

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

**Minutes of Meeting of the Board of Directors
June 16, 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 16th day of June, 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
Mike Giguere	Secretary
Cash Mullen	Treasurer
Pat Gower	Director
Gary Goodman	Director
Ed Pastor	Director

Five Board members were present, with Mike Giguere and Pat Gower absent, thus constituting a quorum. Also present was Jennifer McKnight, Tony Corbett, Terri Sisk and those listed on the attached sign-in sheet.

Public Comment

None.

Consent Agenda

- A. Approval of Minutes from the May 19, 2011 Board of Directors Meeting.
- B. Approval of Check Register, Payment of Bills, and Invoices for May 2011.
- C. Approval of transmittal of unclaimed property to Texas comptroller in accordance with District Administrative Policy A-02 (Unclaimed Property).
- D. Approval of annual certification to Texas Attorney General regarding compliance with Chapter 395 of Local Government Code, with respect to compliance with impact fee program.

Mary Wilson moved to approve 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

Ms. McKnight stated all tanks are reaching critical low levels every morning due to high usage from irrigation systems. She stated that staff has been monitoring customer compliance with drought restrictions and has found many violations. The Board directed Ms. McKnight to do the following:

1. Hire temporary workers to look for violators after-hours.
2. Send a postcard to all customers advising them of District enforcement actions for violations of drought restrictions which include a warning for the first violation and service disconnection for subsequent violations. Reinstatement of service will require payment of a \$200 fee.
3. Send a letter to high usage customers requesting they modify their usage to conserve water.

Additionally, the Board stated they would look within their own subdivisions for violators and report them. They will each prepare a list of customers within their subdivisions that have "very green lawns" and a letter should be mailed to them as well.

B. Monthly Financial Reports

C. Monthly Customer Service Report

D. Project Status Reports for ongoing infrastructure projects

Action Items

- A. Discussion and possible action to approve engineering agreement with Halff Associates for water line upgrade projects on Northlake and CR 250. Marcus Canipe moved to approve the engineering agreement with Halff Associates for water line upgrade projects on Northlake and CR 250. Cash Mullen seconded the motion, which the Board approved unanimously.**
- B. Discussion and possible action to approve engineering agreement with Bury+Partners for Pressure Reducing Valve and Surge Relief Valve Installation Project. Mary Wilson moved to approve the engineering agreement with Bury+Partners for Pressure Reducing Valve and Surge Relief Valve Installation Project. Cash Mullen seconded the motion, which the Board approved unanimously.**
- C. Discussion and possible action regarding proposal and engagement letter from Padgett, Stratemann & Co., L.L.P. to perform FY 2011 annual financial audit. Mr. Mike O'Brien, Partner, with the auditing firm of Padgett, Stratemann & Co., L.L.P., gave a company overview. Mr. O'Brien will be CTSUD's lead CPA (taking the place of Chisholm Trail's previous lead CPA with Padgett, Stratemann & Co., L.L.P., Anna Swenson). Gary Goodman moved to approve Padgett, Stratemann & Co., L.L.P. to perform FY 2011 annual financial audit at a cost to not exceed \$22,500.00 for the scope specified in their proposal. Cash Mullen seconded the motion, which the Board approved unanimously.**

- D. Discussion and possible action to approve execution of Interlocal Agreements (ILA):
- a. Amendment No. 1 to ILA with Williamson County for SH 195 Segments 2 and 4 and to authorize General Manager to approve agreements with Texas Department of Transportation (TxDOT) to facilitate County reimbursements from TXDOT.
 - b. ILA with Williamson County for utility conflicts related to SH 29 at CR 260 and CR 266 intersections.
 - c. ILA with Williamson County for utility conflicts related to SH 29 at Park Place and Jack Nicklaus intersections.
 - d. ILA with Williamson County for utility conflicts related to Ronald Reagan Phase 4
- E. Discussion and possible action to approve Interlocal Agreement (ILA) with Williamson County for utility conflicts related to CR 245.

Mary Wilson moved to approve the execution of all ILAs with Williamson County listed under Action Item D and the ILA listed under Action Item E related to CR 245; and if necessary, to authorize the General Manager to pay the differential. Gary Goodman seconded the motion, which the Board approved unanimously.

