

MINUTES OF SPECIAL MEETINGS OF THE BOARD OF DIRECTORS OF BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

February 9 and 10, 2007

Special meetings of the Board of Directors of Brushy Creek Municipal Utility District was held on the 9th and 10th days of February 2007 at the Austin Marriott North, 2600 La Frontera Blvd., Round Rock, Texas. The purpose of the meetings was to conduct a retreat. Notices of the time, place and the subject of the meetings, and the actions to be taken at the meetings, were posted at the places and for the time required by the laws of the State of Texas.

Day 1 (February 9, 2007) Roll Call and Establishment of Quorum

President Steve Widacki called the meeting to order at 9:00 a.m. on Friday, February 9, 2007 and established a quorum consisting of President 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, Controller Mike Petter, Public Works Director Ruth Haberman, Recreation Department Manager Robyn Barde and Legal Counsel Tony Corbett.

Day 1 Retreat Activities

The Board of Directors first received opening remarks from the retreat facilitator. The Board then conducted a number of exercises at the request of the facilitator to identify the District's strengths and weaknesses, and strategic goals.

The Board recessed the meeting at 11:35 a.m. for lunch. At 12:30 p.m., the Board continued the meeting, and focused on board interactions with itself, staff and committees. No formal votes or decisions were taken by the Board of Directors. The meeting adjourned at 6:35 p.m.

Day 2 (February 10, 2007) Roll Call and Establishment of Quorum

President Steve Widacki called the second meeting to order at 9:05 a.m. on Saturday, February 10, 2007 and established a quorum consisting of President 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, Controller Mike Petter, Recreation Department Manager Robyn Barde and Public Works Director Ruth Haberman.

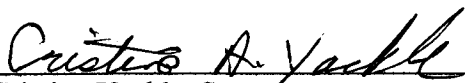
Day 2 Retreat Activities

The Board of Directors continued its retreat activities, and focused on strategic planning.

The Board recessed the meeting at 12:00 p.m. for lunch. At 1:30 p.m., the Board continued the meeting, and continued discussions regarding strategic planning. No votes or final decisions were taken by the Board of Directors. The meeting adjourned at 3:40 p.m.

Retreat Notes

The notes prepared by the facilitator summarizing the discussions of the Board at both days of the retreat are attached to these minutes.


Cristine Yackle, Secretary

BOARD RETREAT
February 9—10, 2007

Ground Rules

- Scheduled breaks
- No interruptions
- Cell phones off or on vibrate
- Be nice, respectful—no “put down’s”
- No side bar conversations
- Have fun
- All participate
- Be truthful and honest
- Be on time

Expectations

- Review past goals and determine progress, status
- Have enough information to make informed decisions
- Improve the public image of the Board and District
- Reach agreement on authority (role/responsibility) of the Board as it relates to the staff and committees
- Have a plan and direction
- Have a more cohesive Board (we are still residents of the Community)
- Have open and honest discussions
- No personal attacks
- Have a District “hat” on when making decisions
- Emotional trust bank
- Paradigm shift – How does it grow, have value of the District, all staff to do their jobs)
- Old staff doesn’t work here anymore

Vision for 2010

From *Visioning Activity*:

1. What were the ingredients of Brushy Creek MUD's success?
2. What heroic acts were performed?
3. How were obstacles overcome?
4. What made Brushy Creek MUD stand out?

Employees and Board Directors quotations about Brushy Creek MUD in 2010:

"The Board sets goals; the GM sets strategic plan and the staff is empowered to reach the goals."

"There was a leap of faith by the Board to trust staff in its decisions."

"The Board took a district that had a reputation for poor water to a superior water rating."

"The Board condemned a property for a W.T.P."

"The district was always forward thinking."

"The Board made decisions based on the good of the District and not on individual agendas."

Direct Customers and a Key Stakeholder Group quotations about Brushy Creek MUD in 2010:

"Invested in a great staff and management team."

"Invested in keeping the value of the community."

"We listened to their desires and what the community wanted."

"Elected officials have kept an open mind."

"Partnership with citizens, the Board and staff. Citizens provided input to the Board who made the decisions and staff implemented the ideas."

"A community willing to support the goals, objectives and the vision of the Board."

“The Board had the courage to make tough decisions.”

“The community continues to invest in itself.”

“They surveyed to check the pulse of the community as a check and balance.”

“There is a strong HOA influence with high standards.”

“There is great communication among the HOA, the Board and the staff.”

“There are partnerships with the District, private sector, HOA and others.”

“They had to overcome combative silos.”

