

**MEETING MINUTES
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

A meeting of the Board of Directors of Brushy Creek Municipal Utility District was held on the 29th day of July, 2009 at 6:00 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 6:04 p.m. with the following Directors present: Treasurer Rebecca Tullos, Asst Secretary/Asst Treasurer Bob Grahl, Vice-President Cris Yackle, and Secretary Russ Shermer. Board President Paul Tisch and General Manager Tom Clark were absent. District Attorney Tony Corbett and staff were also in attendance.

Agenda Item 2: Announcements.

Margie Anthes announced that the District had received the 2009 AWBD Water Smart Award.

Tim Ishman announced the Employee of the Quarter.

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

The Board agreed to consider certain matters out of the order set forth on the agenda in order to accommodate visitors: item 6(b)(14) Beautification Projects. The Board also identified certain items to be tabled without discussion at this meeting: item 12(b) wastewater services to Mesa Rosa Restaurant.

Agenda Item 4: Citizens' Comments.

A representative of the Brushy Creek Women's Association requested that the Board waive the meeting room fees for meetings of the Association. The Board agreed to place the matter on the next meeting agenda.

A citizen noted that he objected to the fact that two Directors had stepped out of the meeting. He then spoke regarding statements in the Official Statement of the Bonds.

Agenda Item 5: Citizen Advisory Committee Reports.

(a) Parks and Recreational Committee Report-

A representative of the Parks and Recreations Committee summarized the most recent Committee meeting. He noted that the Committee recommends the Board install shade covering for the Creekside baby pool.

(b) Community Center Advisory Committee Report-

A representative of the CCAC provided a summary of the most recent Committee meeting.

Agenda Item 6(a): Consultant Reports.

(1) Refunding and Defeasance of Bonds-

Jan Bartholomew, the District's Financial Advisor, made a presentation regarding the condition of the municipal bond market. She reported that significant savings may be achieved by issuance of refunding bonds, and recommended the Board authorize the issuance of refunding bonds provided a net present value savings of at least 3 percent is met.

She also addressed rating issues in response to a question raised during Citizens' comments. The District's has received upgraded bond ratings as AA- for the Brushy Creek MUD and BBB for the District's Defined Area.

Director Tullos made a motion to adopt an order authorizing the General Manager to execute the Bond Purchase Agreement. The motion was seconded by Director Shermer and passed unanimously (4-0).

Director Tullos then made a motion to approve payment of the Attorney General Bond Review Filing Fee in the amount of \$9500. Director Grahl seconded the motion, which was approved unanimously (4-0).

Director Tullos then made a motion to authorize the General Manager and consultants to proceed with issuance of the refunding bonds in accordance with the order at such time as the net present value savings to the District are at least 3 percent. The motion was seconded by Director Grahl and passed unanimously (4-0).

(2) Issuance of Defined Area Bonds-

Mike Petter presented the following three items for consideration by the Board relating to the issuance of the District's Series 2009 Defined Area Unlimited Tax Bonds, Series 2009.

Director Tullos moved that the Board approve the Developer Reimbursement Audit in the form included in the Board packet. The motion was seconded by Director Grahl, and passed unanimously (4-0).

Director Tullos moved the approval of the conveyance instruments and authorizing execution thereof in the packets. The motion was seconded by Director Shermer, and passed unanimously (4-0).

Director Tullos moved approval of payment of bond proceeds to the developer in accordance with the reimbursement audit. The motion was seconded by Director Yackle and passed unanimously (4-0).

(3) JBS Audit Distribution Audit-

James Schiele of JBS Associates presented a report regarding the JBS Water Distribution System Audit. After the presentation, the Board asked a number of questions regarding the audit findings and data. The Board also requested that staff develop an action plan to identify potential leakage and to implement annual calibration of large meters.

The Board recessed the meeting at 7:27 p.m. The meeting reconvened at 7:39 p.m. with four directors present.

Agenda Item 6(b)(14): Beautification Projects.

Rachel Hagan presented a potential beautification project for the front of the Community Center. She also presented a maintenance cost analysis for replacement of existing trees and plants. She then presented information regarding work hours required to maintain sprinkler systems in medians and flower bed areas. The Board also asked about potential landscaping improvements to other District medians and park properties. No action was taken by the Board regarding the matters.

Agenda Item 6(b): Staff Reports.

