

**JANUARY 28, 2010 MEETING MINUTES
MEETING OF THE BOARD OF DIRECTORS OF
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

A meeting of the Board of Directors of Brushy Creek Municipal Utility District was held on the 28th day of January, 2010, beginning at 6:00 p.m. at the Brushy Creek Municipal Utility District Community Center, 16318 Great Oaks Drive, Round Rock, Texas. Notices of the time, place and the subject of the meeting, and the actions to be taken at the meeting, were posted at the places and for the time required by the laws of the State of Texas.

Agenda Item 1: Call to order.

The meeting was called to order at 6:01 p.m. with the following Directors present: Cris Yackle, President, Russ Shermer, Vice-President, Rebecca Tullos, Treasurer, Jeffrey Goldstein, Secretary and Bob Grahl, Assistant Secretary/Treasurer. General Manager Tom Clark, Attorney Anthony Corbett, and District staff was also in attendance.

Agenda Item 2: Announcements.

General Manager Tom Clark announced that the Texas Municipal Utility Association was holding its Annual Conference at the Community Center on January 28 and 29. A visit to the Water Treatment Facility was included in the event schedule.

Tom Clark pointed out that Supplements for items 12a and 6b and a handout for item 13b were provided to each Director.

Agenda Item 3: Citizen Comments.

A resident addressed the Board concerning the vacant lot in Sendero Springs. The resident stated that the lot is in need of maintenance. She advised the Board that teenagers have been congregating on the lot and requested it be cleaned up, or in the alternative, requested the District build a tennis court, pool or park on the lot.

A citizen spoke regarding fees paid to the District in the early 1990's.

Agenda Item 4: Discussions Regarding Order of Consideration of Agenda Items.

The Board briefly discussed the order of consideration of agenda items.

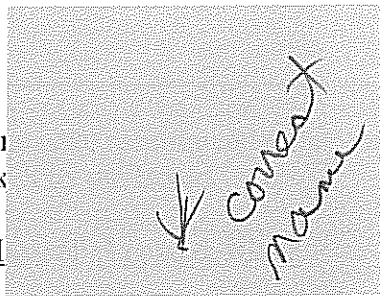
Agenda Item 5: Citizen Advisory Committee Matters.

There were no committee reports.

Agenda Item 6(a): Consultant Report from Joe Jenkins.

Joe Jenkins of CH2M Hill presented a report to the Board explaining the status of the Water Treatment Facility projects involving the membrane testing, intake upgrades and expansion and the

rehabilitation of the well site. Mr. Jenkins provided an estimate of the cost. No action was taken.



cerning work still necessary and

Agenda Item 6(b): Audit Report from Maxwell, Locke & Ritter

Nancy Olson, Ashlee Martin, and Scott Krchnak from Maxwell, Locke & Ritter presented the audit report for the District and presented an unqualified clean audit opinion. Director Tullos moved to approve the report from Maxwell, Locke and Ritter. The motion was seconded by Director Grahl and passed unanimously (5-0).

Agenda Item 6(c): District Investment Report from Patterson and Associates.

Howie Herring of Patterson and Associates presented the Investment Report outlining the status of the District's investments for the past year. No action was taken by the Board.

Recess: The meeting recessed at 7:32 PM and reconvened at 7:43 PM with all five Directors present.

Agenda Item 7: Staff Reports.

(a) Repairs at Intake Structure.

This item was covered in the report presented by Joe Jenkins.

(b) Membrane System and Modifications at Water Treatment Facility.

This item was covered in the report presented by Joe Jenkins.

(c) Demolition of Maintenance Yard.

Mike Wheeler reported that work was proceeding.

(d) TCEQ Required Posting of Municipal District Signs at District Entryways

Mr. Wheeler reported that staff was visiting with fabricators regarding the signs.

(e) Website updates.

Mark Palmer reported on the website update. Discussion was had regarding the problems with the front page of the District's website and the importance of the website.

(f) Payment Card Industry Compliance.

Mr. Palmer reported that the District needs to be in compliance for payments received in-person. He advised the Board that the self-assessment is approximately 95% complete.

(g) Server Migration, Data Back-up, Application Updates.

Mr. Palmer reported that the migration from the older servers began in Quarter 1. The back-up processes have been moved from a tape system to a HD system. He reported that it took longer than expected to move the servers from the old system to the new one. Mr. Palmer advised the Board that having the server migration completed is a Quarter 4 goal. He also reported that outsourcing the email server is being explored. Migration of the financial applications is scheduled for February 15.

(h) Computer Replacement Program.

Mark Palmer reported to the Board that the District currently has 37 computers that need replacement and he recommended that they should be replaced over a three year period by replacing 13 in year one, 12 in year two, and 12 in year three. Mr. Palmer also reported that one or two of the District vendors do not support Windows 7 and may not until the end of the year.

(8) Consent Agenda.

Director Tullos moved approval of the consent agenda. The motion was seconded by Director Goldstein and approved unanimously (5-0). The following items were thereby approved by the Board of Directors:

- (8a) The Board approved the Parks and Recreation Rate Order.
- (8b) The Board approved SG Builders proposal for Cat Hollow Pool deck repairs.
- (8c) The Board approved the Eco Systems Landscaping contract.
- (8d) The Board approved the modification to the Personnel Policies, Article 2.7, District Holidays.
- (8e) The Board approved the December 7, 2009 Special Board meeting minutes.

Agenda Item 9: Technology Department Matters.