“They had to build confidence. There was a lack of confidence in the District and the staff.”

“They created unity in the community.”

“They stand out because of the quality of life enhancements.”

“They continue to always be forward thinkers.”

“They are not Big Brother.”

“They are proactive—involved in the community in every step of the way.”

“This is THE place for family, community, you.”

Vision Common Themes

- Strategic goals
- Faith and trust
- Work toward a common good
- Sense of pride
- Allow staff to do the work
- Unity among staff, board and community
- Strong customer focus
- Leap of faith; making tough decisions
- Results focus
- Progressive
- Positive relationships and respect with the Board and between the Board and staff

SWOT Analysis

Identified Strengths, Weaknesses, Opportunities, and Threats to our mission, activities, programs, location, and facilities.

Strengths	Weaknesses
Our staff	Board relationships (between board members, and board members and staff)
Resources (tax base)	Identity (defining our identity—standards)
Community/sense of community	History
Schools	Public involvement
Developer	Financial condition
Identify	Maintenance
Public involvement	Lack of a long-term plan
Financial condition	Relationships with local leaders
Water independence	Reputation
Control of our destiny (water)	Conflict with public
Board	Legislature (relationship)
Parks and trails	Lack of clout/authority/limitations
All amenities (community center, pool, etc.)	Communication between different groups (too much; not enough)
Location/county	Lack of public confidence
Good relationships with local leaders	
Opportunities	Threats
Capacity to treat others' water	Legislature
Potential expansion of service area	Annexation
Be more involved in legislature, outside community, relationships with sister cities	Elections of Board
Improve our image outside our community	Under the surface—holding back, hidden agendas
Shape our future	Meetings, meetings, meetings (interactions, lack of productive meetings, efficiency)
Networking with other organizations in other jurisdictions	
Partnership with recreational org., schools, private entities	
Grow the community by investing in it	
Invest in staff, e.g., training, recognition and rewards, competitive salaries, SMART goals	
Grow our employees	
Go in new directions, internally and externally	
Orientation of board members, staff and committees	
Interaction with board members and staff	
Build a safety program	

**Brushy Creek MUD
2007--2008 Strategic Plan**

Strategies	Tactics	Measures of Success	Estimated Completion Date	Action Plans <i>(To be completed by Owners and respective Committee Members)</i>	Ownership
<i>Develop a 5-year financial plan</i>	1. Assess needs: <ul style="list-style-type: none"> • Define or develop financial guidelines for the District. • Define prudent reserves for debt service. • Define prudent reserves for operating funds. • Define the District's goals for future tax rates. • Define the District's goals for future debt service rates. • Determine subsidy for District's Parks and Recreation program 2. Determine priorities for funding the assessed needs.	Quarterly reports match the budget	09/30/2007		Tom Clark and Mike Petter

	<p>3. Develop the budget:</p> <ul style="list-style-type: none"> • Develop a detailed first-year budget. • Develop preliminary budgets for years 2—5 				
<i>Implement a safety plan for the District</i>	<ol style="list-style-type: none"> 1. Define the areas that require a safety plan. 2. Develop a safety audit plan. 3. Define resources needed to conduct a safety audit plan. 4. Identify deficiencies. 5. Develop a budget to eliminate identified deficiencies. 6. Develop an education and awareness plan and program. 7. Implement the safety plan. 	<p>Number of incidents reduced Insurance rates</p> <p>Success of subsequent audits</p> <p>Decrease in or negative costly accidents</p>	09/30/2007		
<i>Establish processes, procedures and training for committees and sub-committees</i>	<ol style="list-style-type: none"> 1. Define the purpose of both committees and sub-committees (Committee charters). 2. Design and develop processes and procedures. 	<p>Timelines met</p> <p># of tasks completed</p> <p>Retention of committee members</p> <p>Public perception</p>	01/31/08		

	<ol style="list-style-type: none"> 3. Design and development a communication and training plan (to include change management) for rollout and maintenance of processes, procedures and training. 4. Implement the processes and procedures. 5. Evaluate the results. 	More efficient board meetings			
<i>Establish a long-term operations plan</i>	<ol style="list-style-type: none"> 1. Define the purpose of all departments (Departmental charter statements). 2. Assess and identify all resources and staff. 3. Design and develop an operations plan. 4. Establish performance plans (organization and individual) that link performance to operations. 5. Develop a communication and training plan, including change management, for roll out and maintenance of plan. 6. Implement the plan. 7. Evaluate the results. 	<p>Improved employee performance.</p> <p>Improved maintenance of facilities and equipment</p> <p>Compliance with policies and procedures</p> <p>Supporting documentation</p> <p>Decrease in audit management comments</p> <p>Reduced administrative and operational costs (potential)</p>	12/31/08		

