

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Meeting of the Board of Directors
May 16, 2013**

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 18th day of March, 2013. Notices of the time, place, and subject of the meeting were posted at the places and for the time required by law.

The meeting was called to order at 5:34 p.m.

Pat Gower led those present in the Pledge of Allegiance to the American flag.

Pat Gower, President, announced that all Board members were present, thus constituting a quorum. Also present were Tony Corbett, Harry Randall, Keith Walker, Linda White, Noah Shaffer (Halff Associates), Danielle Ellis, Keith Caldwell (Bury+Partners) and those listed on the sign-in sheet.

Public Comments

Don Scott, Harry Savio, Karen Mattis, and Ron Dockrey made comments to the Board.

Consent Agenda

- A. Approve minutes from the April 12, 2013 and April 18, 2013 Board of Directors meetings. Mike Sweeney moved to approve the minutes for the April 12, 2013 and April 18, 2013 Board of Directors meetings as presented. David Ciambrone seconded the motion, which the Board approved unanimously.

Action Items

- A. Discussion and possible action to approve Bill of Sale and Assignment for conveyance of facilities constructed for the Water Oak North Subdivision, Section 1. After a brief report by Tony Corbett (District legal counsel), Delton Robinson moved to approve the Bill of Sale and Assignment for conveyance of facilities constructed for the Water Oak North Subdivision, Section 1. David Ciambrone seconded the motion, which the Board approved unanimously.
- B. Discussion and possible action to approve Resolution No. 13-0516-01 Concerning Payment of Costs Associated with Unauthorized Damage to District Waterlines and Facilities. Tony Corbett summarized the terms of a proposed policy establishing responsibility for unauthorized damage to District waterlines and facilities. After discussion, Ed Pastor moved to approve Resolution No. 13-0516-01 Concerning Payment of Costs Associated with

Unauthorized Damage to District Waterlines and Facilities as presented. David Ciambone seconded the motion, which the Board approved unanimously.

- C. Discussion and possible action to approve Resolution No. 13-0516-02 Establishing Rules for Looping Subdivision Transmission Line Improvements. Tony Corbett and Noah Shaffer presented a resolution that would amend the District's rules to require looping of transmission lines. After discussion, Delton Robinson moved to approve Resolution No. 13-0516-02 Establishing Rules for Looping Subdivision Transmission Line Improvements. David Ciambone seconded the motion, which the Board approved unanimously.
- D. Discussion and possible action concerning selection of audit firm to conduct annual fiscal year audit. Keith Walker, Interim General Manager, stated that the following four auditing firms had submitted proposals to conduct the District's fiscal year audit: 1) Matthew, Ludwick, Templin & Montgomery; 2) Maxwell, Locke & Ritter; 3) McCall Gibson Swedlund Barfoot; and 4) Belt Harris Pechacek. Discussion occurred. Delton Robinson then moved to approve the proposal by Maxwell, Locke & Ritter to provide audit services to the District. Marcus Canipe seconded the motion. The motion passed 6-1(all FOR except Gary Goodman AGAINST).
- E. Discussion and possible action regarding proposal for information technology upgrades. Keith Walker, Interim General Manager, updated the Board on the District's current IT system and need for improvements. Mr. Walker recommended Red Apple Computer Tutor, LLC dba Business Software Made Easy to provide IT services. Discussion occurred. Ed Pastor then moved to approve the proposal of Red Apple Computer Tutor, LLC dba Business Software Made Easy to create a database for management of District water resources, to upgrade and install hardware, and to provide technical support. Marcus Canipe seconded the motion, which the Board approved unanimously.
- F. Discussion and possible action regarding rate study undertaken by West View Consulting, Inc. Tabled.
- G. Discussion and possible action regarding alternative water supply development projects. Mr. Corbett provided a report to the Board regarding a meeting with the City of Leander regarding the potential terms of a wheeling agreement by the City for additional water supplies to be secured by the District from the Brazos River Authority. After discussion, David Ciambone moved to approve the continuation of discussions with the City of Leander and the BRA for additional water suppliers. Marcus Canipe seconded the motion, which the Board approved unanimously.
- H. Discussion and possible action to request extension of TCEQ approval for issuance of bonds for water improvement projects. Tony Corbett briefed the Board, regarding the expiration of TCEQ approval for the issuance of bonds by the District. He explained that such

approval remained in effect for one year, but could be extended upon adoption of a resolution. He also reported that the resolution did not obligate the District to issue bonds, and that the scope of projects could be amended if the Board elected to finance different projects than those originally authorized by the District. **Marcus Canipe** moved to approve the resolution requesting an extension of TCEQ's approval for issuance of bonds for water improvement projects. **Gary Goodman** seconded the motion, which the Board approved unanimously.

- I. Adopt Order Scheduling Public Hearing Concerning Possible Amendment to Impact Fees. **Delton Robinson** moved to adopt an Order Scheduling Public Hearing Concerning Possible Amendment to Impact Fees. **David Ciambrone** seconded the motion, which the Board approved unanimously. The Board set July 11, 2013 at 5:30 p.m. for the Public Hearing.
- J. Discussion and possible action regarding water loss. **Mike Sweeney** moved for the District to hire a summer college student, at a cost not to exceed \$5,000.00, to work with staff in gathering data pertaining to District water loss. **David Ciambrone** seconded the motion, which the Board approved unanimously.
- K. Discussion and possible action to set date for Board Workshop to discuss strategic planning, including development of additional water supplies, possible transfer of service territory, and Interlocal agreements with other political subdivisions. Tabled.

Interim General Manager's Report

Gordon Pierce presented the Interim General Manager's Report including the following information:

- A. Operational Status Report & Water Loss Report
- B. Monthly Financial Reports
- C. Project Status Report

Delton Robinson moved to approve the Interim General Manager's Report. **Pat Gower** seconded the motion, which the Board approved unanimously.

Recess

The Board recessed the meeting at 6:50 p.m.

Reconvened

The Board reconvened at 7:00 p.m. with all Directors present.

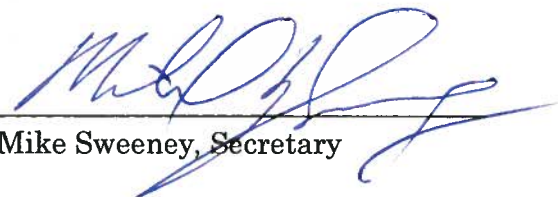
Process for Search of General Manager –**Ed Pastor**, Chairman of Personnel Committee, updated the Board on the search for a new General Manager for the District. The Board authorized the Personnel Committee to secure the services of a search firm at a cost not to exceed \$50,000.

Executive Session

At 7:25 p.m., Pat Gower announced that the Board of Directors would enter into Executive Session pursuant to the Open Meetings Act to seek legal opinion and advice regarding Agenda Item IV(G). At 8:01 p.m., the Board of Directors reconvened the public portion of the meeting and President Pat Gower announced that no final action, decision, or vote was taken in any matter in Executive Session.

Adjournment

The meeting adjourned at 8:02 p.m. by unanimous acclamation.



Mike Sweeney, Secretary