

**MINUTES OF SPECIAL MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
JULY 12, 2010**

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

The Board of Directors of Hurst Creek Municipal Utility District (the “District”) met this date 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:

Wilson Smith	President
J.L. Hall	Vice-President
William L. Warmuth	Treasurer
James M. Wingard	Secretary
Raymond Arvay	Asst. Secretary

and all of said persons were present, thus constituting a quorum.

Also present were Dan Roark, Earl Wood and Chris Redd, representing general management; Hilda Potsavich, representing the Village Board of Aldermen; and, Ben Kuenemann, a resident in the District.

1. Mr. Kuenemann appeared before the Board to discuss the drainage between his home at 55 Stillmeadow and his neighbor’s home at 53 Stillmeadow.

Director Arvay summarized his written report, which is attached as an exhibit to these minutes, stating that he and Mr. Wood, along with Curtis Morris, the District’s drainage engineer, had made an on-site visit to examine the channel and erosion. Their conclusion is that the threat of flooding home or destroying property is low and the project does not justify the expense of tax dollars on improvements.

Mr. Kuenemann stated that he now has problems with mosquitoes and erosion, which never happened before drainage work was completed upstream.

At this point Mr. Kuenemann departed the meeting.

Director Arvay pointed out that Mr. Kuenemann had encroached into the drainage easement and instead of a 25 foot width, the channel is now restricted to a 15 foot width, with the greatest turbulence and erosion occurring where Mr. Kuenemann has diverted the flow of water away from his property.

2. The next item of business was to discuss the drainage easement between 8 and 10 Autumn Oaks Drive.

Mr. Roark outlined the situation involving the common area/drainage easement between 8 and 10 Autumn Oaks, which is located by the Park. Mr. Roark informed the Board that residents on Autumn Oaks were walking across 8 Autumn Oaks to get to the drainage easement and the Park. Mrs. Potsavich stated this was a good opportunity for the District, the Village and the Hills POA to work together.

After some discussion, the Board expressed reluctance to spend tax dollars, but would provide machinery and labor to clean out the channel and rough-in the walking path with the spoil, if all Boards are in agreement with this, along with the homeowners at 8 and 10 Autumn Oaks Drive.

3. The next item for consideration was to approve the draft minutes of the June 21, 2010 Board meeting.

Following a review of the draft minutes of the June 21, 2010 meeting, Director Warmuth moved approval as presented. Director Arvay seconded the motion, which carried unanimously.

4. Ms. Redd reviewed the Bookkeeper's Report with the Board along with the current month and year-to-date Budget. Following a review of the Bookkeeper's Report and the list of invoices paid and to be paid, Director Wingard moved approval of the Bookkeeper's Report as presented and Director Warmuth seconded the motion, which carried unanimously. A copy of said report is attached as an exhibit to these minutes.
5. Mr. Roark presented the Manager's Operating Report to the Board for its review, a copy of which is attached as an exhibit to these minutes.

Mr. Roark summarized recent events occurring between the Village of The Hills and the City of Lakeway, who has requested the Village release the ETJ of the Villas at The Hills to the City of Lakeway.

Mr. Roark also informed the Board that the emergency generator at the sewer treatment plant stopped working and that it is being repaired, but a rental unit was on-line.

There being no further business, the meeting was adjourned.

Signed and sealed this _____ day of _____, 2010.

(Seal)

James M. Wingard, Secretary
Board of Directors