

**UPPER BRUSHY CREEK WATER
CONTROL AND IMPROVEMENT
DISTRICT**

**General Purpose Financial Statements
and Supplemental Information for the
Year Ended September 30, 2003,
and Independent Auditors' Report**

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Upper Brushy Creek Water Control and Improvement District:

We have audited the accompanying general purpose financial statements of Upper Brushy Creek Water Control and Improvement District (the "District") as of and for the year ended September 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of September 30, 2003, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the District. Such supplemental information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Maxwell Locke + Ritter LLP

December 4, 2003

Affiliated Companies
ML&R PERSONNEL SOLUTIONS LLC
"The Resource for Direct Hire & Project Staffing"
ML&R WEALTH MANAGEMENT LLC*
"A Registered Investment Advisor"
** This firm is not a CPA firm*

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

**COMBINED BALANCE SHEET - ALL GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2003**

	GOVERNMENTAL FUND TYPE	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)	
	GENERAL	GENERAL FIXED ASSETS	2003	2002
<u>ASSETS</u>				
Cash	\$ 461,029	-	461,029	351,735
Temporary investments	2,004,681	-	2,004,681	-
Taxes receivable	31,020	-	31,020	-
Prepaid expenses	-	-	-	3,706
General fixed assets	-	2,075,575	2,075,575	1,742,376
TOTAL	\$ 2,496,730	2,075,575	4,572,305	2,097,817
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES:				
Accounts payable	\$ 128,770	-	128,770	35,380
Deferred revenue	31,020	-	31,020	-
Total liabilities	159,790	-	159,790	35,380
FUND EQUITY:				
Investment in general fixed assets	-	2,075,575	2,075,575	1,742,376
Unreserved fund balances-				
Undesignated fund balance	2,336,940	-	2,336,940	320,061
Total fund equity	2,336,940	2,075,575	4,412,515	2,062,437
TOTAL	\$ 2,496,730	2,075,575	4,572,305	2,097,817

See notes to general purpose financial statements.

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND YEAR ENDED SEPTEMBER 30, 2003

REVENUES:

Property taxes	\$ 2,746,616
Permit fees	22,993
Interest on temporary investments	4,681
Penalties and interest	13,576
Total revenues	<u>2,787,866</u>

EXPENDITURES:

Current:

Engineering fees	129,883
Maintenance and repairs	134,961
Preparation of tax rolls	69,944
Contracted services	45,626
Legal fees	24,967
Directors' fees	5,600
Insurance	4,179
Other	22,628
Capital Outlay	333,199
Total expenditures	<u>770,987</u>

EXCESS OF REVENUES OVER EXPENDITURES 2,016,879

FUND BALANCE:

Beginning of year	<u>320,061</u>
End of year	<u>\$ 2,336,940</u>

See notes to general purpose financial statements.

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND YEAR ENDED SEPTEMBER 30, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Property taxes	\$ -	2,746,616	2,746,616
Permit fees	-	22,993	22,993
Interest on temporary investments	-	4,681	4,681
Penalties and interest	-	13,576	13,576
Total revenues	<u>-</u>	<u>2,787,866</u>	<u>2,787,866</u>
EXPENDITURES:			
Current:			
Engineering fees	216,000	129,883	86,117
Maintenance and repairs	73,700	134,961	(61,261)
Preparation of tax rolls	-	69,944	(69,944)
Contracted services	95,200	39,126	56,074
Legal fees	70,000	24,967	45,033
Audit fees	7,500	6,500	1,000
Directors' fees	13,000	5,600	7,400
Insurance	7,500	4,179	3,321
Other	9,700	22,628	(12,928)
Capital Outlay	<u>1,332,000</u>	<u>333,199</u>	<u>998,801</u>
Total expenditures	<u>1,824,600</u>	<u>770,987</u>	<u>1,053,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,824,600)	2,016,879	3,841,479
FUND BALANCE:			
Beginning of year	<u>320,061</u>	<u>320,061</u>	<u>-</u>
End of year	<u>\$ (1,504,539)</u>	<u>2,336,940</u>	<u>3,841,479</u>

See notes to general purpose financial statements.

