

**MINUTES OF REGULAR MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
AUGUST 18, 2014**

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
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, and Linda Lunney, representing general management for the District; Ron Dodd, representing the Village Board of Aldermen and Hal Lanham representing the Hills POA.

1. Discuss and act on adoption of Order Calling Directors Election and authorization to publish notice of the Election.

Director Arvay moved adoption of Order calling Directors Election and authorization to publish notice of the Election; Director Wingard seconded the motion which carried unanimously.

2. Discuss and act on authorization to execute joint election agreement with political subdivisions in Travis County.

Director Maroney moved to authorize execution of joint election agreement with political subdivisions in Travis County; Director Warmuth seconded the motion which carried unanimously.

3. Consider, discuss and take any necessary action to approve the Engagement Letter with Jansen and Gregorczyk for the Fiscal Year 2013-2014 Audit.

Director Warmuth moved approval of the Engagement Letter with Jansen and Gregorczyk for the Fiscal Year 2013-2014 Audit with a maximum fee of \$15,000; Director Arvay seconded the motion which carried unanimously.

5. Consider, discuss and take any necessary action on ground water wells and backwash recovery.

Director Arvay moved to hire James Miertschin to perform preliminary engineering and cost estimate for backwash recovery; Director Wingard seconded the motion which carried unanimously.

4. Consider, discuss and take any necessary action to renew MUD insurance policies.

Director Arvay moved to renew MUD insurance policies with AquaSurance; Director Maroney seconded the motion with carried unanimously.

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

Director Arvay summarized on-going drainage activities, including surveying along Cottondale at Wingreen Loop.

7. Consider approving minutes of the July 21, 2014 regular Board meeting.

Director Maroney moved approval of the Minutes of July 21, 2014 with the deletion of "to plan" in item #1; Director Arvay seconded the motion which carried unanimously.

9. Consider and take action approving Bookkeepers Report and approval of paid and to be paid invoices.

Ryan Ellsworth appeared to review his written report, showing Income of \$152,000 and expenses of \$180,000. The General Fund balance is \$616,000 and Debt Service is \$254,000.

Director Warmuth moved approval of the Bookkeepers Report; Director Wingard seconded the motion which carried unanimously.

Ryan Ellsworth and Linda Lunney departed the meeting.

8. Consider, discuss and take action regarding Budget for FY 2014-2015 and 2014 Tax Rate, set date for public hearing on the tax rate and authorize publication of notice of public hearing on the tax rate.

Director Warmuth moved to allow Dan Roark to work 32 hours a week with a 20% salary reduction; Director Maroney seconded the motion which carried unanimously.

Director Warmuth moved approval of a 4% increase for Dan Roark and Earl Wood in addition to a 2-week bonus; Director Arvay seconded the motion which carried unanimously.

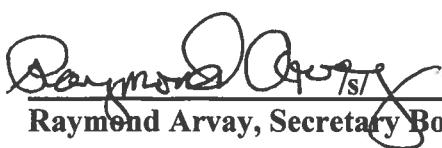
Director Maroney moved to authorize publication of notice of public hearing on the tax rate; Director Arvay seconded the motion which carried unanimously.

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

Director Warmuth moved approval of the Managers Operating Report; Director Arvay seconded the motion which carried unanimously.

Signed and sealed this 15th day of September, 2014.

(Seal)



Raymond Arvay, Secretary Board of Directors