

**MEETING MINUTES  
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 March, 2009 at 7:00 p.m., in the District's office, 16318 Great Oaks Drive, Brushy Creek Subdivision, 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 7:06 p.m. with the following Directors present: Paul Tisch, President, Cris Yackle, Vice President, Rebecca Tullos, Treasurer, Russ Shermer, Secretary and Bob Grahl, Asst. Secretary/Treasurer. General Manager Tom Clark, other staff, and District Attorney Tony Corbett were also in attendance.

Agenda Item 2: Employee of the Quarter.

Tom Clark announced that Cel Vela had been selected as the Employee of the Quarter.

Agenda Item 3: Discussion regarding order of consideration of agenda items.

The Board agreed to consider the following matters out of the order set forth on the agenda in order to accommodate visitors: Agenda Items 19, 9, 5(A), 13, 5(B)(III), 24, 25, and 10.

Agenda Item 4: Citizens' Comments.

A resident spoke regarding the District's capital recovery fees. He asked whether CRF fees were used for payment of debt service in the defined area. He also spoke regarding the developer's prior request that the Board modify the District's methodology for calculation of impact fees applicable to multi-family projects. He asserted that the District would lose significant impact fee revenues if it approved the developer's request, and handed out a spreadsheet to support his assertions.

Agenda Item 19: Action Concerning LCRA Sale of Brushy Creek Regional Wastewater System.

After a brief introduction by Tom Clark, a representative of the City of Round Rock (Michael Thane) spoke to the Board regarding the proposed sale of the Brushy Creek Regional Wastewater System by LCRA to Round Rock and Cedar Park.

Mr. Thane reported that the Cities of Round Rock and Cedar Park were negotiating the purchase of the system from LCRA because of the high costs charged by LCRA to all system customers. He stated that under the proposed agreement, the cities would assume the outstanding debt for the system (approximately \$117 million), and pay associated defeasance costs. He also stated that LCRA had requested an additional \$2 to \$3 million

dollars in payment for lost future revenues. He stated that BRA would remain the operator of the system.

Mr. Thane reported that the cities had not yet conclusively determined how ownership of the system would be structured upon completion of the sale. He stated that the Cities of Round Rock, Cedar Park, and Austin were considering utilizing the Brushy Creek Regional Utility Authority for acquisition and ownership of the system.

Mr. Thane then asked whether the District desired to be a subregional customer of LCRA or one of the three cities. In response to the Board's question, he noted that it might be possible for the District to be a direct participant. He stated that the District would not be charged management fees if it was a subregional customer of Round Rock. He could not answer whether the District would be responsible for a share of any defeasance and other transaction costs related to the purchase of the system.

The Board stated that it required additional information to render a decision and took no action on Mr. Thane's request. The Board noted that it desired to work with Round Rock to achieve a result that was in the best interests of all parties impacted by the sale of the system.

#### Agenda Item 5(A): Traffic Study at Sam Bass Trail and Great Oaks Drive.

Joe England, the Williamson County Engineer, addressed the Board regarding a traffic study at Great Oaks Drive and Sam Bass Trail. He reported that the study concluded that traffic counts indicated that the intersection did not meet the minimum requirements for a traffic light.

He also reported that a speeding study was conducted near the intersection. He stated that there is a relatively minor speeding problem.

He noted that the County Commissioners Court had authorized its staff to assist the District in connection with the construction of the Walsh Ranch Trail improvement project (Agenda Item 13).

#### Agenda Item 13: Approve Funding Walsh Ranch Trail Improvements.

Tom Clark requested that the Board approve amendment of the trail improvement project to include sections 1, 2 and 3, as identified in the packet. Director Yackle moved that the Board include the addition of sections 1, 2 and 3 to the trail improvement project. The motion was seconded by Director Tullos, and passed unanimously.

The Board then discussed whether the current project budget was sufficient, and discussed design considerations relating to the project. Mike Wheeler responded to questions from the Board regarding the necessity for edging to protect the trail from erosion. No action was taken by the Board regarding the budget or design considerations.

Recess. The Board of Directors recessed the meeting at 8:24 p.m. The Board reconvened the meeting at 8:30 p.m.

Agenda Item 10: Action Relating to Vandalism.

Tom Clark announced that the Williamson County Sheriff's office had commenced increasing patrols in the District's detention pond area to address recent vandalism. He also proposed construction of a fence between two properties to control access to the site. The Board asked staff to consider the matter and potential solutions in more detail, including ways to control alternate access to the area and whether to post no trespassing signs, and to schedule a meeting to discuss the matter with affected property owners and to invite representatives from the Oakbrook HOA and Fern Bluff MUD. Subsequently, the matter would then be placed on a future agenda for further consideration.

