

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
JANUARY 16, 2017**

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

The Board of Directors of Hurst Creek Municipal Utility District (the “District”) met this date in regular 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
James M. Wingard	Vice-President
William L. Warmuth	Treasurer
Mike Maroney	Secretary
Larry Kener	Assistant Secretary

And all of said persons were present thus constituting a quorum.

Also present were Earl Wood, Beth Caccamisi, Linda Lunney, and Kasey Belote representing general management for the District; Robert Smith and Wendy Smith representing Village of The Hills; Jim Jansen, Public Accountant.

1. Consider, discuss and take any action necessary approving the Audit for Fiscal Year 2015 – 2016

Jim Jansen reviewed the audit for fiscal year 2015 – 2016. Mr. Jansen recommended all adjustments from prior years be recorded into Quickbooks.

It was also recommended that the process of payment to the Village of trash collection receipts be modified. Currently, Hurst Creek MUD cuts a check to the Village for the total billed amount in advance of collection. Any shortages between the amount collected from the residents and the amount billed remain on the MUD's accounts. The proposed change would require the amount collected each month by the MUD be issued to the Village as it is collected and paid at the end of each month. This will eliminate any yearly reimbursement by the Village to Hurst Creek for any unpaid accounts.

Director Warmuth moved approval of the Audit for Fiscal Year 2015 – 2016; Director Wingard seconded the motion which carried unanimously.

2. Consider, discuss and take any action regarding the transfer of funds from trash collection from Hurst Creek MUD to the Village of The Hills.

Director Maroney moved to authorize Beth Caccamisi to transfer funds collected from trash once a month from Hurst Creek MUD to the Village without pre-authorization; Director Kener seconded the motion which carried unanimously.

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

Kasey Belote reported that the Club Estates culvert repair should begin on January 30th and take about two weeks to complete.

4. Consider approving the minutes of the December 19, 2016 regular Board meeting

Director Warmuth moved approval of the minutes of the December 19, 2016 regular Board meeting; Director Wingard seconded the motion which carried unanimously.

5. Consider and take action approving the Bookkeeper's Report and approval of paid invoices

Beth Caccamisi reviewed her written report showing \$872,386.46 in the General Fund and \$498,848.58 in the Debt Service Fund.

Director Warmuth moved approval of the Bookkeeper's report; Director Kener seconded the motion which carried unanimously.

6. Consider, discuss and take any necessary action regarding the Interlocal agreement with the Village of The Hills.

Director Wingard reported on the Interlocal Agreement which is temporary and will be reviewed once job descriptions are written, office expense is allocated and an annual review added. The Agreement will be finalized by the end of April with a yearly review.

Director Wingard moved to approve the Interlocal Agreement as written; Director Warmuth seconded the motion which carried unanimously.

7. Consider and take necessary action to approve Manager's Operating Report

Earl Wood reviewed the written report and reported on the following:

- The MUD's financial advisor will put a schedule of payments together to pay off the bonds early
- The BOD would like the Manager's Operating Report to reflect backwash recovery numbers
- The elevated tower maintenance and repair should be completed in four to six weeks

The BOD feels it would not be a good use of MUD funds for the Directors to attend the volunteer dinner and declined to participate.

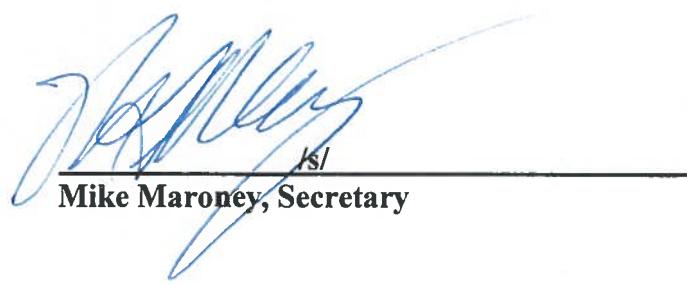
Director Wingard moved approval of the Manager's Operating Report; Director Maroney seconded the motion which carried unanimously.

8. Consider and take any necessary action on office renovations

Earl Wood reported on the progress of the renovations.

There being no further business, the meeting was adjourned at 10:39 am.

Signed this 20th day of February, 2017



Mike Maroney
/s/
Mike Maroney, Secretary