

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
JUNE 12, 2023**

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 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:

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

thus, constituting a quorum.

Also present were Earl Wood, Kurt Pendleton, Stacey Johnson, Beth Caccamisi, and Sonja De La Fuente of Hurst Creek MUD, and Councilmember Rick Van Dalen of the Village of the Hills.

1. Consider, discuss, and take any necessary action regarding adopting an Order Authorizing the Redemption of certain District outstanding bonds.

Earl Wood provided the report for this item. He introduced Financial Advisor Dan Wegmiller via conference call. Mr. Wegmiller shared that he, along with Earl and Beth, review the Bond and Debt payment annually to determine the best plan for the 2005 and 2012 issued bonds. He explained that the District has the opportunity each year to pay some debt off early. President Coskey noted that the District paid off an additional \$100,000 last year and asked if the District proceeded to do that every year when the District would be out of debt. Mr. Wegmiller advised it would be approximately 2-3 years earlier and possibly up to 3-5 years earlier if they paid more. There was discussion held regarding costs and requirements related to paying debt early. Director Wingard asked about the \$1.4 million estimated taxable value of new value and Earl explained that is from new homes and/or improvements made to existing homes.

Director Wingard moved to authorize staff to bring forward an Order at the next meeting to redeem \$100,000 of certain District outstanding bonds; Director Maroney seconded the motion which carried 5-0.

2. Consider, discuss, and take any necessary action regarding the approval of the Audit Engagement Letter for Fiscal Year 2022-23.

President Coskey provided the report for this item. He noted an \$800 increase in cost for the year. Earl explained that their price is not far off from other auditors and that they agreed to lower the price the first year they were selected as the auditor. This will be the third year as auditor for Hurst Creek MUD.

Director Almond moved to approve the Audit Engagement Letter for Fiscal Year 2022-23. Director Wingard seconded the motion, which carried 5-0.

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

Kurt Pendleton provided the report for this item. He provided an update regarding the fire at 6 Club Estates Parkway. He reported that the firefighters pulled 3,000 gallons per minute for about an hour to put out the fire. Staff cleaned a lot of debris from the fire out of the drainage easements. Staff have also been cleaning drainage easements as needed throughout The Hills. The Board commended staff for a job well done.

4. Consider, discuss, and take any necessary action to approve the Minutes of the May 15, 2023, Regular Board meeting.

Director Almond moved to approve the Minutes of the May 15, 2023, Regular Board Meeting; Director Stiles seconded the motion which carried 5-0.

5. Consider, discuss, and take any necessary action to approve the May 2023 Bookkeeper's Report and approval of paid invoices.

Beth Caccamisi reviewed the written report showing \$1.7 million in the General Fund and a little over \$200,000 in the Debt Service Fund. 97% of the property taxes have been collected. She reported that TexPool earned \$6,900 in interest with a rate of 5.05%. She noted a payment was recently made for the Huber repairs last year. Revenues are \$36,000 to the good for the month and \$105,000 to the good for the year. Expenses are \$19,000 to the good for the month and \$31,000 to the good for the year. Director Wingard asked about penalties in the revenues section of the report. Beth explained they are from residents paying their bills late and are only received every two months, since billing occurs every other month.

President Coskey shared an Operating Cost - Benchmark Metric Example for Water/Wastewater/Drainage with the Board. Earl explained that most MUDs do not do drainage (MS4). Discussion was held among the Board and staff regarding which districts might be comparable.

Earl advised that budget time is coming up and asked the Board if they would like to appoint a committee to work through the process or if they would like to continue with the whole Board. President Coskey recommended remaining with the full Board. Earl provided a brief outline of the budget and tax rate approval schedule over the next few months, with adoption in September.

Director Almond moved to approve the May 2023 Bookkeeper's Report and paid invoices; Director Stiles seconded the motion which carried 5-0.

6. Consider, discuss, and take any necessary action to approve the May 2023 Manager's Operating Report.

Earl Wood reviewed the written report. He highlighted the following:

- Currently there are 1,207 connections, which includes one home that is under construction.
- The Debt Service Fund shows 97.08% of the taxes have been collected so far this year with a balance of \$218,580.
- Operationally, the District went from 21 million gallons to 25 million gallons (314-acre feet) of water pumped from the lake. He advised that there was 3" of rainfall in May, but more was expected. He explained that La Nina was all of 2022, but that El Nino should begin mid to late summer. The District adopted two-days per week watering (Stage 1) but is looking at moving to Stage 2. LCRA is rewriting their drought contingency and water conservation plan and it is expected to be stricter.
- The Board reviewed and discussed the 2022 Annual Water Quality Report.
- The Effluent Interconnect with Lakeway MUD project is going very well. It is approximately 50% complete. It was discovered that no airgap was needed thereby saving the District \$24,000.
- Met with Lange Containment who is storing the pond liner and asked them to store until next year and they agreed to do that at no additional cost.
- Visited Metron Farnier regarding using GIS data to create a plan to promote water conservation and efficiency. He should have an example to share with the Board soon. He reported that Metron Farnier has a new product that would provide meter updates immediately instead of once per day. They wanted to charge \$4 per customer. However, he met with the President of the company, and they agreed to charge the District \$1 per customer signed up for WaterScope. There was a consensus of the Board to move forward with an agreement.
- A substantial increase is expected in employee health coverage. He requested authorization for Director Stiles to work with him to come up with a workable solution.

Director Wingard moved to authorize Director Stiles to work with Earl on employee health coverage for Fiscal Year 2023-2024; Director Maroney seconded the motion, which carried 5-0.

Director Wingard moved to approve the May 2023 Manager's Operating Report; Director Almond seconded the motion, which carried 5-0.

7. 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 discuss personnel matters under Section 551.074 of the Texas Government Code.

The Board recessed the open meeting at 10:28 A.M. and convened to Executive Session at 10:31 A.M. They reconvened the open meeting at 10:58 A.M. There was no reportable action.

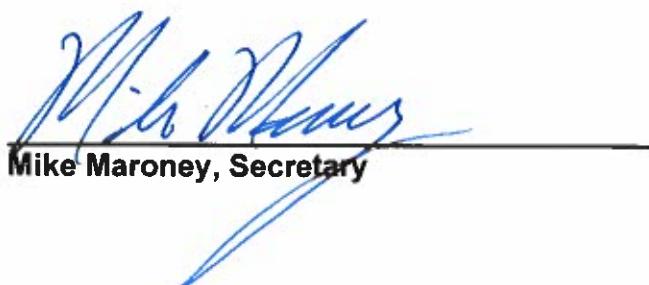
8. Consider, discuss, and take any necessary action regarding the Interlocal Agreement between Hurst Creek MUD and the Village of The Hills.

This item was not discussed.

Director Stiles moved to adjourn the meeting at 10:58 A.M.; Director Maroney seconded the motion, which carried 5-0.

Signed this 24th day of July 2023.

(seal)



Mike Maroney, Secretary