

**NOVEMBER 12, 2009 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 12th day of November, 2009, 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 6:02 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, District Attorney Anthony Corbett, and District staff was also in attendance.

Agenda Item 2: Announcements.

President Yackle announced that she had received a check in the amount of \$1,500.00 from Keep Texas Beautiful and HEB for additional recycle bins. The check was the result of a grant applied for by the District's Horticulturist, Rachel Hagen.

Mr. Clark announced that the Thanksgiving staff luncheon will be held on November 24 at noon and that the District offices and Community Center will be closed during that time. A special Board meeting will convene at 11:00 a.m. prior to the luncheon.

Mr. Clark also announced that the ribbon cutting ceremony for the disc golf course would be held on Friday, November 13, 2009 at 11:30 a.m.

Agenda Item 3: Citizen Comments.

Rene Figgliozzi spoke regarding concerns about the maintenance on the lot located at 4102 Lindo Loop, Sendero Springs subdivision. The General Manager stated that staff will keep on top of maintenance and add this to their staff reports on future agendas.

A citizen spoke regarding the District's sale of refunding bonds by a negotiated sale. He asserted that the District could have achieved greater savings if the bonds were sold by competitive sale.

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: Presentation by State Representative Diana Maldonado regarding legislative matters.

Representative Maldonado did not attend the meeting, and this matter was tabled.

Agenda Item 6(a): Parks and Recreation Committee Report.

J.R. Richardson presented the Parks and Recreation Committee report to the Board of Directors. No action was taken by the Board with respect thereto.

Agenda Item 7(a): Consultant Reports.

Jim Smith of JBS Water discussed the 2009 Water Audit conducted by his firm. After a brief presentation, the Board asked Mr. Smith a number of questions regarding the report. No action was taken. Staff was directed to schedule regular meetings with the Sam Bass Fire Department to determine water usage by the Fire Department.

Agenda Item 7(b): Staff Reports.

(1) Wastewater Service Agreement between the City of Round Rock and the District

Mr. Clark announced that the agreement had been executed by both parties. He also stated that Exhibit A to the agreement would be updated at closing the sale of the system. Mr. Clark noted that the Subregional Wastewater Agreement with LCRA will need to be terminated prior to closing. Mr. Corbett reported that the interest rates for the bonds were locked as of the date of the Board meeting and that an Operations Agreement had been signed by BRA and the Cities of Round Rock, Cedar Park, and Austin.

(2) Repairs at intake structure

Mike Wheeler reported that he met with Joe Jenkins on November 9 and that a purchase order had been issued for wire on pump no. 2. in answer to a question from the Board, Mr. Wheeler explained that if the lake levels continue to rise and water gets into the vault, the pumps will be okay as they are sealed. Mr. Wheeler did state that they were working on getting low voltage electricity into the vault.

(3) Membrane system and modifications at Water Treatment Facility

Mr. Wheeler reported that progress is being made on the water treatment facility modifications and that the new compressors were due in by November 19. Mr. Jenkins is continuing to work with the Texas Commission on Environmental Quality regarding approval of the pilot study protocol. President Yackle noted that Representative Maldonado's visit to the Water Treatment Facility went well and that staff did a very good job with the visit.

(4) Water Treatment Facility security system

Mr. Wheeler reported that the contract with HSP was being worked on and that it was anticipated that the work on the security system and alarms should commence within the next week at the Water Treatment Facility as well as at 901 Great Oaks. Mr. Wheeler reported that a circuit board

and pickup loop were ordered for the fence at the water treatment facility as both circuit boards failed. Direction was given to staff to determine if an insurance claim for the damage should be submitted.

(5) Disc golf course parking lot

Mr. Wheeler reported that the work on the disc golf course is substantially complete and that the ribbon cutting ceremony is scheduled for November 13, 2009 at 11:30 a.m. He reported that there are still a few punch list items to be completed.

(6) Demolition of maintenance yard

Mr. Wheeler reported that the privacy fence at the entrance was in and that the next step was to chip the piles of brush in front of the gate. President Yackle noted that there was going to be a meeting with the Great Oaks HOA on Monday, November 16 at 5:30 p.m. at the Water Treatment Facility regarding the maintenance at the site and the work proceeding there.