(1) Repairs at Intake Structure-

Mike Wheeler reported that the intake structure SCADA controls would be replaced in the next few weeks. He also reported that other maintenance items would be brought to the Board in the near future. The Board requested that future Public Works staff reports include Lake Georgetown water levels.

(2) Water Treatment Plant Improvements-

Mr. Wheeler reported on the status of bidding for improvements to the Water Treatment Facility. He also noted that the District's consulting engineer was preparing a report to TCEQ regarding the proposed pilot study.

(3) Disc Golf Course-

Mr. Wheeler reported that the Fish & Wildlife Department approval had been received for the project, and that a notice to proceed should be issued to the contractor in the near future. He estimated that the total project duration is estimated to be 90 days. The Board asked staff to determine if the project would interfere with any scheduled tournaments, and to notify the users of potential impacts to parking.

(4) Private Use of District Lands-

Mr. Wheeler reported that staff had sent letters to property owners who had placed items or improvements on the District's property. He reported that some landowners had responded and removed debris, and staff removed some debris. He noted that some debris remained, and that staff intended to remove it all. The Board noted that staff should ensure that in connection with such action, other duties are not compromised. Staff was directed to establish a level of care concerning mowing and/or cleaning within a certain distance from residences. Staff was also directed to notify the apartment complex off of O'Connor to construct the gate as agreed on at the time the granite trail was placed on the property. In addition, staff was directed to remove erosion control fencing in the Sendero Springs area and to repair or remove the broken bench placed on the trail as part of an Eagle Scout project.

(5) Detention Pond Easement Agreement with Fern Bluff MUD-

The Board discussed the status of repairs to damage to the property caused by the fence contractor after Mr. Wheeler presented a status report.

(6) Use of Community Center by Williamson County Elections Division-

Tim Ishman reported that the County had provided four sets of dates regarding use of the Community Center for potential 2010 elections. Director Yackle moved that staff make the facility available for the elections conducted on the uniform election dates (including associated early voting), but not for primary elections, runoff elections, or other elections, and to negotiate an agreement regarding the use of the facility on said dates. The motion was seconded by Director Tullos, and approved unanimously (4-0).

(7) IT Responses to 2008 Audit-

Mark Palmer presented a report regarding the status of actions taken by the IT Department in response to findings in the 2008 audit.

(8) Open Records Report-

Margie Anthes referred the Board to the Open Records summary report in the Board packet.

(9) General Manager's Quarterly Report-

The Board identified items from the General Manager's report to be placed on the next meeting agenda (items 24 [maintenance yard], 35, [WTF Security System] and 36 [WTF fire system monitoring]). The Board directed staff to send the report to the Directors leaving plenty of time for inclusion of any requested items in the next meeting agenda.

(10) Departmental Metrics-

The Board conducted no discussion or action regarding this item.

(11) Security Patrol Report-

Director Grahl reported on meetings conducted with Captain Newsome from the Sheriff's office regarding potential increases in costs for patrol services. The Board directed that staff prepare a proposed policy identifying the details regarding patrol services in terms of the type of services and hours of services. The Board directed that Directors Yackle and Grahl represent the District in future meetings relating to this issue, and develop details regarding future patrol services to be performed under the contract, for consideration at the August 8 meeting. The Board also requested that staff work with employment counsel to evaluate legal issues associated with the matter, including overtime pay and workers compensation. The Board requested that staff also evaluate the cost and feasibility of securing security services from Round Rock and Georgetown.

(12) Water Consumption and Conservation Report-

Mr. Wheeler presented correspondence from the Brazos River Authority regarding the status of lake levels and the drought water contingency plan. He also noted the status of lake levels relative to the District's intake structure, and on potential activation of the District's groundwater wells as a supplemental water supply. The Board requested that staff provide notice and information to the District's residents regarding the drought situation and the need to curtail water. The Board also asked that staff evaluate what actions will be taken in the event BRA announces Stage 2 of its Drought Plan, which provides for a 3 percent water reduction goal. In addition, the Board asked staff to send a letter to the commercial water customers providing for specified reductions in irrigation usage and to include an enforcement mechanism in the Drought Contingency Plan.

(13) Walsh Ranch Trail Ceremony Report-

Mr. Wheeler reported on the status of construction of the trail improvements. The Board then discussed potential dates and details for a ribbon cutting ceremony upon completion of the project. The Board requested staff to schedule the ceremony on August 22, 2009. The Board agreed that Director Tullos and Yackle would work with staff on the event.

