

**Chisholm Trail Special Utility District  
Of Williamson, Bell, and Burnet Counties, Texas  
Minutes of Meeting of the Board of Directors  
April 18, 2013**

The Board of Directors of Chisholm Trail Special Utility District of Williamson, Bell, and Burnet Counties, Texas convened in a meeting at a designated meeting location for Chisholm Trail Special Utility District located at Georgetown Chamber of Commerce, 100 Stadium Drive, Georgetown, Williamson County, Texas beginning at 5:30 p.m. on the 18<sup>th</sup> day of April, 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 5:42 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, Leonard Dougal, John Hatchel, Harry Randall, Keith Walker, Linda White, Noah Shaffer, Todd Jackson and those listed on the sign-in sheet.

**Action Items**

- A. Report from President Pat Gower regarding update on the Asset Purchase Agreement and Strategic Direction of Chisholm Trail Special Utility District. Mr. Gower gave a power point presentation to those present. The presentation summarized the terms of the Asset Purchase Agreement and strategic considerations for the District if the Board elects to not approve the Asset Purchase Agreement.

**Recess**

The Board recessed the meeting at 5:56 p.m. for speaker sign-ups.

**Reconvened**

The Board reconvened at 6:02 p.m. with all Directors present.

**Public Comments**

Several individuals made comments regarding their support or opposition to the Asset Purchase Agreement. A number of individuals requested that the Board defer consideration of the agreement until the public had more time to review its terms. A number of individuals addressed the recent increase to the District's impact fee.

**Action Items**

- B. Discussion and possible action to finalize an Asset Purchase Agreement between Chisholm Trail Special Utility District and the City of Georgetown authorizing the transfer of substantially all of the District's property and assets, including water and wastewater

system assets, to a local government corporation created by the City of Georgetown, the payment or defeasance of all outstanding debt of the District, authorizing such related matters in connection with the Asset Purchase Agreement as needed to finalize the Agreement, and adoption of a resolution authorizing execution of such contracts and documents as necessary to consummate the transaction.

Mr. Gower announced that the City of Georgetown had imposed a deadline for the District to act on the proposed Asset Purchase Agreement and that it was therefore not possible for the Board to defer consideration of the agreement.

Mr. Gower then moved that the Board approve the Asset Purchase Agreement and associated resolution authorizing the President and Vice President to finalize and execute the agreement. Delton Robinson seconded the motion, and offered an amendment to the motion to provide that Board approval was subject to the following amendments to the agreement: (i) incorporation of the revisions identified by the District's special legal counsel to Sections 6.15, 6.4.A, 7.7, 2.4, 6.2B, 7.3B and 12.13; and (ii) incorporation of a provision adding a 60 day process for the identification of CTSUD service territory to be transferred to the City, and associated compensation to be granted for the benefit of CTSUD/LGC customers, as a condition to closing the transaction. The motion, as amended, failed 3-4, with Directors Gower, Goodman, and Robinson voting for the motion, and Directors Pastor, Canipe, Ciambrone and Sweeney voting against the motion.

#### Recess

The Board recessed the meeting at 7:03 p.m.

#### Reconvened

The Board reconvened the meeting at 7:10 p.m. with all Directors present.

#### Action Items

- C. Discussion and possible action regarding finalizing the selection of Board of Director representatives for the local government corporation to be formed pursuant to the terms of the Asset Purchase Agreement between Chisholm Trail Special utility District and the City of Georgetown. This matter was tabled.
  
- D. Discussion and possible action to consider amending impact fees adopted on March 12, 2013. Mr. Gower stated that before the Board takes any action with respect to reconsideration of the amount of the District's impact fee, a public hearing would be conducted after newspaper notice is published. He also recommended that the Board authorize the District's rate consultant to analyze the District's impact fee, and the implications of any potential revisions on the District's rates. The Board concurred and discussed scheduling a public hearing regarding potential amendments to the impact fee within a 60-90 day period (to allow for completion of a rate analysis). **Marcus Canipe**

moved that the Board authorize West View Financial Consulting to conduct a rate study associated with potential amendments to the District's impact fee. Gary Goodman seconded the motion, which the Board approved unanimously. David Ciambone then moved to approve a 30 day extension to the West View Financial Consulting contract for completion of such services. Delton Robinson seconded the motion, which the Board approved unanimously.

#### Consent Agenda

- A. Approve minutes from the March 12, 2013, March 18, 2013, and March 28, 2013 Board of Directors meetings.
- B. Approve check register, payment of bills, and invoices for February, 2013.

David Ciambone moved to approve the Consent Agenda subject to correction of the March 12, 2013 minutes. Delton Robinson seconded the motion, which the Board approved unanimously.

#### Action Items

- E. Discussion and possible action regarding the assignment of Rancho Sienna KC, LP's interest in the Chisholm Trail S.U.D./MUD 12 contract to the new developer, and for extension of the January 1, 2017 deadline to January 1, 2020. After discussion, David Ciambone moved to approve the assignment of Rancho Sienna KC, LP's interest in the CTSUD/MUD 12 Nonstandard Service Agreement to the new owner of the project, and for extension of the January 1, 2017 platting deadline to January 1, 2020. Ed Pastor seconded the motion, which the Board approved unanimously.
- F. Discussion and possible action regarding approval of the City of Florence Wholesale Water Service Agreement. After discussion, David Ciambone moved to approve the City of Florence Wholesale Water Service Agreement, to include potential revisions identified by the District's engineering consultant with respect to the point of delivery improvements. Gary Goodman seconded the motion, which the Board approved unanimously.
- G. Discussion and possible action on request by City of Georgetown to lower District waterline to accommodate City wastewater line project. Delton Robinson moved to approve the request by City of Georgetown to lower District waterline to accommodate City wastewater line project, provided the District and City enter into an agreement setting forth the terms and conditions of the relocation project. Gary Goodman seconded the motion which passed 6-1, with Director Canipe voting against the motion.
- H. Discussion and possible action to award bids and authorize contract execution for construction of the following projects:
  - 1. SH 195 Segment 2 – 8" Waterline Relocation

David Ciambrone moved to approve the bid and authorize execution of a contract for SH 195 Segment 2 8" Waterline Relocation to the low bidder, Skyblue Utilities, Inc., for the bid price of \$213,095.28. Delton Robinson seconded the motion, which the Board approved unanimously.

2. 12" San Gabriel River Crossing

David Ciambrone moved to approve the bid and authorize execution of contract for 12" San Gabriel River Crossing to the low bidder, M&C Fonseca Construction Company, for the bid price of \$62,109.06. Delton Robinson seconded the motion, which the Board approved unanimously.

The Board directed Keith Walker, Interim General Manager, to sign the construction contracts.

Interim General Manager's Report

Keith Walker presented the Interim General Manager's Report including the following information:

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

Adjournment

The meeting adjourned at 8:07 p.m. on a motion by Delton Robinson and seconded by David Ciambrone, which the Board approved unanimously.

  
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Mike Sweeney, Secretary