer utility rates. Director Almond expressed concern with aging infrastructure and Director Coskey shared in that concern. Director Wingard asked about the Roberts units and their life span. Earl explained that the potential for stricter regulations related to per-and polyfluoroalkyl substances (PFAS), also known as forever chemicals, could determine that repairing and rebuilding would no longer suffice. The Board discussed the need to raise approximately \$75,000 annually to maintain the cash reserve for capital expenditures to hopefully avoid issuing bonds. Director Coskey recommended raising the effluent rate to \$2.40 per 1,000 gallons and for the Board to consider regular rates adjusting depending on the drought stage with a more graduated rate structure, leaving the lowest tier alone.

There was a consensus of the Board to continue this item to the next meeting.

5. Consider, discuss, and take any necessary action to approve the amended and updated District Rate Order.

Earl explained that this update to the District Rate Order incorporates the District's Drought Contingency Plan under provisions.

Director Stiles moved to approve the amended and updated District Rate Order; Director Almond seconded the motion, which carried 5-0.

6. Consider, discuss, and take any necessary action to adopt the Fiscal Year 2024-2025 Budget.

Director Maroney moved to adopt the Fiscal Year 2024-2025 Budget as proposed; Director Almond seconded the motion, which carried 5-0.

7. Consider, discuss, and take any necessary action to approve Amendment 39, District Information Form.

Earl explained that this is the information form provided by a seller to a purchaser as required by law and is updated annually when the Board adopts the tax rate.

Director Stiles moved to approve Amendment 39, District Information Form; Director Maroney seconded the motion, which carried 5-0.

8. Consider, discuss, and take any necessary action regarding the annual renewal of insurance policies provided by Gallagher Waterworks Insurance Network (WIN).

The Board reviewed the proposal provided by Gallagher WIN. There was a brief discussion held among the Board and staff. Director Stiles recommended asking about the sublimit under demolition and cleanup, which is probably \$10,000. He is concerned that might not be enough if there were a major weather event. There was also a brief discussion regarding some claims and distributions made associated with the claims. Beth Caccamisi advised she has already emailed the insurance agency regarding the items in question and is expecting to receive additional details soon.

Director Stiles moved to approve the annual renewal of insurance policies provided by Gallagher WIN; Director Wingard seconded the motion, which carried 5-0.

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

Kurt reported that staff recently completed excavation of the drainage ditch between 17 and 19 Applegreen Lane, which turned out to be more than initially thought. He is awaiting quotes to rock line the ditch. He and Earl looked at an area at the corner of Cottondale and Lost Meadow Trail that will also probably need a similar ditch. Finally, he is meeting with the residents at 34 Lost Meadow and 5 Butterfly to discuss removing the tree causing drainage issues.

10. Consider, discuss, and take any necessary action to approve the Minutes of the August 26, 2024, Special Board Meeting.

Director Almond moved to approve the Minutes of the August 26, 2024, Special Board Meeting; Director Maroney seconded the motion, which carried 4-0.

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

Beth reviewed the written report with the Board. The General Fund closed the month with a balance of \$1.178 million and the Debt Service Fund closed the month with a balance of \$128,000. Bond payments due October 1 have been made and the remaining balance in Debt Service is just under \$95,000. 5.3% interest was earned in TexPool for the month, and it was at 5.27% this morning. 98.4% of the property taxes have been collected. Revenues were \$33,000 under budget for the month and \$58,000 under for the year, mainly due to lower water sales and outstanding property taxes. Expenses were \$45,000 over budget for the month and \$6,500 over for the year, mainly due to large expenses coming in and a needed budget adjustment. Finally, she noted that there were two write-offs for unpaid bills. There was a brief discussion held regarding a landlord's responsibility to pay a renter's final bill.

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

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

Earl reviewed the written report with the Board. He reiterated that 98.4% of the property taxes have been collected and that the October 1 Bond payments have been made, which will appear in next month's report. He reported that a temporary tap has been installed for the Legend Communities construction trailer near Lakeway Elementary. 33 million gallons (520 acre-feet) of water were used in August, which is well below the contracted amount of 1,200 acre-feet. Precipitation during the month of August was 0.63 inches. He pointed out that there was some rain that affected the overall watershed, which increased the combined lake storage. He shared a picture of the Pond with the Board to show that it has been drained to the lowest level and where the liner has been replaced, what is currently being done and what will remain to be done next summer. Finally, the Board discussed an email from a resident who was requesting communication from Hurst Creek MUD to residents regarding weather conditions and outdoor watering.

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

13. 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 did not meet in Executive Session.

The meeting adjourned at 10:20 A.M.

Signed this 21st day of October 2024.

(seal)



Mike Maroney
Mike Maroney, Secretary