

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

**July 26, 2007**

A regular meeting of the Board of Directors of Brushy Creek Municipal Utility District was held on the 26<sup>th</sup> day of July 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 1)

President Steve Widacki called the meeting to order at 7:07 p.m. and established a quorum consisting of himself, Vice President Paul Tisch, Secretary Cristine Yackle and Treasurer Rebecca Tullos. Assistant Treasurer Larry Buchanan was not in attendance. 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 2)

The first order of business was Citizens Comments. John McLemore elected to wait for Agenda Item 19 to address the Board.

Announcements and Recognition (Agenda Item 3)

The Board recognized Blair Higgins as the Employee of the Month for the month of June.

Consent Agenda (Agenda Item 5)

The next item of business was the Consent Agenda. The following items were removed from the Consent Agenda: Item E (Declare kiln and winches in gym as surplus) and Item G (Approve agreement with BCWA for Hairy Man Festival).

Upon a motion by Director Tisch and seconded by Director Tullos, , the Board of Directors voted 4-0 to approve the following items from the Consent Agenda: Item A (Accept Security Report from Captain Shawn Newsom), Item B (Approval of amended May 10 Board meeting minutes with after correction of Item 16 and May 24<sup>th</sup> Board meeting minutes), Item C (Authorize staff to solicit bids for District signs), Item D (Approve revised Community Center rental policy), Item F (Approve BCCC Holiday operating hours and Item H (Approve special full day gym rental rate for Central Texas Martial Arts event).

After discussion of Item E (Declare kiln and winches in gym as surplus) a motion was made by Director Tullos to declare the kiln and winches surplus property, to secure fair market value for any conveyance, and to include releases of liability in any associated conveyance instruments. The motion was seconded by Director Tisch. The motion carried 4-0.

The Board then next discussed Item G (Approve agreement with BCWA for Hairy Man Festival). Director Yackle moved to approve the proposed contract with nonsubstantive changes recommended by counsel concerning insurance coverage. The Motion was seconded by Director Tullos and passed 4-0.

Discussion and Action concerning sale of land to Sam Bass Station #3 for construction of fire station. (Agenda Item 14)

After a presentation by David Kieschnick of the Volunteer Fire Department staff was directed to present the matter to the Brushy Creek North HOA for its recommendation, and to report back to the Board.

Presentation and Discussion of the District's liability and workers compensation policies. (Agenda Item 6)

The Board then received a presentation by Linda Orrick of the Texas Municipal League concerning the District's liability and workers compensation policies. No action was taken.

Parks and Recreational Matters (Item 9)

The next item of business considered by the Board was park and recreational matters. After discussion on Item A (Discussion and Action concerning authorizing staff to solicit bids for Sendero Pavilion) during which Bruce Hoelscher addressed the Board, staff was directed to investigate whether and how the total cost of the project could be reduced. Staff was directed to report back to the Board at the August 23, 2007 Board meeting.

The Board then discussed Item B (Discussion and Action concerning District trail system). Director Tisch moved to authorize staff to proceed with repairs in an amount not to exceed \$50,000. The Board directed staff to comply with any bidding requirements applicable to the project. The motion was seconded by Director Yackle. The motion passed 3-0 with Director Widacki abstaining. Direction was also given to the General Manager to engage a consultant to prepare an assessment on the condition of the District's entire trail system with respect to needed repairs and design modifications and to report back to the Board in the near future.

The Board then discussed Item C (Discussion and possible action concerning staff's recommendation to waive liability insurance requirement for educational classes that do not require physical activity). A motion was made by Director Yackle to approve the waiver of liability insurance requirements for such programs. The motion was seconded by Director Tisch and passed 4-0.

Consider public input Regarding Consumer Confidence Report (Item 7)

The next item of business was the consideration of public input regarding the Consumer Confidence Report. No citizens addressed the Board during this item and no other action was taken.

Recess

At 9:15 p.m., Director Widacki recessed the Board meeting. He reconvened the meeting at 9:21 p.m. with himself, Directors, Tisch, Yackle and Tullos being present.

Discussion and action concerning request by SW Engineers, Inc. for out-of-District water and wastewater services for various business owners and individual residents south of HW620 and adjacent to the District's Service area (Item 12)

General Manager Clark reported to the Board that the District had received a request on various property owners for out-of-District water and wastewater service. The request was for interim service that would be made available until the City of Austin furnished permanent service to the tracts. After discussion, the Board directed staff to more fully consider the request, confirm that the service would not adversely impact the District and its ability to serve its existing and future customers. No further action was taken by the Board.

Citizen Advisory Committee Matters (Agenda Item 4)

The Board then received Citizen Advisory Committee Reports. Bob Grahl reported on behalf of the Parks Committee. Paul Tisch reported on behalf of the Community Center Advisory Committee, and Cris Yackle and Chauvet Parker reported on behalf of the Technology Committee. No action was taken by the Board related to the report.

Proposed Highland Horizon Regional Lift Station, Wastewater Interceptor, and Force Main Improvements (Item 10)

The next item of business was the proposed Highland Regional Lift Station, Wastewater Interceptor and Force Main Improvements. After discussion Director Yackle moved to approve Resolution Number 072607.01 approving the Application to Texas Commission on Environmental Quality for Change in Use and Release of Escrowed Funds, and Containing Other Matters Relating thereto. The motion was seconded by Director Tisch. The motion passed 3-0 with Director Widacki abstaining. The Board directed staff to file the resolution with TCEQ, and to prepare a draft cost participation agreement with the developer relating to funding the wastewater improvements, for subsequent consideration by the Board.

