

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

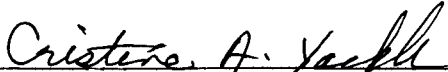
July 27, 2006

A regular meeting of the Board of Directors of Brushy Creek Municipal Utility District was held on the 27th day of July 2006 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. Vice President Paul Tisch called the meeting to order at 7:10 p.m. and established a quorum consisting of Secretary Cristine Yackle, and Treasurer Rebecca Tullos. Also present were Interim General Manager John Hatchel, Deputy Secretary Kelly Carpenter, District Engineer Jimmy Griffith and Legal Counsel Tony Corbett. President Steve Widacki and Assistant Treasurer, Larry Buchanan arrived at 7:15.
2. The first order of business was Citizens Comments. Kim Filiatrault noted that the Agenda was not on the website.
3. The Board then heard Citizen Advisory Committee matters. The Board heard the Water and Wastewater Committee report from the newly elected Chairperson Chevette Parker.
4. The next item of business was the Consent Agenda. Director Tullos made a motion to approve the Consent Agenda (1. approve Steve Hatley as new member of the CCAC and 2. approve 6/20, 6/21 and 7/5 minutes). The motion was seconded by Director Tisch and passed 5-0.
5. The next item of business was Financial Matters. Jan Bartholomew, the District's Financial Advisor, gave a report on the work she and the District Engineer have been doing with regard to First Texas Bank accounts; approval of new TexStar investment account and closing of LOGIC account. All three items were tabled until the next meeting. Jan also discussed work she and Jimmy were doing on a long range plan and how that would affect setting of the Tax Rate for the 2007 budget. Discussion was held with regard to Item number four regarding approval of Public Fund Investment Act Statements for April and May 2006. It was decided to combine the second and third quarter adjustment to one budget adjustment before setting the 2007 Budget.
6. The next item of business was the Annexation and Service Agreements with Tony, Ltd relating to the Villages of Brushy Creek apartment and commercial projects. Director Tisch made a motion to approve the Annexation and Service Agreements provided Legal Counsel and the General Manager approve the final revisions to the declarations, which shall be limited to those discussed in the meeting. The motion was seconded by Director Buchanan. The motion carried.

7. The next item of business was the consideration and approval of contracts to lease Sendero Springs swimming pool for the months of August 2006 through April 2007. Director Tullos moved to approve the Splash Swimming and LISD contract. The motion was seconded by Director Tisch. Motion carried 5-0.
8. The next item of business was the Possible Raw Water Sales/Transportation Agreements. The General Manager and District Engineer were directed to have the contract reviewed by separate legal counsel and bring to first meeting in August.
9. The next item of business was the Strategic Partnership Agreement with City of Round Rock – Board Committee. Board Counsel suggested the Board request Round Rock to extend until such time as the new General Manager was in place. The item was tabled.
10. The next item of business was regarding rescheduling the August 10, 2006 Board of Director's Meeting. Director Tisch moved to reschedule the meeting for August 15th. Director Yackle seconded the motion. The motion carried.
11. The next item of business was possible action regarding cellular lease with Sprint and Nextel for antenna space at North Elevated tank site and related lands. Director Buchanan moved to approve the lease agreement with Sprint and Nextel in the form presented in the Board packet. Director Tisch seconded the motion. The motion passed with a vote of 5-0.
12. The next item of business was the consideration of amendment of engineer services with CH2M Hill, Inc. Director Widacki moved to approve the amendment to the engineer services with CH2M Hill, Inc. in an amount not to exceed \$24,000. Director Buchanan seconded the motion and the motion passed with a vote of 5-0.
13. The next item of business was the Brushy Creek Community Center – Standing. Director Buchanan moved to authorize legal action against Braun and Butler for defective floor installation in the event an acceptable settlement offer is not received by the next Board meeting. The motion was seconded by Director Tullos and passed with a vote of 5-0.
14. The next item of business was the shaved ice contract. A motion was made by Director Tisch to approve contract with Tony Estrada for shaved ice concessions at Cat Hollow Park. The Motion was seconded by Director Buchanan and the motion passed with a vote of 5-0. A trail addition for the Liberty Walk greenbelt through the Community Park was discussed. District Engineer was directed to work with the new General Manager when he comes on board September 1 and O & M Superintendent to determine the best way to accomplish Park Committee's recommendation.

15. The next item of business was regarding parking upgrades for Cat Hollow and Community Center parks. Director Tullos recommended outsourcing the project. The Board discussed revising the District Engineer's project list to make this project a higher priority. On the advice of Board Counsel to revisit this item when the new General Manager is on board, this item was tabled.
16. The next item of business was Board Committee Reports. With regard to the Scanning/Website Committee report Board Interim Deputy Secretary advised that only one person knows the procedure for updating the District's website and that person is currently on vacation. Board Interim Deputy Secretary requests the Board address the issue. Director Tullos suggested tabling the matter until the new General Manager is on board. Citizens Crime Watch Committee reported vandalism in Sendero Springs.
17. The next item of business was Staff and Consultant Reports. John Hatchel announced this would be his last Board meeting. No additions to written reports were given.
18. At 11:30 p.m., 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 regarding Agenda Item XIV(b) (sale of RRISD property to Williamson County Cave Foundation). Executive Session ended at 12:19 a.m. Director Widacki convened the meeting at 12:20 a.m. with a quorum consisting of Directors Yackle, Tullos, and Tisch.
19. A motion was made to adjourn the meeting by Director Tisch, seconded by Director Tullos. All present voted aye.
20. Director Widacki adjourned the meeting at 12:22 a.m.



Cristine Yackle, Secretary