

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

April 24, 2008

A regular meeting of the Board of Directors of Brushy Creek Municipal Utility District was held on the 24th day of April, 2008 at 7:00 p.m., in the District's office, 16318 Great Oaks Drive, Brushy Creek Subdivision, Round Rock, Texas. Notices of the time and 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: Role call and establish quorum

Call to order at 7:05 PM with Directors Grahl, Shermer, Tisch, Tullos & Yackle present. Also present were General Manager Tom Clark, Deputy Secretary Margie Anthes, Jesse Kennis, Jeff Grettler, Mike Petter and Gavino Abrigo. Legal Counsel Tony Corbett arrived at 7:53 PM.

Agenda Item 2: Announcements and Recognition

There were no announcements or recognitions.

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

The Board made no change to the order of consideration of agenda items. Some items were pulled from the consent agenda for discussion, as noted below.

Agenda Item 4: Citizens' Comments

John McLemore spoke regarding the resignation of a former employee of the District.

Agenda Item 5: Citizen Advisory Committee Matters

- A. Community Center Advisory Committee report. Director Grahl gave the report.
- B. Parks & Recreation Committee report. Janis Parker gave the report.

Agenda Item 6: Receive traffic study report from Williamson County Engineer

Williamson County Engineer, Joe England P.E. gave a report on the traffic patterns in and around the Brushy Creek community and the new Walsh Ranch Middle School opening this fall. Mr. England also reviewed the traffic study conducted by Williamson County along Great Oaks and Sam Bass Trail and indicated he planned to conduct a follow-up study in September 2008. No action was taken.

Agenda Item 7: Discussion and possible action concerning Highland Horizon Amenity Center

David Bodenman addressed the Board concerning Highland's plans for pool amenities in the Highland Horizon community and asked whether the Board would consider accepting facilities for ownership, operation and maintenance upon completion of construction by the developer. The Board expressed interest in pursuing further discussions, and requested that the developer discuss the matter with the District's staff and committees.

Agenda Item 8: Discussion and possible action concerning background checks

At 8:15PM, President Tisch announced that the Board of Directors would go into executive session under Subchapter D, Chapter 551 of the Texas Government Code (the

Texas Open Meetings Act) in order to seek legal advice regarding Agenda Item 8. At 9:14 PM, President Tisch reconvened the public meeting of the Board of Directors with all Directors present. He announced that while in executive session, no decisions, votes or actions of any kind were taken.

Staff was directed to work with employment counsel concerning development of a policy regarding background checks and return to the Board with additional information and recommendations.

Agenda Item 9: Consent Agenda

- a. Approve minutes from December 13, 2007 Board Meeting.
- b. Approve minutes from February 28, 2008 Board Meeting.
- c. Approve minutes from March 1, 2008 Board Workshop.
- d. Approve minutes from March 18, 2008 Board Meeting.
- e. Approve minutes from March 27, 2008 Board Meeting.
- f. Approve minutes from March 31, 2008 Special Board Meeting.
- g. Approve minutes from April 10, 2008 Board Meeting.
- h. Approve minutes from March 31, 2008 Committee Task Force Meeting.
- i. Approve minutes from March 3, 2008 Parks and Recreation Committee Meeting.
- j. Approve Community Center member benefits concerning use of craft room.
- k. Approve Committee Operations Standards and Tools.
- l. Approve Code of Conduct for Committee Members (form).
- m. Dissolve Committee Task Force.
- n. Approve March Disbursement report, March Detail and March Cash and Investment Report.
- o. Approve addition of voluntary 457 Plan to the Employee Benefit Plan.
- p. Approve February budget v. actual report, balance sheet, Investments.
- q. Approve recommendation to request a CPI increase on the Williamson County Park raw water contract.

Director Grahl made a motion to approve the following consent agenda items : a, b, e, f, g, h, j, k, m, n, and p. The motion was seconded by Director Shermer, and passed unanimously.

The Board then considered the remaining consent agenda items as follows:

Agenda Item 9.c: Motion to approve March 1, 2008 Board Workshop minutes by Director Yackle and second by Director Tisch. Carried 5-0.

Agenda Item 9.d: Director Yackle moved that the Board approve the March 18, 2008 Board meeting minutes. The motion was seconded by President Tisch and carried unanimously.

Agenda Item 9.i: The Board decided to take no action regarding consideration of the March 3, 2008 Parks and Recreation Committee meeting minutes after it was determined that there was not a quorum of Board members at the Parks Committee meeting.

Agenda Item 9.l: Director Tullos made a motion, seconded by Director Shermer, to approve the form of the Committee Code of Conduct presented by handout, provided the term "pecuniary" was changed to "financial." The motion carried 5-0.

Agenda Item 9.o: After a brief presentation by Mike Petter, Director Yackle made a motion that the District adopt a voluntary 457 Plan for District employees in accordance with the recommendation made by Mike Petter. The motion was seconded by Director Grahl and carried 5-0. The Board also requested that legal counsel conduct further research as to whether directors may participate in the plan in light of their status as "employees" for federal income tax purposes.

