

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

**Minutes of Meeting of the Board of Directors
December 16, 2010**

The Board of Directors of Chisholm Trail Special Utility District of Williamson, Bell, and Burnet Counties, Texas convened in a 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 16th day of December, 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.

Mary Wilson led those present in the Pledge of Allegiance to the American flag.

Jennifer McKnight called role:

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

Six Board members were present, with Gordon Eurom absent, thus constituting a quorum. Also present was Jennifer McKnight, Tony Corbett, and those listed on the attached sign-in sheet.

Public Comment

None

Customer Requests

- A. Discussion and possible action regarding request by customer at 3006 Fountainwood, Account No. 31-4225-00, for driveway repair due to alleged settling of waterline.

Cash Mullen moved to approve reimbursement, not to exceed \$1,000, for repairs to the customer's driveway. Mary Wilson seconded the motion, which the Board approved (All FOR except Bob Johnson and Marcus Canipe AGAINST).

Consent Agenda

- A. Approval of Minutes from November 18, 2010 Board of Directors Meeting.
B. Approval of Check Register, Payment of Bills, and Invoices for November 2010.

Mary Wilson moved to approve the consent agenda. Bob Johnson seconded the motion, which the Board approved unanimously.

General Manager's Report

Ms. McKnight presented the Manager's Report including the following information:

- A. Operational Status Report & Water Loss Report
- B. Monthly Financial Reports
- C. Monthly Customer Service Report
- D. Update on meter study to determine possible water loss
- E. Project Status Reports

Action Items

- A. Discussion and possible action to amend the contract with Roadrunner Inspection Services to increase fees charged to the District for performing plumbing inspections.
Cash Mullen moved to approve continuation of the current contract with Roadrunner Inspection Services with an increase in fee charges. Mary Wilson seconded the motion, which the Board approved unanimously.
- B. Discussion and possible action regarding fee increase by Freeman and Corbett effective for services commencing January 1, 2011.
Mike Giguere moved to approve the fee increase charged by Freeman and Corbett effective for services commencing January 1, 2011. Cash Mullen seconded the motion, which the Board approved unanimously.
- C. Discussion and possible action regarding agreement to purchase land for South Lake Georgetown Water Treatment Plant and associated easements.
Bob Wallace of the Wallace Group gave an update on the status of the agreement for purchase of property for the South Lake Georgetown Water Treatment Plant. Mr. Wallace stated that the Corps of Engineers would not accept donated land as mitigation for disturbing previously undisturbed land. He explained that additional environmental work will be necessary for the land proposed by Mr. Avant for the plant site. Mr. Wallace stated that the project committee met and discussed cost sharing for the additional environmental work. The committee agreed the extra costs would be \$360,000 or more. **Mike Giguere moved to proceed with an agreement with the land owner for the proposed land, as long as the City of Georgetown agrees with the terms offered, and with a cost share not to exceed \$360,000 more than the purchase price for the additional environmental study and mitigation. Additionally, Mr. Giguere moved that any costs exceeding the \$360,000 should be deducted from the purchase price of the property. Cash Mullen seconded the motion, which the Board approved unanimously.**
- D. Discussion and possible action regarding Inter-local Agreements (ILAs) with Williamson County regarding:
 - a. Waterline relocation and encasement as part of Williamson County's Ronald Reagan Phase III Road Project.
 - b. Conflicts between County roadway improvements and District easements.

Mary Wilson moved to approve the Inter-local Agreements (ILAs) with Williamson County for Ronald Reagan Phase III and for conflicts between County roadway improvements and District easements. Bob Johnson seconded the motion, which the Board approved unanimously.

