

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
JULY 19, 2021**

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 thus constituting a quorum.

Also present were Earl Wood, Stacey Johnson, Kurt Pendleton, Beth Caccamisi, Alma Wood and Linda Lunney, Hurst Creek MUD; and Jim Nelson, Village of The Hills

1. Consider, discuss, and take any necessary action regarding the 2020-2021 audit engagement letter.

Earl Wood reviewed the proposal from Montemayor Britton Bender PC for the 2020-2021 audit. The MUD's current auditor sold his company to Montemayor Britton Bender. The current auditor will be available to help with the handoff to Montemayor. It is recommended to use Montemayor for this year's audit.

Director Wingard moved to authorize the General Manager to negotiate payment to Montemayor Britton Bender not to exceed \$16,300 for this year's audit; Director Maroney seconded the motion which carried unanimously.

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

The District's investment policy needs to be reviewed each year. The current policy has been updated by the attorney and the BOD was asked to review it. The new policy needs to be adopted by the end of the fiscal year.

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

Kurt Pendleton reported that the engineers are still working on the drainage design for Dew Drop Cove and Heatherbloom Lane. Another house is planned to be built on Cottondale Road.

4. Consider, discuss and take any necessary action on the 2021-2022 draft budget.

Earl Wood reviewed the preliminary draft budget for 2021-2022. It is projected to have \$1,269,000 in the General Fund at the end of the fiscal year, a positive variance for 2020-2021 of \$136,409. The actual draft budget will be presented at the August meeting.

5. Consider, discuss, and take any necessary action regarding the Raw Water Contract with the LCRA.

Earl Wood reported that the LCRA will not change the contract from the standard contract, despite the fact that the community is built out and the MUD's successful conservation efforts. He recommended accepting the contract as presented.

Director Maroney moved to authorize the BOD President and General Manager to sign the Raw Water Contract; Director Paulsen seconded the motion which carried unanimously.

6. Consider approving the minutes of the June 21, 2021 Regular Board meeting.

Director Paulsen moved approval of the June 21, 2021 Regular Board meeting; Director Wingard seconded the motion which carried unanimously.

7. Consider and take any necessary action regarding amending the 2020-2021 budget.

Mr. Wood reviewed the budget amendment:

Payroll	\$60,000
Bulk water reserve fees	- 30,000
<u>Repairs & Maintenance</u>	<u>- 30,000</u>
Net Change	\$0.00

The \$60,000 overage in Payroll was caused by overtime and discretionary bonuses during the winter storm; 2020-2021 incentive bonuses that did not make it into that year's budget; and employee maternity coverage by a part-time employee.

Director Paulsen moved approval of the amendment of the 2020-2021 budget; Director Wingard seconded the motion which carried unanimously.

8. Consider, discuss, and take any necessary action approving the June Bookkeeper's Report and approval of paid invoices.

Beth Caccamisi reviewed the written report showing: \$1,492,050.14 in the General Fund and \$204,069.21 in the Debt Service Fund. Property taxes are 99.28% collected.

Director Maroney moved approval of the June Bookkeeper's Report; Director Kener seconded the motion which carried unanimously.

9. Consider and take necessary action to approve the June Manager's Operating Report.

Earl Wood reviewed the written report. He also reported:

- It was anticipated that near the end of July the pond water level would be down enough to inspect the repair made to the liner. If August is dry the water may go down enough for inspection, but it will delay the major repair until next year. If the water level doesn't go down enough, it was suggested to possibly have divers inspect the repair.
- He presented the BOD with a Cash Reserve Balance Projection for 2021-2022 as well as a list of critical items and maintenance items currently in progress and for future consideration.
- Water Treatment Plant 1 (Grandpa) is now online and operating.
- The installation of the new 4g water meters is going well. Most failed meters are original 2g meters, which are under warranty, and are being replaced with 4g meters which have a much lower failure rate.

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

10. 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.

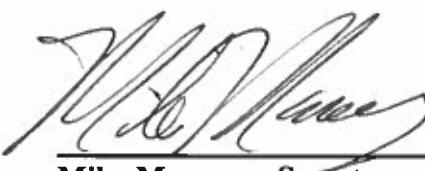
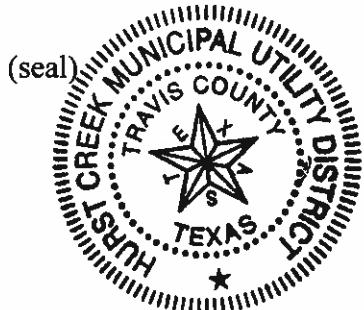
The Board went into Executive Session at 10:55 a.m.

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

The Session was adjourned at 11:35 a.m.

There being no further business, the meeting was adjourned at 11:36 a.m.

Signed this 16th day of August 2021.



Mike Maroney, Secretary