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Brushy Creek Water Control and Improvement District No. 1 of Williamson and Milam Counties was created November 1, 1956, by the State Board of Engineers (predecessor to the Texas Water Rights Commission) and operated pursuant to Chapter 551 of the Texas Water Code. In a November 2001 election, the voters of the district approved a proposal to split the district into two entities: Brushy Creek Water Control and Improvement District No. 1A of Williamson and Milam Counties and Brushy Creek Water Control and Improvement District No. 1B of Williamson and Milam Counties. The assets of the former district were allocated among the new entities. The Board of Directors of Brushy Creek Water Control and Improvement District No. 1A of Williamson and Milam Counties held its first meeting on March 12, 2002. On January 9, 2003, the Texas Commission on Environmental Quality approved a request by Brushy Creek Water Control and Improvement District No. 1A of Williamson and Milam Counties to change its name to Upper Brushy Creek Water Control and Improvement District ("the District").

The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors which has been elected by District residents or appointed by the Board of Directors. The District is not included in any other governmental "reporting entity" as defined by Statement No. 14 of the Governmental Accounting Standards Board, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement No. 14 which are included in the District's reporting entity.

Basis of Presentation - The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped by type in the financial statements. The following fund type and account group are used by the District:

Governmental Fund Type -- The Governmental Fund Type measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than determination of net income.

This fund type is maintained on the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; i.e., when they become measurable and available to pay current period liabilities. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recognized as incurred. The following describes the District's Governmental Fund Type:

General Fund - The General Fund is used to account for all financial resources not required to be accounted for in other funds.

Account Group – An account group is used to establish accounting control and accountability for the District's general fixed assets. The following is the District's account group:

General Fixed Assets Account Group - This self-balancing group of accounts is established to account for all fixed assets of the District.

Budgets and Budgetary Accounting - Formal budgetary integration is employed as a management control device for the General Fund. The budget is proposed by the District's General Manager for the fiscal year commencing the following October 1, and is adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are periodically amended by the Board of Directors and unexpended appropriations lapse at year end.

General Fixed Assets - General fixed assets are stated at the historical cost of assets owned by the District and include infrastructure assets. Depreciation is not recorded on general fixed assets. Contributed fixed assets are recorded as general fixed assets at estimated fair value at the time received. The District does not capitalize construction period interest.

Fund Balance - Undesignated fund balance indicates fund equity which has not been designated and is available for use in future periods. Reserved fund balance represents equity which is legally segregated for a specific purpose.

Property Taxes - Ad valorem taxes, penalties and interest are reported as revenue in the fiscal year in which they become available to finance expenditures of the District.

Memorandum Total - Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only for informational purposes. The memorandum total is not intended to fairly present the financial position or results of operations of the District taken as a whole.

2. CASH AND TEMPORARY INVESTMENTS

The District's deposits are required to be secured in the manner provided by law for the security of the funds. The District's cash is held in one bank. These funds are partially insured by the Federal Deposit Insurance Corporation ("FDIC").

The District's bank deposits at September 30, 2003 are categorized below as an indicator of risk:

- Category 1 - Deposits which are insured or collateralized with securities held by the entity or by its agent in the District's name.
- Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- Category 3 - Deposits which are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name.

Based on these levels of risk, \$100,000 of the District's funds were classified as Category 1 and \$361,629 of the District's funds were classified as Category 3.

Similar to cash deposits, investments can be categorized according to three levels of risk as follows:

- Category 1 - Investments that are insured, registered or held by the District or by its agent in the District's name.
- Category 2 - Investments that are uninsured and unregistered held by the counterparty's trust department or agent in the District's name.
- Category 3 - Uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the District's name.

The District's investment policy is in accordance with the Public Funds Investment Act. Authorized investments of the Public Funds Investment Act include obligations of, or guaranteed by, governmental entities, certificates of deposit, repurchase agreements, bankers' acceptances, commercial paper, mutual funds, guaranteed investment contracts, or investment pools.

At September 30, 2003, the District held temporary investments of \$2,004,681 in TexPool, an investment service offered to local governments by the State Treasury government investment pool. The primary objective of TexPool is to provide a safe environment for the placement of public funds in short-term, fully collateralized investments that have the full faith and credit of the U.S. Government. TexPool is not SEC registered, however, it is regulated by the Comptroller of the State of Texas.

In accordance with Governmental Accounting Standards Board Statement No. 3 ("GASB 3"), the District's investments in TexPool are not categorized in the three risk categories provided above because these investments are in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investments in TexPool are carried at fair value which is the same as the value of the pool shares and also approximates cost at September 30, 2003.

