

**MEETING MINUTES
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

A meeting of the Board of Directors of Brushy Creek Municipal Utility District was held on the 27th day of August, 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 6:05 p.m. with the following Directors present: Paul Tisch, President, Rebecca Tullos, Treasurer, Bob Grahl, Assistant Secretary/Treasurer, Cris Yackle, Vice President, and Russ Shermer, Secretary. General Manager Tom Clark, District Attorney Tony Corbett and staff were also in attendance.

Agenda Item 2: Announcements.

The Board recognized Fred Lord and Susan Salvati for their contributions as committee members.

Tim Ishman recognized the efforts of District lifeguards in a competition.

President Tisch recognized the presence of Commissioner Birkman.

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

The Board agreed to consider certain matters (items 9(a), 10(b) and 12(e)) out of the order set forth on the agenda in order to accommodate visitors.

Agenda Item 4: Citizens' Comments.

A citizen asked the Board to consider Item 9(a) as early as possible.

Another citizen expressed support for a candidate for the State Board of Education.

Agenda Item 12(d): Use of Community Center for Voting.

Commissioner Birkman addressed the Board and stated that the Community Center had been a very popular voting location, and expressed a desire to continue to use the facility. She expressed a willingness on the part of the County to identify alternative locations for runoff elections. The Board directed staff to continue to work with the County regarding an agreement for use of the facility.

Agenda Item (9)(a): Amendments to Drought Contingency Plan.

Tom Clark presented a proposed revised Drought Contingency Plan to the Board. He requested that the Board declare a Stage II Drought Contingency, that would authorize

Stage II restrictions as presented in the proposed policy, but that the remainder of the policy be considered by the Water and Wastewater Committee. The Board requested that the mandatory twice per week watering schedule be modified to allow the watering days to be staggered. Director Grahl moved to approve the implementation of Stage II drought restrictions as presented by staff, but to direct staff to revise the watering days to segregate customer usage over the weekly period. The motion was seconded by Director Shermer, and passed unanimously. The Board also directed staff to bring the policy back to the committee for further consideration.

Agenda Item 10(b): Contractor Instructor Agreement for Basketball.

Tim Ishman requested that the Board modify the insurance requirements for the contract instructor agreements to modify the annual aggregate amount from \$3 million to \$2 million. Director Tisch moved approval of changing the annual aggregate amount in contractor instructor agreements from \$3 million to \$2 million. The motion was seconded by Director Shermer, and passed unanimously.

Agenda Item 12(a): Out-of-District Service Request from Equity Secured Capital.

Tom Clark presented a request from Equity Secured Capital for out-of-District water and wastewater service. A representative of Equity Security Capital then addressed the Board. He explained that they had acquired ownership by foreclosure on June 2, 2009. The Board directed staff to coordinate a meeting between the owner of the tract and Hyland Joint Venture.

Agenda Item 5: Citizen Advisory Committee Reports.

(a) Parks and Recreation Committee Meeting Report

After a brief statement by Director Tullos, the Board received the Committee report regarding the August 3, 2009 meeting.

(b) Community Center Advisory Committee Report

Fred Lord then presented the Community Center Advisory Committee meeting report regarding the August 10, 2009 meeting from Chairperson J. R. Richardson.

(c) Water and Wastewater Committee Report

Jeff Goldstein presented the Water and Wastewater Committee meeting report regarding the August 17, 2009 meeting.

Directed Tullos requested that an item regarding format and timing of advisory committee reports be placed on a future agenda for Board discussion.

Agenda Item 6(a): Consultant Reports.

None.

Agenda Item 6(b)(10): Open Records.

Norma Chakrabarty reported to the Board regarding the status and nature of open records requests.

Recess: The Board recessed at 8:04 p.m. and reconvened the meeting at 8:16 p.m.

Agenda Item 6(b): Staff Reports.

