

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

March 10, 2005

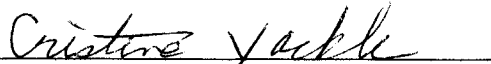
A Regular meeting of the Board of Directors of Brushy Creek Municipal Utility District was held on the 10th day of March 2005 at 7:00 p.m., in the District's office, 16318 Great Oaks Drive, Round Rock, Texas. Notices of the time, place and the subject of the meeting, and the actions to be taken at the meeting, were posted at the places and for the time required by the laws of the State of Texas.

1. President Steve Widacki called the meeting to order at 7:13 PM and established a quorum consisting of President Steve Widacki, Treasurer Al Gaetjens, Secretary Cristine Yackle and Asst Sec/Asst Treasurer Larry Buchanan. Also present were General Manager Mike Taylor, Assistant General Manager AJ Olson, Deputy Secretary Teresea Schade, District Engineer Jimmy Griffith, and legal counsel Tony Corbett.
2. The first item of business heard by the Board of Directors was citizen comments. A number of citizens presented comments to the Board of Directors regarding a vandalism incident. Rebecca Tullos presented comments on Parks Committee matters during the citizens communications period. No action or discussion was taken by the Board on any matters discussed during citizens communications.
3. The Board next considered the engagement letter for additional audit services by Sprouse & Anderson. Director Buchanan made a motion to approve the engagement letter for additional audit services. Director Gaetjens seconded the motion which passed, with Directors Widacki, Yackle, Gaetjens and Buchanan voting for the motion.
4. The Board of Directors then discussed the fiscal year audit. Director Gaetjens made a motion to accept the financial audit as presented. There was not a second for the motion. After discussion, staff was directed to place this item on the March 24th agenda for consideration.
5. The next item of business considered by the Board related to District tax rates. District Engineer Jimmy Griffith presented a plan to the Board of Directors for the issuance of additional bonds in the approximate amount of \$9.5 million to restructure the District's debt service payments and to change the portion of the project financed with capital recovery fees in order to lower tax rates. Director Buchanan made a motion for District Engineer Griffith to proceed with preparation of an application to TCEQ for authorization to issue bonds in order to lower District tax rates and that a resolution authorizing the filing of the application with TCEQ be placed on the Board's next agenda. Director Widacki seconded the motion which passed, with all present voting for the motion.
6. At 8:18 PM, President Widacki announced that the Board would go into Executive Session pursuant to Subchapter D, Chapter 551, Texas Government Code, Texas Open Meetings Act to seek legal opinions and advice concerning legal matters relating to agenda items VI.A.(Long term water project), VI.B.(water sales), VI.E.3.(Tony Ltd. property), and VI.E.4. (Sendero Springs road access). Executive Session ended at 9:21 PM. President Widacki reconvened the meeting at 9:21 PM

with a quorum of the above-listed directors. He announced that no final action, decision or votes had been taken in Executive Session

7. The Board then considered Community Center matters. Director Yackle requested Staff to revise and clarify the revenue and cost reports regarding swim lesson and basketball participation.
8. The next item the Board of Directors considered was a resolution authorizing a traffic impact analysis at Sendero Springs Rd and FM 1431. Director Buchanan made a motion to adopt a resolution authorizing preparation of a traffic impact analysis at Sendero Springs Road and FM 1431 in the form presented in the Board packets, subject to the deletion of the phrase regarding access for Brushy Creek south residents. Director Yackle seconded the motion which passed, with all present voting aye.
9. The next item of business considered by the Board was the adoption of a resolution amending the District capitalization policy. Director Gaetjens made a motion to adopt a resolution amending the District capitalization policy by increasing the threshold for capitalization from \$1,000 to \$5,000. Director Buchanan seconded the motion which passed, with all present voting for the motion.
10. The Board of Directors then discussed whether the District should join CASE, the Capital Area Suburban Exchange organization. Director Yackle moved that the District join CASE. Director Buchanan seconded the motion which passed, with all present voting aye.
11. The last item of business discussed was the Consent agenda. Director Buchanan made a motion to approve the consent agenda in its entirety. Director Gaetjens seconded the motion which passed, with Directors Widacki, Gaetjens, Yackle, and Buchanan voting for the motion.
12. At 10:18 P.M. a motion was made by Director Buchanan and a second by Director Gaetjens to adjourn the meeting. Motion carried. All present voted aye.

President Widacki adjourned the meeting at 10:18 P.M.


Cristine Yackle, Secretary