3. PROPERTY TAXES

The Texas Water Code authorizes the District to levy a tax each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within its boundaries. Assessed values are established annually by the Williamson County Appraisal District. District property tax revenues are recognized when levied to the extent that they are collected in the current year. The uncollected balance is reported as deferred revenue. Taxes receivable are due January 1 and are delinquent if received after January 31 and are subject to penalty and interest charges.

On September 18, 2002, the District levied a tax rate of \$.02 per \$100 of assessed valuation to finance the operating expenses of the District. The total 2002 tax levy was \$2,777,636 based on a taxable valuation of \$13,103,886,160.

4. GENERAL FIXED ASSETS

General fixed assets consist primarily of 23 earthen dams located in the District. The following is a summary of general fixed asset transactions for the period ended September 30, 2003:

	Balance October 1, 2002	Additions	Balance September 30, 2003
General fixed assets:			
Earthen dams	\$ 1,742,376	332,612	2,074,988
Equipment	-	587	587
Total	<u>\$ 1,742,376</u>	<u>333,199</u>	<u>2,075,575</u>

5. RISK MANAGEMENT

The District's risk management program includes coverage through third party insurance providers for automobile liability, director and officer liability, public officials position liability and general liability. Losses in excess of the various deductible levels are covered through traditional indemnity coverage with various insurance firms. Settled claims did not exceed insurance limits for the current period.

6. NEW REPORTING STANDARD

In June 1999, the Governmental Accounting Standards Board ("GASB") issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement establishes new financial reporting requirements for state and local governments throughout the United States of America. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The District is required to implement this standard for the fiscal year ending September 30, 2004. The District has not yet determined the full impact that adoption of GASB Statement No. 34 will have on the financial statements.

7. SUBSEQUENT EVENTS

The District received notice in May 2003 that its application for a grant of \$63,000 from the Texas Water Development Board ("TWDB") for further engineering work had been approved. As part of the application process, the Board of Directors resolved in November 2002 to commit matching funds of \$63,000 in cash or in-kind services if the application request was granted. Terms of the grant extend to February 2004, at which point the District can submit for reimbursement of expenditures incurred.

Also, in November 2003, the Board of Directors ordered the exclusion of certain property from the existing district boundaries. The excluded land approximates 5,000 acres.

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

**INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED BY THE
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
YEAR ENDED SEPTEMBER 30, 2003**

SCHEDULE
INCLUDED

<u>YES</u>	<u>NO</u>	
<u>X</u>		D. Notes Required by the Water District Accounting Manual
	<u>X</u>	E. Schedule of Services and Rates
<u>X</u>		F. Schedule of General Fund Expenditures
<u>X</u>		G. Schedule of Temporary Investments
<u>X</u>		H. Analysis of Taxes Levied and Receivable
<u>X</u>		I. Analysis of Changes in General Fixed Assets
	<u>X</u>	J. General Long-Term Debt Service Requirements - by Years
	<u>X</u>	K. Analysis of Changes in General Long-Term Debt
		L. Comparative Schedule of Revenues and Expenditures - General Fund -- Two Years Ended September 30, 2003
<u>X</u>		M. Insurance Coverage
<u>X</u>		N. Board Members, Key Personnel and Consultants

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

(D) NOTES REQUIRED BY THE WATER DISTRICT ACCOUNTING MANUAL YEAR ENDED SEPTEMBER 30, 2003

The notes which follow are not necessarily required for fair presentation of the audited financial statements of the District which are contained in the preceding section of this report. They are presented in conformity with requirements of the Texas Commission on Environmental Quality to assure disclosure of specifically required facts.

