

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
JUNE 20, 2022**

THE STATE OF TEXAS

COUNTY OF TRAVIS

The Board of Directors of Hurst Creek Municipal Utility District (the "District") met this date at 9:00 a.m. in Regular session, open to the public 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:

Present:

James M. Wingard	Vice-President
Mike Maroney	Secretary
William Coskey	Treasurer
Tom Stiles	Assistant Secretary

Absent:

Wilson Smith President

thus constituting a quorum. Due to President Smith's absence, Vice-President Wingard led the meeting.

Also present were Earl Wood, Stacey Johnson, Kurt Pendleton, Beth Caccamisi, and Sonja De La Fuente, Hurst Creek MUD; Councilmember Robert Smith, The Hills City Council; and Brian Peters, The Hills of Lakeway POA.

1. Swear in new Director.

The District Clerk administered the Oath of Office to new Director James T. "Tom" Stiles who will serve for the remainder of former Director Larry Kener's term through November, as this position along with two others is up for election. Tom will assume the position of Assistant Secretary and it was noted that Larry Kener oversaw Drainage for the Board.

2. Consider, discuss, and take any necessary action regarding adopting an Order Authorizing the Redemption of certain District's Outstanding Bonds.

Dan Wegmiller with Specialized Public Finance Inc. provided the report for this item. He advised there is \$105,000 available to redeem or payoff early. There was discussion held regarding options available related to the outstanding Series 2005 and 2012 bonds. There was a consensus of the Board to bring a resolution to the next regular Board meeting for consideration.

3. Consider, discuss, and take any necessary action regarding the purchase of the remaining pond liner material.

Earl Wood provided the report for this item. He recommended moving forward with the purchase of the remaining material in the amount of \$51,637 to avoid the monthly storage cost, as the company agreed to store it for free if purchased in advance thereby saving \$1,800 per month in storage fees. Director Coskey asked when the material would be used, and Earl advised it would be used next year.

Director Coskey moved to authorize the purchase of the remaining pond liner material; Director Maroney seconded the motion which carried 4-0. Board Member Smith was absent.

4. Consider, discuss, and take any necessary action regarding the approval of the Audit Engagement Letter for Fiscal Year 2021-2022.

Earl Wood provided the report for this item. He explained that this year would be paid near the price initially quoted. There was discussion regarding the retainer fee and Earl noted that portion is paid before the audit and the remainder is paid after the work is complete.

Director Maroney moved to approve the Audit Engagement Letter for Fiscal Year 2021-2022 with Montemayor Britton Bender PC in the amount of \$16,275; Director Coskey seconded the motion which carried 4-0. Board Member Smith was absent.

5. Consider, discuss, and take any necessary action on the Effluent Interconnect with Lakeway MUD.

Earl Wood provided the report regarding this item. The Board reviewed the plans for the project. Earl explained that it would take approximately three months to finalize everything and go out to bid. He anticipates construction would begin in the fall and complete by next summer. He noted that the pond is intentionally low so that the repairs can be made to the liner.

6. Consider, discuss, and take any necessary action to approve the Minutes of the May 23, 2022, Special Board Meeting and the June 8, 2022, Special Board Meeting.

Director Maroney moved approval of the May 23, 2022, Special Board Meeting and the June 8, 2022, Special Board Meeting; Director Coskey seconded the motion which carried 4-0. Board Member Smith was absent.

7. Consider, discuss, and take any necessary action to approve the May Bookkeeper's Report and approval of paid invoices.

Beth Caccamisi reviewed the written report showing \$1,669,103 in the General Fund and \$228,676 in the Debt Service Fund. TexPool interest rates were at .7% and expected to increase. Property taxes collected is hovering around 98% collected. The meter loan has been paid off, which was \$5,900 per month. Revenues are \$32,000 to the good for the month and \$51,000 to the good for the year. Beth reported that the CD held at Anthem Bank will not be renewed in July since the interest rate is .25% and it will be moved back to TexPool. She advised that more of the General Fund would be placed in TexPool since interest rates are up and approximately

\$300,000 will be kept in Plains Capital for day-to-day expenses. There was some discussion held regarding various line items.

Director Coskey moved approval of the May Bookkeeper's Report as presented; Director Stiles seconded the motion which carried 4-0. Board Member Smith was absent.

