

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Meeting of the Board of Directors
June 19, 2014**

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 and meeting place for the District, 851 FM 970, Florence, Williamson County, Texas beginning at 5:30 p.m. on the 19th day of June, 2014. 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 5:30 p.m.

President Delton Robinson led those present in the Pledge of Allegiance to the American flag.

Roll was called:

Delton Robinson	President
Ed Pastor	Vice President
Mike Sweeney	Secretary
James Pletcher	Treasurer
Gary Goodman	Director
Pat Gower	Director
Bob Johnson	Director

All Board members were present, thus constituting a quorum. Also present were Jim Briggs, Keith Walker, Linda White, Leonard Dougal, Danielle Ellis, Kelly Hurta (Assistant VP of Land Development, GALO Properties), Jody Richardson (Attorney at Law, Allen Boone Humphries Robinson, LLP), who represents GALO Properties and those listed on the sign-in sheets.

Public Comments

Kelly Hurta (Assistant VP of Land Development, GALO Properties) and Jody Richardson (Attorney at Law, Allen Boone Humphries Robinson, LLP), who represents GALO Properties, will defer their comments until the Water Oaks Development is discussed later in the meeting.

General Manager's Report

A. Operations Report – Jim Briggs presented to the Board graphs indicating the meter counts, gallons of water used and sold.

B. Project Status Reports

Mr. Briggs reported that the Brazos River Authority has scheduled three meeting places/times for their annual water customer meeting. The customer meetings provide an opportunity to learn more about the programs and services provided by the BRA, its

strategic priorities, their proposed annual budget, the proposed system water rate of \$69.50, and the proposed agricultural water rate of \$48.65 for fiscal year 2015. The Central Basin meeting is scheduled at the T.B. Harris Community Center, Belton, Texas, on Wednesday, July 9, 2014, at 10:30 a.m. If anyone plans to attend, they should contact Linda White before July 3rd.

Mr. Briggs reported that there have been recent issues with the District's current call center pertaining to some miscommunications. The District will pursue various ways to correct the communications with the current vendor, as well as researching other vendor choices.

Mr. Briggs updated the Board on the current repairs on the large pump at Lake Stillhouse Hollow. Repairs, redesign, internal testing have been conducted and it is expected that the pump will be coming on line soon. The same modifications will be made on the second pump, and then the second pump will be brought on line.

Domel Pump Station #1 is currently having a motor changed out; reasoning for no readings on May 30th and May 31st.

Representatives from Texas and Texas Senators are conducting hearings addressing water concerns and possibility of a water desalination project. Planning meetings of the Brazos Region G include discussions concerning future water supplies, ground water availability and aquifer storage.

- C. Update on Consent to Assignments – Jim Briggs stated that several of the Consent to Assignments are continuing to be reviewed and processed.
- D. Update on TCEQ status and review/approval of pending STM application. Parties are sending requests for information and information is being provided. The process is proceeding as directed by the Judge.

Consent Agenda

- A. Approve minutes from the May 15, 2014 Board of Directors Meeting and May 28, 2014 Special Meeting of the Board of Directors. **Pat Gower moved to approve the minutes from the May 15, 2014 Board of Directors meeting and the May 28, 2014 special Meeting of the Board of Directors. Mike Sweeney seconded the motion, which the Board approved unanimously.**

Legislative Regular Agenda

- A. Consideration and possible action of the Board to extend the current Independent Contractor Agreement, with Keith Walker, for business management and financial services,

for one additional quarter, through September 30, 2014. **Gary Goodman moved to approve extending the current Independent Contractor Agreement with Keith Walker for one additional quarter, through September 30, 2014. James Pletcher seconded the motion, which the Board approved unanimously.**

B. Consideration and possible action to approve matters related to November 4, 2014 Board of Directors Election:

1. Order No. 14-0619-01 Calling an Election for Directors
2. Notice of Appointment of Agent
3. Review other items as may be necessary or convenient to proceed with November 4, 2014 Directors Election

Gary Goodman moved to approve Order No 14-0619-01 Calling an Election for Directors and to approve the Notice of Appointment of Agent for the election. James Pletcher seconded the motion, which the Board approved unanimously.

E. Consideration and possible action to execute a Non-Standard Water Service Agreement for Water Oak. Water Oak is an ongoing residential development on the south side of SH 29. The developer has requested a water service agreement for Sections 2 & 3 totaling approximately 43.566 acres and containing 141 lots. There are no offsite improvements required as this is a continuation of Section 1. The terms of the agreement reflect recent direction from the Board regarding Water Acquisition Fees, 350 gallons per connection per day, conservation/landscaping standards, and development performance requirements (14 lots [10%] every year after year 2). Additionally, the development will be served by a Municipal Utility District (MUD). As such, impact fees are recommended to be paid at final plat. **Mike Sweeney moved to modify the Non-Standard Water Service Agreement (NSSA) for Water Oak for Section 2 and Section 3 to remove the requirement for impact fees and revert back to the original NSSA, that Section 3 will have flush valves, and that Section 2 will have flush valves but applied at a later date with approval of Sections 4, 5, & 6, paid for by the developer. Gary Goodman seconded the motion, which the Board approved unanimously. Delton Robinson specifically asked Kelly Hurta (Assistant VP of Land Development, GALO Properties) and Jody Richardson (Attorney at Law, Allen Boone Humphries Robinson, LLP), who represents GALO Properties, if they accepted these terms, and each stated that they accepted these modifications.**

C. Consideration and possible action on Water Conservation use of Deed Restrictions for new development and enforcement alternatives. Current Non-Standard Service Agreements (NSSA) require the developers to place water conservation standards in the deed restrictions for their lots. Legal has concerns over the effectiveness of this practice and would like to discuss placing these standards in the overall District Water Conservation

Plan and reference them in future NSSAs. **Pat Gower** moved to follow the District attorney's recommendation to pull the water conservation standards from the Deed Restrictions on individual lots as part of the District's developer contract for future developments, and the Board gives the General Manager/Business Manager the authority on any existing contracts containing the water conservation standard, the authority to amend the contract. Gary Goodman seconded the motion. The motion passed (all FOR except Ed Pastor AGAINST).

- D. Consideration and possible action to execute a Non-Standard Water Service Agreement for Caughfield Tract. Tabled.

Recess

The Board recessed the meeting at 6:50 p.m., for a short break.

Reconvened

The Board reconvened into Public Session at 7:05 p.m. with all Board members present.

Executive Session

At 7:07 p.m., President Delton Robinson announced to the public that the Board of Directors would convene in Executive Session to seek legal advice from the District's legal counsel as authorized by Section 551.071, Texas Government Code, and/or discuss the purchase, exchange, lease or value of real property in Williamson, Bell and Burnet Counties, pursuant to Section 551.072, Texas Government Code.

Adjourn Executive Session

At 8:12 p.m., the Board of Directors adjourned the Executive Session on a motion by Pat Gower, seconded by Ed Pastor, which the Board approved unanimously.

Reconvene into Public Session

At 8:13 p.m., the Board of Directors reconvened in Open Session.

Adjournment

The meeting adjourned at 8:14 p.m. on a motion by Pat Gower, seconded by Ed Pastor, which the Board approved unanimously.



Mike Sweeney, Secretary