

**MINUTES OF SPECIAL MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
AUGUST 25, 2011**

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:

Wilson Smith	President
J.L. Hall	Vice-President
William L. Warmuth	Treasurer
James M. Wingard	Secretary
Raymond Arvay	Asst. Secretary

and all of said persons were present, except Directors Arvay and Wingard, thus constituting a quorum.

Also present were Dan Roark, Earl Wood, and Chris Redd, representing general management for the District.

1. The Board met at 8:30 a.m. in Executive Session to discuss and take any necessary action regarding the Lower Colorado River Authority’s (the “LCRA”) proposed sale of the Lakeway Raw Water Transportation System.

At 9:48 a.m. the Board reconvened in Open Session.

2. The next item for possible action was to consider adopting a Resolution Authorizing Hurst Creek Municipal Utility District Bond Anticipation Note, Series 2011.

Due to the LCRA’s decision to postpone the award of bids, no action was taken on this matter.

3. The Board next considered adopting the Fiscal Year 2011-2012 Budget.

Mr. Warmuth and Mr. Hall reviewed the proposed budget highlighting that salaries for the employees were increased by 3%, with one week of pay for incentive bonuses to be given in December.

Director Warmuth moved approval of pay increases and bonuses to employees with Mr. Roark and Mr. Wood giving said increases as they deem appropriate. Director Hall seconded the motion, which carried unanimously.

Approval for the Fiscal Year 2011-2012 Budget will be deferred to the September 19, 2011, regular Board meeting.

4. The last item for consideration and possible action were personnel matters.

Action on these matters were taken with Item No. 3 above.

There being no further business, the meeting was adjourned.

Signed and sealed this _____ day of _____, 2011.

(Seal)

James M. Wingard, Secretary Board of Directors