(7) Hairy Man Festival

Tim Ishman reported that the festival stayed within budget and that there was over \$8,000 in sponsorship money for the event. Director Tullos asked if the festival would be moved to September 25 for the next year and Mr. Ishman said the date would be on the next Parks Committee agenda. President Yackle asked why a chain link fence would be necessary. Mr. Ishman replied that it was necessary for security.

(8) Parks and Recreation Operation Analysis

Mr. Ishman reported that the analysis was moving forward. He stated that staff anticipated receiving a revised draft report in the next few days and that after review the draft would be distributed to the Board. Discussion was had concerning the timeline. Mr. Ishman suggested that comments be solicited in December, so that the report could be finalized in January.

(9) Metrics

Discussion was had regarding the metrics reports from the departments.

Agenda Item 8(b): Approve appointment of Rene Figliozzi to the Community Center Advisory Committee and removal of Brent Graves as Sendero Springs Park Alternate to the Parks and Recreation Committee and appoint Rene Figliozzi.

Director Tullos moved to approve the appointment of Ms. Figliozzi to the Community Center Advisory Committee and as the Sendero Springs Park Alternate on the Parks and Recreation Committee. The motion was seconded by President Yackle, and passed unanimously (5-0).

Recess: The meeting recessed at 7:56 p.m. and reconvened at 8:07 p.m. with all five Directors present.

Agenda Item 8: Consent Agenda.

President Yackle moved approval of the consent agenda with the exceptions of items b, f and g. The motion was seconded by Director Grahl and approved unanimously (5-0). The following items were thereby approved by the Board of Directors:

- (a) The Board approved the termination of Stage II Drought Conditions.
- (c) The Board approved the assignment of Pinnacle Arbitrage Compliance Agreement to Bank of New York/Mellon.
- (d) The Board approved renaming the existing LOGIC account to the Series 2009 Defined Area Bond Surplus Construction account.
- (e) The Board approved revisions to personnel policies related to Red Flag Rules.
- (h) The Board approved the FY2010 budget amendments. A copy of the resolution thereby approved by the Board is attached to these meeting minutes.
- (i) The Board approved the September 24, 2009 and October 8, 22, 24 and 29, 2009 Board meeting minutes.

Agenda Item 8(f): Amendment of TCDRS Retirement Plan to increase employee and employer contributions.

After a brief presentation by Mike Petter, Director Grahl moved to approve amendment of TCDRS Retirement Plan to increase employee and employer contributions as described in the Board packets. The motion was seconded by Director Goldstein, and passed unanimously (5-0).

Agenda Item 8(g): Transfer of Proceeds from 2009 Refunding Bond.

After receipt of a brief report by Mr. Petter, Director Tullos moved to adopt Resolution 09-1112-2 approving the application to the Texas Commission on Environmental Quality for authorization to transfer surplus bond funds to the District's Debt Service Fund. The motion was seconded by Director Shermer, and passed unanimously (5-0).

Agenda Item 9: Technology Department Matters.

Mark Palmer discussed the background for Payment Card Industry (PCI) compliance. He reported that the District would certify compliance before the required deadline. He also noted that there would be a Brown Bag luncheon to acquaint customer service staff regarding compliance with PCI protocols. Mr. Palmer will continue to keep the Board informed as the process continues.

Public Works Department Matters:

Agenda Item 10(a): Plumbing inspections contract.

Upon the recommendation of Mike Wheeler, Director Tullos moved that the District enter into a plumbing inspection contract with Roadrunner Inspection Services effective upon the termination of

the existing contract with Tommy Patterson Quality Inspections (if such a contract exists). The motion was seconded by Director Goldstein, and passed unanimously (5-0).

Agenda Item 10(b): Declaration of surplus of compressors located at the Water Treatment Facility for disposal.

Staff requested that this item be tabled until the December Board meeting.

Agenda Item 10(c): Completion of Sendero Springs Park multi-use field area.