(1) Communication and Cell Phone Plan

Mark Palmer updated the Board regarding the status of requesting proposals for the District's cellular phone service. He stated that he believed the District would be able to save approximately \$8,000 per year on cellular phone costs by pooling its minutes. He noted that the District would participate in a state purchasing cooperative to do so.

(2) Year-Round Aquatics Program

Tim Ishman presented a report regarding staff's efforts with respect to establishment of an annual aquatics program.

(3) Parks and Recreation Operation Analysis

Tim Ishman reported on the status of the operation analysis being conducted by Ballard King.

(4) Phase II LED Signs

Tim Ishman reported that he anticipated that by the end of the month, the District would have plans for proceeding with the bidding process.

(5) Repairs at Intake Structure

Mike Wheeler reported on the status of repairs at the intake structure. He reported that water damage was still affecting the operation of the facilities.

(6) Water Treatment Facility Improvements

Mike Wheeler reported on the status of the Water Treatment Facility improvements. He addressed certain modifications that would be implemented with respect to tankage and chemical storage.

(7) Water Treatment Facility Security System

Mr. Wheeler reported that staff was still receiving proposals from different vendors, and hoped to have prices for consideration by the Board at the next meeting.

(8) Water Emergency Cut-off Procedures

Mr. Wheeler reported that staff had been working on notification procedures with certain irrigation customers relating to termination of service by staff in emergency situations. The Board directed staff to develop written procedures to be utilized by staff with respect to termination of service. Staff was directed to include the completed procedures on a future consent agenda.

(9) Sendero Landscape Mowing Schedule

Mr. Wheeler presented a revised mowing frequency schedule to be utilized by Sendero Landscaping for mowing of District property.

Agenda Item 7: Consent Agenda

Director Yackle moved approval of the items set forth below on the Consent Agenda. The motion was seconded by Director Grahl and approved unanimously. The Board thereby approved the following items:

(a) The Board approved the meeting minutes from July 9, 2009, July 21, 2009 and August 8, 2009 in the form set forth in the meeting packets.

(b) The Board approved the appointment of Bill Muscato for the Woods VI Subdivision to the Parks and Recreation Advisory Committee to replace Fred Lord, and appointed Fred Lord as an alternate member.

Agenda Item 7(a)(iii). Director Shermer moved approval of the July 29, 2009 meeting minutes as revised. The motion was seconded by Director Yackle and approved unanimously.

Agenda Item 7(c). Director Yackle moved that the Board appoint Lisa Wiedenhoefer as the primary representative of the Brushy Creek North to the Parks Committee. The motion was seconded by Director Grahl and passed unanimously.

Agenda Item 7(d). Director Yackle moved approval of the conveyance instruments conveying certain detention pond lands to the District in the forms set forth in the packet. The motion was seconded by Director Grahl and passed unanimously.

Agenda Item 7(e): Director Yackle moved approval of the Mesa Rosa contract in the form set forth in the supplemental packet, subject to correction of a grammatical error. The motion was seconded by Director Grahl and passed unanimously.

Agenda Item 7(f): Approval of the Rate Order was tabled by Staff.

Agenda Item 9(b) Approval of Groundwater Well Testing

Mike Wheeler presented a proposal for Phase I and II testing of the District's groundwater wells at a cost of \$40,000 by Drilling and Pump Solutions, Inc. Director Yackle moved approval of the proposal for Phase I and II testing services proposal and payment in an amount not to exceed \$40,000. The motion was seconded by Director Grahl and passed unanimously.

Agenda Item 10(a) Out-of-District Recreation Programs

The Board requested staff and legal counsel to prepare a resolution for consideration at the next meeting approving the conduct of deepwater lifeguard training at an offsite pool facility and a day trip to Fredericksburg as part of the Community Center programming.

Agenda Item 11: Human Resources Department/Financial Matters

(a) 3rd Quarter Financials

Director Tullos moved that the Board approve the 3rd Quarter Variance Report, the 3rd Quarter Financial Report, the June 2009 Disbursement Report, and the 3rd Quarter Investment Report. The motion was seconded by Director Shermer and passed unanimously.