8. Consider, discuss, and take necessary action to approve the May Manager's Operating Report.

Earl Wood reviewed the written report. He advised the Board that he is required by law to provide them with certain information. There is currently only one home currently under construction at 52 Cottondale. He noted that rainfall in May was 2.96 inches. Earl reported that a Conserve Water brochure was mailed to all residents to remind that The District remains in Stage 1 (voluntary water conservation) and to encourage residents to sign up on WaterScope to monitor their water usage.

Director Maroney moved approval of the May Manager's Operating Report; Director Stiles seconded the motion which carried 4-0. Board Member Smith was absent.

9. Consider, discuss, and take necessary action regarding The Hills Drive dam.

Earl Wood provided the report for this item. Director Stiles advised that he will recuse himself from voting on this matter since he still serves on the POA Board and he will do the same at their meetings. Earl explained that he has researched the District's documents related to ownership of The Hills Drive dam. He found that Hurst Creek MUD owns Permit No. 4169 from TCEQ. He has located a Contract with Lakeway Golf Club from 1997 that shows that they (now ClubCorp) own the dams and the District is not obligated to maintain, repair, replace, nor police the dams unless the permit is in jeopardy. He noted that in 1987 it appears Hurst Creek MUD was going to purchase the dam, but it appears that did not happen. He also noted that it appears the roadway belongs to the POA as there is a Right-of-Way Easement across the top of the dam.

There was a consensus of the Board that all parties sit together and come back to the Board with the results of the meeting.

Director Stiles left the meeting at 10:45 A.M.

City Council Liaison Councilmember Robert Smith informed the Board that the City Council passed an Ordinance regarding the regulation of short-term rentals. He noted that a short-term rental is when a home is rented for less than 30 days. The operator will be required to provide certain information, including number of vehicles and an emergency plan. He also reported that the City Council approved a Hotel Occupancy Tax related to the short-term rentals.

The Hills POA Liaison Brian Peters requested an update regarding the property on Stillmeadow. Earl Wood informed him that the homeowner has advised that he will comply with all requirements. The next step is to have a surveyor out to survey and stake the property.

10. Consider, discuss, and take necessary budgetary action regarding increased costs of supplies and services affecting salaries and operations.

Earl Wood provided the report for this item. He advised the Board will discuss specific personnel in Executive Session then continue discussion and take any action in open session.

The Board recessed the Regular meeting at 11:28 A.M.

11. The Board met in Executive Session to receive advice from its Attorney pursuant to Section 551.071 of the Texas Government Code and to discuss personnel matters under Section 551.074 of the Texas Government Code.

The Board convened in Executive Session at 11:45 A.M.

The Board reconvened the Regular meeting at 12:45 P.M.

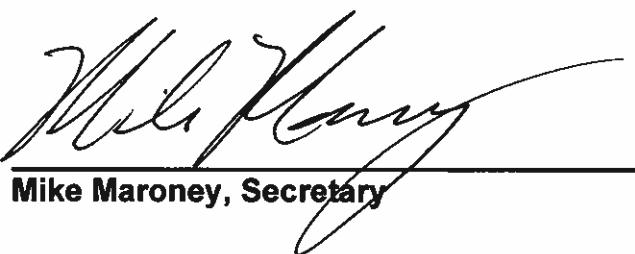
The Board continued discussion of Item 10 on the Agenda and considered salary adjustments for staff to be more competitive with other water industry jobs. They also discussed the increase in economic factors related to cost of living and the rising costs of fuel.

Director Coskey moved approval of 1) the Organizational Chart provided by Earl Wood increasing the base hourly wage for Operators and bringing any Operator not at that base wage up to the new base hourly wage, 2) a temporary increase to vehicle allowances for Operators by \$200 per month until further action by the Board; 3) excluding exempt salaried employees, increase all permanent employee's pay by \$2.00 per hour or the amount required to bring the employee up to the new base hourly wage for their position; and 4) promote Jake Pendleton to Operator II; Director Maroney seconded the motion, which carried 3-0. Board Members Smith and Stiles were absent.

The meeting adjourned at 12:50 P.M.

Signed this 18th of July 2022.

(seal)



Mike Maroney

Mike Maroney, Secretary