Mr. Wheeler reported that now that the drought has lifted, work on the field area can be completed. He reported that Mr. Bodenman agreed to supply the dirt needed for the project, which is scheduled for the week of November 16.

Mr. Wheeler also reported that staff, on their own initiative, repaired the playscape at the Sendero Springs park area. Director Tullos requested that staff investigate whether the damage is a warranty issue.

Agenda Item 10(d): Trimming of the '100-foot' easement for the safe passage of children to school at the Wildcat Trail.

Discussion regarding the location of trimming was had by the Board, as well as possibly removing approximately six small scrub cedar trees. Director Tullos reported that there were concerns from the Brushy Creek North neighbors about the brush pile near the Wildcat Trail. Mr. Wheeler reported that his staff had picked up most of the brush and that he would make sure staff picked up the remainder. Mr. Wheeler reported that some of the brush and debris was coming from the neighbors whose homes abut the trail. Director Tullos directed staff to place "No Dumping" signs at the location.

President Yackle also discussed the problem with vehicles accessing the trail in the same area. Mr. Wheeler stated that cables and ballards had been installed and that staff would follow up on whether there were reflectors on same for safety concerns.

Agenda Item 10(e): Well repairs.

Mr. Wheeler discussed the results of the well testing conducted on the three wells at the Sam Bass site. He reported that the two smaller wells were tested at up to 300 gallons/minute and the draw down was insignificant. The larger well was run up to 700 gallons/minute with no significant drawdown. Mr. Wheeler stated that Mr. Jenkins had the information and was performing a cost benefit analysis regarding improvements to the large well and capping the two smaller wells. Staff was directed to also obtain an appraisal of the property before offering to sell any portion of the property.

Parks and Recreation Department Matters:

Agenda Item 11(a): Emergency Shelter Agreement with Williamson County.

Mr. Ishman presented the agreement with Williamson County. The Board expressed concerns that the agreement did not reflect that the facility would serve as a consolidation facility and not a

primary facility, as had previously been discussed with the County. Staff was directed to work with the County to clarify this issue and bring the contract back to the Board at the December meeting.

Agenda Item 11(b): Award of bid for Phase II District Sign Project

Mr. Ishman requested that the Board approve the award of the bid for the Phase II District Sign Project. Mr. Ishman stated that there was one bid received by Fazzone for the construction. Of the three signs originally sought, there was money in the budget for two and that if the Board wished to include the third sign, money would be needed from the Board contingency funds. The Board expressed concerns that the signs would not have wireless capability and the costs of upgrading such signs in the future. Staff was also directed to investigate whether the signs could be programmed to display different information at different locations. No action was taken regarding this matter, and the Board asked staff to gather additional information for consideration at the next meeting.

Agenda Item 11(c): Service Project Guidelines Policy.

Mr. Ishman asked the Board to approve the revised policy. Director Goldstein moved to approve the Service Project Guidelines Policy as presented in the Board packet. The motion was seconded by Director Tullos, and passed unanimously (5-0).

Agenda Item 11(d): Declaration of Surplus of Weight Room Equipment for Disposal.

Director Tullos moved to approve Order 09-1112-01 Declaring Property Surplus and apply the trade-in value toward the replacement and purchase of new exercise equipment. The motion was seconded by Director Goldstein. The motion passed unanimously (5-0).

Human Resources Department/Financial Matters:

Agenda Item 12(a): Resolution of the Brushy Creek Municipal Utility District's authorizing the General Manager to enter into a Municipal Equipment Lease/Purchase Agreement with Frost National Bank.

Mr. Petter explained that as costs have risen significantly with regard to purchasing new exercise equipment, the acquisition of the equipment through a lease-purchase agreement is more favorable to the District. Director Tullos moved to approve Resolution 09-1112-03 authorizing the General Manager of the District to enter into a Municipal Equipment Lease/Purchase Agreement with Frost National Bank. The motion was seconded by Director Shermer, and passed unanimously (5-0).

Recess: The meeting recessed at 10:07 PM and reconvened at 10:21 PM with all five Directors present.