Agenda Item 7: Consent Agenda.

Director Yackle moved that the Board approve Consent Agenda items 7(a). The motion was seconded by Director Tullos, and passed unanimously. By doing so, the Board approved the meeting minutes from the June 11 and June 25 meeting.

Agenda Item 7(b): District Information Form.

Director Yackle moved approval of the revised District Information Form as identified in the packet and supplement. Director Shermer seconded the motion, which passed unanimously (4-0). The Board directed staff to prepare a form of map that identifies the defined areas relative to the District's boundaries for subsequent review by the Board and ultimate inclusion in the Notice to Purchasers.

Agenda Item 7(c): Order Declaring Vehicles and Equipment Surplus.

The Board then considered an Order Declaring Public Works Vehicles and Equipment Surplus. Director Tullos moved approval of the order provided that it is revised to identify the purchasers and purchase price for the surplus property. Director Shermer seconded the motion, which passed unanimously (4-0). The Board directed that future orders identify the buyers of the surplus property.

Agenda Item 9: Public Works Department Matters.

(a) Storm Water Project Concept Worksheet-

Mike Wheeler presented a Concept Worksheet that provided for development of a position for an additional FTE to monitor the Storm Water Program, oversee the Water Conservation Program, and the Backflow Program. He also noted that staff recommended establishment of a \$1.50 monthly drainage fee per account per month. The Board discussed the matter, but took no action.

(b) Amendment to Engineering Services Agreement for Disc Golf Course-

Mike Wheeler presented an amendment to the Engineering Services Agreement that provides for additional payment in the amount of \$15,000 for additional services related to the disc golf course parking lot. Director Tullos moved approval of the amendment. The motion was seconded by Director Grahl, and passed 3-1, with Director Yackle voting against the motion. Staff was directed not to engage in any further business with Jacobs.

Agenda Item 10: Parks & Recreation Department Matters.

(a) Facility Maintenance Coordinator Position-

Tim Ishman presented a job description for retaining a Facility Maintenance Coordinator Position. The Board specified changes to the job description as to the facilities for which the position would be responsible, qualifications and job responsibilities. The Board requested that the changes be incorporated, and that it be placed on the consent agenda for the Board's next regular meeting.

Agenda Item 11: Human Resources Department/Financial Matters.

(a) May Financial Matters-

Mr. Petter presented and summarized the May financial reports. Director Tullos moved that the Board approve the May Disbursement Report, May Detail Report, and the May Cash and Investment Report. The motion was seconded by Director Yackle, and passed unanimously (4-0).

(c) PTO Policy-

Mr. Petter presented proposed revisions to the District's PTO Policy to increase the amount of hours of PTO that may be carried over each year. The Board requested that the matter be placed on the consent agenda for the next meeting.

Agenda Item 12: Administrative Department Matters.

(a) Amendments to Rate Order-

The Board took no action on the matter, but directed that the recreational fees be put into a separate order, and that the wastewater rates be revised. Finally, the Board requested that an order be placed on the consent agenda for the August 8 meeting to provide for recovery of the District's meter fee.

(b) Mesa Rosa Service Agreement-

The Board tabled consideration of this item so that the wastewater billing and rate provisions could be refined.

(c) Request for Purchase of Lot in Sendero Springs-

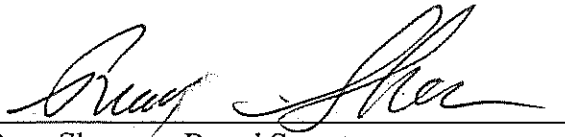
The Board considered an offer to purchase a lot within Sendero Springs. Direction was given to legal counsel to prepare a license agreement.

(d) Clear Wireless Cellular Leases-

Director Yackle moved approval of the lease agreements in the form presented in the Board packet. Director Tullos seconded the motion. After discussion, the motion was then withdrawn. Director Shermer moved approval of the leases, provided they are amended to provide that the lessee will not have exclusive rights to provide wireless internet service, and that the District has the right to do so. Further, the amendment would provide that in the event federal law provides that only one service provider may provide service, the District's rights (if any) would prevail.

Adjournment.

Director Shermer moved to adjourn the meeting. The motion was seconded by Director Grahl, and passed 4-0. The meeting adjourned at 12:08 a.m.

A handwritten signature in cursive script, appearing to read "Russ Shermer", written over a horizontal line.

Russ Shermer, Board Secretary