

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Meeting of the Board of Directors
August 1, 2013**

The Board of Directors of Chisholm Trail Special Utility District of Williamson, Bell, and Burnet Counties, Texas convened at the designated administrative office and meeting place for the District, 851 FM 970, Florence, Williamson County, Texas beginning at 6:00 p.m. on the 1st day of August, 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, Danielle Ellis, Linda White, Todd Jackson (Half Associates), and those listed on the sign-in sheet.

Executive Session

At 6:01 p.m., President Pat Gower announced that the Board of Directors would enter into Executive Session to seek legal advice under the following:

As authorized by Section 551.071, Texas Government Code, and/or 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 agenda Action Item V. A: Discussion and possible action regarding Asset Transfer Agreement providing for transfer of service territory and assets to the City of Georgetown.

Possible action regarding items discussed in Executive Session

At 6:43 p.m., the Board of Directors reconvened the public portion of the meeting and President Pat Gower announced that no final action, decision or vote was taken on any matter in Executive Session.

Action Items

- B. Discussion and possible action to approve Non-Standard Water Service Agreement with the developer of Water Oak North, Section 2 and Section 3. The District currently has a Non-Standard Water Service Agreement with the developer for Water Oak North, Section 1. Delton Robinson moved to approve the Non-Standard Water Service Agreement with the developer of Water Oak North, Section 2 and Section 3. David Ciambone seconded the motion, which the Board approved unanimously.

- A. Discussion and possible action regarding Asset Transfer Agreement providing for transfer of service territory and assets to the City of Georgetown.

Pat Gower called for a motion.

Ed Pastor announced he was resigning his position on the Board of Directors and that his resignation would be effective immediately.

Pat Gower spoke stating, "I would like to recognize Ed and thank Ed for his service. He has served Chisholm Trail for ten years during his first time on the Board of Directors, and currently having now served two and a half years. Ed has done a stellar job helping the District through some difficult times. I would like to thank Ed for his service and wish him the best."

Delton Robinson made a motion that the Board approve the Asset Transfer Agreement as discussed in Executive Session. Mr. Robinson stated that the agreement is essentially the same agreement currently on the District's web site, only with a few minor adjustments.

Mike Sweeney seconded.

Marcus Canipe called for discussion. Mr. Canipe made comments explaining his view points. He expressed that he felt that the Board should vote against the proposal to transfer assets to Georgetown.

Mike Sweeney made comments explaining his view points. He expressed that he believes it is in the best interest of both customers and this Board to vote yes.

David Ciambrone made comments explaining his view points. Mr. Ciambrone stated that he is not necessarily opposed to going to Georgetown, but that he is not happy with the existing proposal.

Pat Gower stated unless there was any other comment, he was calling for a vote.

Mike Sweeney – voted yes.

Bell County Commissioner John Fisher spoke asking President Gower to clarify the motion, and clarify whether or not the motion on the floor is to accept the proposal that is currently on the District's web site or to accept a proposal that has recently undergone changes.

Pat Gower stated that the motion was made to approve what was on the internet as modified earlier. Mr. Gower stated that the Board made two line changes. Mr. Gower asked Mr. Robinson to articulate the line changes.

Delton Robinson explained the most recent revisions to the currently proposed contract.

Pat Gower also elaborated on recent changes to the currently proposed contract. Mr. Gower stated that the comments that had now been made were the sum of the changes and now the Board would return to their voting.

Bell County Commissioner John Fisher spoke stating that he thought it only fair for everyone to understand whether or not the Board is voting on a document that was posted on the District's website, or if the Board is voting on a document that is now different and without a 72 hour posting notice. Commissioner Fisher shared that everyone at least needed to know what changes the Board was now subject to voting on.

Pat Gower stated that now the changes have been clarified.

Commissioner Fisher thanked Mr. Gower.

Pat Gower stated that there was one "yes" vote declared.

David Ciambrone voted no.

Delton Robinson voted yes.

Marcus Canipe voted no.

Gary Goodman made comments explaining his view points. Mr. Goodman voted yes.

Pat Gower shared he does not feel this contract protects the District or its customers. Mr. Gower stated that the District's attorney resigned because he did not think it adequately protected the interests of our customers. Mr. Gower stated until the District has another attorney on board to review this document and says the document protects our customers, he is voting no.

VOTE: FOR – 3 (Sweeney, Robinson, Goodman) AGAINST – 3 (Gower, Canipe, Ciambrone)

Mike Sweeney & Delton Robinson asked if the Board could table this.

Pat Gower stated he would table it, bring in another attorney and put the proposal on the August 15th Board meeting agenda. Mr. Gower made the statement that since it is unlikely for the District to permanently hire another attorney before the August 15th Board meeting, he would suggest securing the services of Leonard Dougal since Mr. Dougal has already been through this process with the District. Mr. Gower expressed that he thinks this is the right thing to do for our customers. He apologized that there is not a vote tonight, but there will be a vote on the 15th. Mr. Gower stated that by tabling this item, is not to say no.

Recess

The Board recessed the meeting at 7:04 p.m.

Reconvened

The Board reconvened at 7:14 p.m. with all Directors present.

Pat Gower reiterated how important it is to protect the District and customers; therefore, he wants to get a second legal opinion on the contract. Mr. Gower wants Leonard Dougal to review the contract and advise the Board at the August 15th monthly Board meeting. Keith Walker stated that Mr. Dougal has shared that it would take him two weeks to review the contract. Mr. Gower stated that the 15th will be two weeks. Mr. Gower requested that staff seek legal advice in preparing a proposal for the search of new legal counsel representation for the District. In the meantime, if an executive session is needed, for staff to arrange for either Leonard Dougal or another legal firm representative to meet with the Board. Mr. Gower also advised staff to place on the next Board meeting agenda an item pertaining to filling the vacated position on the District Board of Directors.

Action Items (continued)

- C. Discussion and possible action for consideration of extension of the subdivision platting deadline set forth in the Non-Standard Water Service Agreement for shadow Canyon from October 1, 2015 to October 1, 2020. After discussion David Ciambrone moved to approve for extension of the October 1, 2015 platting deadline to October 1, 2020. Marcus Canipe seconded the motion, which the Board approved unanimously.

Consent Agenda

- A. Approve minutes from the June 6, 2013, June 19, 2013, June 20, 2013 and June 25, 2013 Board of Directors meetings. Pat Gower noted with the June 20th minutes, at the Interim General Manager's report, Gordon Pierce needed to be replaced with Keith Walker. David Ciambrone moved that the Board approve the minutes, as modified with the June 20th minutes, as presented. Delton Robinson seconded the motion, which the Board approved unanimously.

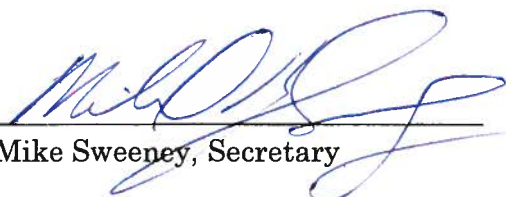
Interim General Manager's Report

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 7:25 p.m. on a motion by Delton Robinson and seconded by David Ciambrone, which the Board approved unanimously.


Mike Sweeney, Secretary