- E. Discussion and possible action to approve engineering agreement with Halff Associates for design of waterline relocation and encasement as part of Williamson County's Ronald Reagan Phase III Road Project. Gary Goodman moved to approve the engineering agreement with Halff Associates for the design of waterline relocation and encasement as part of Williamson County's Ronald Reagan Phase III Road Project. Mike Giguere seconded the motion, which the Board approved unanimously.
- F. Discussion and possible action regarding Lower Colorado River Authority's letter dated November 24, 2010 regarding sale of water and wastewater assets including Liberty Hill Wastewater Treatment Plant. The Board requested that staff obtain information regarding the value of the Liberty Hill Wastewater Treatment Plant and to determine the potential revenue from the plant. Additionally, the Board requested that staff discuss a debt schedule with the District's financial advisor. **No action taken.**
- G. Discussion and possible action to approve Wastewater Operations Agreement with the Brazos River Authority. The Board made revisions to the proposed contract and requested staff to provide revisions to BRA for consideration. **No action taken.**
- H. Discussion and possible action regarding City of Georgetown construction procurement method for North Lake Georgetown Water Treatment Plant expansion and possible amendment to Inter-local Agreement with the City of Georgetown. **No action taken.**
- I. Discussion and possible action to approve proposal for easement acquisition services related to North Lake Georgetown Pump Station discharge pipeline. Bob Johnson moved to approve the proposal from HRM for easement acquisition services related to the North Lake Georgetown Pump Station discharge pipeline. Cash Mullen seconded the motion, which the Board approved unanimously.
- J. Discussion and possible action to approve Lone Star Appraisals and Realty, Inc. to perform appraisal services for easement acquisition for North Lake Georgetown Pump Station discharge pipeline. Mike Giguere moved to approve the Lone Star Appraisals and Realty, Inc. proposal and to retain Lone Star Appraisals for appraisal services. Cash Mullen seconded the motion, which the Board approved unanimously.
- K. Discussion and possible action regarding procedures and controls for all public funds intra-band and inter-bank transfers. The Board considered a procedure for inter and intra bank transfers with Prosperity Bank. The procedure requires written requests for transfers, made in person by two authorized signers from the Board. The bank is then required to provide electronic

confirmation to District staff that the request was received and confirming its occurrence. The Board agreed to try this procedure for one year and then to review. **No action taken.**

L. Discussion and possible action regarding notice from Internal Revenue Service regarding filing of tax form 990 for previous three years and incorrect tax identification number issued to the District. Ms. McKnight explained that a letter was received from the Internal Revenue Service (IRS) requesting 990 Forms for the past three years. She stated they have the District classified as a non-profit, not governmental. She stated the District's auditors mailed a letter requesting a change in status. **No action taken.**

M. Discussion and possible action to approve amendments to District Employee Handbook:

- a. Amend overtime provision to pay overtime for time worked over 40 hours per week.
- b. Amend Grievance Procedure and rename "Dispute Resolution".
- c. Amend section regarding reportable work week to Saturday through Friday as approved with bi-weekly pay periods November 19, 2009.

Marcus Canipe moved to approve item "a" and item "c" but to leave the Grievance Procedure as written. Marcus Canipe also moved to approve to remove the sentence on page 6, "An impartial termination hearing will be made available." Mary Wilson seconded the motion, which the Board approved unanimously.

N. Discussion and possible action regarding monthly report to Board regarding criminal complaints for theft of service. **No action taken.**

O. Discussion and possible action items from Board Committee Reports

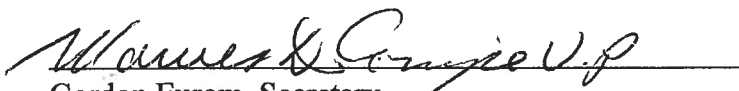

- a. Personnel Committee: No report.
- b. Finance Committee: Cash Mullen stated he had completed the Investment Officer training. He stated he plans on looking at investments after the first of the year. Additionally, he stated online banking with Prosperity Bank has been canceled.
- c. Infrastructure Committee: No report.

Executive Session

No Executive Session was held.

Adjournment

The meeting adjourned at 8:30 p.m. on a motion by Bob Johnson and seconded by Marcus Canipe, which the Board approved unanimously.


Gordon Euron, Secretary

MARCUS D CANIPE V.P