

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Meeting of the Board of Directors
January 19, 2012**

The Board of Directors of Chisholm Trail Special Utility District of Williamson, Bell, and Burnet Counties, Texas convened in a meeting at a designated meeting location for Chisholm Trail Special Utility District located at 100 Stadium Drive, Georgetown, TX 78627, Williamson County, Texas beginning at 5:30 p.m. on the 19th day of January, 2012. 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 5:32 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
Cash Mullen	Treasurer
Gary Goodman	Director
Pat Gower	Director
Ed Pastor	Director

Five Board members were present, with Pat Gower absent, thus constituting a quorum. Also present were Jennifer McKnight, Terri Sisk, Harry Randall, John Hatchel and those listed on the attached sign-in sheet.

Public Comments

1. Randy Wilburn: Attorney in Austin. Spoke to Board in reference to divestiture of system; he stated he believes it is the Board's fiduciary responsibility to obtain the highest amount for the water system. He stated other options are available to them other than conveying system to City of Georgetown. Mr. Wilburn asked that the Board delay any agreements with the City of Georgetown and take bids from public and private systems. Mr. Wilburn stated that he helped with LCRA divestiture.
2. Bert Mansfield: CTSUD customer for twenty-two years; on Board of Directors for ten years; stated he sees no upside to merge with the City of Georgetown; CTSUD stood on own all these years; he said Briggs made clear that the City of Georgetown is not going to subsidize the CTSUD customers; commitments made when plenty water in the lake, he asks they stop development and don't let them start; if need additional water, buy it from City of Georgetown. Rural customers don't complain they just expect CTSUD to take care of them. He sees no upside to giving away the house.

Customer Request

Discussion and possible action regarding request by customer at 3006 Fountainwood Drive, account number 31-4225-00, to approve an additional \$500 for driveway repair (for a total of \$1,500 with previous \$1,000 approved) for alleged damage caused by waterline settling. Mr. Keith Burns, customer at 3006 Fountainwood Drive, stated that his neighbors have sustained at least three leaks over the last few years; this has caused the waterline to settle and therefore crack his driveway. Mr. Burns has obtained two bids for \$1,500 (verbal quote), but the contractors never returned his calls. Mr. Burns secured two additional bids, one for \$2,235 and one for \$3,500. Mr. Burns asked that CTSUD have a contractor come and do the work, or pay for BFS at \$2,235 to him. He only has a boat and a truck driving over the driveway. **Marcus Canipe moved to approve for CTSUD staff to obtain a contractor bid for repair of the driveway in accordance with the specifications submitted by Mr. Burns, submit the bid to the District's insurance company for payment, and then have the contractor repair the driveway. Cash Mullen seconded the motion, which the Board approved unanimously.**

Consent Agenda

- A. Approve minutes from the December 15, 2011 Board of Directors Meeting.
- B. Approve check register, payment of bills, and invoices for December 2011.

Cash Mullen 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
- B. Monthly Financial Reports
- C. Project Status Report for ongoing infrastructure projects

Marcus Canipe asked that staff contact BRA and determine if they will accept a "first right of refusal" letter from the District for the available Alliance water.

Action Items

- A. Discussion and possible action to approve FY 2011 Annual Audit as presented by Padgett, Stratemann & Co. CPA. Mike O'Brien, Partner, Padgett, Stratemann & Co., gave an audit overview to the Board members. Mr. O'Brien stated that the audit went very smooth, with full staff cooperation and resulted in an unqualified opinion. **Cash Mullen moved to approve the FY 2011 Annual Audit as presented by Padgett, Stratemann, and Company. Marcus Canipe seconded the motion, which the Board approved unanimously.**
- B. Discussion and possible action to approve Interlocal Agreement with the City of Georgetown for feasibility study and possible consolidation

Mary Wilson announced that Legal Counsel could not be present; therefore, Action Items B, C, E, and R would not be considered tonight. She stated those items will be considered in Executive Session on Friday morning. Ms. Wilson announced that the meeting would recess later tonight and will be moved to the District office at 851 FM 970 in Florence when it

reconvenes at 9:00 a.m. tomorrow morning.

Jim Briggs, Georgetown Assistant City Manager, gave an update to the Board of Directors in reference to the Inter-local agreement for the feasibility study.

