

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, and Beth Caccamisi of Hurst Creek MUD; Lee Crawford and Angie Massey of the Village of The Hills; and Sara Jenkins of The Hills POA.

- Kurt Pendleton provided the report for this item. Jake led a Safety Meeting on September 11th and discussed Ergonomics. The group discussed the importance of stretching, sitting, standing, and lifting safely and efficiently.

- Earl Wood provided the report for this item. He advised that there has been no change to what was presented at the last meeting. The proposed rate and hearing notice have been published as the law requires.

There were no comments from the public.

President Coskey noted that the average homestead value decreased, and the homestead exemptions decreased, but the taxable values increased. The tax rate continues to trend down.

Board President Coskey closed the Public Hearing at 9:10 A.M.

Director Almond moved to adopt the 2025 Tax Rate and execute the Order Levying Taxes; Director Stiles seconded the motion, which carried 5-0.

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

Earl provided the report for this item. He advised that nothing had changed since the last update.

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

4. Consider, discuss, and take any necessary action to adopt the Fiscal Year 2025-2026 Budget.

Earl provided the report for this item. He reminded the Board that they will be approving the budget for this coming Fiscal Year.

He informed the Board that since the last meeting he met with the Board President to discuss cost of service and the Board discussed the difficulty in comparing neighboring agencies, due to the differences in services provided and revenue sources. For example, Lakeway has commercial properties that provide revenue, but they don't have the cost of drainage management. He provided two charts to the Board to show some comparison and contrast. He did his best to ignore revenue and consider how much money each agency spends on long term debt and operations and maintenance. There is a difference in the number of water and wastewater connections among the agencies, which does cause another discrepancy to consider. According to calculations, it appears the total cost of service per connection is nearly the same per district, with Hurst Creek MUD slightly lower. Earl noted that both districts are doing a great job.

In regard to the proposed Budget, Earl advised that the capital budget includes \$95,000 for the generator installation and \$100,000 for the potential pond liner repair.

Director Almond moved to adopt the Fiscal Year 2025-2026 Budget; Director Wingard seconded the motion, which carried 5-0.

5. Consider, discuss, and take any necessary action to approve Amendment 40, District Information Form.

Earl provided the report for this item. He advised that the language in this form is required by law.

Director Stiles moved to approve Amendment 40, District Information Form; Director Almond seconded the motion, which carried 5-0.

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

Earl provided the report for this item. The Board reviewed the differences in coverage compared to last year. Earl advised that Hurst Creek MUD has received \$9,000 back from Worker's Comp in the last three years.

President Coskey noted that there have been little to no claims over the past 15 years. He polled the Board and asked if any of the Board members have knowledge of any liabilities or claims and all Board members advised that there is no knowledge of any liabilities or potential claims against the District.

A recommendation was made to see how much it would cost to have a new Roberts Unit installed. It was also recommended to ensure the underwriter is aware of the extent to which employee vehicles are used on the job.

Director Almond moved to approve the renewal of insurance policies provided by Gallagher WIN for Fiscal Year 2025-2026; Director Maroney seconded the motion, which carried 5-0.

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

Kurt provided the report as follows:

- The next Household Hazardous Waste collection event will be on October 15, 2025, from 9:30 A.M. until 12:30 P.M. Signups are required to participate.
- A leak at 56 Stillmeadow Drive has been repaired.
- Staff met with the POA and builder regarding a guest house at 129 The Hills Drive with the entrance to that guest house off of the nearby cul-de-sac. A drainage plan has yet to be submitted for review/approval.

8. Consider, discuss, and take any necessary action to approve the Minutes of the August 18, 2025, Regular Board Meeting.

Director Stiles moved to approve the Minutes of the August 18, 2025, Regular Board Meeting with the recommended adjustments; Director Almond seconded the motion, which carried 5-0.

9. Consider, discuss, and take any necessary action to approve the August 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 \$1.4 million and the Debt Service Fund closed the month with a

balance of just over \$137,000. There will be \$109,000 remaining following the payment next week. 4.31% interest was earned in TexPool for the month of August, and it was at 4.31% this morning. 98.9% of the property taxes were collected in August. Revenues were under budget by \$17,000, mainly due to water sales and Expenses were under budget by \$29,000 for the month and almost \$124,000 for the year. The Cash Reserves Comparison shows almost a \$300,000 increase in the cash reserve balance over last year at this time. She noted that all electrical materials for the generator project have been purchased.

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

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

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

- Debt Service Fund – Almost all property taxes have been collected, and the Bond payment will be made next week leaving a \$109,000 balance.
- Connections Summary – There are 1,218 connections with two new homes currently under construction.
- Water Restriction Violations and Notifications – There were 82 customers contacted regarding water restriction violations during the month of August.
- Operations – 38 million gallons of water were pumped from the lake in August, 542 total acre feet for the year (contract allows for 1,200). The Wastewater Treatment Plant continues to treat well. There were 2.27 inches of rain in August.
- Perimeter Fence – the new fence has been installed and a sample of the screening was shared with the Board. The dark green material has a 25-year life expectancy, and this will allow time for vegetation to grow. The cost of the screening is \$4,800.
- Pond – The pond is holding steady. An Aluminum Gantry Crane has been purchased. Staff will continue to work on retrieving the intake hose. In the meantime, pumping off the bottom is keeping it clear and there have been no complaints regarding any odor emission.

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

Councilmember Lee Crawford, the Village of the Hills Liaison, shared the following updates:

- A special City Council Meeting will be held on September 18th to address business items and to take action on the Fiscal Year 2026 Budget and Tax Rate.
- Councilmember Marietta has resigned from the City Council, and the Council will consider appointing a replacement at the Special meeting for the remainder of Mr. Marietta's term, which runs through November 2026.

- There are three open City Council seats on the ballot for the November 4th election with five candidates to choose from.
- A community welcome center is being considered, and Mayor Pro Tem Sarah Carroll is heading up a committee to explore options.

11. Consider, discuss, and take any necessary action regarding The Hills Property Owners Association office lease.

Earl provided the report regarding this item. A meeting is scheduled on September 16th to discuss specifics related to the POA's office lease, which expires at the end of September. Authorization was previously given to sign the lease agreement if needed, so Board action is not necessary at this time.

The Board recessed the Regular Meeting at 10:35 A.M.

The Board convened the Executive Session at 10:35 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 reconvened the Regular Meeting at 11:10 A.M.

There was no reportable action.

Director Stiles moved to adjourn the meeting; Director Almond seconded the motion, which carried 5-0.

Board President Coskey adjourned the meeting at 11:10 A.M.

Signed this 20th day of October 2025.

(seal)


Mike Maroney, Secretary