

**MINUTES OF SPECIAL MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
FEBRUARY 23, 2009**

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
Wilson Smith	Treasurer
James M. Wingard	Secretary

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; and, Mr. James P. Jansen, auditor for the District.

1. The first act of business was to consider approving the Audit for Fiscal Year 2007-2008.

Mr. Jim Jansen presented the Audit to the Board informing the Directors that all recommendations made by the Audit Committee had been implemented. After noting a minor correction, Director Smith moved approval as corrected and Director Wingard seconded the motion, which carried unanimously. A copy of the Audit is attached as an exhibit to these minutes.

2. The Board next considered appointing a Director to the vacant position on the Board.

After reviewing all resumes from potential appointees, Director Smith moved to appoint Mr. Ray Arvay to the vacancy and Director Hall seconded the motion, which carried unanimously.

3. The Board next considered amending the Investment Policy.

Following a review of the Investment Policy, Director Wingard moved to amend the Policy by reducing the \$500,000 limit allowable to be invested in federal agencies and instrumentalities to \$250,000, which is the current

amount covered by the F.D.I.C. Director Hall seconded the motion, which carried unanimously. A copy of the amended Investment Policy is attached as an exhibit to these minutes.

4. The next act of business was to consider amending the District's Rate Order.

Ms. Redd reviewed proposed amendments to the Rate Order, which included recovering all inspection costs and several changes in wording, for the Board's review. Following some discussion and upon recommended revisions from the Board, this matter was deferred to the next meeting.

5. Ms. Redd reviewed the Bookkeeper's Report with the Board along with the current month and year-to-date Budget. Following a review of the Bookkeeper's Report and the list of invoices paid and to be paid, Director Hall, after noting a correction, moved approval of the Bookkeeper's Report as presented and Director Smith seconded the motion, which carried unanimously. A copy of said report is attached as an exhibit to these minutes.

6. 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.

7. Under other business, the Board considered approving the draft minutes of the January 19, 2009, Board meeting.

Following a review of the draft minutes, and after noting a minor correction, Director Wingard moved approval as revised. Director Smith seconded the motion, which carried unanimously. This action is to be ratified at the next meeting.

Further, under other business, Director Wingard was made Secretary of the Board by acclamation.

There being no further business, the meeting was adjourned.

Signed and sealed this _____ day of _____, 2009.

(Seal)

James M. Wingard, Secretary
Board of Directors