- F. Discussion and possible action to amend Section 2.8 of the District Rules Governing Water and Wastewater Service to state that customer deposits will be held by the District until service termination. **Marcus Canipe moved to approve amending Section 2.8 of the District Rules Governing Water and Wastewater Service to state that customer deposits will be held by the District until service termination. Ed Pastor seconded the motion, which the Board approved unanimously.**
- G. Discussion and possible action to approve Order No. 11-0616-01 to designate District Capital Improvement Advisory Committee in accordance with Section 395.058 of Government Code. **Marcus Canipe moved to approve Order No. 11-0616-01 to designate District Capital Improvement Advisory Committee in accordance with Section 395.058 of Government Code. Cash Mullen seconded the motion, which the Board approved unanimously.**
- H. Discussion and possible action to remove Gordon Eurom as authorized signatory from all District banking accounts, money market accounts, and certificate of deposits. **Marcus Canipe moved to approve removing Gordon Eurom as authorized signatory from all District banking accounts, money market accounts, and certificate of deposits. Cash Mullen seconded the motion, which the Board approved unanimously.**
- I. Discussion and possible action to approve Resolution No. 11-0616-01 to designate District signatory authority for all District banking accounts, money market accounts, and certificate of deposits. **Tabled until next month by Board President.** Ms. McKnight asked that it be noted in the minutes that staff informed the Board that Gordon Eurom cannot be removed as a signatory authority from District banking accounts until a new resolution is approved by the Board. She stated the banks require a resolution and minutes to change signatory authorization.

- J. Discussion and possible action to approve Resolution No. 11-0616-02 to designate District signatory authority for TexPool Accounts. **Ed Pastor moved to approve Resolution No. 11-0616-02 to designate the Board officers and the General Manager as the District signatory authorities for TexPool Accounts. Cash Mullen seconded the motion, which the Board approved unanimously.**
- K. Discussion and possible action to proposal for tank inspections during FY 2012. **Mary Wilson moved to approve the staff recommendation for Dunham Engineering to conduct tank inspections during FY 2012 at a cost to not exceed \$15,500.00. Gary Goodman seconded the motion, which the Board approved unanimously.**
- L. Discussion and possible action to approve purchase and installation of a back-up generator, automatic switch device, and liquid propane tank for District office building. **Cash Mullen moved to approve the purchase of a 36kW generator, 1000 gallon refurbished propane tank, and an electrical installation proposal from T. Morales Company for the generator installation, all at a cost to not exceed \$37,912.66. Marcus Canipe seconded the motion, which the Board approved unanimously.**
- M. Discussion and possible action regarding bank depository agreement with Wells Fargo Bank and possible investment options for greater investment return on District funds. **No action taken.**
- N. Discussion and possible action regarding Board committee assignments. Mary Wilson stated that there will not be an Infrastructure Committee. She asked that the General Manager call a special meeting to include all Board members if there are any infrastructure issues that arise. Ms. Wilson stated that the Finance Committee will consist of Cash Mullen as Chairman with Pat Gower and Ed Pastor as members, and the Personnel Committee will consist of Marcus Canipe as Chairman with Gary Goodman and Mike Giguere as members. The Board agreed that the Board President will serve as an alternate member on all committees.
- O. Discussion and possible action regarding special meeting for Board training during July and budget workshop and Board training during August. **No action taken.**
- P. Legislative update by District Legal Counsel. **No action taken.**
- Q. Discussion and possible action regarding Non-Standard Service Agreement with MUD #13:
a. Approve Resolution No. 11-0616-03 for partial assignment of Non-Standard Service Agreement for MUD #13.
Marcus Canipe moved to approve Resolution No. 11-0616-03 for partial assignment of Non-Standard Service Agreement for MUD #13. Gary Goodman seconded the motion, which the Board approved unanimously.

- b. Approve First Amendment to the Restated and Amended Non-Standard Service Agreement to extend final platting date.

Cash Mullen moved to approve the First Amendment to the Restated and Amended Non-Standard Service Agreement to extend final platting date. Marcus Canipe seconded the motion, which the Board approved unanimously.

- R. Discussion and possible action regarding Director attendance at Brazos River Authority (BRA) Annual Water Customer Meeting to be held in Belton, Texas on June 29, 2011 at a cost not to exceed \$196.00 each. **Cash Mullen moved to approve Director attendance at the BRA Annual Water Customer Meeting to be held in Belton, Texas on June 29, 2011 at a cost not to exceed \$196.00 each. Marcus Canipe seconded the motion, which the Board approved unanimously.** Tony Corbett stated the Board should post an agenda if a quorum will attend this meeting.

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.



Marcus Canipe, Vice President