

2. Consider, discuss, and take any necessary action regarding the Budget for Fiscal Year 2022-2023 and 2022 Tax Rate, set date for public hearing on the Tax Rate and authorize publication of the Notice of Public Hearing on the Tax Rate.

Earl Wood provided the report for this item. He explained the 2022 tax rate calculations for developed water districts. He shared the stipulations related to O&M and Debt Service rates. He also reviewed the Capital Expenditure Plan for the next five years. The Board discussed the two outstanding bonds and that there is \$840K remaining in 2005 Series which will take approximately five years to pay down and \$2.3 million remaining in 2012 Series which will take approximately eight years to pay down. Earl explained there is a cap on the O&M rate which can never go above 3.5% without a mandatory election for the average resident with homestead exemption. Director Coskey recommended collecting approximately the same dollar amount as current year which lowered the debt rate slightly.

Director Maroney moved to authorize the publication of the Notice of Public Hearing on the Tax Rate; Director Coskey seconded the motion which carried 5-0.

Earl reviewed the Fiscal Year 2022-23 Budget with the Board. The Board discussed revenue from taxes and water sales. Earl explained that the \$1.2 million cash reserves will drop by \$1.1 million, but \$150,000 will be added to the budget based on the rate increase. There was discussion held among the Board regarding various expenses.

Director Coskey moved to approve the proposed budget for Fiscal Year 2022-2023; Director Wingard seconded the motion which carried 5-0.

Director Stiles moved to set the Public Hearing on the Proposed Tax Rate and Budget for September 19, 2022, at 9:00 A.M., Director Maroney seconded the motion which carried 5-0.

3. Consider, discuss, and take any necessary action regarding the water tower site at Lohman's Crossing.

Earl Wood provided the report for this item. He noted that the development is proposing work in the District's easement that allows access to the water tower site at Lohman's Crossing. The developer is requesting a variance from the City of Lakeway's 36-foot maximum height requirement.

There was a consensus of the Board that they do not foresee an issue with the additional four-foot height. Their main concern is that the District has access to the easement to access the tower. Earl will review with the District's Engineer.

4. Consider, discuss, and take any necessary action regarding the District's Drought Contingency Plan.

Earl Wood provided the report for this item. He shared with the Board what water restrictions nearby cities and districts were requiring their customers to follow. He reviewed the District's Drought Contingency Plan.

There was a consensus of the Board to continue following the District's Drought Contingency Plan.

5. **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 Special meeting at 11:30 A.M. and convened Executive Session at 11:33 A.M. The Board reconvened the Special Meeting at 12:15 P.M. and adjourned at 12:15 P.M.

Signed this 19th day of September 2022.

(seal)



Mike Maroney, Secretary

Exhibit A

Hurst Creek Municipal Utility District Approved Utility Rate Increase

Base Fees	Proposed	Current
Water Base Fee	\$30.00	\$29.56
Wastewater Base Fee	\$20.00	\$18.00

Water Usage Fees				Current		
	Low	High	Proposed	Low	High	Rate
Tier 1		30000	\$2.50		50000	\$2.43
Tier 2	30001	50000	\$2.75	50000	100000	\$2.72
Tier 3	50001	100000	\$3.00			
Tier 4	100001		\$3.75	100000		\$3.01

Wastewater Fees	Proposed		Current	
	Rate	Max	Rate	Max
	\$2.50	\$40.00	\$1.75	\$37.50

Village Trash Service	Proposed	Current
	\$44.00	\$44.00

TCEQ Fee	Proposed	Current
	0.005	0.005

The proposal includes adding a fourth rate tier to promote water conservation and to bring the District more in alignment with surrounding water districts. Additionally, this includes the AWWA standard "Best Practices" of 25% - 40% separation between tiers on rates. Lastly, the presentation on Monday will include an active simulator that will allow for manipulating the rates to see actual impacts to billing using the 2021 water customer usage.