

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

January 24, 2008

A regular meeting of the Board of Directors of Brushy Creek Municipal Utility District was held on the 24th day of January, 2008 at 7:00 p.m., in the District's office, 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.

Roll Call and Establishment of Quorum (Agenda Item 1)

President Paul Tisch called the meeting to order at 7:00 p.m. and established a quorum consisting of himself, Treasurer Rebecca Tullos, Assistant Treasurer Bob Grahl and Secretary Russ Shermer. Also present were General Manager Tom Clark, Deputy Secretary Margie Anthes and Legal Counsel Tony Corbett. Vice-President Cristine Yackle was not present. Upon establishment of a quorum, the Board conducted the Pledge of Allegiance.

Citizens Communications (Agenda Item 2)

The first order of business was Citizens Comments. Jeffrey Goldstein addressed the Board.

Announcements and Recognition (Agenda Item 3)

None

Citizen Advisory Committee Matters (Agenda Item 4)

The Board then received Citizen Advisory Committee Reports. Veronica Myers reported on behalf of the Community Center Advisory Committee. President Tisch reported on behalf of the Water & Wastewater Committee and Director Shermer reported on behalf of the Technology Committee. No report was presented on behalf of the Parks Committee.

Discussion and approval of 2007 Audited Financial Statements or authorization for Staff to file an extension with the TCEQ for the 2007 Audited Financial statements (Item 5)

The next item of business was the 2007 audited financial statements. A motion was made by Director Tullos to approve the 2007 Audited Financial Statements. The motion was seconded by Director Grahl. The motion passed 4-0.

Discussion and possible action concerning Round Rock Roller Rink request for water supply for fire suppression (Item 6)

The Board then discussed the request for water supply for fire suppression from Round Rock Roller Rink. No action was taken. Staff was directed to review the City of Round Rock

zoning classifications and consult with representatives from Round Rock Roller Rink regarding potential deed restrictions based on the zoning classifications.

Staff and Consultant Reports (Item 7)

The Board received reports from the General Manager, Recreation Manager, Controller, Public Works Director, Network/IT Manager and Legal Counsel.

The following directives were given by the board:

- The Board directed staff to work with legal counsel regarding the applicability of the District's building permit rules to land clearing activities and to present a report at the February 14th meeting.
- Board Counsel was directed to write a letter to the driver of the vehicle that struck and damaged the District's sign on Highway 620 and Great Oaks Drive.
- The Board directed staff to evaluate options concerning emergency repairs to the Cat Hollow lift station for subsequent consideration by the Board.
- The Board directed that staff request Carter Burgess to attend the February 14 meeting in order to present the maintenance yard demolition and relocation project plan.

Consent Agenda (Agenda Item 8)

The next item of business was the Consent Agenda. Item 8.c. (Approve Accounting and Human Resources Departmental Charter) was pulled from the Consent Agenda.

A motion was made by Director Tullos to approve Agenda Item 8.a. (Approve November 16, 2007 Board meeting minutes), 8.b. (Approve Pay Estimate No. One from Highland Horizons Phase I Utilities) and Item 8.d. (Approve Resolution adding investment account). The motion was seconded by Director Grahl. The motion carried 4-0.

The Board then discussed Item 8.c. (Approve Accounting and Human Resources Departmental Charter).

This item was tabled for consideration at a future meeting.

Network/It Matters (Item 10)

No items were presented

Discussion and possible action concerning storage in the Lobby Renovation project (Item 12)

The next item of business was the Lobby Renovation project. The Board received information from staff regarding storage solutions planned for Community Center information that was previously displayed in the lobby or maintained behind the horseshoe. No action was taken.

At 9:23 p.m., Director Tisch recessed the Board meeting. He reconvened the meeting at 9:39 p.m. with Directors Tisch, Tullos, Shermer and Grahl being present.

Discussion and possible action concerning District responses to wage and compensation survey (Agenda Item 9.a.1-4)

The Board then discussed the District's responses to the wage and compensation survey. A motion was made by Director Grahl to approve Item 1 (Consideration and action concerning adoption of employee range schedules), Item 2 (Amend Personnel Policies to provide for wage survey to be conducted every three years), Item 3 (Amend Personnel Policies to increase PTO by 8 hours after two years of service) and Item 4 (Amend Personnel Policies to increase contributions to the TCDRS plan to 5% for employees beginning January 1, 2009, to 6% effective January 1, 2010 and 7% effective January 1, 2011. The District's contribution will remain 200% of the employee contribution). The motion was seconded by Director Tullos. The motion passed 4-0.

