

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

**Minutes of Meeting of the Board of Directors
January 20, 2011**

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 20th day of January, 2011. 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 Mike Giguere absent, thus constituting a quorum. Also present was Jennifer McKnight, Tony Corbett, Terri Sisk, Harry Randall, and those listed on the attached sign-in sheet. Director, Mike Giguere, arrived at 7:30 p.m.

Public Comment

None

Customer Requests

- A. Discussion and possible action regarding request by customer at 3008 Fountainwood, Account No. 31-4567-01, for driveway repair due to alleged damage during previous repair of water line.
Mr. Oliver, property owner at 3008 Fountainwood, addressed the Board regarding three (3) leaks in front of his house. He stated the first leak was on the south side of his driveway and occurred in approximately 2005, the second leak occurred in approximately 2008, and the most recent leak was in November, 2010. Mr. Oliver distributed pictures he had taken of damage to his driveway. Mr. Oliver stated that the damage recently caused by the line break has been repaired, but there is still a large crack caused by failure to backfill properly after the repair in 2005. Mr. Oliver stated the driveway continues to deteriorate because of the poor repair in 2005. Mr. Oliver stated he feels there is a lack of communication at the District and he therefore felt obligated to inform the Board. Harry Randall explained that the driveway was recently damaged on two separate

occasions and District repairs were made on each occasion. Tony Corbett stated that this incident should be submitted to the District's insurance carrier. **Marcus Canipe moved to file a claim regarding this matter with the District's insurance company. Gordon Eurom seconded the motion, which the Board approved by a 6-0 vote.**

- B. Discussion and possible action regarding request by Joe Bolin for reimbursement of expenses related to installation of service line allowed through an easement granted to the District during January 2009. Mr. Joe Bolin, representing the Tomlinson Family Trust, addressed the Board regarding reimbursement of expenses for installation of a service line to his home. Mr. Bolin stated he has been dealing with issues related to granting an easement for many years and would like the Board to resolve issues he claimed were promised to his family. Mr. Bolin stated that he was dealing with representatives of the Wallace Group when his family granted the easement, and that the District has not upheld the contract that he agreed to when the easement was granted. Mr. Bolin presented a letter from the Wallace Group dated September 25, 2008, in which he claims the District promised payment of up to \$9000 for installation of a 2" service line, to provide topsoil in drainage channels, and to reseed his property with Bermuda seed and Winter Rye seed. Ms. McKnight stated that the items Mr. Bolin refers to are not in the final easement document signed by the Tomlinson Family Trust. She stated that he had presented an invoice for 1500 feet of service line and a check was issued for half the amount of the invoice because the easement allows for up to 750 feet of service line. Director Bob Johnson asked Mr. Bolin exactly what he is seeking from the District. Mr. Bolin replied that he would like payment of \$8000 for the service line, several loads of black dirt, and a portion of his hayfield re-vegetated with Coastal Bermuda seed. Mr. Bolin stated he was not sure how much dirt would be necessary but that he could calculate the amount and provide the information to the Board at a later date. **This item was tabled until the February meeting. No action taken.**

Consent Agenda

- A. Approval of Minutes from December 16, 2010 and January 3, 2011 Board of Directors Meetings.
B. Approval of Check Register, Payment of Bills, and Invoices for December 2010.

Gordon Eurom moved to approve the consent agenda. Cash Mullen seconded the motion, which the Board approved by a 6-0 vote.

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. Presentation of Fiscal Year 2010 Annual Financial Audit by certified public accountants of Padgett, Stratemann & Company. Anna Swenson presented the FY 2010 Annual Financial Audit. **No action taken.**
- B. Discussion and possible action to approve Fiscal Year 2010 Annual Financial Audit. **Cash Mullen moved to approve Fiscal Year 2010 Annual Financial Audit. Gordon Eurom seconded the motion, which the Board approved by a 6-0 vote.**
- C. Discussion and possible action to execute engagement letter with HRM Consultants for easement acquisition services. **Cash Mullen moved to approve execution of the engagement letter with HRM Consultants for easement acquisition services. Bob Johnson seconded the motion, which the Board approved by a 6-0 vote.**
- D. Discussion and possible action to execute contract with Archer Western for construction of the North Lake Georgetown Pump Station for \$1,783,999.00. Bob Wallace reported that a bid was awarded by the Board on January 3, 2011. Mr. Wallace stated that a number of issues have been incurred and were discussed with three members of the Board in a committee meeting. He stated that the issues relate to the time it will take to get final approval from TCEQ and the City of Georgetown. He stated that the contractor has already mobilized to the area and if the contract is approved by the Board tonight, he will issue a limited notice to proceed to allow the contractor to order materials for the project. However, construction will not proceed until approval from TCEQ and City of Georgetown has been received. Mr. Wallace stated that the Board committee also discussed including an incentive for early completion and that the contractor was in agreement with executing a change order to allow for an early completion incentive. Mr. Wallace stated that TCEQ approval will take a minimum of 30 days and that the application was submitted to TCEQ on January 18, 2011. He stated that approval from City of Georgetown should be granted within the next two to three weeks. Mr. Wallace stated that the City only recently started requiring these projects to go through their approval process. He also stated that he believed the pump station project was included with the City's application to TCEQ but recently learned it was not and required a separate application.