All Technology Department issues were considered under Staff Reports.

Public Works Department Matters:

Agenda Item 10(a): Discussion Concerning Water Conservation and Drought Contingency Plan.

Mike Wheeler presented the Water Conservation and Drought Contingency Plan. Staff was directed to change Stage I from mandatory to voluntary and to make other non substantive revisions. Staff was further directed to work with Attorney Corbett on the changes and to distribute a revised Plan for review prior to the Town Hall meeting.

Parks and Recreation Department Matters:

Agenda Item 11(a): Discussion and Possible Action Concerning Baby Pool Shade Structure at Creekside Pool.

Tim Ishman explained that there was an eight week time frame to have the pool cover fabricated and installed. Director Goldstein moved to accept the proposal from SG Builders for the purchase and construction of a baby pool shade structure at Creekside Pool in an amount not to exceed \$17,000. The motion was seconded by Director Shermer and passed unanimously (5-0).

Agenda Item 11(b): Discussion and Possible Action Concerning Ballard*King Change Order for the Operation Audit Project.

Mr. Ishman explained that the budget for the Operation Report exceeded the budgeted amount of \$29,800 and therefore a change order in the amount of \$818.34 was requested in order for Mr. Ballard to attend the February 1, 2010 Special Board Meeting. Director Tullos moved to approve the change order from Ballard*King in an amount not to exceed \$900. The motion was seconded by Director Shermer and passed unanimously (5-0).

Agenda Item 11(c): Discussion and Possible Action Concerning Fazzone Construction Company Proposal.

Mr. Ishman explained that a change order was required for additional work in order to complete the project. Director Yackle moved to accept the Fazzone Construction Company proposal related to completion of the project and increase the budget in an amount not to exceed \$10,000. The motion was seconded by Director Tullos and passed unanimously (5-0).

Human Resources Department/Financial Matters:

Agenda Item 12(a): Discussion and Possible Action Concerning Employee Benefits Renewal.

Mike Petter advised that after reviewing the quotes submitted for health insurance plans, the current vendor, Blue Cross Blue Shield's S02 and S14 were still the best plans with only a 3% increase. Of the twelve vendors who bid on the dental insurance renewal, current vendor, Dental Select, did not increase their rates. Director Grahl moved that the District continue to offer the BCBS S02 and S14 plans with the 3% increase and continue its dental coverage with Dental Select at no cost increase. The motion was seconded by Director Goldstein and passed unanimously (5-0).

Agenda Item 12(b): Discussion Concerning Amending District Policies to Expand Employee Benefits.

Mr. Petter briefed the Board on the possibility of extending certain benefits to part time employees who qualify by having been with the District twelve months, and put in at least 1,000 hours. Mr. Petter advised that if part time employees qualified, they would not be able to receive fifty percent of the full time employee insurance benefits since the District has less than 50 employees and as such is unable to maintain different qualifications for who is entitled to receive insurance.

As an alternative, the Board discussed providing holiday pay for part time employees. Mr. Petter advised that part time employees, whose hours would be reduced by because of a District holiday, are able to adjust their schedules so that they do not lose hours. No action was taken by the Board regarding this item.

Agenda Item 12(c): Discussion and Possible Action Concerning Approval of the District's 2009 Audited Financial Statements.

This item was discussed and acted upon under Item 6(b) above.

Administrative Department Matters:

Agenda Item 13(a): Discussion and Possible Action Concerning Election Procedures.

Margie Anthes gave a report on the election procedures and packets for applicants who will be running for the Director positions in the May 8, 2010 election. District Attorney Anthony Corbett advised the Board that since the documents merely summarized applicable laws and/or consisted of forms promulgated by other state agencies, they did not require Board approval. Staff was directed to work with the County on facilitating the election.

Agenda Item 13(b): Discussion and Possible Action Concerning Adoption of Resolution Approving Final Debt Service Schedule for Wastewater Service Agreement.

General Manager Clark explained that when the Wastewater Services Agreement with the City of Round Rock was approved, there had only been a preliminary Exhibit A for the debt schedule. Since the bonds had been sold and the debt service was finalized, a resolution adopting the final Exhibit A regarding the Debt Service was being presented to the Board for approval. Director Goldstein moved to adopt the resolution in the form included in the Board's packet. The motion was seconded by Director Shermer and passed unanimously (5-0).

Agenda Item 13(c): Discussion and Possible Action Concerning General Manager Performance Review for First Quarter.

Agenda Item 13(d): Discussion and Possible Action Concerning Setting of Second Quarter Goals.

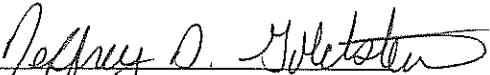
The Board briefly discussed the format for the slide presentation for this agenda item. Staff was directed to condense the presentation to one to two slides per department, and to schedule a special meeting for discussion and possible action on agenda items 13(c) and (d).

The Board went into Executive Session at 9:50 PM regarding Agenda Items 13(c) and 13(d) to discuss personnel matters involving the General Manager pursuant to Texas Government Code Chapter 551, Subchapter D. All five Directors, General Manager Clark and Attorney Corbett were present.

At 12:17 AM, the Board re-convened in open session. Director Yackle announced that no final actions or votes were taken in the Executive Session.

Adjournment.

Director Shermer moved to adjourn the meeting. The motion was seconded by Director Grahl, and passed unanimously (5-0). The meeting adjourned at 12:18 A.M.


Jeff Goldstein, Secretary