

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas**

**Minutes of Meeting
of the Board of Directors
January 21, 2010**

The Board of Directors of Chisholm Trail Special Utility District of Williamson, Bell, and Burnet Counties, Texas convened in a regularly scheduled meeting at the administrative office of Chisholm Trail Special Utility District located at 851 FM 970, Florence, Williamson County, Texas beginning at 5:30 p.m. on the 21st day of January, 2010. Notices of the time, place, and subject of the meeting were posted at the places and for the time required by law.

Meeting was called to order at 5:30 p.m.

Gordon Eurom led those present in the Pledge of Allegiance to the American flag.

Jennifer McKnight called role:

Gordon Eurom	President
Marcus Canipe	Vice-President
Cash Mullen	Secretary
Mary Wilson	Treasurer
Mike Giguere	Director
Bob Johnson	Director
Gary Goodman	Director

Six Board members were present, with Mike Giguere absent, thus constituting a quorum. Also present were Jennifer McKnight, Tony Corbett, Craig Casper, Harry Randall and those listed on the attached sign-in sheet.

Public Comment

There was no public comment.

Consent Agenda

- A. Approval of Minutes from December 17, 2009 Board Meeting
- B. Approval of Invoices and Payment of Bills for December 2009

On a motion made by Gary Goodman and seconded by Bob Johnson, the Board unanimously approved the Consent Agenda.

General Manager's Report

A. Operational Status Report & Water Loss Report

Ms. McKnight provided the Board with an update on District activities related to water loss. Ms. McKnight stated that in addition to looking for leaks and trying to get better reports on construction use of water, staff has been studying selected meters to determine if water loss is occurring due to low reading meters and/or inaccurate ERTs. She stated that out of 102 ERTs tested, 55 read the same as meters and 47 read differently. This resulted in a loss of over 274,000 gallons of water that was not billed. Ms. McKnight stated they are continuing with the study and will provide additional reports to the Board in the future.

B. Monthly Financial Reports

C. Monthly Customer Service Report

D. Project Status Report

Action Items

A. Presentation of FYE 2009 Annual Financial Audit

Ms. Anna Swenson, certified Public Accountant with Padgett, Stratemann, and Company presented the FYE 2009 annual financial Audit to the Board. Ms. Swenson stated the audit resulted in an unqualified opinion. She stated there were no deficiencies found in District accounting for the operational fund or the bond funds.

B. FYE 2009 Annual Financial Audit

Gordon Eurom moved to approve the Fiscal year 2009 Annual Financial Audit prepared by Padgett, Stratemann, and Company. Cash Mullen seconded the motion, which the Board approved unanimously.

C. Reimbursement to Williamson County

Bob Johnson moved to approve reimbursement of \$18,759 to Williamson County for installation of a 24-inch gate valve on Williams Drive Phase 1 Project. Cash Mullen seconded the motion, which the Board approved unanimously.

D. Williams Drive Phase 2 Betterment project

Gordon Eurom moved to approve the bid for \$283,493 from Joe Bland Construction for the betterment project to install a 24-inch ductile iron waterline during the Williams Drive Phase 2 Project, subject to Williamson County's selection of Joe Bland Construction as the contractor for the project. Cash Mullen seconded the motion, which the Board approved unanimously.

E. Ethics Policy

Tony Corbett explained his concerns with the established Ethics Policy. He stated that some of the provisions are already addressed under State laws and that the policy should not address these issues in another manner.

Mary Wilson moved to approve the Ethics Policy with legal counsel writing Section 5.03(C) in a manner that will accomplish the Board's goal in the best interest of the District. Marcus Canipe seconded the motion, which the Board approved unanimously.

F. Investment Policy

Bob Johnson moved to approve the District Investment Policy in the form presented in the Board packet and with the deletion of Section 2.02(D), which allowed employees only to serve as an Investment Officer. Cash Mullen seconded the motion, which the Board approved unanimously.

G. Increased Compensation for Directors

Jennifer McKnight provided the section of the water code that sets per diem and annual maximums for Directors compensation. **No action taken.**

H. Outsourcing District Payroll

Jennifer McKnight stated staff looked into the possibility of outsourcing payroll but determined there is no cost savings to the District at this time. **No action taken.**

I. Land Acquisition for Ronald Reagan Phase 3 and 4 Projects

Gordon Eurom tabled this item for further discussion at the District Board workshop on February 6, 2010. **No action taken.**

J. Change Order No. 3 Ronald Reagan Phase 1 Project


Marcus Canipe moved to approve change order no. 3 to the Ronald Reagan Phase 1 Project resulting in a decrease of \$31,776.50 to the project cost. Bob Johnson seconded the motion, which the Board approved unanimously.

K. Easement Acquisition from Ms. Alice Beth Lee on CR 260

Gary Goodman moved to allow the General Manager to offer \$10 per square foot for an additional easement on Ms. Alice Beth Lee's property on CR 260. Gordon Eurom seconded the motion. The motion failed with a vote FOR by Bob Johnson, Gary Goodman, and Gordon Eurom, and a vote AGAINST by Mary Wilson, Cash Mullen, and Marcus Canipe.

Adjournment

The meeting adjourned at 7:58 p.m. on a motion made by Cash Mullen, seconded by Bob Johnson, and approved unanimously.



Cassius Mullen, Board Secretary