

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

**Minutes of Meeting of the Board of Directors  
May 19, 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 19<sup>th</sup> day of May, 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, Pat Gower, Ed Pastor and those listed on the attached sign-in sheet.

**Public Comment**

None.

**Election Matters**

- A. Adopt the Order canvassing the returns of the May 14, 2011 election of Directors. **Gordon Eurom moved to adopt Order canvassing the returns of the May 14, 2011 election of Directors. Bob Johnson seconded the motion, which the Board approved unanimously.**
- B. Administer Oath of Office, approve Statement of Officers, execute bonds, and take other such actions as necessary for Directors to qualify for office. Jennifer McKnight administered the Oath of Office to Pat Gower and Ed Pastor. The Statement of Officers and bonds were executed by Pat Gower and Ed Pastor.
- C. Discussion and approve other matters related to District Directors Election held May 14, 2011. Tony Corbett, District Legal Counsel, informed the newly elected members that they are required to take the "Open Meetings and Public Information Act" courses within 90 days of

being elected to the Board of Directors. Mary Wilson suggested that a special Board meeting be arranged in order to familiarize the newly elected to their role as a Director on the Board, as well as to acquaint them to the various projects.

- D. Discussion and possible action regarding election of Board Officers, including President, Vice President, Secretary, and Treasurer. **Marcus Canipe moved for the Board to elect Mary Wilson as President, Marcus Canipe as Vice President, Mike Giguere as Secretary and Cash Mullen as Treasurer. Pat Gower seconded the motion, which the Board approved unanimously.**
- E. Discussion and possible action regarding Director Committee assignments. **No action taken.**

### **Consent Agenda**

- C. Approve Resolution No. 11-0519-01 appointing signatory authority for Union State Bank accounts to Board President, Vice President, Treasurer, Secretary, and General Manager.  
Mary Wilson requested that Item C be removed from the consent agenda and tabled. No action taken.
- A. Approval of Minutes from the April 21, 2011 and April 29, 2011 Board of Directors Meeting.  
Ed Pastor stated that a correction needed to be made to Consent Agenda, Item A on the April 21st minutes to read "Approval of Minutes from the March 17, 2011 Board of Directors Meeting."
- B. Approval of Check Register, Payment of Bills, and Invoices for April 2011.  
**Marcus Canipe moved to approve items A and B, with corrections to the minutes. Cash Mullen seconded the motion, which the Board approved unanimously.**
- D. Approval of Quarterly Investment Report for second quarter of FY 2011. Marcus Canipe asked that the quarterly report be pulled for further review because the quarterly report and the monthly report do not balance. Ms. McKnight explained they would not balance because the quarterly report covers the period of January through March 2011 and the monthly report is for April 2011. Mr. Canipe also asked why we have four accounts with Wells Fargo Bank that do not indicate any interest earned. Ms. McKnight explained that these accounts are covered under the District's depository agreement. The agreement allows for an "earnings credit rating" that pays interest at a variable rate. The interest earned on the accounts is then credited towards monthly service fees assessed by the bank.
- E. Amend District Standard Detail W-12 to clarify water line encasement required under roads.  
**Cash Mullen moved to approve to approve Items D and E on the Consent Agenda. Marcus Canipe 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. Quarterly Committed and Proposed Project Spend Report
- D. Monthly Customer Service Report
- E. Meter Pilot Program Update

F. Project Status Report for ongoing infrastructure projects

**Action Items**

A. Discussion and possible action regarding annual review of District 401K Plan. **Marcus Canipe moved to approve retaining Thornton Capital Strategies, LLC as the District's investment advisors for the 401K plan. Cash Mullen seconded the motion, which the Board approved unanimously.**

B. Discussion and possible action regarding items submitted by Bury and Partners, Inc.:

a. Approve Pressure Reduction Plan.

b. Approve engineering proposal for model update with North Lake Georgetown Pump Station.

**Gary Goodman moved to approve the Pressure Reduction Plan and the proposal for model update with the North Lake Georgetown Pump Station as submitted by Bury and Partners, Inc. Cash Mullen seconded the motion, which the Board approved unanimously.**

C. Discussion and possible action regarding North Lake Georgetown Pump Station Project:

a. Approve Change Order No. 2 for an increase of \$344,712.12 related to increased costs for changes required by City of Georgetown and/or other regulatory agencies.

**Pat Gower moved to approve Change Order No. 2 for an increase of \$344,712.12 related to increased costs for changes required by City of Georgetown and/or other regulatory agencies contingent upon the City of Georgetown paying 78% of Item 6B. Marcus Canipe seconded the motion, which the Board approved unanimously.**

b. Approve proposal from Kleinfelder for concrete testing at a cost not to exceed \$8,100.00. **Marcus Canipe moved to approve the proposal from Kleinfelder for concrete testing at a cost not to exceed \$8,100.00. Gary Goodman seconded the motion, which the Board approved unanimously.**

c. Approve emergency expenditure by General Manager of \$43,397.19 for electrical service to pump station site. **Ed Pastor moved to approve an emergency expenditure by General Manager of \$43,397.19 for electrical service to pump station site. Mary Wilson seconded the motion, which the Board approved unanimously.**

D. Discussion and possible action to designate system upgrade projects for Fiscal Year 2011.

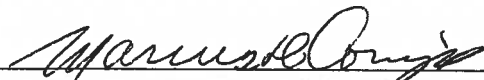
**Mary Wilson moved to approve the Infrastructure Committee's recommendations for projects. Marcus Canipe seconded the motion, which the Board approved unanimously.**

E. Discussion and possible action regarding District policies related to customer account deposits and bad debt. **Ed Pastor moved to stop returning customer deposits until service is terminated. Mary Wilson seconded the motion, which the Board approved unanimously.**

- F. Discussion and possible action regarding use of collection agency for bad debt accounts.  
Mary Wilson moved to approve Burnstein & Burnstein Collection Agency, for a period of one year, to collect bad debt accounts. Cash Mullen seconded the motion, which was approved (Mullen, Goodman, Canipe, Gower, Wilson were FOR the motion, and Pastor OPPOSED).
- G. Discussion and possible action to authorize General Manager to negotiate sale of District property on PR 916 and to act as District agent for closing.  
Ed Pastor moved to authorize the General Manager to negotiate sale of District property on PR 916 for \$15,000 to \$25,000 and to act as District agent for closing. Pat Gower seconded the motion, which the Board approved unanimously.
- H. Discussion and possible action regarding soliciting proposal(s) for auditing services for FY 2011 annual audit. Cash Mullen moved to retain the current auditing firm, Padgett Stratemann & Co., LLP, for auditing services for FY 2011 annual audit. Marcus Canipe seconded the motion, which was approved (Mullen, Wilson, Canipe and Pastor were FOR the motion, and Goodman and Gower OPPOSED).
- I. Discussion and possible action to approve Resolution No. 11-0519-02 to amend Fiscal Year 2011 Budget. Marcus Canipe moved to approve Resolution No. 11-0519-02 to amend Fiscal Year 2011 Budget. Gary Goodman seconded the motion, which the Board approved unanimously.
- J. Legislative update by District Legal Counsel. No action taken.
- K. Update by staff regarding 2010 Consumer Confidence Report required language. Ms. McKnight gave a summary. No action taken.

Adjournment

The meeting adjourned at 9:55 p.m. on a motion by Cash Mullen and seconded by Mary Wilson, which the Board approved unanimously.

  
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Marcus Canipe, Vice President