

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

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

Also present were Earl Wood, Kurt Pendleton, Stacey Johnson, Beth Caccamisi, and Sonja De La Fuente of Hurst Creek MUD, Angie Massey, and Councilmember Lee Crawford of the Village of The Hills.

Kurt Pendleton provided the report for this item. He reported that Blake Blatchley led the monthly Safety Meeting covering Job Site Communication highlighting the importance of communicating with team members while on the job site as well as with fellow team members regarding your location to prevent accidents and in case of an emergency.

Bob Rose, Chief Meteorologist for LCRA shared his PowerPoint presentation from May with the Board and advised that conditions have improved since then. May was a great month with above normal rainfall. So far June is above normal as well. Lake Travis is currently at 53% full today and we are moving away from extreme and closer to median

conditions. We are still in Stage 2 of the Drought Contingency Plan. We just went through the warmest spring of record and came out of three years of back-to-back La Niñas and two years of El Niños. He also reviewed the forecast as per the National Oceanic and Atmospheric Administration (NOAA) with several hurricanes, including four major predicted.

A brief question and answer period was held among the Board who asked several questions regarding the weather, why some areas receive more rain than others, and forecasting model preferences. Mr. Rose provided the Board with his opinions and insight.

3. Consider, discuss, and take any necessary action to approve the Audit Engagement Letter for Fiscal Year 2024-2025.

Beth Caccamisi provided the report regarding this item. She advised this is the same Audit firm as last year and they are not requesting an increase in price this year.

President Coskey asked if the auditors are switched out every five years. Beth noted that the field partners are switched out every few years.

Director Stiles asked if they have to go out to bid every so often. Earl explained that the District would issue a Request for Qualifications if needed and make a selection based on qualifications, not price.

Director Almond moved to approve the Audit Engagement Letter for Fiscal Year 2024-2025; Director Maroney seconded the motion, which carried 5-0.

4. Consider, discuss, and take any necessary action to update the Part-Time Employee Health Coverage Policy.

Earl provided the report for this item. He explained that Texas Health Benefits requires employers to pay 75% of the employee's cost for their health coverage. The dependent coverage would remain at 50% coverage.

President Coskey noted that most part time employees pay 100% of their own health benefits.

Director Wingard moved to update the Part-Time Employee Health Coverage Policy as presented; Director Stiles seconded the motion, which carried 5-0.

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

Earl provided the report for this item. He explained that the bottom impeller came off the vertical turbine at the pond pump house and blew out all bushings and bearings. It is \$23,100 to repair, so he recommends moving \$30,000 from Cash Reserves to the Pond

Repairs & Maintenance Fund. He explained that because this falls under maintenance it would be paid for under the golf course irrigation contract with the Club.

Director Coskey moved to approve the Fiscal Year 2024-2025 Budget Amendment as presented; Director Stiles seconded the motion, which carried 5-0.

6. Consider, discuss, and take any necessary action regarding Fiscal Year 2025-2026 Budget and Tax Rate.

Earl provided the report for this item. He explained that this is an informational item only. The Travis Central Appraisal District provided an estimate of the net taxable value. An update will be issued in July. Staff are currently working on the next fiscal year budget and a preliminary budget should be ready by the next regular meeting.

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

Earl provided the report for this item. He reminded the Board that this item comes before the Board for their review on an annual basis. There have been no changes to the Investment Policy.

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

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

Kurt provided the report for this item. He let the Board know that 21 Glen Rock Drive and 12 Glenway Drive have approved drainage plans and should be starting construction soon. There were no drainage issues to report and no updates regarding MS4.

9. Consider, discuss, and take any necessary action to approve the Minutes of the May 19, 2025, Regular Board Meeting.

Director Maroney moved to approve the Minutes of the May 19, 2025, Regular Board Meeting as presented; Director Stiles seconded the motion, which carried 4-0. Board President Coskey abstained.

10. Consider, discuss, and take any necessary action to approve the May 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 just under \$1.8 million and the Debt Service Fund closed the month with a balance of \$133,000. 4.31% interest was earned in TexPool for the month of May, and it was at 4.28% this morning. 99.6% of the property taxes were collected in May. The Cash Reserves Comparison shows a \$150,000 increase in the cash reserve balance over last year at this time. Expenditures from the Reserve fund were related to

the Wastewater Treatment Plant automation improvements. Revenues were \$18,000 over budget for the month and \$101,000 over for the year. Expenses were \$6,000 over budget for the month and \$52,000 under for the year.

Director Wingard moved to approve the May 2025 Bookkeeper's Report and paid invoices; Director Almond seconded the motion, which carried 5-0.

11. Consider, discuss, and take any necessary action to approve the May 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 \$133,000, 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 two that should show up under new construction in June.
- Water Restriction Violations and Notifications – There were 195 water restriction violations in the month of May and 117 of those were notified by staff.
 - Director Almond requested a breakdown of the level of violations (i.e., first, second or third).
 - Stage 2 is still in effect with one-day-per-week watering allowed. Even when the lake is full the maximum number of watering days per week will never again be more than two.
- Operations – 20 million gallons of water were pumped from the lake in May, which was about the same as April. The Wastewater Treatment Plant continues to treat well even though a small upset was experienced in May, and the issue has since been corrected. There was 4.65 inches of rain in May.

Earl also reported on the following items:

- Generator – The generator has been ordered and it should arrive sometime in the fall. Staff are working with PEC to move the transformer and underground lines to accommodate the generator, and it has been determined that the costs associated with this will be a virtual wash with the District granting them a 20-foot easement.
- Hurst Creek MUD Perimeter – The property line has been surveyed. The fence quotes came in a little higher than expected so staff will obtain three quotes since the quote was over \$25,000 for the chain link replacement fence. Staff are also working with Richard, the Forester for the City of Lakeway, to revegetate the perimeter where trees were removed.
- Wastewater Treatment Plant Automation – The valves, conduit, wiring, and analyzers have been completed. Hopefully, the project will be done in about three months.
- 89th Legislative Session Update – The Governor's deadline to veto passed legislation is June 22, 2025.
 - Discussion held among the Board and staff related to the various bills that have moved through the committee process and are pending final action.

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

Village of The Hills City Councilmember Lee Crawford informed the Board that the City Council met in June and changed the Municipal Code regarding short-term rentals requiring online booking companies to provide a permit number otherwise a \$2,000 fine would be imposed. The Council will hold a special Meeting on June 17, 2025, at 6:00 P.M. to consider a permit for fireworks at the Club. Finally, he reported that the Constable has noticed vehicles slowing down in The Hills since the new speed limits have been posted.

The Board recessed the Regular Meeting at 10:43 A.M.

12. 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 10:45 A.M.

The Board reconvened the Regular Meeting at 11:05 A.M.

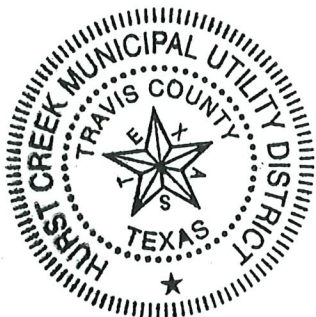
13. Consider, discuss, and take any necessary action to approve the Amended and Restated Shared Office Agreement with The Hills Property Owners Association.

Director Coskey moved to authorize the Board President to write a letter to The Hills Property Owners Association terminating the Shared Office Agreement; Director Stiles seconded the motion, which carried 5-0.

The meeting adjourned at 11:07 A.M.

Signed this 21st day of July 2025.

(seal)




Mike Maroney, Secretary