Agenda Item 9.q: After a brief presentation by Mike Petter, Director Yackle moved that the Board authorize staff to proceed with modifying the Williamson County raw water rate to reflect the annual CPI adjustment in accordance with the water sales agreement. The motion was seconded by Director Tisch and passed unanimously. The Board directed staff to provide updates to the Board regarding the implementation of the rate adjustment.

Agenda Item 10: Discussion and possible action concerning summer and holiday Board meeting schedule

After discussion, Director Shermer moved that the Board approve a schedule pursuant to which the Board will conduct one regular meeting during each of the months of June, July, November and December. The motion was seconded by Director Tisch and carried unanimously.

Agenda Item 11: Discussion and possible action concerning HOA's request to store holiday lights in District facilities

After discussion, Director Yackle moved that the Board not approve the Cat Hollow HOA's request to store property within District facilities. The motion was seconded by President Tisch and carried unanimously. Individual Board members expressed concern about the precedent it would establish, and that the District did not have sufficient storage space for all HOAs. Director Grahl stated for the record that the Meadows HOA spends approximately \$600 per year for a storage unit. Staff was directed to bring back future plans for use of the Stonebridge facility for District related storage purposes and cautioned as to access while under use by the Marlins Swim Team as provided under contract.

Agenda Item 12: Discussion and possible action concerning FY2007 audit management letter and staff response

Mike Petter presented staff's proposed response to the comments included in the audit management letter. Director Tullos moved to approve the response. Director Grahl seconded the motion, which passed unanimously.

Agenda Item 13: Discussion and possible action concerning banking services RFP and award of contract

Mike Petter presented a summary of the responses received by the District in response to its request for proposals for banking services. He recommended that the District negotiate a contract for banking services with First Texas Bank. The Board directed staff to negotiate a contract for depository services with First Texas Bank, for future consideration by the Board.

Agenda Item 14: Discussion and possible action concerning District Landscaping Services Contract

After a brief presentation by Jesse Kennis, Director Tullos moved that the Board approve staff's recommendation that the District approve landscape services by ECO on a month to month basis as set out in option 3 of the Executive Summary, and to authorize staff to

prepare specifications and solicit bids for landscaping services on a schedule that coincides with the District's fiscal year. Director Shermer seconded the motion, which passed unanimously. The Board also directed staff to evaluate the cost of contracting for landscaping services as compared to performing the services within District employees.

Agenda Item 15 Board Committee and Staff Reports

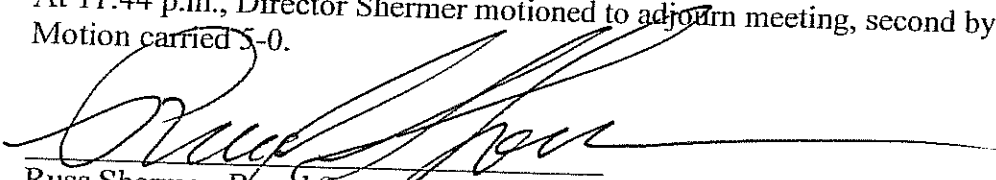
a. Task Force Committee (Directors Yackle & Tullos and General Manager).
The Board concurred that the Task Force Committee's purpose had been completed and that it would remain dormant. The Board requested that staff replace this agenda item with a new subcommittee, which would be responsible for committee policies, bylaws, etc. and to prepare a project worksheet. Director Yackle stated that she would be stepping down from the subcommittee and Director Grahl volunteered to take her place.

b. Department Metrics:

- i. Jesse Kennis presented the operations metrics for the quarter in a handout supplement to the Board packet. He indicated that he would follow up on the water loss numbers at a subsequent meeting.
- ii. Mike Petter noted that the administration metrics included within the packets were from the previous quarter.
- iii. Gavino Abrigo presented a verbal metrics report regarding account termination and late fees. He noted that the new policy of emailing or calling customers after a late notice has reduced the number of physical doors that have to be tagged. The Board requested that he prepare a written report for future Board meetings.
- iv. The Board asked that staff include new metrics that would allow the Board to monitor inactive accounts, new service, and transferred service.
- v. Tom Clark discussed the Parks & Recreation metrics. The Board requested that he include certain additional metrics data as follows: (i) distinguish pool usage by swim teams, lessons, and residents; (ii) that the annual family members be converted to "units" and to confirm the number of memberships reported; and (iii) that he clarify whether the monthly Community Center room rental reservation data refers to the number of reservations received during the month or room rental events during the month. The Board also requested that he provide the "pros" and "cons," and cost benefits, for operating the Sendero Springs pool in the winter.
- vi. Tom Clark also presented the time analysis report showing how much time staff spends working with and preparing for the meetings of the Board and the committees. Staff was directed to review the report further to ensure that regular duties or implementation of projects assigned by the Board were not reported as board and committee tasks.

Agenda Item 16: Adjournment

At 11:44 p.m., Director Shermer motioned to adjourn meeting, second by Director Grahl. Motion carried 5-0.


Russ Shermer, Board Secretary