- C. Discussion and possible action to approve Interlocal Agreement with the City of Georgetown to provide service to Shady Oaks. *Item considered by the Board on January 20, 2012.*
- D. Discussion and possible action to extend John Hatchel's engagement with the District through completion of the City of Georgetown/CTSUD feasibility study.
Marcus Canipe moved to extend John Hatchel's contract through completion of the City of Georgetown/CTSUD feasibility study with a defined scope of work added to the engagement. Cash Mullen seconded the motion. The motion passed (all FOR except Goodman AGAINST).
- E. Discussion and possible action to engage a CCN merger attorney to work with District Legal Counsel. *Item considered by the Board on January 20, 2012.*
- F. Discussion and possible action to approve possible expenditures related to temporary personnel by the General Manager for assistance with information compilation and dissemination for due diligence process with the City of Georgetown. **Ed Pastor moved to approve expenditure by General Manager of up to \$2,500.00 for temporary personnel to assist with data collection for feasibility study. Gary Goodman seconded the motion, which the Board approved unanimously.**
- G. Discussion and possible action to approve proposal from DGR Engineering for abandoned Site Reuse Study. **Marcus Canipe moved to approve the proposal from DGR Engineering for Abandoned Site Reuse Study, requiring all information be sent to the General Manager and for her to forward the information to the engineers for inclusion in modeling. Ed Pastor seconded the motion, which the Board approved unanimously.**
- H. Discussion and possible action to Secretary of the Board of Directors. **Mary Wilson moved to appoint Ed Pastor Secretary of the Board of Directors. Marcus Canipe seconded the motion, which the Board approved unanimously.**
- I. Discussion and possible action to fill vacated position on the District Board of Directors. **Marcus Canipe moved to approve extending the application deadline for the vacated position on the District Board of Directors to February 8, 2012. Gary Goodman seconded the motion, which the Board approved unanimously.**
- J. Discussion and possible action regarding May elections. **Marcus Canipe made a motion to move the Directors election to November and to bring a resolution to allow for this to the February Board of Directors meeting. Cash Mullen seconded the motion, which the Board approved unanimously.**

- K. Discussion and possible action to approve Bill of Sale and Assignment of SH 195 infrastructure to the City of Georgetown in accordance with the Water Service, Water Rights, and Facility Ownership Contract dated February 22, 1999. Ed Pastor moved to approve the Bill of Sale and Assignment and to include the correction of the pipe size to read 6-inch line size in "Exhibit A". Cash Mullen seconded the motion, which the Board approved unanimously.
- L. Discussion and possible action to approve proposal by Halff Associates for design of 24" waterline on Williams Drive to replace existing 15" waterline. Cash Mullen moved to approve the revised proposal by Halff Associates for design of 24" waterline on Williams Drive to replace existing 15" waterline from County Road 245 to Daniels Mountain for an amount not to exceed \$497,640.00. Gary Goodman seconded the motion, which the Board approved unanimously.
- M. Discussion and possible action to approve items submitted by Bury+Partners:
- a. Approve Stonewall Fill Valve Report. Recommendation was made that staff implement modified controls which will reduce pump starts and stops.
 - b. Approve bid for Stonewall Tank Fill Valve Modifications. Low bid for the Stonewall Tank Fill Valve Modifications was \$33,106.42 from Keystone Construction Company.
 - c. Approve engineering proposal for construction services for modifications to fill valve at Stonewall plant site. Proposal for Professional Engineering Services from Bury+Partners for Stonewall Fill Valve Modifications in the amount of \$10,670.00.
Ed Pastor moved to approve items a, b, and c submitted by Bury+Partners as presented in the Board packet and including the low bid from Keystone in the amount of \$33,106.42 for modification to the Stonewall fill valve. Cash Mullen seconded the motion, which the Board approved unanimously.
 - d. Approve engineering proposal for design of altitude valve at Braun Elevated Storage Tank.
Tabled for future agenda.
 - e. Approve updated schedule for PRV & SRV installation project. Trey Taylor, engineer with Bury+Partners, stated that all submittals have been reviewed and the contractor is expected to mobilize January 25, 2012 with a substantial completion date of May 24, 2012. Mary Wilson stated that the Board expects the project to stay on schedule with all dates to be met. Mr. Taylor assured the Board that he is confident that the completion date of May 24th will be met. Cash Mullen moved to approve the updated schedule for PRV & SRV installation project. Gary Goodman seconded the motion, which the Board approved unanimously.
- N. Discussion and possible action regarding securing the engineering work documents related to South Water Treatment Plant from the Wallace Group. Jennifer McKnight reported that the documents related to the South Water Treatment Plant were received from the engineer. **No action taken.**
- O. Discussion and possible action to approve amended District Investment Policy reflecting changes required by HB 2226 passed during the 2011 Regular Legislative Session. Cash Mullen moved to amend the District Investment Policy reflecting changes required by HB 2226 passed during

the 2011 Regular Legislative Session. Marcus Canipe seconded the motion, which the Board approved unanimously.