Agenda Item 9: Award Bid for Purchase of Water Meters and Automated Meter Reading Equipment

Mike Wheeler provided a general summary of the meter bid, and introduced representatives of HD Supply, the bidder recommended by staff. The Board asked a number of questions to the individuals regarding the proposed meter reading system.

After discussion, the Board directed staff and legal counsel to prepare a contract for purchase of the meters and meter reading equipment, for consideration at a subsequent meeting.

Agenda Item 24: Authorizing the General Manager and legal counsel to proceed with investigating the provision of out-of-District wastewater service to the Mesa Rosa Restaurant, and authorized the General Manager to enter into an engineering services agreement for such evaluation.

Director Tullos moved to authorize the General Manager to retain consultants for providing the necessary engineering services for evaluation of the project and preparation of a service agreement, provided Mesa Rosa pays all costs associated therewith. The motion was seconded by Director Tisch and passed unanimously.

Agenda Item 25: Adoption of an order approving the Exchange of Real Property with Hy-Land North Joint Venture in the form set forth in the Board packet.

Director Tisch moved approval of Order 09-0312-02 approving the exchange of property. The motion was seconded by Director Shermer, and passed unanimously.

Agenda Item 5(B)(iii): Status of Disc Golf Course Parking Lot Project

Tom Clark reported that staff was still negotiating with Fish & Wildlife concerning the project. He noted that the bids were good for 90 days, so that he anticipated being able to award the contract with the current bids. No action was taken by the Board.

## Agenda Item 5: Reports

### i. Repairs at Intake Structure-

Staff had no new information to provide since the previous meeting. The Board requested an update on the memorandum of understanding with Chisholm Trail Special Utility District at a future meeting.

### ii. Membrane System Modifications-

Mike Wheeler provided an update regarding the project. He reported that he had a meeting with the project engineer later in the month. The Board asked for the matter to be on the next meeting agenda.

### iii. Disc Golf Course Parking Lot-

Mike Wheeler provided an update regarding the project. Staff was directed to contact Commissioner Birkman regarding financial support from the County to construct the parking lot and to research the possibility of painting a portion of the curb red to reflect emergency parking only.

### iv. Sendero Pool Heater-

Tom Clark provided an update to the Board regarding his discussions with the vendor and manufacturer. He stated that excessive water temperature could cause the heat exchanger to warp. He also reported that the temperature safety switch had been bypassed, which may have caused the heat exchanger damage. The Board took no action with respect to the matter.

### v. New Staff-

Mike Petter reported new employees retained by the District.

## Discussion Items

## Agenda Item 6: Written Permit Procedures

Tom Clark referred the Board to the standard operating procedures for issuance of permits by staff. The Board gave direction regarding proposed revisions to the draft procedures to include removal of Architectural Control Committee approval. After discussion, the Board directed staff to remove the provision within the draft procedures that would require ACC approval of a proposed construction project as a condition of issuance of a permit by the District. The Board directed staff to provide applicants for new permits with information about ACC approval requirements, but proof of ACC approval would not be a condition of issuance of a permit, since the District does not exercise deed restriction enforcement. The General Manager also requested that Board members review the procedures and provide additional input.

The Board directed staff to proceed with updating the District's rules as identified in the Rate Order to ensure erosion control permitting was in place for residential construction projects.

Staff was also directed to determine if a home being built on Avaranche had the appropriate permits.

Legal counsel was directed to provide updates on legislation which may affect the District.

Agenda Item 7: Revised Horticulturist Job Description.

Tom Clark identified revisions to the proposed job description, including the title, FLSA exemption status, and physical demands relating to lifting weight. Director Grahl moved approval subject to incorporation of the revisions. Director Tullos seconded the motion, which passed unanimously. The revised job description will be placed on the next agenda for action by the Board.

Agenda Item 8: Potential Disposition of District Properties.

Tom Clark reported that the Board had received a request to purchase property owned, but not being used, by the District. The Board requested that the General Manager proceed with preparation of a map identifying all lands owned by the District, and relevant information regarding each tract and to include the matter on a future agenda for Board consideration.

**Discussion and Action Items**

Agenda Item 11- Approve Financial Reports

Mike Petter presented the January Disbursement Report, January Detail Report, and January Cash and Investment Reports. Director Yackle moved for approval of the reports. The motion was seconded by Director Grahl and passed unanimously.