Gordon Eurom moved to approve execution of the contract with Archer Western to construct the pump station for \$1,783,000, to allow the engineer to issue a limited notice to proceed until all necessary approvals are received, and to have the engineer prepare a change order to grant an incentive for early completion and present it to the Board next month. Cash Mullen seconded the motion, which the Board approved by a 6-0 vote.

Tony Corbett stated he is concerned the District will incur cost increases from the contractor if the TCEQ and/or City approval is delayed longer than anticipated. He stated he would suggest that there be a written agreement executed at the same time as the contract in which the contractor agrees not to increase the price if there is a longer delay than anticipated.

Gordon Eurom moved to approve a change order, to be executed with the contract, that states that all parties agree that any delay in regulatory approval will not result in a cost increase to the contract amount. Marcus Canipe seconded the motion, which the Board approved by a 6-0 vote.

- E. Discussion and possible action regarding obtaining a drainage easement from property owner adjacent to Domel No. 1 Plant Site for tank overflow drainage. **Gordon Eurom moved to authorize the General Manager to negotiate a drainage easement with the adjacent property owner at the Domel No. 1 Plant Site for a cost not to exceed \$5,000.00. Cash Mullen seconded the motion, which the Board approved by a vote of 5-2, with Marcus Canipe and Bob Johnson voting against.**
- F. Discussion and possible action regarding Lower Colorado River Authority (LCRA) sale of Liberty Hill Regional Wastewater System including:
- a. Status report.
 - b. Potential purchase of system.
 - c. Request by Freeman & Corbett for waiver of conflict of interest relating to representation of LCRA in connection with sale of water and wastewater system assets.

Tony Corbett reported that LCRA is selling the Liberty Hill Wastewater System and the price they are seeking includes payment for debt service and loss of future management fees. He stated that the City of Liberty Hill has first right of refusal and they are negotiating the purchase. The Board requested a cost of service analyses including current rates, system revenues, the number of customers currently using the plant, and the number of potential future customers.

Mike Giguere moved to approve a request by Freeman & Corbett for waiver of conflict of interest relating to representation of LCRA by Ron Freeman in connection with sale of water and wastewater system assets. Mary Wilson seconded the motion, which the Board approved unanimously.

- G. Discussion and possible action to approve Non-Standard Service Agreement with 4400 subdivision. **Gordon Eurom moved to approve the Non-Standard Service Agreement with 4400 Subdivision. Mary Wilson seconded the motion, which the Board approved unanimously.**
- H. Discussion and possible action to amend section regarding Holidays in Employee Handbook. **Mary Wilson moved to approve two (2) working days off for employees at the Christmas Holiday, one day for Christmas Eve and one day for Christmas. Cash Mullen seconded the motion, which the Board approved on a 4-3 vote, with Gordon Eurom, Marcus Canipe and Bob Johnson voting against.**
- I. Discussion and possible action regarding Board member attendance at Texas Rural Water Association's Annual Conference to be held March 23-25, 2011 in Austin at a cost not to exceed

\$550.00 per Director. **Cash Mullen moved to approve up to four (4) Board members to attend the TRWA Annual Conference to be held March 23-25, 2011 in Austin at a cost not to exceed \$550.00 per Director. Mary Wilson seconded the motion, which the Board approved by a vote of 6-0, with Mike Giguere abstaining.**

- J. Discussion and possible action regarding agreement to purchase land for South Lake Georgetown Water Treatment Plant and associated easements. A status report was provided by Jennifer McKnight, Bob Wallace and Tony Corbett. **No action taken.**
- K. Discussion and possible action to authorize General Manager to hire consultant to assist Finance Manager with monthly bank reconciliation and other financial matters. **Mike Giguere moved to authorize the General Manager to hire a consultant to assist the Finance Manager with monthly bank reconciliation and other financial matters for up to 10 hours at a cost of \$200 per hour. Cash Mullen seconded the motion, which the Board approved unanimously.**
- L. Discussion and possible action regarding District Management and Ethics Policy. **This item was tabled. No action taken.**

Executive Session

At 9:00 p.m., Mary Wilson announced the Board of Directors would enter into Executive Session pursuant to Section 551.071 of the Texas Open meetings Act for deliberations with legal counsel.

At 9:45 p.m., Mary Wilson reconvened the public portion of the Board meeting. Ms. Wilson announced that no final action, decision, or vote was taken on any matter during Executive Session.

- M. Discussion and possible action regarding engineering services for pending water supply projects. The Board directed the General Manager to meet with Bob Wallace and request the following information for the February Board meeting: project schedules for all current projects handled by the Wallace Group, complete project plan for the South Water Treatment Plant Project, and a copy of the Environmental Information Document for the original 30 acre site for the plant.
- N. Discussion and possible action items from Board Committee Reports
No reports provided.

Adjournment

The meeting adjourned at 9:48 p.m. on a motion by Cash Mullen and seconded by Mary Wilson, which the Board approved unanimously.


Gordon Eurom, Secretary