

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
OCTOBER 21, 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, Stacey Johnson, Beth Caccamisi, and Sonja De La Fuente of Hurst Creek MUD; and Sarah Carroll and Angie Massey of the Village of The Hills.

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

Stacey Johnson reported that staff met on October 18th and discussed traffic control when performing repairs in the field and the use of signs, traffic cones, and vests to ensure employee safety.

Director Coskey inquired about AED machine training. Earl advised he will investigate acquiring an additional machine for the office and possible CPR training for staff.

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

Director Coskey provided an overview regarding the District's rates and explained that there are three reasons driving the need for a rate increase, and they are revenue sufficiency, reserves, and reinvestment. Earl Wood shared a rate study that was recently done by Lakeway MUD and proposed a new rate structure with six tiers and contingent on the drought stages as outlined in the District's Drought Contingency Plan. He recommended increasing the District's reserves to \$2 million over time due to aging

infrastructure and to decrease the potential need to issue bonds. With the proposed increase and rate structure it would bring an estimated \$288,000 increase to the reserves by the end of Fiscal Year 2024-2025. Director Coskey recommended also increasing the effluent water rate from \$2.10 per 1,000 gallons to \$2.50 per 1,000 gallons. Discussion was held among the Board. It was recommended to review the rates on a regular basis. Director Stiles asked if the District was in Drought Stage 3 would the rates be enough to break even and requested that information, if possible, at the next meeting. Earl will attempt to have an estimate prepared by then.

Director Almond moved to approve the proposed rate structure and increase effective October 1, 2024; Director Wingard seconded the motion, which carried 5-0.

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

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

4. Consider, discuss, and take any necessary action regarding the District's Water Restriction Violation notification process.

Earl provided a report regarding this item. He explained the process and reviewed the courtesy and violation notices with the Board. A brief discussion was held among the Board and staff regarding the number of violations that have been issued. Staff confirmed that the District's contact information is provided in each letter and email sent.

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

Earl reported that work continues on the drainage issue at 34 Lost Meadow and 5 Butterfly Place. The tree and stump have been removed and staff will meet with the Engineer this week to discuss next steps.

6. Consider, discuss, and take any necessary action to approve the Minutes of the September 16, 2024, Regular Board Meeting.

Director Maroney moved to approve the Minutes of the September 16, 2024, Regular Board Meeting; Director Almond seconded the motion, which carried 5-0.

7. Consider, discuss, and take any necessary action to approve the September 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 \$1.1 million and the Debt Service Fund closed the month with a balance just under \$95,000. Bond payments that were due on October 1 were made. 4.98% interest was earned in TexPool for the month, and it was at 4.9% this morning. 98.4% of the property taxes have been collected. Revenues were \$1,200 over budget for the month and \$57,000 under for the year. Expenses were \$9,000 under budget for the

month and \$2,400 under for the year. The Audit is currently underway. Finally, she announced that this month marks her 10th anniversary with Hurst Creek MUD. The Board thanked her for all she does.

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

8. Consider, discuss, and take any necessary action to approve the September 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 for last fiscal year, leaving over \$94,000 in the Debt Service Fund. He reviewed the balances of the bonds and the payment schedule with the Board. There are currently 1,214 service connections with four new connections under construction. So far, the District has used 625 acre feet of the contracted 1,200 acre feet of water in September and the contract is for 1,200 acre feet for the calendar year. Earl reported that the claims listed on the insurance renewal at the last meeting were reviewed and he provided the Board with an explanation for each line item. Finally, he provided the Board with an update on the Pond Liner Replacement Project. The bottom portion of the pond is all that remains to be done and the last of the pond liner is being stored on-site. The final phase of the project should be completed in the summer of 2025.

There was a consensus of the Board to authorize the purchase of additional pond liner material if needed.

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

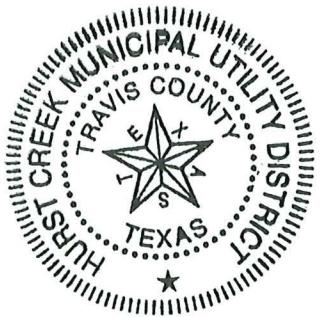
9. The Board may go into Executive Session pursuant to Texas Government Code Sections §551.071 – Consultation with Attorney; §551.072 – Deliberation Regarding Real Property; §551.073 – Deliberation Regarding Prospective Gift; §551.074 – Personnel Matters; and/or §551.076 – Deliberation Regarding Security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

The Board did not meet in Executive Session.

The meeting adjourned at 10:23 A.M.

Signed this 18th day of November 2024.

(seal)



Mike Maroney
Mike Maroney, Secretary