Agenda Item 12: License Agreements.

Director Yackle moved that the Board approve Order 09-0312.01 authorizing the General Manager to approve license agreements. The motion was seconded by Director Grahl, and passed unanimously.

Agenda Item 14: Approve Amendment No. One to URS Engineering Services Agreement

Tom Clark provided background information regarding a work order to authorize URS to determine retrofit options to improve access to certain lift stations. Director Tisch moved approval of the work order subject to deletion of the second paragraph under the

“Payment” section of the Work Order. The motion was seconded by Director Grahl, and passed 4-1, with Director Tullos voting against the motion.

Agenda Item 15: Approve use of Microix Employee Time Clock Software

Mike Petter provided background information regarding the employee time clock software. He reported that the system was now working properly, and recommended that the Board continue use of the system. The Board agreed with the recommendation and directed staff to monitor the system to confirm it remains working properly. The Board also requested a status update at its next meeting.

Agenda Item 16: Board Workshop.

The Board tentatively set the date for a workshop for April 18, 2009.

Agenda Item 17: Scheduling of Board Meetings

Tom Clark asked the Board whether it would desire to change the time for commencement of Board meetings from 7:00 p.m. to 5:00 p.m. Director Tullos stated that she would prefer the meetings commence at 6:00 p.m. The Board directed that staff proceed with scheduling meetings for 6:00 p.m., and that the matter be evaluated at the second meeting in May.

Agenda Item 18: Approve Communications Plan

Tom Clark presented an amendment to the District’s Personnel Policy relating to use of communication devices. After discussion, Director Tullos moved approval of the plan provided it was amended to provide that the Horticulturist Coordinator and Aquatics Coordinator positions would each have a cell phone, not a PDA. The motion was seconded by Director Shermer, and passed 4-1. Director Yackle voted against the motion.

Action Items:

The following items were pulled for discussion: 21, 23, 24, 27, 28.

Director Shermer moved that the Board approve remaining action items: 20 and 26. The motion was seconded by Director Tullos, and carried unanimously. The Board thereby approved the following items:

Agenda Item 20: The Board approved the appointment of Maina Macharia as Cat Hollow alternate to Parks Committee.

Agenda Item 26: The Board approved the Customer Service Coordinator and Parks Maintenance Coordinator job descriptions in the form set forth in the Board packet.

Agenda Item 21: Approval of the revised version of the Subregional Wastewater Disposal Contract and Settlement Agreement.

Director Tullos moved approval of the revised agreement. The motion was seconded by Director Shermer, and passed unanimously.

Agenda Item 22: Approval of the Technology Committee Bylaws.

Director Shermer moved approval of the Bylaws, provided the reference to the Code of Conduct was revised to refer to the "Code of Conduct for Committee Members." The motion was seconded by Director Grahl and passed unanimously.

Agenda Item 23: Approval of the Technology Department Charter.

Mark Palmer was asked to clarify the purpose of the extra box on the Charter titled "Database & System Support". After obtaining information from Mark that it referred to a position that is not authorized, he was directed to remove it from the Charter. Director Grahl moved approval of the charter as amended. The motion was seconded by Director Shermer and carried unanimously.

Agenda Item 27: Approval of Anti-Fraud (Whistleblower) Policy.

After discussion, Director Shermer moved approval of the policy. The motion was seconded by Director Tullos and passed unanimously.

Agenda Item 28: Approval of the September 2, 2008 Special Board meeting minutes.

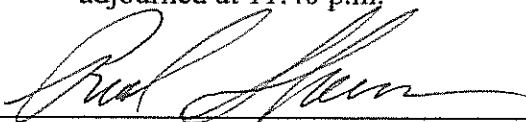
Director Grahl moved approval of the minutes provided it was revised to clarify that Director Shermer was present. The motion was seconded by Director Shermer and passed unanimously.

Agenda Item 19: Action Concerning LCRA Sale of Brushy Creek Regional Wastewater System

The Board then discussed Agenda Item 19 again. The Board discussed whether to form a subcommittee regarding the matter, and whether to send a letter to Round Rock expressing the Board's concerns regarding the transaction.

Adjournment:

Director Shermer moved to adjourn the meeting. The motion was seconded by Director Grahl, and passed 4-1, with Director Yackle voting against the motion. The meeting adjourned at 11:40 p.m.

  
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Russ Shermer, Board Secretary