<p><i>Establish an orientation program for the Board, staff and committees</i></p>	<ol style="list-style-type: none"> 1. Assess and evaluate the needs of the Board, staff and committees. 2. Design and develop three programs: Board Orientation, Staff Orientation and Committee Orientation. 3. Develop a communication and training plan (including change management) for roll out and maintenance. 4. Implement the programs. 5. Evaluate the results. 	<p>Shortened learning curve for all three groups</p> <p>Improved board/staff and committee public relations</p> <p>Effective meetings for board, staff and committees</p> <p>Retention of staff (employees)</p> <p>Improved employee morale</p> <p>Increase performance (efficiencies and output)</p>	<p>05/01/08</p>		
<p><i>Establish an identity for the District</i></p>	<ol style="list-style-type: none"> 1. Increase the awareness of Brushy Creek MUD. 2. Create a "vision" for the District. 3. Hold Town Hall meetings for input from the Community. 4. Include the District's developer (s) in the creation of the vision. 	<p>Quality and quantity of materials</p> <p>Survey results</p> <p>Increased awareness</p> <p>Increased participation</p> <p>Increase information requests</p>	<p>09/30/08</p>		

	<ol style="list-style-type: none"> 5. Develop communication materials to support vision. 6. Brand activities with the vision. 7. Develop a survey to solicit input and feedback about the community's perceptions. 	Increased maintenance of property values			
<i>Establish relationships with external sources</i>	<ol style="list-style-type: none"> 1. Identify issues for relationships. 2. Identify target audience. 3. Match issues to target audience. 4. Assign resources. 5. Build relationships. 6. Report results. 	<p>Earned "seat at the table"</p> <p>Input is requested</p> <p>Sought out as a resource</p> <p>Participation in decision making process with key decision makers</p>	09/30/08 (and on-going)		
<i>Implement state-of-the art technology to support Brushy Creek MUD's programs, services and activities</i>	<ol style="list-style-type: none"> 1. Conduct a needs assessment. 2. Identify and inventory current systems. 3. Assess compatibility of systems. 4. Allocate resources. 5. Secure funding. 	<p>Documented survey of customers' needs, wants and desires</p> <p>Documented inventory and assessment of current systems and capabilities</p>	09/30/08		

	6. Report results.	Successful implementation of new system(s) Reduced costs (frees up resources and provides for improved productivity) Meets customers' needs			
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2009 Strategies

- *Design and develop a public relations plan and collateral.*
- *Design and implement an incentive and rewards (including continuing education) program for staff.*
- *Identify and establish standards for the District that meet our community's expectations.*
- *Expand Brushy Creek MUD's services.*

Role of Board in Its Relationship with Staff and Committees

Advantages and disadvantages to having the Board set direction and the staff and committees carry it out

Advantages	Disadvantages
More efficient	Communication (if not going back to Board)
Empowering	Less efficient/not aligned with goals
Respectful	Fear of failure (Board)
Clear direction	Loss of control
Total alignment	Responsibility on Board's part (consequences)

Clearly defined line between board and staff	Details that matter to constituency and details that don't trickle down accurately
Know where we stand	Public perception that Board is not involved in implementation
Free to do what we know professionally	Vision doesn't trickle down from Board
Prevents conflict with multiple direction	Not all on same page with direction
Staff has one boss	
Each department head has ownership	
Easier to set clear priorities	
Peace of mind	

Role of Committees

Act as a conduit to provide information and ideas from the Board to the Community and from the Community to the Board.

Committees' Role: Provide ideas and community feedback regarding specific tasks assigned by the Board or staff. Committees recommend; the Board decides.

Next Steps

Three items were placed in the "Parking Lot"

- Operating Agreements for the Board – by April 9, 2007. Steve and Tom will take the lead on this issue.
- Notes from meeting – by February 13, 2007. Merrill will take responsibility for the notes.
- Tom's Review – by February 23, 2007. Steve will take the lead on this issue.

The Board recommended a planning retreat to be scheduled every year. Below are the things the Board would keep and the things the Board would change about today's meeting:

Continue	Change
Having a facilitator	Lunch today
Flexibility of the facilitator	Location
Focus	Add team building exercises to agenda

Results-oriented	Have more time
Template and system	
Lunch (Saturday)	
Open door to healing	
Overall attitude	
Location (off-site)	