- P. Discussion and possible action regarding settlement request by attorney for Tomlinson Family Trust related to waterline easement obtained in January 2009 for Ronald Reagan Blvd. waterline project. Marcus Canipe moved to approve settling the Tomlinson Family Trust waterline easement request in the following manner: 1) for CTSUD to stop payment on the old check, 2) obtain a release from the Tomlinson Family Trust, and 3) pay \$4,500.00 to the Tomlinson Family Trust once the release is received. Cash Mullen seconded the motion, which the Board approved unanimously.**

- Q. Discussion and possible action regarding petition for decertification of the “Wolf Tract” from the District’s water CCN, including without limitation, authorizing the District’s legal counsel to commence administrative and judicial proceedings in response thereto. No action taken.**

- R. Discussion and possible action regarding due diligence considerations presented by District Legal Counsel. Item considered by the Board on January 20, 2012.**

Executive Session

At 9:25 p.m., Mary Wilson announced that the Board of Directors would enter into Executive Session pursuant to the applicable section of Subchapter D, Chapter 551.074, of the Texas Open Meetings Act.

At 10:48 p.m., the Board of Directors reconvened the public portion of the meeting and Mary Wilson announced that no final action, decision, or vote was taken on any matter in Executive Session.

- S. Discussion and possible action regarding personnel issue with General Manager. No action taken.**

The meeting was recessed at 10:50 p.m. until the following morning.

At 9:07 a.m. on January 20, 2012, the Board of Directors reconvened the public portion of the meeting at the District office and the meeting was called to order.

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
Cash Mullen	Treasurer
Gary Goodman	Director
Pat Gower	Director
Ed Pastor	Director

Five Board members were present, with Pat Gower absent, thus constituting a quorum. Also present were Jennifer McKnight, John Hatchel, Leonard Dougal and those listed on the attached sign-in sheet.

Action Items

- E. Discussion and possible action to engage a CCN merger attorney to work with District Legal Counsel. Mr. Leonard Dougal, Attorney at Law, associated with Jackson Walker, L.L.P. law firm, presented his resume to the Board of Directors. He informed the Board his hourly rate is \$425 per hour for legal services. **Mary Wilson moved to engage Leonard Dougal as the CCN merger attorney for the District. Marcus Canipe seconded the motion, which the Board approved unanimously.**

Executive Session

At 9:22 a.m., Mary Wilson announced that the Board of Directors would enter into Executive Session pursuant to the applicable section of Subchapter D, Chapter 551.071, of the Texas Open Meetings Act for deliberations.

At 11:22 a.m., the Board of Directors reconvened the public portion of the meeting and Mary Wilson announced that no final action, decision, or vote was taken on any matter in Executive Session.

- B. Discussion and possible action to approve Interlocal Agreement with the City of Georgetown for feasibility study and possible consolidation. Mary Wilson stated the Board would like Mr. Hatchel to arrange a meeting with Jim Briggs at the City to discuss a draft ILA. She stated that staff should plan a special meeting for Friday, January 27, 2012 to allow Mr. Dougal an opportunity to share the status of the ILA with the Board after meeting with the City. **No action taken.**
- C. Discussion and possible action to approve Interlocal Agreement with the City of Georgetown to provide water service to Shady Oaks. **Mary Wilson moved to approve Legal Counsel to draft a revised Interlocal Agreement with the City of Georgetown to provide water service to Shady Oaks. Marcus Canipe seconded the motion, which the Board approved unanimously.**
- R. Discussion and possible action regarding due diligence considerations presented by District Legal Counsel. **No action taken.**

Mary Wilson moved to approve Ed Pastor's removal from the District Due Diligence Committee and for the committee to now include John Hatchel, Leonard Dougal, and Jennifer McKnight. Gary Goodman seconded the motion, which the Board approved unanimously.

Mary Wilson announced that Tony Corbett will rescind his resignation.

Adjournment

The meeting adjourned at 11:40 a.m. on a motion by Cash Mullen and seconded by Gary Goodman, which the Board approved unanimously.



Ed Pastor, Secretary