Issuance of Sendero Springs Cornerstone Defined Area Unlimited Tax Bonds (Item 11)

The Board then discussed the Sendero Springs Cornerstone Defined Area Unlimited Tax Bonds. After receiving a report from legal counsel, Director Tullos moved to approve the agreement with the developer providing for waiver of right to claim agricultural open-space timberland or inventory valuation. The motion was seconded by Director Tisch. The motion passed 3-0 with Director Widacki abstaining.

Discussion and Action concerning appointment of committee for District's 30<sup>th</sup> Anniversary Celebration (Item 8)

The next item of business was the District's 30<sup>th</sup> Anniversary Celebration. Staff was directed to work with the Board subcommittee comprising of Directors Tullos and Yackle in planning this event and to also contact BCWA regarding the District's desire to celebrate the anniversary at the Hairyman Festival in October. No other action was taken.

Discussion and Action concerning Guidelines Regarding Procedures, Conduct and Decorum at Brushy Creek Municipal Utility District Board of Director Meetings (Item 13)

The Board next held a discussion on procedures, conduct and decorum at Board meetings. Staff was directed to amend the Policies and Procedures to allow citizens the option to

speak during Citizens Comments or during discussion of the Agenda item and to place on the Board's consent agenda in the near future. No other action was taken.

#### Financial Matters (Item 15)

The next item of business was financial matters. After discussion on Item A (Discussion and Action relating to the balance of the Builders Park fee bank account), Director Widacki moved to approve staff recommendation to adjust the bank account balance to reflect the Controller's analysis and transfer \$53,486 to the operating bank account. The motion was seconded by Director Tisch and passed 4-0.

After discussion on Item B (Discussion and Action related to the inter-fund borrowing between the Capital Fund and the General Fund for long term water project and the forgiveness of that debt) Director Widacki moved to approve staff's recommendation that the interfund debt be forgiven, as more fully described in the packet. The motion was seconded by Director Tisch and the motion passed 4-0.

After discussion on Item C (Discussion and Action concerning the policy of prioritizing the source of revenue to pay for the long term water project debt service), Director Widacki moved to approve staff recommendation. The motion was seconded by Director Yackle and the motion passed 4-0.

After discussion on Item D (Discussion and Action concerning the closure of the Park and Trail Development and Indoor Facility Funds bank accounts at First Texas Bank), Director Widacki moved to close the referenced bank accounts at First Texas bank and directed that the remaining funds be used for repair of the District's trails. The motion was seconded by Director Yackle and the motion passed 4-0.

#### Discussion and Action concerning role of Scanning/Website Committee and changing from a Board Committee to a Citizens Advisory Committee named Technology Committee (Item 16)

The next item of business was changing the Scanning/Website Committee from a Board Committee to a Citizens Advisory Committee named Technology Committee. A motion was made by Director Widacki to approve the change with the appointment of Director Buchanan as ex officio and Director Yackle as alternate and the following as committee members: Diane Candler, Jerry Rodrigues, Steve Hatley, Russ Shermer, Bob Grahl, Chauvet Parker and Paul Smith. The motion was seconded by Director Tisch and the motion passed 4-0.

#### Personnel Matters (Item 17)

The Board then discussed personnel matters. After discussion on Item A (Discussion and action concerning employment of permanent full time Information and Technology position and Administrative Assistant position and pay scale), Director Tisch moved to approve this position. The motion was seconded by Director Tullos and the motion passed 4-0. Direction was given to the General Manager to prepare corresponding job descriptions and pay scales for consideration at the board meeting scheduled for August 9, 2007.

After discussion on Item B (Discussion and action concerning authorizing General Manager to approve and implement employee organizational charts), Director Widacki moved to authorize the General Manager to approve and implement employee organizational charts. Director Tisch seconded the motion and the motion passed 4-0. Legal counsel was directed to

modify the *Order Amending Personnel Policies of Brushy Creek Municipal Utility District and Authorizing General Manager to Approve and Implement an Organizational Chart for District Employees* by incorporating the written procedures presented in the board packet concerning implementation, and to place the revised Order on the Board's consent agenda in the near future.

Board Committee Reports (Item 18)

The Board then received a report from the General Manager on the Brushy Creek Women's Association joint events with Brushy Creek MUD and the Task Force Committee. No other reports were given.

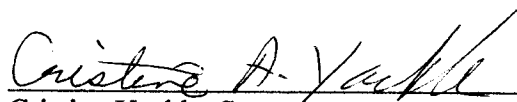
Staff and Consultant Reports (Agenda Item 19)

The Board received reports from the General Manager, Recreation Manager and the Controller. No action was taken regarding these matters. Direction was given to the General Manager to discuss the underwater status of the District's switch vault at Lake Georgetown with Joe Jenkins of CH2MHill and to report back to the Board with recommendations at a future board meeting.

At this portion of the meeting, President Widacki announced that he was submitting his resignation to Board, and he read his resignation letter. Since this matter was not on the Board's agenda, no action or discussion was taken by the Board.

Adjournment (Agenda Item 13)

At 11:45p.m., a motion was made by Steve Widacki to adjourn the meeting. The motion was seconded by Cris Yackle and passed unanimously.

  
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Cristine Yackle, Secretary