

**MINUTES OF SPECIAL MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
JANUARY 21, 2008**

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:

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, thus constituting a quorum.

Also present were Dan Roark, Chris Redd, and Earl Wood representing general management for the District; Jim Jansen, the District’s Auditor; Terry Browder, the Emergency Management Coordinator for the Village of The Hills; Mr. Haythem Dawlett, developer of Tuscan Village; Carol Black, of the Library District; and, several residents of District were in attendance, as per the attached sign-in sheet.

1. The Board first considered approving the Audit for Fiscal Year 2006-2007.

Mr. Jim Jansen appeared before the Board and reviewed the Audit for FY 2006-2007.

Following a review of the Audit and after noting a minor correction, Director Wingard moved approval and Director Hall seconded the motion, which carried unanimously.

At this point Mr. Jansen departed the meeting.

2. The Board’s next item for discussion was the Agreement Concerning Wastewater Disposal.

Mr. Haythem Dawlett appeared before the Board requesting an amendment to Article 6.14 of the Agreement Concerning Wastewater Disposal, allowing development of age-restricted apartments along a portion of the Village of The Hills (the “Village”) boundary, which, at the moment, requires single family dwellings. Mr. Dawlett stated the age-restriction requirement would be filed with Real Property Records of Travis County, and would require 100% approval of the District’s residents, along with approval by the City of Lakeway to rescind the age requirement restriction.

Carol Black, of the Library District, addressed the Board on behalf of the Library District, stating that the apartments and a proposed library were flip-flopped, with plans for the libraries construction on the opposite side of the Hills due to complaints and objections by Hills residents.

Mr. Chris Wittmayer of 4 Daybreak Cove, suggested the apartments be placed equidistant between the Village of The Hills and the Yaupon Creek subdivision and urged the Hurst Creek MUD Board to withhold any action on this matter until further investigations can be finished.

Mr. Dawlett said he would work with affected residents in the Hills along the portion adjacent to his development and revisit the issue amending the Agreement at a later date.

Director Agnew moved to table the issue until a later date to allow negotiations between the developer and residents. Director Wingard seconded the motion, which carried unanimously.

Director Wotkyns agreed to be the District’s liaison on this matter.

At this point all guests departed the meeting.

3. Under other business, Mr. Terry Browder appeared to brief the Board on the recent Public Protection Classification rating, which changed from a 5 to a 2, which will decrease resident’s homeowner’s insurance.

At this point, Mr. Browder departed the meeting.

4. The next item for discussion was consideration to purchase credit card and online payment option for the utility billing software.

No action was taken on this matter.

5. The Board next discussed drainage.

Director Smith reported the engineering was underway on the projects approved at the last meeting.

6. The Board next reviewed the draft minutes of the December 17, 2007 meeting.

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

7. 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 Smith moved approval as presented and Director Wingard seconded the motion, which carried unanimously. A copy of said report is attached as an exhibit to these minutes.
8. 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