

**MINUTES OF MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
AUGUST 19, 2019**

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 Stacey Johnson representing general management for the District; Corey Koberg, POA; George Spencer, City Councilmember and Wendy Smith May, City Manager.

1. Consider and take any action necessary to approve the Engagement Letter with Jansen and Gregorczyk for Fiscal Year 2018-2019 Audit.

Item was tabled to investigate other auditors.

2. Consider, discuss and take action re-approving the Drought Contingency Plan.

By regulation of the LCRA and TECQ The Drought Contingency Plan must be reviewed and approved every five years. There are no changes to the current plan.

Director Kener moved approval of The Drought Contingency Plan; Director Wingard seconded the motion which carried unanimously.

3. Consider, discuss and take any necessary action approving revised permit and drainage forms Service Agreement and updated Rate Order.

All forms have been updated with additional information as well as clarifying verbiage. Service Agreements were updated to request additional information.

Director Maroney moved approval of the revised permit and drainage forms, Service Agreement and updated Rate Order; Director Kener seconded the motion which carried unanimously.

4. Consider approving the minutes of the July 15, 2019 regular Board meeting.

Director Wingard moved approval of the July 15, 2019 minutes with the correction of a typographical error, Director Warmuth seconded the motion which carried unanimously.

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

Earl Wood informed the Board of an issue at 5 Tourney Cove where a drainage easement is missing from between 2 houses causing rain water to run up against the homes. The Homeowners are willing to give the MUD an easement if the MUD will install a drainage ditch between the houses.

Director Maroney moved to authorize Earl Wood and Director Wilson to investigate the issue and negotiate terms with the homeowners; Director Kener seconded the motion which carried unanimously.

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

Beth Caccamisi reviewed her written report showing \$1,185,433.60 in the General Fund and \$137,830.42 in the Debt Service Fund.

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

7. Consider, discuss and take any necessary action on FY 2019-2020 Budget.

Earl Wood reviewed projected year-end numbers and the buget for FY 2019-2020 Budget. The Projected overage of last years' budget will be around \$200,000 which will go into the District's Reserve Fund. Reserves are used to self-finance large expenditures that come up during the year so that Bonds usually don't have to be issued. The patches on the effluent pond are holding well and may delay replacement for a year or two, but it will need to be replaced. Replacement will deplete the Capital Reserve Fund by about \$1million. The Board asked Earl to present a few scenarios showing the MUD's financial standing when the liner is replaced and ways to replenish the Reserve.

A special meeting will be held on September 3rd to approve the proposed budget. A Public Hearing will be held on September 27th to approve the budget and tax rate.

8. Consider, discuss and take any necessary action regarding an employee retirement system.

Director Maroney moved approval of Plan 3 as presented by Texas County & Retirement System; Director Warmuth seconded the motion which carried uananimously.

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

Earl Wood reviewed the written report. In addition he reported on:

- Huber Rag Auger brushes were replaced in-house saving about \$7,000
- The chlorine conversion is being done in-house also; saving a lot of money. Once this project is completed there will be no chlorine gas used in any of the MUD systems

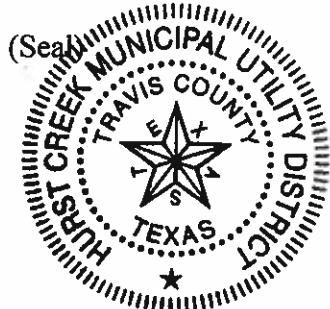
Director Warmuth moved approval of the Manager's Operating Report; Director Wingard seconded the motion which carried unanimously.

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

The Board went into Executive Session at 12:07 pm. The Board did not take a vote, order, decision or other action in the Executive Session. The session adjourned at 12:27 pm.

There being no further business, the meeting was adjourned at 12:28 pm.

Signed this 27th day of September 2019.





/s/
Mike Maroney, Secretary