

**MINUTES OF REGULAR MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
FEBRUARY 18, 2008**

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:

Haskell Wotkyns, Jr.	President
J.L. Hall	Vice-President
Bob G. Agnew	Secretary
Wilson Smith	Treasurer
James M. Wingard	Assistant Secretary/Treasurer

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

Also present were Dan Roark, Chris Redd, and Earl Wood representing general management for the District; Jesse Griffith, the District’s Drainage Administrator; Virginia Jones, Mayor of the Village of The Hills; Ron Freeman, attorney for the District; Warren Chirhart, of the Hills Property Owner’s Association (the “POA”); Mr. Haythem Dawlett, developer of Tuscan Village; and, several residents of the District were in attendance, as per the attached sign-in sheet.

1. The Board first considered amending the Agreement Concerning Wastewater Disposal.

Director Wotkyns began the meeting by addressing a document of 55 demands written to Mr. Hatham Dawlett, developer of Tuscan Village, and appeared to be from the Hurst Creek MUD Board. Director Wotkyns informed the audience that this document was not sanctioned by the Board nor was it authorized by the Board. Director Wotkyns went on to address Article 6.14 of the Amended Agreement Concerning Wastewater Disposal and the intent of the Board when this document was approved and executed.

Mr. Dawlett appeared and updated the Board on the negotiations between himself and the affected residents, whose properties are adjacent to the proposed development. Mr. Dawlett said he was willing to observe a one hundred and twenty foot (120’) setback from the Hills to any structure other than single family homes; reduce the single family homes from

1,750 square feet to 1,650 square feet; age-restricted development; keep the cedar buffer and install vegetation in areas that are bare; and several other concessions.

Mr. Tim Waldrop, an affected resident of the District, spoke to the Board regarding the negotiations, stating that the only major problem at this point is the rental apartments versus owned condominiums, which would satisfy the Hills residents if this change were made.

Mr. Chris Whittmayer, another affected resident addressed the Board to explain his role in the creation of the 55 Item letter, explaining that it was meant to be an informal list to start discussions and certainly wasn't intended to imply that he was speaking for the Board.

The Board authorized Director Wotkyns, Mr. Roark and Mr. Ron Freeman, to craft an amendment subject to and dependant upon a favorable agreement between the residents and Mr. Dawlett.

At this point everyone except Mr. Griffith and Mr. Warren Chirhart, liaison between the POA and District, departed the meeting.

2. The Board's next item for discussion was Drainage.

Mr. Griffith summarized the current status of the Drainage Bond Fund and described the remaining projects, stating he anticipates ending drainage activities at the end of April.

At this point Mr. Griffith departed the meeting.

3. The next item for consideration was to amend the Budget for Fiscal Year 2007-2008.

Mr. Roark and Mr. Wood explained some budgeting errors in converting the budget to Quickbooks, along with reallocation of some budgeted items from one month to another. This amendment would not change the bottom line, just the month items are budgeted.

Director Hall moved to amend the budget as presented and Director Agnew seconded the motion, which carried unanimously. A copy of the amended budget is attached as an exhibit to these minutes.

4. Amendment to the District's Rate Order was the next item for consideration.

Ms. Redd requested the Board authorize increasing the water reconnection fee from \$50.00 to \$100.00. Director Wingard so moved and Director Agnew seconded the motion, which carried unanimously.

5. The Board next reviewed the draft minutes of the January 24, 2008, meeting.

Following a review of the draft minutes and after noting minor corrections, Director Agnew moved approval of the minutes as revised and Director Wingard seconded the motion, which carried unanimously.

6. Ms. Redd reviewed the Bookkeeper's Report with the Board along with the current month budget. Following a review of the Bookkeeper's Report and the list of invoices paid and to be paid, Director Hall moved approval as presented and Director Agnew seconded the motion, which carried unanimously. A copy of said report is attached as an exhibit to these minutes.

7. 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.

Signed and sealed this _____ day of _____, 2008.

(Seal)

Bob G. Agnew, Secretary Board of Directors