Discussion and action concerning Five Year Planning Tool (Item 9.b.)

The Board received a report concerning the Five Year Planning Tool. No action was taken on this item.

Discussion and action concerning Employee Benefit Plans (Item 9.c.)

The Board received a report concerning the Employee Benefit Plans. No action was taken on this item.

Discussion and action concerning Resolution for "Safeguarding of District Assets" (Item 9.d.)

This item was tabled for consideration at a future meeting.

Discussion of November financials (Item 9.e.)

The Board received the report concerning the November financials. No action was taken on this item.

Discussion and possible action concerning request of Highland Resources for District to assume responsibility for storm water BMP's (Item 11.a.)

The Board then discussed the request of Highland Resources for the District to assume responsibility for storm water BMP's at certain facilities. A motion was made by Director Tullos to approve the request to assume responsibility for storm water BMP's from Highland Resources with respect to the facilities identified in the packets. The motion was seconded by Director Tisch. The motion passed 4-0.

Declare Brushy Bend Pump Station surplus and authorize disposition of the same (Item 11.b.)

The next item of business was the declaration and authorization to dispose of Brushy Bend Pump Station as surplus. A motion was made by Director Tisch to approve the request to declare Brushy Bend Pump Station surplus and authorize disposition of same. The motion was seconded by Director Tullos. The motion passed 4-0. Staff was directed to work with the Finance Committee to create a formal policy for declaring District assets as surplus property for consideration by the Board at a future meeting.

Declare Ground Water Pump Station #1 surplus and authorize disposition of same (Item 11.c.)

The Board then discussed the request to declare Ground Water Pump Station #1 surplus. A motion was made by Director Tisch to declare Ground Water Pump Station #1 surplus, to authorize disposition of same, and to modify the order to provide that the well be plugged at a cost not to exceed \$10,000 with funds to be provided from the Director's Contingency. The motion was seconded by Director Grahl. The motion passed 4-0.

Award bid and approve contract to resurface Creekside Pool deck (Item 11.d.)

The next item of business was the request to award a bid to resurface Creekside Pool deck. A motion was made by Director Tisch to award the bid and approve the contract with Deck Effects, Inc. to resurface the Creekside Pool deck at a cost of \$31,290.50. The motion was seconded by Director Tullos. The motion passed 4-0.

Award bid and approve contract for Phase IV Tree Replacement Project (Item 11.e.)

The Board then discussed the contract for the Phase IV Tree Replacement Project. A motion was made by Director Tisch to award the bid and approve the contract with Utz Environmental Services for the Phase IV Tree Replacement Project at a cost of \$26,466.11. The motion was seconded by Director Grahl. The motion passed 4-0.

Discussion and possible action concerning Interlocal Agreement with Walsh Ranch MUD (Item 13.a.)

The next item of business was the Interlocal Agreement with Walsh Ranch MUD. A motion was made by Director Shermer to approve the Interlocal Agreement with Walsh Ranch MUD. The motion was seconded by Director Tisch. The motion carried 3-0-1 with Directors Grahl, Tisch and Shermer voting for and Director Tullos abstaining after noting for the record a personal business relationship with one of the directors of the Walsh Ranch MUD.

Discussion and possible action concerning Board, Staff and Committee orientation outline (Item 13.b.)

The Board then discussed orientation for Board, Staff and Committees. Staff was directed to add ex officio board members to the Board and Committee member Orientation outline. Staff was also directed to add this item to the February 14 meeting agenda for further consideration.

Discussion and action concerning approval of Election Procedures and Director Candidate Packet (Item 13.c.)

This item was tabled and staff was directed to add this item to the February 14 meeting agenda for consideration.

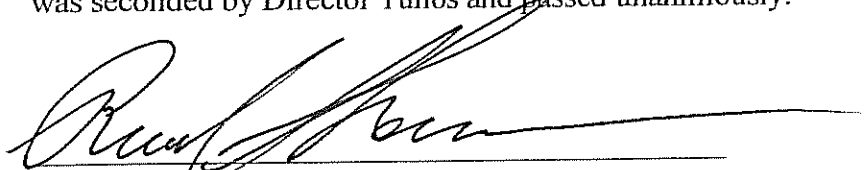
Board Committee Reports (Agenda Item 14)

The Board received a brief report from Director Tullos on behalf of the Finance Committee.

John McLemore addressed the Board.

Adjournment (Agenda Item 15)

At 11:28 p.m., a motion was made by Director Grahl to adjourn the meeting. The motion was seconded by Director Tullos and passed unanimously.



Russ Sherman, Secretary