

**MINUTES OF REGULAR MEETING
HURST CREEK MUNICIPAL UTILITY DISTRICT
MAY 16, 2011**

THE STATE OF TEXAS §
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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:

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, thus constituting a quorum.

Also present were Dan Roark, Earl Wood, and Chris Redd, representing general management for the District; Ladd Pattillo, Financial Advisor for the District; Lauren Kalisek, the District’s legal counsel, who joined the meeting via conference call; Ken Schroeder, Bond Application Engineer for the District; J. R. Smith, Mayor Pro-tem for the Village of The Hills; and, Katie Uhler, President of the Hills Property Owners’ Association (the “POA”).

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

At 8: 34 a.m. the Board convened in Executive Session to discuss this matter with its legal counsel.

At this point Mr. Smith and Mrs. Uhler departed the meeting.

The Board reconvened at 9:36 a.m. in open session.

2. The next item of business was to consider approving the Bond Application to the Texas Commission on Environmental Quality (the “TCEQ”).

Mr. Schroeder reviewed the Bond Application to the TCEQ, which he distributed to the Board, in the amount of \$2.575 million. Mr. Schroeder stated that this application would receive expedited review by the TCEQ because of its non-developer status and said review should be completed within 45 days once it reaches the TCEQ.

After some discussion, Director Warmuth moved approval of a Resolution Authorizing Application to the TCEQ for a Bond Issue in the amount of \$2.575 million. Director Arvay seconded the motion, which carried unanimously.

3. The next act of business was to consider and take necessary action related to TCEQ for approval of revenue notes related to State Energy Conservation Office loan ("SECO").

Ms. Kalisek reviewed the Resolution with the Board, stating it was in the amount of \$575,000 with an interest rate of 2%.

Mr. Schroeder departed the meeting at this time.

4. The Board's next act of business was to consider amending the Information Document.

Ms. Redd reviewed the amendment to Information Document No. 25 with the Board; the reason for the amendment was to correct the amount of bonds that could be issued to \$7.79 million as refunded bonds had been included in that figure and should not have been.

Director Arvay moved to amend the Information Document and Director Hall seconded the motion, which carried unanimously. A copy of said Information Document is attached as exhibit to these minutes.

5. The Board next considered a request by Mr. Earl Wood for a separate depository for his SEP IRA contribution.

Mr. Wood explained to the Board he was investing his SEP IRA funds with Merrill Lynch and to move the funds from Chase Bank, which is where the SEP IRA funds are set up for District employees', he has to pay a fee. Ms. Redd informed the Board she had checked with the District's auditor and was told if the Board approved the request it would be okay.

Director Wingard moved approval and Director Warmuth seconded the motion, which carried unanimously.

6. The Board's next act of business was to consider amending the Master Drainage Plan.

No action was taken on this matter at this time.

7. The Board's next act of business was to consider and take necessary action regarding authorized representatives for TexPool accounts.

Ms. Redd informed the Board that it was necessary to remove Mr. Wotkyns and add Mr. Warmuth, as this had been done last May but TexPool records reflected differently. Ms. Redd stated the representatives would be Directors Smith, Warmuth, Hall and Mr. Roark.

Director Arvay moved approval and Director Wingard seconded the motion, which carried unanimously.

8. The Board's next act of business was to consider approving the minutes of the April 18, 2011, Board meeting.

Following a review of the draft minutes and after noting a minor correction, Director Warmuth moved approval of all three meeting minutes as revised. Director Wingard seconded the motion, which carried unanimously.

9. 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 moved approval of the Bookkeeper's Report as presented and Director Wingard seconded the motion, which carried unanimously. A copy of said report is attached as an exhibit to these minutes.

10. 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.

There being no further business, the meeting was adjourned.

Signed and sealed this _____ day of _____, 2011.

(Seal)

James M. Wingard, Secretary
Board of Directors