(b) Amendment to 2009 Fiscal Year Budget

Director Tullos moved that the Board adopt a Resolution No. 090827-02 approving amendments to the 2009 Fiscal Year Budget in the form set forth in the Board packet. The motion was seconded by Director Grahl and passed unanimously. A copy of the resolution adopted by the Board of Directors is attached to these minutes.

(c) Adoption of Proposed 2009 Tax Year Tax Rates

After discussion regarding the proposed 2010 Fiscal Year Budget (Agenda Item 11(d) below), Director Tullos moved that the Board adopt the following proposed tax rates:

Proposed District Debt Service Tax Rate- \$0.31 per \$100 taxable value

Proposed District Maintenance Tax Rate- \$0.19 per \$100 taxable value

Proposed Defined Area Debt Service Tax Rate- \$0.36 per \$100 taxable value

The motion was seconded by Director Tisch and passed 4-1, with Director Yackle voting against the motion.

(d) Discussion regarding draft 2010 Fiscal Year Budget

Mike Petter presented a draft 2010 Fiscal Year budget to the Board in connection with the consideration of proposed tax rates. No action was taken on the draft budget by the Board.

(e) Establishment of reserve account for proceeds of sale of surplus property

After a summary by Mike Petter, Director Shermer moved to approve the amended surplus purchase policy in the Board set forth in the packet, provided it was clarified that the proceeds be used for capital purchases. Director Grahl seconded the motion, which passed unanimously.

Recess: The Board recessed at 9:19 p.m. and reconvened the meeting at 9:24 p.m.

Agenda Item 12: Administrative Department Matters:

(b) Cat Hollow HOA Request to Purchase Street Lights-

Tom Clark reported that the Cat Hollow HOA had requested the District install street lights. However, Oncor had informed Mr. Clark that there was no power available for the lights, and new easements would have to be secured. The Board directed that staff place the matter on the Fiscal Year 2011 budget list.

(f) Participation in Census-

Director Yackle provided background information regarding the District's potential participation in the 2010 Census. The Board requested that Director Yackle obtain additional information regarding the matter, particularly as to the potential impact on District staff.

Executive Session

Director Tisch announced that the Board of Directors would go into executive session at 11:02 p.m. pursuant to the applicable section of the Open Meetings Act (Chapter 551 of the Government Code) to seek legal opinions and advice regarding Agenda Items 12(c) and (e). The public portion of the meeting reconvened at 12:26 a.m. Director Tisch announced that no final decisions or votes were taken in executive session.

Agenda Item 12(c) LCRA Regional Wastewater System Sale-

The Board directed staff to continue to work with the City of Round Rock and other parties in connection with the sale of the regional wastewater system.

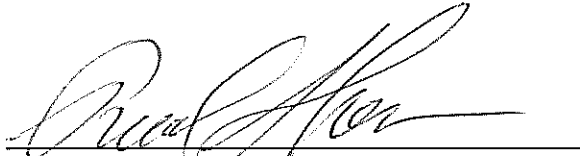
Agenda Item 12(e): Sheriff Patrols-

Director Tisch announced that the Commissioners Court has stated that the existing contract was never approved by the Commissioners Court. Director Yackle moved that the District cease utilizing Williamson County deputies under the existing agreement effective immediately, and that the General Manager provide notice of "termination" of the agreement to the extent the contract's effectiveness is uncertain.

The motion was seconded by Director Tisch, and passed unanimously. The Board directed that the General Manager be authorized to prepare a contract for Williamson County deputies. The Board also directed staff to bring back the new contracting options developed by the County when available.

Adjournment:

Director Grahl moved to adjourn the meeting. The motion was seconded by Director Shermer, and passed 5-0. The meeting adjourned at 12:33 a.m.



Russ Shermer, Board Secretary