

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Meeting of the Board of Directors
January 17, 2013**

The Board of Directors of Chisholm Trail Special Utility District of Williamson, Bell, and Burnet Counties, Texas convened at 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 17th day of January, 2013. 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.

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

Gordon Pierce, Interim General Manager, called roll:

Pat Gower	President
Ed Pastor	Vice-President
Mike Sweeney	Secretary
Delton Robinson	Treasurer
Marcus Canipe	Director
Gary Goodman	Director
David Ciambrone	Director

All Board members were present, thus constituting a quorum. Also present were Gordon Pierce, Tony Corbett, John Hatchel, Harry Randall, Keith Walker, Danielle Ellis, Linda White, Todd Jackson (Halff Associates), Noah Shaffer (Halff Associates), Rob Stephenson, Capital Hydrant, Joanna Baltierra and Cathy Miles, both with Padgett, Stratemann & Company, CPA, and those listed on the sign-in sheet.

Public Comments

A member of the audience, Don Scott, Ad Hoc Water Committee, expressed his view pertaining to the Board not disclosing subject matters of the Executive Sessions during open sessions of the Board meetings.

Consent Agenda

- A. Approve minutes from the December 20, 2012 Board of Directors meeting.
- B. Approve check register, payment of bills, and invoices for December, 2012.
- C. Approve the Quarterly Investment Report (October, November, December) for the period ending December 31, 2012.

- D. Approve bid for FY 2013 budgeted 2013 Ford F-250 (bid includes trade-in on 2006 Ford F-350).

David Ciambrone moved to approve items A, B, C, and D of the Consent Agenda. Ed Pastor seconded the motion, which the Board approved unanimously.

Action Items

- A. Discussion and possible action to approve FY 2012 Annual Audit as presented by Padgett, Stratemann & Company, CPA. Ms. Cathy Miles, CPA, Padgett, Stratemann & Company presented to the Board an annual overview of the audit and provided an unqualified opinion of the FY 2011-2012. Ms. Joanna Baltierra, CPA, Padgett, Stratemann & Company presented additional information to the Board of Directors pertaining to the FY 2012 audit. Gary Goodman moved to approve the FY 2012 Annual Audit as presented by Padgett, Stratemann & Company, CPA. David Ciambrone seconded the motion, which the Board approved unanimously.
- B. Discussion and possible action to approve First Amendment to Non-Standard Water Service Agreement with the developer of Westridge Subdivision. Marcus Canipe moved to approve First Amendment to Non-Standard Water Service Agreement with the developer of Westridge Subdivision. David Ciambrone seconded the motion, which the Board approved unanimously.
- C. Discussion and possible action to approve an extended contract with Capital Hydrant for 2013 Fire Hydrant Maintenance and Flow Testing Project. Gordon Pierce presented a brief presentation in regards to extending the contract with Capital Hydrant. Mike Sweeney moved to extend the contract, specifically stating not to exceed \$40,000.00, with Capital Hydrant for flow testing and providing maintenance for all remaining hydrants in the District. David Ciambrone seconded the motion, which the Board approved unanimously. The Board directed Tony Corbett to develop a not to exceed \$40,000.000 Agreement for Maintenance of Fire Hydrant Services.
- D. Discussion and possible action to recommend candidates from names submitted for Local Government Corporation Board.

Marcus Canipe made a motion nominating Ed Pastor as the urban representative on the LGC Board. Ed Pastor seconded the motion. Discussion by Mike Sweeney and David Ciambrone. The motion passed (FOR: Marcus Canipe, Gary Goodman, Pat Gower, David Ciambrone, Ed Pastor; AGAINST: Mike Sweeney; OBSTAIN: Delton Robinson).

David Ciambrone made a motion nominating Patty Rodgers as the rural representative on the LGC Board. Marcus Canipe seconded the motion. Discussion occurred. The motion passed (FOR: Marcus Canipe, Gary Goodman, Ed Pastor, David Ciambrone; AGAINST: Pat Gower, Mike Sweeney, Delton Robinson).

