

**MINUTES OF SPECIAL MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
SEPTEMBER 22, 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, and Chris Redd, representing general management for the District; Ladd Pattillo, Financial Advisor for the District; and, Warren Chirhart, the Hills Property Owner’s Association (the “Hill’s POA”) Board’s liaison to the District; and, Benn Kuenemann of the Hills POA Board.

1. The Board met to hold a public hearing on the 2008 proposed Tax Rate of \$0.432.

Following the public hearing, Director Smith moved to set the 2008 Tax Rate at \$0.432, with \$0.26 for interest and sinking funds and \$0.172 for operations and maintenance. Director Agnew seconded the motion, which carried unanimously. A copy of the Rate Order is attached as an exhibit to these minutes.

2. The Board next considered adopting the Fiscal Year 2008-2009 Budget.

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

3. Mr. Ben Kuenemann, of the Hills POA Board appeared before the Board to propose the Hills POA cede ownership of its common property areas. Mr. Kuenemann suggested the Board appoint two members to sit on a committee of the Hills POA, the Village of The Hills, and Hurst Creek M.U.D. to consider transferring the common areas to the Village or the District, which are both tax exempt, thus saving the Hills POA and the residents it represents money. The Board appointed Director Wingard and Mr. Roark to sit on this Committee.

At this time Mr. Kuenemann departed the meeting.

4. The Board next considered adopting a policy regarding residents' use of the meeting room.

Director Smith moved to not allow use of the meeting room unless in connection with the Hills POA, the Village and the Hurst Creek MUD Boards; and, for local and state elections. Director Agnew seconded the motion, which carried unanimously.

5. The Board's next item for approval was the draft minutes of the August 18 and September 5, 2008 meetings.

Following a review of the draft minutes of the August 18, 2008 meeting minutes, Director Wingard moved approval with minor corrections. Director Smith seconded the motion, which carried unanimously.

Following a review of the draft minutes of the September 5, 2008 meeting minutes, Director Hall moved approval as presented and Director Smith seconded the motion, which carried unanimously.

6. Ms. Redd reviewed the Bookkeeper's Report with the Board along with the current month and year-to-date Budget. Ms. Redd presented a revised July report explaining that a CPA hired to tutor on QuickBooks had made an error in journal entries that were posted for the wrong fiscal year. Following a review of the Bookkeeper's Report and the list of invoices paid and to be paid, Director Smith moved approval of the Bookkeeper's Report as revised and Director Agnew seconded the motion, which carried unanimously. A copy of said report is attached as an exhibit to these minutes.

Mr. Pattillo departed the meeting at this time.

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.

8. Under other business, the Board authorized Mr. Wotkyns to execute an easement vacation on Hedgebrook, and Director Wingard so moved with Director Agnew seconding the motion, which carried unanimously.

There being no further business, the meeting was adjourned.

Signed and sealed this _____ day of _____, 2008.

Bob G. Agnew, Secretary Board of Directors

(Seal)