Administrative Department Matters

Agenda Item 13(a): Physical Contact of District Employees by Resident.

President Yackle began by stating that she had requested that this item be placed on the agenda as she had witnessed a citizen making unwanted physical contact with a staff employee. She stated that

the same citizen also put hands on her shoulders; and she expressed regret that she did not remind the citizen at that time that physical contact of District employees and personnel is not appropriate. She stated that the District has a responsibility to its employees and staff to prevent such unwanted physical contact.

It was noted that the citizen in question laughed while this discussion was taking place.

Agenda Item 13(b): FY2010 Capital Purchases.

Mr. Clark requested approval for the purchase of the capital purchase items as presented in the Board's packet. Director Tullos expressed concern that the Board needed further information, including more than one bid and any warranty information for the capital purchases so that the Board could make informed decisions. Staff was directed to obtain the additional information and place this item back on the December 10 agenda as a consent item.

Agenda Item 13(c): Selection of District Park for Major Capital Improvements and Subsequent Referral to Parks Committee.

Mr. Clark pointed out that at the October 24 Special Board meeting, it was discussed that one District Park would be selected for major capital improvements each fiscal year. Staff recommended that Little Village Park be the Board's selection for FY2011. Director Shermer suggested that no budget be given but that the Parks Committee determine the most significant improvements that can be made at the lowest cost.

President Yackle moved that the Board select Little Village Park as the park for the 2011 fiscal year budget. The motion was seconded by Director Grahl. President Yackle discussed the condition of the park upon its receipt by the District and the need for improvements. The motion passed unanimously (5-0).

Staff was directed to provide information regarding the expected usage of the park against the cost of maintenance of the park. Staff was also directed to provide the Board with a budget range that should be considered for park improvements. Staff was further directed to contact Brushy Creek Elementary School regarding the possibility of park usage by the school if there were different equipment available.

The matter will be placed on the Parks Committee agenda for recommendations regarding park improvements. The Board requested that the matter be placed back on the Board's agenda for a final decision in the second quarter of this fiscal year.

Agenda Item 13(d): Committee bylaws, expectations and participation.

Director Shermer requested that this item be placed on the agenda for discussion. He expressed concerns regarding residents serving on more than one committee and possibly burning out. Discussion was then had regarding ways to get more resident involvement in the committees and the Board's expectations regarding committees. There was discussion regarding whether the Board is giving the committees enough direction.

Discussion was also had regarding the Parks Committee alternates. Discussion was further had regarding the selection for the two at-large members of the Parks Committee. There was a suggestion that perhaps term limits could be imposed for serving as an at-large member.

President Yackle requested that this matter be placed on the February agenda for discussion and possible action concerning placing term limits on the two at-large Parks and Recreation Committee members.

Staff was directed to add as a discussion item to all three committee agendas regarding the possible discontinuation of appointments of alternate committee members. Staff was also directed to contact the HOA's and ask that they add this matter to their agendas for discussion..

Agenda Item 13(e): Setting of Goals for the General Manager for Fiscal Year 2010 and the First Quarter.

Mr. Clark announced that at the Board workshop on October 24, 2009, he was asked to work with Directors Shermer and Grahl in setting goals for Fiscal Year 2010.

Director Shermer moved to approve the goals stated on the handout. The motion was seconded by Director Grahl, and passed unanimously (5-0).

Agenda Item 13(f): Six-Month Evaluation of Agenda Format and Scheduling of Board Meetings.

Discussion was had regarding the change in the agenda format and scheduling of the Board meetings. Staff stated that the new format was working well. The Board suggested that if a department only had one item and would not be involved in any of the other scheduled agenda items, then that item be moved up during the meeting so that the Department manager could leave the meeting after the item was completed.

Agenda Item 13(g): Request for out-of-District water services.

This item was pulled as the requestor.

Adjournment.

Director Shermer moved to adjourn the meeting. The motion was seconded by Director Grahl, and passed unanimously. The meeting adjourned at 11:37 p.m.



Jeffrey Goldstein, Board Secretary