

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Meeting of the Board of Directors
March 28, 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 2:00 p.m. on the 28th 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.

Meeting was called to order at 2:00 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

Six Board members were present, with Mike Sweeney absent, thus constituting a quorum. Also present were Gordon Pierce, Keith Walker, Tony Corbett, and Leonard Dougal. Mike Sweeney entered the meeting at 2:15 p.m.

Executive Session

At 2:02 p.m., Pat Gower announced that the Board of Directors would enter into Executive Session for discussion under the following:

To seek legal advice from legal counsel as authorized by Section 551.071, Texas Government Code, and/or to discuss the purchase, exchange, lease or value of real property in Williamson, Bell and Burnet Counties, pursuant to Section 551.072, Texas Government Code, regarding the following matters:

- i. Asset Purchase Agreement providing for the purchase of assets, real property, and service responsibilities from Chisholm Trail Special Utility District to the City of Georgetown; and

- ii. Strategic Planning relating to possible dissolution of District, finances, water supplies, personnel and/or service territory matters.

At 5:23 p.m., the Board reconvened the public portion of the meeting, with all directors present. President Pat Gower announced that no final action, decision, or vote was taken in any matter in Executive Session.

Recess

The Board recessed the meeting at 5:24 p.m.

Reconvened

The Board reconvened the meeting at 5:35 p.m. with all directors present. Also present were Gordon Pierce, Leonard Dougal, Linda White, Noah Shaffer (Halff Associates), Todd Jackson (Halff Associates), Glenn Dishong (City of Georgetown), Keith Walker, and those listed on the sign-in sheet.

Statement by President

President Pat Gower announced that no final action, decision, or vote was taken in any matter in Executive Session. He stated that the Board was not yet ready to take final action on the most recent draft of the Definitive Agreement for the following reasons:

- Certain exhibits have not yet been finalized;
- There were inconsistencies between the Memorandum of Understanding (MOU) previously entered into by the parties and the current draft of the Asset Purchase Agreement (Definitive Agreement) with respect to enforceability of the agreement and the form of debt to be issued by the City for purposes of defeasance of CTSUD outstanding bonded indebtedness and future infrastructure financing (which could significantly impact potential debt service savings to Chisholm Trail SUD customers); and
- The role and responsibilities of the proposed local governmental corporation needs to be clarified.

The Board then directed its negotiation team to revise the current draft Definitive Agreement in a manner consistent with the Board discussions.

Mr. Gower then requested that the Board schedule another special meeting before the April 18th meeting to further consider the agreement. David Ciambrone made a motion for the Board to meet on April 11th. Marcus Canipe seconded the motion, which the Board approved unanimously.

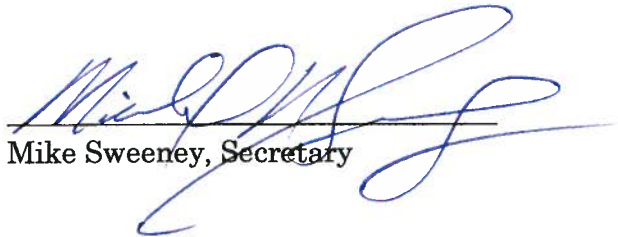
Mr. Gower announced that it is the intent of the Board to continue to work with the City to develop an agreement that is in the best interests of both parties and their respective customers. He stated that if the parties are unable to reach a final agreement, he is comfortable that the Board is committed to diligently proceed forward as necessary for Chisholm Trail SUD to be a viable, cost effective, and dependable water and sewer service provider for existing and future customers. Mr. Gower reiterated that the City will be a neighbor and partner with many projects as both entities move forward, and the District will work towards maintaining a good relationship with the City, no matter what path the District takes.

Mr. Gower asked the Board if there was any further business before the Board adjourned.

Delton Robinson made a motion to spend \$12,000.00 for a financial consultant, Angela T. Rubottom, West View Financial Consulting, to conduct a financial analysis and rate study that would assist the District in the direction of strategic planning for the future. David Ciambone seconded the motion, which the Board approved unanimously.

Adjournment

The meeting adjourned at 5:40 p.m. on a motion by Marcus Canipe and seconded by David Ciambone, which the Board approved unanimously.



Mike Sweeney, Secretary