

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Meeting of the Board of Directors Work Session
May 30, 2012**

The Board of Directors of Chisholm Trail Special Utility District of Williamson, Bell, and Burnet Counties, Texas convened in a Work Session at the Georgetown Chamber of Commerce Building, 100 Stadium Drive, Georgetown, Texas, Williamson County, Texas beginning at 9:30 a.m. on the 30th day of May, 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 9:30 a.m.

Mary Wilson led those present in the Pledge of Allegiance to the American flag.

Gordon Pierce, Interim General Manager called roll:

Mary Wilson	President
Marcus Canipe	Vice-President
Ed Pastor	Secretary
Cash Mullen	Treasurer
Gary Goodman	Director
Pat Gower	Director
David Ciambrone	Director

Seven Board members were present, thus constituting a quorum. Also present were Gordon Pierce, Linda White, Leonard Dougal, John Hatchel, Williamson County Commissioner Valerie Covey, Harry Randall, Terri Sisk, and those listed on the attached sign-in sheet.

- IV. Discussion and possible action regarding update from District consultants regarding status of the City of Georgetown/CTSUD feasibility study. Leonard Dougal, CTSUD attorney for the feasibility study, gave overview reports from the feasibility study meetings. Mr. Dougal stated that final revisions are being incorporated into the study publication. Mr. Dougal stated that June 6, 2012 the executive committee will meet with the consulting project team for a power point presentation of the feasibility study in preparation of the June 13, 2012 public meeting, at the Jo Ann Ford Elementary School in Georgetown, at which the feasibility study final report will be presented to the District's and Georgetown's governing bodies.
- V. Discuss status for developments requesting decertification from District. Leonard Dougal, CTSUD attorney for the feasibility study, discussed some areas of decertification with the Board. Mr. Dougal will forward his recent article on SB 573 and CCN Decertification, including a discussion of 7 USC 1926b to the Board members.

Executive Session

At 10:15 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 with legal counsel.

- X. Discuss requirements of District for customers within District's CCN.

Possible action regarding items discussed in Executive Session.

At 10:48 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.

- VI. Discuss data from previous audits and current financial position. Terri Sisk, District Finance Manager, assisted the Board in discussions regarding data from previous audits and the District's current financial position.
- VII. Presentation by Board member: Discussion on District's ability to meet current and future customer water requirements. Board member, Marcus Canipe, shared his views on the District's ability to meet current and future customer water requirements.
- VIII. Discuss priorities for Operation & Maintenance Projects as well as proposed system projects. Half Associates presented information regarding various Operation & Maintenance Projects as well as other District infrastructure projects.

Adjournment for lunch

The meeting adjourned at 12:20 p.m. for lunch and instructed to reconvene at 1:00 p.m.

Board reconvened from lunch

The meeting reconvened at 1:03 p.m.

- IX. Discuss the District's current raw water reservation - Stillhouse Hollow Lake. The Board reviewed materials provided by Tony Corbett, District's Legal Counsel, which provided an overview of the District's available raw water.
- XI. Review current LUE commitments. The Board was provided a chart that outlines the District's current LUE commitments.
- XII. Review and discuss existing subdivisions in District's CCN. Half Associates provided a map outlining subdivisions located within the District's CCN.
- XIII. Review District map outlining projects under construction and projected projects during FY 2012-FY 2013. Half Associates provided a map outlining projects under construction and the projected projects during FY 2012-FY 2013.

XIV. Review and discuss map of existing transmission lines, distribution points relative to pump stations, storage tanks, lift stations and subdivisions served. Halff Associates provided a map outlining the District's current infrastructure.

XV. Review primary sources of treated water:

- a. Wells
- b. Lake Georgetown Water Treatment Plant

The Board received spreadsheets containing pumping reports for FY 2010, FY 2011, and FY 2012 to date. Halff Associates discussed with the Board the data collected from the pumping reports.

XVI. Discuss location and projected cost of additional treated water:

- a. The City of Leander
- b. South Water Treatment Plant

The Board received various data reports pertaining to the locations and projected costs of additional treated water, primarily with the City of Leander and the South Water Treatment Plant.

XVII. Discuss ability to serve customers at 550 gpd and 11,100 acre feet, including both treated and raw water. Halff Associates discussed with the Board, and provided data in regards of service to customers based on 550 gpd and 11,100 acre feet.

XVIII. Review costs associated with bond issuance. The Board reviewed materials provided by Garry Kimball, Specialized Public Finance, Inc., in regards to the District's infrastructure needs. The information included bond issuance costs in varying amounts.

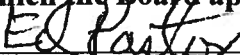
XIX. Review and discuss current area water rates. The Board reviewed a comparative chart which compared the District's water rates with area cities, WSC's and SUD's.

XX. Discuss municipal utility/tax structures. The Board reviewed information from the City of Georgetown and the relationship between general (tax) funds and utility (enterprise) funds.

XXI. Discussion and possible action regarding date, time, location and format for District public meeting to discuss feasibility study. The Board set July 2, 2012, beginning at 9:30 a.m., to meet with the feasibility study consultants to address the feasibility study report.

Adjournment

The meeting adjourned at 3:32 p.m. on a motion by Pat Gower and seconded by Gary Goodman, which the Board approved unanimously.



Ed Pastor, Secretary