

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Meeting of the Board of Directors
July 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 place for the District, Georgetown Chamber of Commerce, 100 Stadium Drive, Georgetown, Williamson County, Texas beginning at 6:00 p.m. on the 18th 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 6:00 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), Danielle Ellis, Keith Caldwell (Bury+Partners) and those listed on the sign-in sheets.

Action Items

- E. Discussion and possible action regarding adoption of Order No. 071813-01 revising Impact Fees. Pat Gower shared that the Board has held two (2) Public Hearings regarding the Impact Fees, as well as hiring a 3rd party consultant to prepare a rate study for the District. Delton Robinson made a motion to leave the maximum impact fee at \$7,954.00 and revise both the assessed and collected impact fee at \$4,700.00. David Ciambrone seconded the motion, which the Board approved unanimously.

Customer Requests

- A. Customer subdivision platting issues.

Landowners, Mr. Clyde Davis and Mr. Don Bizzell, were requesting impact fees from an earlier date to be applied to their property. However, earlier action by the Board to reduce the impact fee resolved their issues without need for further action. Both customers withdrew their requests.

Action Items

- D. Discussion and possible action regarding Interlocal Agreement Regarding Conveyance of Water System Assets providing for transfer of service territory and assets to the City of Georgetown. Pat Gower explained that there have been three opportunities for the District customers to attend public comment meetings with the Board of Directors to voice their

concerns and opinions regarding the potential transfer of District assets and service territory to the City of Georgetown. The options have been to: (1) leave the entire District to stand alone; (2) merge the entire District with the City of Georgetown; or (3) merge only areas #1, #2 and #3 with the City of Georgetown, leaving area #4 as an independent CTSUD District. Mr. Gower further explained that having heard from many customers in area #4 who did not feel that leaving area #4 as an independent CTSUD District would not be viable; the Board has taken that option off the table. The Board is currently considering to either merge the entire District with the City of Georgetown or to operate a standalone District. Ed Pastor made a motion to have legal counsel prepare a contract for transfer of all District assets and service territory to the City of Georgetown, for Georgetown to assume all assets and obligations of the District so that the District may then be dissolved, and that the prepared contract be considered and acted upon by the Board at a later date. David Ciambone seconded the motion. Mr. Gower asked each Board member to voice their opinion before taking a final vote.

Marcus Canipe expressed that he feels better about what the District's proposed contract states in proposing a total merge and hopes that Georgetown will take the responsibility of the entire District and not just a portion of the District.

Delton Robinson "I appreciate the three public reviews, hearing your opinions and hopefully answering your questions. I have nothing but respect for all customer positions expressed and understand there is little desire for a CTSUD Section 4 rural district as described in the presentation. I do believe the interests of ALL Customers are best served by a total District merger with Georgetown Utility Services."

Ed Pastor expressed that the Board has tried to consider all customers within the entire District. Mr. Pastor stated that what the Board is now proposing, taking into consideration securing adequate, safe water at a reasonable price for the customers, is what is best for everyone throughout the District. Mr. Pastor hopes that the City will take into consideration a total merge of the District.

David Ciambone expressed that he did not feel the LGC and what the City had previously proposed was good for the entire District. "A LOT OF WHAT WAS IN THE ORIGINAL STUDY JUST DIDN'T PAN OUT AND THE LGC DID NOT OFFER ANYTHING GOOD OR BETTER FOR THE DISTRICT. The Board's job AND MY JOB is to look at the District in its entirety and consider what is best for all customers. NOW SEPARATING SECTION 4 OUT IS NOT VIABLE AND I WOULD NOT SUPPORT SOMETHING THAT THROWS OUR CUSTOMERS UNDER THE BUS. A WHOLE MERGER, IF DONE RIGHT MAY BE A GOOD CONCEPT. Once the City responds to the District's proposal, then the Board will determine what will actually transpire."

Mike Sweeney expressed that a total merge is in the best interest of the District. Mr. Sweeney felt the LGC had many complications and was not in the best interest for our

customers; therefore, he voted against the LGC. Mr. Sweeney hopes that the District can negotiate a solid arrangement with the City as a partner.

Pat Gower expressed as he has looked back over the 2 ½ years serving on the Board, he has seen a lack of operational efficiency within the District. The proficiency of the operations of this District has not modified, changed nor increased its proficiency to run as an integrated District as its base has grown. The District has not had the operational management team in place to run a reliable, ongoing good operation for its customers. Mr. Gower is of the opinion that the District has to either fix the operational proficiency of the District or move the District to somebody who can fix the operational proficiency. He feels that the Board is now in a position to have someone else fix this inefficiency. Mr. Gower feels uncomfortable with the ability of the District to run its asset base and provide reliable service to its customers based on what he has seen. He stated that the District has to fix it itself or move forward with another entity who can maintain operation management - one way or the other.

Gary Goodman declined to comment.

Pat Gower then called for a verbal vote from each Board member. All Board members voted in favor of legal counsel drafting a contract towards a total merge that will be reviewed by the Board at a later date and then presented to the City of Georgetown.

Recess

The Board recessed the meeting at 6:25 p.m.

Reconvened

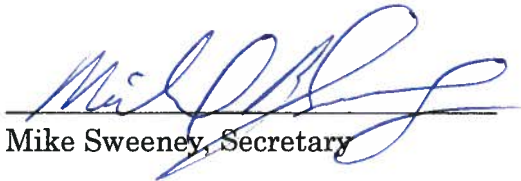
The Board reconvened at 6:35 p.m. with all Directors present.

- A. Discussion and possible action regarding James Sansom, Jr. inquiry referencing a wastewater treatment plant discharge into Soves Branch. The Board was in agreement not to act on this item.
- B. Discussion and possible action on Change Order #1 for the 12-inch Waterline San Gabriel River Crossing. Noah Shaffer, Halff Associates, stated that the construction expenses are reimbursable by Williamson County. Delton Robinson moved to approve Change Order #1, in the amount of \$2,400.00, for the 12-inch Waterline San Gabriel River Crossing. David Ciambone seconded the motion, which the Board approved unanimously.
- C. Discussion and possible action on Change Order #2 for the RM 2338/CR 248 15-inch Waterline Replacement. David Ciambone moved to approve Change Order #3, in the amount of \$40,070.11, for the RM 2338/CR 248 15-inch Waterline Replacement. Delton Robinson seconded the motion, which the Board approved unanimously.

- F. Discussion and possible action regarding Colorado River Basin Water Supply Agreement with the Brazos River Authority. No action required by the Board.
- G. Discussion and possible action regarding potential wheeling agreement with the City of Leander. No action required by the Board.

Adjournment

The meeting adjourned at 6:45 p.m. on a motion by David Ciambrone and seconded by Delton Robinson, which the Board approved unanimously.



Mike Sweeney, Secretary