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Regarding drainage, staff will be reviewing a drainage easement near 5 Cloverbrook Court to possibly address any changes made at adjacent properties that may have affected the drainage. Other than that, all drainage projects are complete.

3. Consider, discuss, and take any necessary action to approve the Minutes of the April 21, 2025, Regular Board Meeting.

Director Almond moved to approve the Minutes of the April 21, 2025, Regular Board Meeting as presented; Director Stiles seconded the motion, which carried 4-0. Board President Coskey was absent.

4. Consider, discuss, and take any necessary action to approve the April 2025 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 \$1.9 million and the Debt Service Fund closed the month with a balance of \$129,000. 4.35% interest was earned in TexPool for the month of April, and it was at 4.3% this morning. 98.9% of the property taxes were collected in April. The Cash Reserves Comparison shows a balance of \$2 million compared to \$1.7 million at this time last year. Expenditures from the Reserve fund were related to parts for the Roberts upgrades and the Wastewater Treatment Plant automation improvements during the month of April. Revenues were \$14,000 over budget for the month and \$18,000 over for the year, mostly due to water and wastewater sales. Expenses were \$11,000 under budget for the month and \$58,000 under for the year.

Director Almond inquired about the fund balance reduction. Earl explained that the Board will see a big reduction in revenues through the end of the Fiscal Year during non-billing months and as the property taxes stop coming in.

Director Stiles asked about water usage by the Club, as they are redoing their greens. Earl explained that they may pull from the effluent tank to accommodate any needs.

Director Maroney moved to approve the April Bookkeeper's Report and paid invoices; Director Almond seconded the motion, which carried 4-0. Board President Coskey was absent.

5. Consider, discuss, and take any necessary action to approve the April 2025 Manager's Operating Report.

Earl reviewed the written report with the Board highlighting the following:

- Debt Service Fund – The balance at the end of April was \$129,000, which is more than enough to make the October 1st bond payment of \$28,000.
- Connections Summary – Currently there are no new connections in The Hills, but there are three that will show up under new construction soon.
- Water Restriction Violations and Notifications – There were 219 water restriction violations in the month of April and 66 of those were notified by staff.

- Director Stiles recommended reminder communications to residents regarding the current drought situation. Earl will work with the POA and Village as needed to get the word out.
- Operations – 20 million gallons of water were pumped from the lake in March versus 14 million gallons in February. The Wastewater Treatment Plant continues to treat well. There was one inch of rain in March.
- Large Project Cost Report – Reviewed the list of projects, budget, and current balances. The valve actuator replacement project is complete with a final cost of \$26,000. Completing the work in-house helped to save money for this work. The MagMeter for Roberts backwash has not started yet. Now that the weather is improving, staff will inspect the Pond Liner with the Remote Operated Vehicle (ROV) to see how the seam is holding up.

Earl also reported on the following items:

- Bob Rose, Meteorologist for LCRA – During a recent LCRA firm water customer meeting Mr. Rose indicated that he is willing to come to an upcoming Board meeting to provide a long-term weather outlook. There was a consensus of the Board to invite him to the June Board meeting.
- Effluent Pond – A 200 horsepower vertical turbine needed to be pulled. The pumphouse currently only has one small and one large pump. Staff are working with Austin Armature Works to remedy the situation, and the system is currently running on the back-up pump. The valve needs to be replaced, and it is located 27 feet in the ground right next to the building. Short term remedy is to build a barge to be able to pump the line dry, which will cost less than \$2,000, test and make sure everything works, then install the pump. Long term fix will be when the bottom section of the pond liner is changed, get the new valve installed.
 - Director Stiles recommended staff do a good review on water safety procedures.
- Pond Liner – The bottom portion of the Pond Liner replacement will need to be postponed one more year, as the Club is redoing the golf course greens and with the current drought situation it is not a good year to drain the pond completely. Staff will utilize the ROV next week to check the seam and make sure it is holding and to check the floating intake, then make a final determination. Earl will reach out to Lange to see if they will hold the remaining material until ready, and if not will bring it down and store it here.
- Generator – Staff researched the length of time the generator will run effectively and determined it is able to run for 24 hours straight at maximum load, and double time at 50% load, and quadruple the time at 25% load. Diesel fuel can be stored for up to one year and staff will run weekly testing to ensure functionality and to cycle the diesel fuel. The trailer will haul four tanks with up to 119 gallons of diesel in each tank. Paperwork has been started on lease and there is an expected six-month lead time for the generator. PEC has indicated that they are open to bringing in the ground mounted transformer, but the District will have to grant them a 20-foot easement. They are working up a price for that.

- Tree Removal from Hurst Creek MUD Perimeter – Staff are working with the Village of The Hills and the City of Lakeway to remove some dead trees, which were the result of an invasive vine. The District is using their contractor at their negotiated price. The City of Lakeway will grind all stumps at no cost. It took six days to remove all of them. The fence will be moved to the District's property line and the area will be revegetated after the easement is granted to PEC.
 - Director Stiles expressed concern with aesthetics and Earl confirmed it is top priority, and the Village of The Hills is working with the City of Lakeway to check within The Hills to make sure the invasive vine hasn't caused issues anywhere else.
- Wastewater Treatment Plant Automation – The old air compressors have been sold to Lakeway MUD. The funding for this project has been approved in the budget and it will take four to six months to complete. Phase 2 may need to be added to next year's budget.
 - Director Almond recommended taking pictures of the projects for the Board.

Director Stiles moved to approve the April Manager's Operating Report; Director Maroney seconded the motion, which carried 4-0. Board President Coskey was absent.

- 6. 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 the Executive Session at 10:22 A.M.

The Board reconvened the Regular Meeting at 10:25 A.M.

- 7. Consider, discuss, and take any necessary action to approve the Amended and Restated Shared Office Agreement with The Hills Property Owners Association.**

Director Maroney moved to table the item until the next regular Board meeting; Director Almond seconded the motion, which carried 4-0. Board President Coskey was absent.

The meeting adjourned at 10:37 A.M.

Signed this 16th day of June 2025.

(seal)




Mike Maroney, Secretary