

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Meeting of the Board of Directors
June 20, 2013**

The Board of Directors of Chisholm Trail Special Utility District of Williamson, Bell, and Burnet Counties, Texas convened at a designated meeting place for the District, at the Georgetown Chamber of Commerce, 100 Stadium Drive, Georgetown, Williamson County, Texas beginning at 5:30 p.m. on the 20th day of June, 2013. 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.

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, Harry Randall, Keith Walker, Linda White, Noah Shaffer (Halff Associates), Todd Jackson (Halff Associates), Keith Caldwell (Bury+Partners), Danielle Ellis, and those listed on the sign-in sheet.

Action Items

A. Strategic Planning Matters:

- a. Discussion and possible action regarding the potential transfer of District assets and service territory to the City of Georgetown.

Ed Pastor, Delton Robinson and Mike Sweeney provided a report to the public and the remainder of the Board regarding their recent meetings with City of Georgetown representatives regarding consolidation of assets and service with the City. They described different alternatives discussed by the Committee. They announced that the Committee recommended the District transfer all assets and service territory below FM 970 to the City of Georgetown. In return for the conveyance of assets and service territory, the City would partially fund the costs of defeasance of outstanding District debt. The City would also hire all District employees and obtain ownership of the District administrative office, vehicles and other property (excluding facilities located north of FM 970). The District would transfer all of its water rights to the City, which would provide wholesale water service to the remaining District through negotiated wholesale rates.

Mr. Gower stated that if the District did not consolidate with the City, the District would be a viable entity independent of the City of Georgetown and had numerous water supply alternatives available to it, but that the customers would be faced with cost increases associated with future capital projects. He noted that some of the projects would be avoided if the consolidation occurs and the costs could be spread over a larger customer base.

The Board took no action regarding this matter but announced its intentions to conduct numerous customer information meetings.

- b. Discussion and possible action regarding District financial matters, including fund balances and interfund transfers. Tabled.

Recess

The Board recessed the meeting at 6:10 p.m.

Reconvened

The Board reconvened at 6:25 p.m. with all Directors present.

Public Comments

Several members of the audience made comments to the Board regarding the Committee negotiations with the City of Georgetown and communications with customers.

Recess

The Board recessed the meeting at 6:40 p.m.

Reconvened

The Board reconvened at 6:45 p.m. with all Directors present.

Action Items

- B. Discussion and possible action to approve Bill of Sale and Assignments for Developer conveyance of facilities constructed for the Ranches at Florence and Hines Ranches. Ed Pastor moved that the Board approve the Bill of Sale and Assignments for Developer conveyance of facilities constructed for the Ranches at Florence and Hines Ranches. David Ciambone seconded the motion, which the Board approved unanimously.
- C. Discussion and possible action to approve Agreement for Construction of Water System Improvements and Provision of Water Service for Summerlyn South Subdivision. Tony Corbett, legal counsel, briefed the Board on the agreement. He explained that additional lands had been annexed into Williamson County MUD No. 13, and this agreement set forth the terms and conditions for service to the additional lands. The Board asked whether the distribution line improvements could be "looped" than set forth in the contract. An engineering representative of the Developer responded that the Developer would agree to do so in connection with the submission of plans and specifications for the internal facilities. David Ciambone moved to approve the Agreement for Construction of Water System Improvements and Provision of Water Service for Summerlyn South Subdivision provided it is revised to provide that the internal facilities will be looped to the extent practicable. Mike Sweeney seconded the motion, which the Board approved unanimously.
- D. Discussion and possible action to approve Third Amendment to the First Amended and Restated Non-Standard Water and Wastewater Service Agreement for Rancho Sienna

Subdivision. Mr. Corbett explained that a new developer had contracted to purchase the undeveloped lands within Rancho Sienna, and that the new developer requested certain revisions to the existing agreement. Mr. Corbett summarized the revisions to the Board. After discussion, Delton Robinson moved that the Board approve the Third Amendment to the First Amended and Restated Non-Standard Water and Wastewater Service Agreement for Rancho Sienna Subdivision, but that the amendment not be executed until and unless the new developer closes on the acquisition of the property. Gary Goodman seconded the motion, which the Board approved unanimously.

- E. Discussion and possible action regarding easements for Offsite Waterline Improvements Required for Oakland Park Subdivision. Mr. Corbett and Mr. Shaffer presented a request by the developer of the Oakland Park Subdivision that the offsite waterline improvements be constructed within two adjacent 10-foot easements along lot lines. The Board discussed the construction and maintenance burdens associated with fences in the area. After discussion, David Ciambrone moved that the Board deny the developer's request that the Board authorize construction of the offsite line improvements within the existing easements. Marcus Canipe seconded the motion, which the Board approved unanimously.
- F. Discussion and possible action regarding the following wastewater issues:
- a. Consideration and action regarding Amendment to Wholesale Wastewater Service Agreement with City of Liberty Hill for MUD Nos. 12, 19 and 19A. Mr. Corbett summarized the terms of the contract and the next agenda item. He explained that if the Board elected to adopt the Order under Action Item F(b), then no action should be taken with respect to this item. **The Board elected to take no action under this item.**
 - b. Consideration and action regarding adoption of Order No. 13-0620-01 Authorizing the Transfer, Conveyance and Assignment of Wastewater System Assets, Related Real Property Interests and Contract Rights. Mr. Corbett presented a draft Order that would divest the District of all wastewater system assets and real property rights, and assign its interests in the existing wholesale wastewater agreements to municipal utility districts. He explained that the District would no longer provide retail wastewater service if the Board adopted the Order. After discussion, Pat Gower moved to approve adoption of Order No. 13-0620-01 Authorizing the Transfer, Conveyance and Assignment of Wastewater System Assets, Related Real Property Interests and Contract Rights. Gary Goodman seconded the motion, which the Board approved unanimously.
- G. Discussion and possible action regarding Colorado River Basin Water Supply Agreement with the Brazos River Authority. Tabled.
- H. Discussion and possible action regarding potential wheeling agreement with the City of Leander. Tabled.

- I. Discussion and possible action to approve Contract with Keith Walker for General Manager and Finance Manager Services. Delton Robinson moved that the Board approve the Contract with Keith Walker for General Manager and Finance Manager Services. David Ciambone seconded the motion, which the Board approved unanimously.
- J. Discussion and possible action to approve District signatory matters including:
- a. Approve removal of signatory authority of Gordon Pierce from all District banking accounts, investment accounts, and safe deposit box.
 - b. Approve Resolution No. 13-0620-01 to grant signatory authority to Interim General Manager for all District banking and investment accounts.
 - c. Approve Resolution No. 13-0620-02 to amend authorized representatives for District TexPool accounts.
 - d. Approve resolution No. 13-0620-03 to authorize Interim General Manager entry to District safe deposit box.
 - e. Approve signatory authority of Interim General Manager for all regulatory reporting matters.

David Ciambone moved that the Board approve Action Items J (a-e). Gary Goodman seconded the motion, which the Board approved unanimously.

Consent Agenda

- A. Approve minutes from the May 16, 2013 Board of Directors meeting. David Ciambone moved that the Board approve the minutes from the May 16, 2013 Board of Directors meeting as presented. Ed Pastor seconded the motion, which the Board approved unanimously.

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 7:30 p.m. on a motion by David Ciambone and seconded by Delton Robinson, which the Board approved unanimously.


Mike Sweeney, Secretary