

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

January 11, 2007

A regular meeting of the Board of Directors of Brushy Creek Municipal Utility District was held on the 11th day of January 2007 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.

Roll Call and Establishment of Quorum (Agenda Item I)

President Widacki called the meeting to order at 7:02 p.m. and established a quorum consisting of President Steve Widacki, Vice President Paul Tisch, Secretary Cristine Yackle, Treasurer Rebecca Tullos, and Assistant Treasurer Larry Buchanan. Also present were General Manager Tom Clark, Deputy Secretary Margie Anthes, and Legal Counsel Tony Corbett. Upon establishment of a quorum, the Board conducted the Pledge of Allegiance.

Citizens Communications (Agenda Item II)

The first order of business was Citizens Comments. Mr. John McLemore presented comments to the Board of Directors regarding the District's purchase of a site for an elevated storage tank. No other comments were received.

Employee Recognition (Agenda Item III)

General Manager Tom Clark recognized David Dodd as the District's Employee of the Month.

Renovation of Maintenance Facility (Agenda Item X)

The Board of Directors then considered renovation of the District's maintenance facility. The General Manager summarized the proposed improvements to the Board of Directors. A number of citizens spoke in favor of the proposed improvements. After discussion, the Board of Directors directed that this matter be tabled until more information was developed, including: (i) the availability of unrestricted funds for the project; and (ii) the cost of renovating the building owned by the District at 901 Great Oaks Drive could be determined, along with the impact of termination of the lease on the existing tenant.

Security at Board Meetings (Agenda Item XIII)

The Board of Directors then considered the necessity of security at Board meetings. After discussion, the Board directed the peace officer to be present at the beginning of each meeting, and then to patrol the District unless otherwise directed by the Board. No other action was taken.

Consent Agenda (Agenda Item V)

Upon a motion by Director Buchanan, seconded by Director Tisch, the Board of Directors unanimously approved the consent agenda (consisting of the following items: (i) approval of meeting minutes (12/14/06; 12/28/06; and 01/04/07); (ii) approval of job descriptions for Human Resources Specialist and Accounts Payable/Receivable Specialist; (iii) acceptance of Security Report; (iv) Adoption of Resolution Approving 2007 Notice to Purchaser and District Information Form; and (v) closure of bank accounts).

Bond Refunding (Agenda Item VI)

The Board next considered the possible refunding of outstanding District bonds. Jan Bartholomew, the District's Financial Advisor, presented an overview to the Board of Directors, including potential cost savings and interest rate considerations. After discussion, the Board directed the Financial Advisor to prepare refunding bond documentation for subsequent approval by the Board of Directors based on market conditions. No other action was taken by the Board regarding this matter.

NuStats Customer Survey (Agenda Item VII)

A consultant from NuStats then made a presentation to the Board of Directors regarding the methodology and results of a customer telephone survey intended to identify customer satisfaction with services offered by the District. Members of the Board of Directors identified errors in the report. After further discussion, NuStats was directed to review the survey methodology, confirm the integrity of the analysis and findings, and to present its findings to the Board at a subsequent Board meeting.

Resolution Authorizing General Manager to Approve Certain Pay Requests and Change Orders (Agenda Item IX)

The Board then considered adoption of a resolution that would authorize the General Manager to approve pay requests and change orders relating to the construction of water, wastewater and drainage facilities by developers under reimbursement agreements. The General Manager explained that the purpose of the resolution was to expedite the construction of facilities and payment to contractors. After extensive discussion, Director Buchanan moved that the Board approve the resolution. Director Yackle seconded the motion. An amendment was then offered to require approval by the District's Controller in addition to the District's General Manager. Director Buchanan accepted the amendment, but Director Yackle did not. Director Widacki then seconded the amendment. The Board then voted on the motion, as amended. The motion carried with Directors Widacki, Buchanan, Tisch and Yackle voting for the motion, and Director Tullos voting against the motion.

Approval of Sendero Springs Section 5 Pay Requests and Change Order (Agenda Item VIII)

Director Widacki moved that the Board approve pay request numbers 3 and 4, and change order number one, for construction of the Sendero Springs Section 5 water, wastewater and drainage facilities. The motion was seconded by Director Buchanan, and passed unanimously.

TriTex2 Swimming Pool Use Agreement (Agenda Item XI)

Director Buchanan moved that the Board approve the Swimming Pool Use Agreement with TriTex2 in the form included in the Board's packet. The motion was seconded by Director Tisch, and passed unanimously.

Automated Meter Reading RFP Amendments (Agenda Item XII)

The Board then considered approval of certain amendments to the Automated Meter Reading System Request For Proposals. After discussion, Director Widacki moved that the Board approve the addendum. The motion was seconded by Director Tisch, and passed unanimously. The Board also directed staff to ensure that the meter system syncs with the District's utility billing system, and that the pilot study include the placement of meters throughout the District.

District Engineer Employment Agreement (Agenda Item XIV)

The General Manager reported that Jimmy Griffith had signed the amendment providing for termination of the employment contract, and had returned all District data and property to the District in accordance with the agreement. No action was taken regarding this matter.

Financial Matters (Agenda Item XV)

After a presentation by the District's Controller, Director Buchanan moved that the Board approve the following: (i) the 4th quarter variance report; (ii) 4th quarter financial report; (iii) disbursement report for July through September; and (iv) Public Funds Act Investment Report for July through September. The motion was seconded by Director Tisch, and passed unanimously.

Committee Reports (Agenda Item XVI)

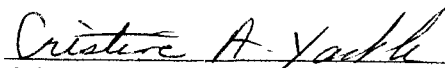
There were no committee reports.

Staff and Consultant Reports (Agenda Item XVII)

The Board received reports from the General Manager, Recreation Manager and Controller. No action was taken regarding these matters.

Adjournment (Agenda Item XVIII)

At 10:07 p.m., a motion was made by Director Buchanan to adjourn the meeting. The motion was seconded by Director Widacki, and passed unanimously. President Widacki adjourned the meeting at 10:07p.m.


Cristine Yackle, Secretary