- E. Discussion and possible action regarding potential Wholesale Water Supply Agreement with the City of Florence. No action taken.
- F. Discussion and possible action on proposed Capital Metro license agreement for the Liberty Hill ISD Offsite Improvements. Delton Robinson moved to approve the proposed Capital Metro License to Use the Right of Way agreement, as well as the First Amendment to ILA Regarding Construction of Water System Improvements and Provision of Water Service for the Liberty Hill ISD High School Project, subject to confirmation by LHISD. Mike Sweeney seconded the motion, which the Board approved unanimously.
- G. Discussion and possible action to approve Change Order #2 for SH 195, Segment 4. Ed Pastor moved to approve Change Order #2 for SH 195, Segment 4. David Ciambrone seconded the motion, which the Board approved unanimously.
- H. Discussion and possible action to award bids and authorize contract execution for construction of the following projects:
1. Liberty Hill I.S.D. Offsite Waterline Improvements. David Ciambrone moved to approve the bid and authorize execution of contract for Liberty Hill ISD Offsite Waterline Improvements to the low bidder, Skyblue Utilities, Inc., for the bid price of \$984,994.25. Delton Robinson seconded the motion, which the Board approved unanimously.
 2. RM 2338 / CR 248 15" Waterline Replacement. Delton Robinson moved to approve the bid and authorize execution of contract for RM 2338/CR 248 15" Waterline Replacement to the low bidder, Nelson Lewis, Inc., for the bid price of \$4,422,617.29. David Ciambrone seconded the motion, which the Board approved unanimously.
 3. CR 234 8" Waterline Improvement. David Ciambrone moved to approve the bid and authorize execution of contract for CR 234 8" Waterline Improvement to the low bidder, AgH₂O Holdings, for the bid price of \$59,777.00. Gary Goodman seconded the motion, which the Board approved unanimously.
- I. Discussion and possible action on new information concerning alternatives to the proposed CR 215 Waterline Improvements. Tabled.
- J. Discussion and possible action to appoint an additional member to the Capital Improvement Advisory Committee. Mike Sweeney nominated Karen Mattis as an additional member to the Capital Improvement Advisory Committee. Delton Robinson seconded the motion, which the Board approved unanimously.

Recess

The Board recessed the meeting at 7:00 p.m.

Reconvened

The Board reconvened the Board meeting at 7:15 p.m. with all Directors present.

- K. Presentation by Halff Associates of the 2013 Draft CIP Plan & Recommended Impact Fee Calculation Report. Noah Shaffer, Halff Associates, provided an overview of the 2013 Draft CIP Plan & Recommended Impact Fee Calculation Report. No action taken.
- L. Discussion and possible action to schedule a special meeting of the Board to discuss the 2013 Draft CIP Plan & Recommended Impact Fee Calculation Report. David Ciambrone made a motion to schedule special meetings of the Board to discuss the 2013 Draft CIP Plan & Recommended Impact Fee Calculation Report for February 5, 2013 and March 12, 2013. Ed Pastor seconded the motion, which the Board approved unanimously.
- M. Discussion and possible action to direct staff regarding billing correction. Gordon Pierce gave a brief presentation to the Board. Marcus Canipe made a motion to send corrected billings to the affected customers beginning with the next billing date of February 1, 2013. Mike Sweeney seconded the motion, which the Board approved unanimously.
- N. Discussion and possible action to consider appointing District Customer Committees. Pat Gower appointed Mike Sweeney as the point person to work with staff external committees.
- O. Discussion and possible action regarding 2012-2013 Board of Directors Essential Duty Calendar. Tabled.
- P. Discussion and possible action regarding District employee health insurance options for March 1, 2013. Staff will receive revised quotes and discuss with current health insurance broker. This information will be provided to the Board Personnel Chairman, Ed Pastor. The Board Personnel Committee will meet before the Board meeting on February 5, 2013 and provide a recommendation to the Board on February 5, 2013.
- Q. Discussion and possible action regarding right-of-way and easement dispute along Cherokee Trail. Tabled until after the Interim General Manager report and to be discussed in Executive Session.

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

Executive Session

At 8:17 p.m., President Pat Gower announced that the Board of Directors would enter into Executive Session to seek legal advice under the following:

- A. Texas Government Code - Section 551.071
 - i. Consultation with Attorney regarding landowner claim for damages and compensation relating to construction of waterline improvements in Cherokee Trail right-of-way area.

At 8:30 p.m., the Board of Directors reconvened the public portion of the meeting.

Delton Robinson made a motion for the Interim General Manager and the District Engineer to negotiate a settlement with the landowner. David Ciambrone seconded the motion, which the Board approved unanimously.

2013 Draft CIP Plan & Recommended Impact Fee Calculation Report

The Board requested the District Engineer to provide additional information in regard to the service build-out numbers from the 2013 Draft CIP Plan. In connection with the report, Noah stated that a developer had submitted a service availability letter for a proposed "Wolf Ridge" Subdivision. The Board discussed whether to add the offsite extension line to the CIP list. The Board directed Noah not to do so, and to treat the line as a developer extension obligation.

Adjournment

The meeting adjourned at 8:45 p.m. on a motion by Ed Pastor and seconded by David Ciambrone, which the Board approved unanimously.



Mike Sweeney, Secretary