

**MINUTES OF SPECIAL MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
MAY 28, 2014**

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
James M. Wingard	Vice-President
William L. Warmuth	Treasurer
Raymond Arvay	Secretary
Mike Maroney	Assistant Secretary

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

Also present were Dan Roark, Earl Wood, K. C. Belote, Linda Lunney and Ryan Ellsworth, representing general management for the District; J.R. Smith, representing the Village Board of Aldermen.

1. Water supply and Drought update.

Dan Roark and Earl Wood briefed the Board on current drought conditions and potential new sources of water supply. Possible sources for consideration are:

- 1) Groundwater wells.
- 2) Barge modifications to allow pumping from low lake levels
- 3) Rainwater collection by individual customers.
- 4) Acquiring water rights from nearby properties.
- 5) Backwash recovery.
- 6) Direct reuse of effluent and hauling water in tank trucks.

After some discussion, the Board instructed staff to hire the District Engineer to develop and cost out backwash recovery.

2. Consider, discuss and take any necessary action on ground water wells.

The Board instructed staff to proceed with drilling another well.

3. Consider, discuss and take any necessary action on Amendment No. Twenty-Eight of the Hurst Creek MUD Information Form.

Amendment No. Twenty-Eight of the Hurst Creek MUD Information Form was signed by the Board of Directors.

4. Consider, discuss and take action to authorize submittal of a Notice of Intent and Stormwater Management Program to the TCEQ regarding the Phase II MS4 Stormwater Permit.

Director Wingard moved to submit the Notice of Intent to comply with Phase II MS4 permit; Director Arvay seconded the motion which carried unanimously.

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

Director Arvay and K.C. Belote briefed the Board on recent drainage activities.

Director Wingard moved to authorize the President to execute the lowest contract for improvements at 16 Monarch Oaks after obtaining 3 quotes; Director Arvay seconded the motion which carried unanimously.

6. Consider approving minutes of the April 28, 2014 Special Board meeting.

Director Warmuth moved approval of the Minutes of April 28, 2014; Director Maroney seconded the motion which carried unanimously.

7. Consider, and take action approving the Bookkeepers Report and approval of paid and to be paid invoices.

Ryan Ellsworth reviewed his written report.

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

8. Consider, discuss and take any necessary action to approve the Managers Operating Report.

Earl Wood summarized the written report. Dan Roark informed the Board the assessed valuation of homes in The Hills increased by \$14.9 million to \$402 million.

Director Arvay moved approval of the Managers' Operating Report; Director Wingard seconded the motion which carried unanimously

Signed and sealed this 16th day of June, 2014.

(Seal)



Asst. /s/

Raymond Arvey, Secretary Board of Directors

Mike Murray