- (A) Creation of District
See Note 1 to general purpose financial statements.
- (B) Basis of Accounting
See Note 1 to general purpose financial statements.
- (C) Bond Interest
Not Applicable
- (D) Pledge of Revenues
Not Applicable
- (E) Compliance with Debt Service Requirements
Not Applicable
- (F) Redemption of Bonds
Not Applicable
- (G) Engineering Reports
Not Applicable
- (H) Pension Coverage for District Employees
Not Applicable

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

(F) SCHEDULE OF GENERAL FUND EXPENDITURES YEAR ENDED SEPTEMBER 30, 2003

Personnel Expenditures	\$	-
Professional Fees:		
Auditing		6,500
Legal		24,967
Engineering		129,883
Contracted Services:		
Bookkeeping		2,625
General Manager		36,501
Tax Collector/Assessor		69,944
Other Contracted Services		-
Utilities		-
Maintenance and Repairs		134,961
Administrative Expenditures:		
Directors' Fees		5,600
Office Supplies		471
Insurance		4,179
Telephone		1,508
Other Administrative Expenditures		20,649
Capital Outlay -		
Acquisition of Fixed Assets		<u>333,199</u>
TOTAL EXPENDITURES	\$	<u><u>770,987</u></u>

Number of persons employed by the District: None

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

(G) SCHEDULE OF TEMPORARY INVESTMENTS

YEAR ENDED SEPTEMBER 30, 2003

	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at 9/30/03</u>	<u>Accrued Interest Receivable at 9/30/03</u>
<u>General Fund:</u>					
TexPool	12526	Variable	N/A	\$ 2,004,681	-
Total				<u>\$ 2,004,681</u>	<u>-</u>

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

(H) ANALYSIS OF TAXES LEVIED AND RECEIVABLE YEAR ENDED SEPTEMBER 30, 2003

	Maintenance Taxes	Debt Service Taxes
TAXES RECEIVABLE, OCTOBER 1, 2002	\$ -	-
2002 ORIGINAL TAX LEVY	2,620,782	-
Adjustments	156,854	-
Total to be accounted for	2,777,636	-
Tax collections:		
Current year	2,746,616	-
Prior years	-	-
Total Collections	2,746,616	-
TAXES RECEIVABLE, SEPTEMBER 30, 2003	\$ 31,020	-
TAXES RECEIVABLE, BY YEARS		
2002	\$ 31,020	-
2001	-	-
Other	-	-
TAXES RECEIVABLE, SEPTEMBER 30, 2003	\$ 31,020	-
		2002
PROPERTY VALUATIONS - Land, improvements and personal property		\$ 13,103,886,160
TAX RATES PER \$100 VALUATION:		
Maintenance tax rates *		\$ 0.02
Debt service tax rates		0.00
Total		\$ 0.02
ORIGINAL TAX LEVY		\$ 2,620,782
PERCENT OF TAXES COLLECTED TO TAXES LEVIED		98.9%

* Maximum Tax Rate Approved by Voters: \$.02 on 5-4-02.

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

(I) ANALYSIS OF CHANGES IN GENERAL FIXED ASSETS
 YEAR ENDED SEPTEMBER 30, 2003

	Balances at Beginning of Year	Additions (Capital Outlay Exp.)	Other Additions, Deletions, Reclassifications	Balances End of Year
GENERAL FIXED ASSETS:				
Earthen Dams	\$ 1,742,376	332,612	-	2,074,988
Equipment	-	587	-	587
	<u>\$ 1,742,376</u>	<u>333,199</u>	<u>-</u>	<u>2,075,575</u>
ADDITIONS PROVIDED BY:				
General Fund:				
Revenues	<u>\$ 1,742,376</u>	<u>333,199</u>	<u>-</u>	<u>2,075,575</u>

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

**(L) COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
TWO YEARS ENDED SEPTEMBER 30, 2003**

	AMOUNTS		PERCENT OF FUND TOTAL REVENUES	
	2003	2002	2003	2002
<u>GENERAL FUND</u>				
REVENUES:				
Property taxes	\$ 2,746,616	-	98.5 %	0.0
Permit fees	22,993	324,718	0.8	100.0
Interest on temporary investments	4,681	-	0.2	0.0
Penalties and interest	13,576	-	0.5	0.0
Total revenues	<u>2,787,866</u>	<u>324,718</u>	<u>100.0</u>	<u>100.0</u>
EXPENDITURES:				
Current:				
Contracted services	45,626	2,534	1.6	0.8
Insurance	4,179	1,655	0.1	0.5
Maintenance and repairs	134,961	17,337	4.8	5.4
Election expense	-	20,744	0.0	6.4
Legal fees	24,967	16,945	0.9	5.2
Engineering fees	129,883	40,700	4.7	12.5
Directors' fees	5,600	2,200	0.2	0.7
Preparation of tax rolls	69,944	-	2.5	0.0
Other	22,628	739	0.8	0.2
Capital Outlay	333,199	-	12.0	0.0
Total expenditures	<u>770,987</u>	<u>102,854</u>	<u>27.7</u>	<u>31.7</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 2,016,879</u>	<u>221,864</u>	<u>72.3 %</u>	<u>68.3</u>

