

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
AUGUST 17, 2020**

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

The Board of Directors of Hurst Creek Municipal Utility District (the "District") met this date in Regular session, open to the public, remotely and in the District's offices 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:

Wilson Smith	President
James M. Wingard	Vice-President
Mike Maroney	Secretary
Larry Kener	Assistant Secretary
Kevin Paulsen	Treasurer

And all of said persons were present with Larry Kener and Kevin Paulsen attending remotely, thus constituting a quorum.

Also present were Earl Wood, Linda Lunney, Beth Caccamisi, Stacey Johnson, and Kurt Pendleton representing general management for the District; George Spencer and Hilda Potsavich, representing City Council; Corey Koberg, POA and Dan Wegmiller, District Financial Advisor, all attended remotely.

1. Discuss and act on adoption of Order Calling Directors Election and authorization to publish notice of the Election

Director Maroney moved to adopt the Order Calling Director's Election and authorize publishing the notice of the election; Director Wingard seconded the motion which carried unanimously.

2. Consider, discuss and take action regarding operations for the MUD during COVID 19

Earl Wood reported the essential services are to continue with current safety procedures until further notice.

3. Consider, discuss and take action regarding the Water Sale Contract with L.C.R.A.

Earl Wood will be presenting the contract application. A notice will be published in the Lake Travis View in September. L.C.R.A. has six months to approve the contract, if no decision is made within this time a notice will be published every six months until approval is obtained.

4. Consider, discuss and take any necessary action on drainage

Kurt Pendleton reported that 50 Club Estates post construction drainage passed and the MUD approved occupancy. A neighbor is still concerned with drainage from 50 Club Estates and the affect it will have on his property. A meeting with the MUD, POA and the neighbor is recommended to resolve the neighbor's concerns.

Construction of the rock-lined drainage ditch between 5 and 7 Dewdrop will be completed this week. A ditch along the greenbelt on Club Estates has been started to facilitate groundwater collection.

5. Consider approving the minutes of the July 20, 2020 Regular Meeting

Director Kener moved approval of the July 20, 2020 Regular Meeting minutes; Director Maroney seconded the motion which carried unanimously.

6. Consider and take action approving the July Bookkeeper's Reports and approval of paid invoices

Beth Caccamisi reviewed the July report, showing \$1,507,274.38 in the General Fund and \$133,891.11 in the Debt Service Fund. The Budget Amendments approved last month add enough to the drainage fund to meet any drainage projects for the rest of the year.

Director Wingard moved approval of the July Bookkeepers Report; Director Maroney seconded the motion which carried unanimously.

7. Consider, discuss and take action regarding the Budget for 2020-2021 and 2020 Tax Rate, set date for public hearing on the Tax Rate and authorize publication of the Notice of Public Hearing on the Tax Rate

Earl Wood explained the new tax regulations. Hurst Creek MUD is considered a Developed Water District, being more than 95% built out. If a Developed District increases taxes more than 3.5% it mandates an election on the total tax rate instead of just the O&M.

Dan Wegmiller, District Financial Advisor, spoke to the Board about the reasoning behind increasing the debt service to 0.0900 from 0.0847, allowing for possibly paying off more debt. This will bring the total tax to 0.3200 from 0.3147, just under 3.5%. This rate would be an average increase of \$34 per household. Dan left the meeting at this time.

Mr. Wood then reviewed the 2010-2020 Projected Year-End Report. The year will end with an estimated \$1,371,785.69 general fund balance (based on actuals as of July 31 with August and September estimated). This will leave a positive balance overage of \$221,733. Revenues were higher than budgeted due to less rain and lower payroll costs.

He then reviewed the proposed 2020-2021 Budget of \$2,531,732.37.

Director Wingard moved approval of the Tax Rate of \$0.3200; Director Maroney seconded the motion which carried unanimously.

Director Kener moved approval of the proposed 2020-2021 Budget of \$2,531,732.37; Director Paulsen seconded the motion which carried unanimously.

8. Consider and take necessary action to approve the July Manager's Operating Reports

Earl Wood reviewed the written report. Kurt Pendleton reported that one of chlorine pumps went down at the Water Treatment Plant and borrowed a pump from the Backwash unit while the pump was being repaired.

An estimate was received for capping the pond liner down 150 feet with warranty for \$774,000. It has been determined that 100 feet down would suffice which will make the estimate at \$500,000. If staff is able to do the repair it would only cost a couple of hundred thousand dollars. Further research will be done as to the best way to proceed. While a few more small repairs may be needed this year, the major repair can wait until next year.

Maintenance on the elevated tower will need to be started this year. Some rust is beginning to show on parts of the tower and will need painting on parts of the exterior at least, if not the entire surface. Staff will begin getting quotes on the repairs. Depending on how much work needs to be done, it could be around \$500,000.

Director Maroney moved approval of the July Manager's Operating Report; Director Kener seconded the motion which carried unanimously.

9. The Board may go into Executive Session to receive advice from its Attorney pursuant to Section 551.071 of the Texas Government Code and/or to discuss personnel matters under Section 551.074 of the Texas Government Code.

The Board went into Executive Session at 11:48 am

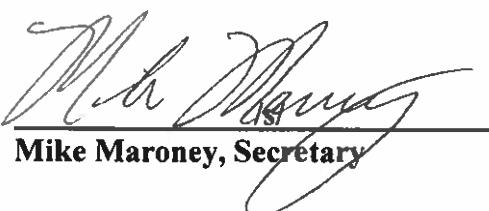
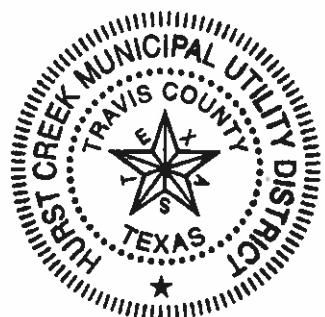
The Board did not take a vote, order, decision or other action in the Executive Session.

The session was adjourned at 12:04 pm

There being no further business, the meeting was adjourned at 12:10 pm

Signed this 21st day of September 2020.

(Seal)



Mike Maroney, Secretary