

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
JANUARY 23, 2023**

THE STATE OF TEXAS

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COUNTY OF TRAVIS

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The Board of Directors of Hurst Creek Municipal Utility District (the "District") met this date at 9:00 a.m. in Special 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:

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

thus, constituting a quorum.

Also present were Earl Wood, Stacey Johnson, Kurt Pendleton, Beth Caccamisi, Hurst Creek MUD, Councilmember Sarah Carroll, Village of the Hills, and Stacy Britton, Montemayor Britton Bender PC.

1. Consider, discuss, and take any necessary action approving the Audit for Fiscal Year 2021-2022.

Auditor Stacy Britton with Montemayor Britton Bender PC reviewed the Audit for Fiscal Year 2021-2022. Ms. Britton stated that the District was in good financial position with no findings. She reported revenues were \$1.4 million and expenses at \$1.3 million leaving the fiscal year in the positive. Director Coskey inquired about metrics in regards to a comparison between like size water districts and their audits. It was explained that all water districts have to report to the TCEQ and that they may have some metrics he is looking for. The Auditor indicated she would look into that and see what she could provide.

Director Coskey moved approval of the Audit for Fiscal Year 2021-2022; Director Maroney seconded the motion which carried 5-0.

2. Consider, discuss, and take any necessary action regarding canceling Homeowners United for Rate Fairness (HURF) support.

Earl Wood requested the Board vote to cancel the \$2,500 check previously approved as a donation in December 2022. It was stated that the deal was over and the rate increase was already passed.

Director Coskey moved to cancel the donation of \$2,500 on behalf of Hurst Creek MUD; Director Wingard seconded the motion, which carried 5-0.

3. Consider, discuss, and take any necessary action to amend the District's Rate Order.

Earl Wood reported that the Public Utilities Commission recently adopted new rules regarding disconnections and late fees for nonpayment during extreme weather emergencies based on legislation following the 2021 Winter Storm. Under the new rules the District is prohibited from disconnecting service or imposing late fees during an extreme weather emergency for nonpayment of a bill that is due during the emergency until after such emergency is over. Earl requested approval from the Board to move forward with the Notice, which by law must be mailed to District customers no later than January 31, 2023. Earl also advised the Board on the potential need to amend the current Rate Order in order to reflect the newly required language outlined in the Texas Admin Code §24.173 (d).

Director Tom Stiles requested to include verbiage in the Notice informing the customers that Hurst Creek MUD has not turned services off to any of its customers for non payment due to extreme weather emergencies.

Director Stiles moved to send Notice to District customers informing them of the new rules and authorize staff to update rate order with the changes necessary to be in compliance; Director Coskey seconded the motion, which carried 5-0.

4. Consider, discuss, and take any necessary action on approving Hurst Creek MUD's General Manager to fill the alternate role on the Region K State Water Planning Board for Public Utilities.

Earl Wood informed the Board that he has been asked to be an alternate to Board Member Christiane Casselberry for the Texas Water Development Board Region K State Water Planning Board. Discussion was held about duties and requirements of the position. Director Tom Stiles inquired about any possible conflicts of interest. Earl confirmed there would be no conflict of interest. Earl expressed that it would benefit the Board to have a Water Plant Manager as part of said Board. The current Board made up of lawyers, judges, and environmentalists. The Board of Directors agreed that it is in the best interest of the District to have Earl Wood on the Region K State Water Planning Board as an alternate.

Director Stiles moved to approve Earl's request to fill the alternate role on the Region K State Water Planning Board; Director Wingard seconded the motion, which carried 5-0.

5. Consider, discuss, and take any necessary action to approve the Minutes of the December 12, 2022, Special Board Meeting.

Director Maroney moved to approve the Minutes of the December 12, 2022, Special Board Meeting; Director Coskey seconded the motion, which carried 5-0.

6. Consider, discuss, and take any necessary action to approve the December 2022 Bookkeeper's Report and approval of paid invoices.

Beth Caccamisi reviewed the written report showing \$1,642,582 in the General Fund and \$324,344 in the Debt Service Fund. TexPool Interest was at 4.17% at the close of December. It was noted the current month had already earned \$3,800 in interest. The Board was pleased with

interest being earned. Property tax collection at end of month was at 50%. Director Wilson inquired on the delay of the property tax bills. It was explained that they were not late, but delayed and the District was notified in late summer of the delay. Several taxing entities adopting tax rates higher than the Voter-Approval Rate were happening in November and this resulted in final tax bills going out in early December. Director Wilson questioned prices of Lawn N' House services and if the company had insurance. Earl Wood explained the various services that Lawn N' House provides, including mowing several locations and cleaning all the District offices. Director Stiles made the recommendation to keep a regular record of current insurance for such vendors that are used frequently.

Director Wingard moved approval of the December 2022 Bookkeeper's Report and paid invoices; Director Stiles seconded the motion, which carried 5-0.

7. Consider, discuss, and take any necessary action to approve the December 2022 Manager's Operating Report.

Earl Wood reported on the following:

- The District's contract with LCRA is 1,200-acre feet and we will be over by about 35-42 acre feet.
- LCRA and TCEQ are in talks about mandatory 2 days a week watering possibly next year.
- Earl and Kurt met with George Hyde (local resident) and landowner by the elevated tower. He was aware of the tower painting project but was not notified of the start date. He was concerned and did not want to be liable for contractors being on his property. Our contractors have since not been on his property. Director Stiles inquired about the logo on the water tower. It has been tabled for discussion until spring/ summer.
- The effluent interconnect project with Lakeway MUD was discussed. Bids are pending the amendment and approval of our 210 service area from TCEQ. This permit is amending the allowable area of water disposal. The effluent interconnect has to be up and running before the pond liner can be replaced. If the pond liner cannot be replaced this summer, it will have to wait until next summer.
- Earl informed the Board that the District is down to one electric meter for the water plant grounds. There were previously 4 different electric meters that have since been combined to one, which is needed to have a transfer switch installed for a generator in the future.
- Kurt presented a price comparison sheet with information he had gathered from various vendors regarding the price of chemicals purchased to see if there were cheaper options. The Board indicated they were satisfied with the information and the inquiry did not need to be pursued further. They felt the pricing received was the best pricing. Kurt also discussed a new bid for the Dew Drop Cove project has been received and they are waiting on two more with reduced costs (less than \$75K).

- Leak on Stillmeadow Drive and its current state of repair. It is a temporary fix. A new service line needs to be pulled from the main meter box and the first half of a driveway must be torn up. This is scheduled for Monday January 30th. A quote and a concrete contractor are lined up to fix the driveway once the job is complete.
- The \$32,000 check was received from Legacy Performance and the agreement was signed for a feasibility study for property development on the practice holes that was previously discussed in 2022.
- A new employee has been hired for an operator position and will start January 30, 2023.

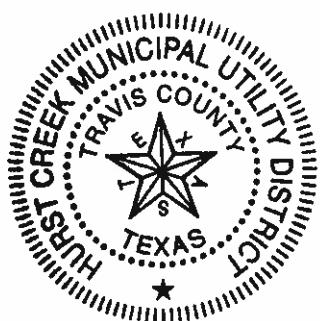
Director Wingard moved to approve the December 2022 Manager's Operating Report; Director Maroney seconded the motion, which carried 5-0.

8. ***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 recessed the open meeting at 10:35 A.M. and convened to Executive Session at 10:35 A.M. They reconvened the open meeting at 11:05 A.M. There was no reportable action. The Meeting adjourned at 11:05 A.M.

Signed this 13th day of February 2023.

(seal)



Mike Maroney, Secretary