

**MEETING MINUTES OF THE SEPTEMBER 25, 2008 BOARD OF DIRECTORS
OF
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

A meeting of the Board of Directors of Brushy Creek Municipal Utility District was held on the 25th day of September, 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, 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 7:02 pm with Directors Bob Grahl, Russ Shermer, Paul Tisch, Rebecca Tullos and Cris Yackle. General Manager Tom Clark, other staff, and District Attorney Tony Corbett were also in attendance.

Agenda Item 2: Announcements and Recognition.

General Manager Clark introduced the consultants and guests present at the meeting.

Agenda Item 3: Order and consideration of agenda items.

The Board briefly discussed the consideration of agenda items and agreed that items 5(c) and 6 be considered after Citizen Comments.

Agenda Item 4: Citizens' Comments.

No citizens presented comments at this time. A number requested the opportunity to present comments at the time of consideration of specific agenda items.

Agenda Item 18: Approve contract for services relating to preparation of application to TCEQ for authorization to issue bonds.

Mr. McLemore requested that the Board identify the specific facilities to be funded with the bond proceeds. Mike Petter explained that the specific facilities to be funded were completed facilities within the defined area, and that the specific facilities would be identified as part of the bond application preparation based on assessed valuation and par amount of the bonds.

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

Agenda Items 5(c) and 6: District Filing, Retention, and Scanning Project.

Norma Chakrabarty presented a summary of the status and findings of her records filing and scanning project. She then requested that the Board approve the File Plan in the form presented in the packet, which is identical to the State of Texas form Local Governmental Records Schedule.

After discussion, the Board noted that the File Plan may contain some categories that may not be relevant to the District's operations, and that the District may desire to retain certain files of historical significance longer than the minimum retention period specified by the state. As a result, the Board requested that staff work with Ms. Chakrabarty to revise the File Plan so that it would identify those file categories applicable to the District, and would reflect actual proposed retention periods for such files (which would be not less than the retention periods specified by the state) and to include the amended Plan in the next Board packet.

Agenda Item 5: Reports

(a) Receive report from Parks and Recreation Committee.

The Board received a brief report regarding Parks and Recreation Committee activities. No action was taken by the Board in response to the report.

(b) Receive report from Community Center Advisory Committee.

The Board then received the CCAC report. No action was taken by the Board in response to the report.

Agenda Item 7: Memorandum of Understanding with Chisholm Trail Special Utility District Regarding Intake Facility.

Lauren Kalisek, special legal counsel to the District, presented a brief report to the Board of Directors regarding the MOU and the proposed project that is the subject of the MOU.

Executive Session: At 7:59 p.m., the Board went into executive session to seek legal opinions and advice from Lauren Kalisek regarding the MOU. The Board reconvened the public portion of the meeting at 8:17 p.m., at which time President Tisch announced that no decisions, votes or actions were taken in Executive Session.

Director Tullos moved approval of the MOU. The motion was then seconded by Director Grahl, and passed unanimously.

Agenda Item 8: Discussion and action concerning approval of contract for investment advisory services.

Mike Petter presented a proposed contract for investment advisory services for consideration by the Board. Linda Patterson introduced herself and made a brief presentation to the Board regarding her firm's services. After discussion, Director Tullos moved approval of the contract subject to clarification of the renewal and termination provisions. The motion was seconded by Director Grahl and passed unanimously.

Agenda Item 10: Parks at Brushy Creek Apartment Development.

Three property owners spoke regarding the Parks at Brushy Creek Apartment Development, and its impact on neighboring property owners. The issues that they described included excessive noise, lighting, decrease in property values, and lack of tree screening. A resident noted that they did not realize the impact of the project when they previously agreed to the mitigation plan, and requested that the District force the owner of the property to pay compensation to the property owners for lost property values. They also explained that the owner requested the property owners to execute a release in exchange for payment for tree installation costs. After lengthy discussion, the Board requested that the General Manager follow up with the owner regarding any conditions that were in violation of the applicable restrictive covenants or the mitigation plan previously approved by the Board of Directors. The Board also asked that the General Manager try to facilitate contact and communications between the owner of the project and the neighboring property owners.

Recess. The Board of Directors recessed the meeting at 10:02 p.m. The Board reconvened the meeting at 10:09 p.m.

Agenda Item 9: Pocono Village Park improvements.

Director Yackle reported that the homeowners association had made an inquiry about the District's plans with respect to the park. After discussion, the Board gave direction to staff to assign the matter to the Parks Committee to evaluate potential improvements to the park, ensure proper maintenance of park trees, and investigate whether the park had been previously named.

Agenda Item 12: Approve Order declaring as surplus property the well pumps, storage tank and related equipment at Cat Hollow Park well site and approving the disposition thereof.

After discussion, the Board requested that staff conduct further investigation into the value of the tank improvements and the costs of removal. No further action was taken by the Board.

Agenda Item 17 Approve purchase of membrane modules for Water Facility from Pall Corporation.

After discussion regarding the timing of the improvements project and a capacity pilot study, the Board requested that the General Manager prepare a project plan for the installation of the improvements and conducting the pilot study.

The Board further directed that staff investigate the warranty terms, and ensure that the entire membrane purchase order will be sent in bulk.

Agenda Item 13 Approve Order declaring as surplus property the pool heater and related equipment at Sendero Springs pool and approving the disposition thereof.

The Board requested that staff retain the pool heater.

Agenda Item 14 Approve Order declaring as surplus property the pumps and related equipment located at Pump Station Number 2 and approving the disposition thereof.

The Board tabled consideration of this matter.

Director Yackle left the meeting at 10:45 p.m.

Agenda Item 18 Approve System Administrator job description.

After discussion, Director Shermer moved to approve the job description (including the pay scale included therein) as included in the handout. The motion was seconded by Director Tullos and passed unanimously. Staff was directed to present all future job descriptions to the Human Resources Department before presentation to the Board for approval.

Item 22: Interlocal Agreement between Brushy Creek Municipal Utility District and Round Rock ISD for use of facilities.

The Board tabled consideration of this matter after being told that the school district had requested revisions to the agreement.

Agenda Item 11: Contract for inventory of District assets.

Mike Petter provided a brief report regarding the proposed contract for inventory services. No action was taken by the Board regarding the contract.

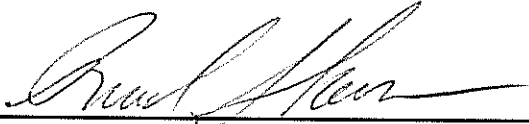
Remaining Action Items.

A motion was then made by Director Tullos, seconded by Director Grahl, to approve Agenda items 15, 16, 19, and 21, each of which is described below. The motion passed unanimously. The following items were approved by the Board with the motion:

- a. Item 15: The Board approved the July Financial Disbursement Report, July Detail, and July Cash and Investment reports
- b. Item 16: The Board approved the August Financial Disbursement report, August Detail, and August Cash and Investment reports.
- c. Item 19: The Board approved Highland Horizon Phase I Pay Application Number Nine in the amount of \$4,104.00.
- d. Item 21: The Board approved prepayment of Sendero Springs pool debt.

Adjournment:

Director Shermer moved to adjourn the meeting. The motion was seconded by Director Grahl, and passed unanimously. The meeting adjourned at 11:10 p.m.

A handwritten signature in cursive script, appearing to read "Russ Shermer", written in black ink. The signature is fluid and extends to the right with a long horizontal stroke.

Russ Shermer, Board Secretary