

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
JULY 24, 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, Beth Caccamisi, and Sonja De La Fuente of Hurst Creek MUD, and City Manager Dean Huard 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. Director Coskey asked about Page A-2 and noted there may be an error. Earl assured the Board he would verify the information and make sure any errors are corrected. Director Coskey shared that he believed this was the right thing to do today. However, if interest rates increase it may be something to watch next year.

Director Almond moved to approve adopt an Order authorizing the redemption of certain District outstanding bonds; Director Wingard seconded the motion which carried 5-0.

2. Consider, discuss, and take any necessary action regarding the Fiscal Year 2023-2024 Budget and Tax Rate.

Earl provided the report for this item. He informed the Board that they will consider a proposed budget and tax rate in August and hold a Public Hearing in September to adopt the budget and tax rate. He reviewed the Fiscal Year 2022-2023 Year End Report. The large expenses for the year were the Elevated Storage Tank Painting project and the Effluent Interconnect with Lakeway MUD project. He reminded the Board that anything taxed for debt cannot be used for anything other than paying off debt. The Board discussed interest rates and the potential for an increase. They also discussed the Pond Liner project being the major expense for this next budget year at approximately \$660,000. Director Coskey recommended setting a debt service

tax rate to allow for just enough to make regular debt payments and increasing the Operations and Maintenance (O&M) tax rate by the allowed 3.5%. Earl concurred with this recommendation. The Board discussed the budget and tax rate and how the drought may have an effect. Director Stiles asked about maintenance and Earl assured the Board that he has increased redundancy over the years and does not feel there is anything looming. He thanked the Board for their direction on the tax rate to affect the budget. Director Coskey pointed out that Hurst Creek MUD customers pay more in taxes, but less in water bills compared to other districts.

3. Consider, discuss, and take any necessary action regarding Cybersecurity.

Earl provided the report for this item. He informed the Board that the District currently maintains cybersecurity above the federally mandated level with ongoing firewall and cybersecurity training for staff in place.

4. Consider, discuss, and take any necessary action regarding a District cost comparison with other utilities.

President Coskey shared a comparison.

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

Earl provided the report for this item. He explained that it is mandatory that they review the policy on an annual basis.

Director Maroney moved to approve the District's Investment Policy; Director Wingard seconded the motion which carried 5-0.

6. Consider, discuss, and take any necessary action on Drainage and MS4.

Kurt Pendleton provided the report for this item. He informed the Board that the perimeter fence has been repaired following the Dewdrop Cove drainage project. Director Wingard noted that the watershed area behind his neighbor's home should be checked. Kurt provided an update on MS4 and some details regarding the program.

7. Consider, discuss, and take any necessary action to approve the Minutes of the June 12, 2023, Special Board meeting.

Director Stiles moved to approve the Minutes of the June 12, 2023, Special Board Meeting; Director Wingard seconded the motion which carried 5-0.

8. Consider, discuss, and take any necessary action to approve the June 2023 Bookkeeper's Report and approve paid invoices.

Beth Caccamisi reviewed the written report showing \$1.3 million in the General Fund and a little over \$200,000 in the Debt Service Fund. More than 97% of the property taxes have been collected. She reported that TexPool earned interest with a rate of 5.09%. Revenues are \$14,000 to the good for the month and \$120,000 to the good for the year. This is mainly due to bank

interest earned and water sales. Expenses are \$39,000 under for the month and \$71,000 under for the year.

Director Wingard asked if the District should consider other investments. Earl advised he would need direction from the Board. Director Wingard suggested a future agenda item for consideration.

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

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

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

- Received a letter from District's bank, PlainsCapital, regarding a possible data breach. There was a brief discussion held regarding what the Board members can do (i.e., take advantage of free credit monitoring). Director Maroney advised he will review and let the Board know if there is anything they should do.
- Currently there are 1,208 connections, which includes one home that is under construction and a small maintenance building at Lakeway Church.
- The Debt Service Fund shows 97.14% of the taxes have been collected so far this year with a balance of \$219,731.
- Operationally, the District pumped five million more gallons in June than May and even more in July. There was very little rain in June.
- The Board reviewed and discussed the 2022 Annual Water Quality Report.
- The Effluent Interconnect with Lakeway MUD project has gone very well and the District is pleased with the performance of the contractor. There are a few final things to finish then the project will be complete on time and within budget. Once the 210 permit is received from TCEQ, pumping water to Lakeway MUD will begin.

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

The Board recessed the open meeting at 10:28 A.M. and convened to Executive Session at 10:31 A.M.

10. 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 reconvened the open meeting at 10:58 A.M. There was no reportable action.

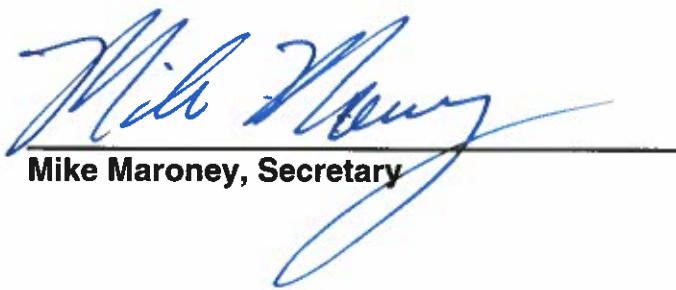
11. Consider, discuss, and take any necessary action regarding the Interlocal Agreement between Hurst Creek MUD and the Village of The Hills.

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 21st day of August 2023.

(seal)



Mike Maroney

Mike Maroney, Secretary