

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Customer Public Comment Meeting with Board of Directors
July 9, 2013**

The Board of Directors of Chisholm Trail Special Utility District of Williamson, Bell, and Burnet Counties, Texas convened at Bill Burden Elementary School, 315 Stonewall Parkway, Liberty Hill, Williamson County, Texas beginning at 5:30 p.m. on the 9th day of July, 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 Keith Walker, Linda White and those listed on the sign-in sheets.

President Pat Gower explained that the Board of Directors were conducting three (3) Customer Public Comments meetings, each held at locations throughout the District, to hear comments from the customers regarding the consideration by the Board of a consolidation of a significant portion of Chisholm Trail SUD's service territory and assets with the City of Georgetown.

Potential Transfer of Service Territory and Assets to City of Georgetown

- b. Presentation regarding future water supply, rates, infrastructure planning, financial and other strategic planning considerations in the event the District and City do not enter into an agreement.

Mr. Gower gave an overview if the District should stand alone:

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/or the costs could be spread amongst a larger customer base.

- a. Committee update regarding current status of negotiations with 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.

- c. Response to questions previously received from the public since the June 20th Board of Directors meeting.

The Board addressed the questions from the public that had been submitted to Keith Walker, Interim General Manager.

Board Director Marcus Canipe made comments explaining his view points.

Recess

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

Reconvened

The Board reconvened at 6:50 p.m. with all Directors present.

Potential Transfer of Service Territory and Assets to City of Georgetown (continued)

- d. Public Comments


Members of the audience made comments and asked questions regarding potential transfer of service territory and assets to City of Georgetown, as well as the District standing alone.

- e. Responses to Public Comment

Members of the Board of Directors responded to the public comments and questions.

Adjournment

The meeting adjourned at 7:50 p.m. on a motion by Delton Robinson and seconded by Mike Sweeney, which the Board approved unanimously.



Mike Sweeney, Secretary