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

(M) INSURANCE COVERAGE
SEPTEMBER 30, 2003

Type of Coverage	Amount of Coverage	Insurer		
		Name	Type of Corporation Stock/Mutual	Policy Clause: Co-Insurance
General Liability	\$4,000,000	Texas Mutual Insurance Company	Stock	No
Business Automobile	\$1,000,000	Texas Mutual Insurance Company	Stock	No
Directors and Officers Liability	\$4,000,000	Texas Mutual Insurance Company	Stock	No
Crime	\$10,000	Texas Mutual Insurance Company	Stock	No
Workers Compensation	Statutory	Texas Mutual Insurance Company	Stock	No

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

**(N) BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2003**

Complete District Mailing Address: 309 E. Main
Round Rock, Texas 78664

District Business Telephone Number: (512) 255-8877

<u>Name and Address</u>	<u>Term of Office Elected & Expires or Date Hired</u>	<u>Fees 9/30/03</u>	<u>Expense Reimbursements 9/30/03</u>	<u>Title at 9/30/03</u>	<u>Resident of District</u>
<u>Board Members:</u>					
James R. Nuse 903 Summit Drive Round Rock, Texas 78664	Resigned 5/02 - 1/03	\$600	-	-	Yes
James R. Clarno P.O. Box 220 Austin, Texas 78767	Appointed 1/03 - 5/08	700	-	President	Yes
Will Wilson, Sr. 1034 Liberty Park Austin, Texas 78681	Elected 5/02 - 5/06	1,300	-	Assistant Secretary	No
Daron Butler 1708 Tracy Miller Cedar Park, Texas 78613	Elected 5/02 - 5/08	600	-	Secretary	Yes
Butch Bradley 4 Longhorn Drive Round Rock, Texas 78681	Elected 5/02 - 5/08	1,000	-	Vice President	Yes
Charles P. Roth 13305 Tichester Court Austin, Texas 78729	Elected 5/02 - 5/06	1,400	-	Treasurer	Yes

Note: No director is disqualified from serving on this board under the Texas Water Code.

Key Administrative Personnel:

Mike Erdmann 4003 Biscay Drive Austin, Texas 78759	Hired 9/02	36,502	-	General Manager (contractor)
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(continued)

UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT

(N) BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)
 SEPTEMBER 30, 2003

Name and Address	Date Hired	Fees and Expense Reimbursements 9/30/03	Title at 9/30/03
<u>Consultants:</u>			
Sheets & Crossfield, P.C. 309 E. Main Street Round Rock, Texas 78664	2002	\$27,496	Attorney
Freese and Nichol, Inc. 4055 International Plaza, Suite 200 Fort Worth, Texas 76109	2002	346,198	Engineer
Maxwell Locke & Ritter LLP 501 Congress Avenue, Suite 300 Austin, Texas 78701	2002	6,500	Auditor
Watershed Maintenance 4050 Fischer Road Bartlett, Texas 76511	2002	102,981	Dam maintenance
John W. Hood 211 West Bagdad Round Rock, Texas 78664	2002	2,625	Bookkeeper
Texas Mutual Insurance Company P.O. Box 841843 Dallas, Texas 75284	2002	473	Insurance
Williamson County Appraisal District P.O. Box 1120 Georgetown, Texas 78627-1120	2002	69,944	Tax Collector/ Assessor

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF: Williamson }

I, _____
(Name of Duly Authorized District Representative)

of the Upper Brushy Creek Water Control and Improvement District

hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the _____ day of _____, 20____, its annual audit report for the fiscal year ended September 30, 2003, and that copies of the annual audit report have been filed in the district office, located at 309 E. Main Street, Round Rock, Texas, 78664.

The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: _____, 20____. By: _____
(Signature of District Representative)

James R. Clarno, Board President
(Typed Name and Title of above District Representative)

Sworn to and subscribed to before me this _____ day of _____, 20____.

(Signature of Notary)

(SEAL)

(Printed Name of Notary)

My Commission Expires On: _____
Notary Public in and for the State of Texas.