

**Chisholm Trail Special Utility District
Of Williamson, Bell, and Burnet Counties, Texas
Minutes of Special Meeting of the Board of Directors
July 31, 2014**

The Board of Directors of Chisholm Trail Special Utility District of Williamson, Bell, and Burnet Counties, Texas convened in a special meeting at the administrative office and meeting place for the District, 851 FM 970, Florence, Williamson County, Texas beginning at 5:30 p.m. on the 31st day of July, 2014. 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.

President Delton Robinson led those present in the Pledge of Allegiance to the American flag.

Roll was called:

Delton Robinson	President
Ed Pastor	Vice President
Mike Sweeney	Secretary
Bob Kostka	Treasurer
Gary Goodman	Director
Pat Gower	Director
Bob Johnson	Director

All Board members were present, thus constituting a quorum. Also present were Jim Briggs, Keith Walker, Linda White, and Leonard Dougal.

Appointed Board Director, Bob Kostka

Linda White, Administrative Assistant, reported that on July 21, 2014, Bob Kostka came into the District office to be sworn in as a Board Director. Mr. Kostka made his Statement of Officer and took his Oath of Office. Mr. Kostka officially became a Board Director. Mr. Kostka will complete the term of James Pletcher who resigned his position as a Board Director on July 17, 2014. Mr. Kostka's term will end in November 2016. All necessary paperwork was completed and submitted to the District office as well as the various State agencies.

Executive Session

At 5:35 p.m., President Delton Robinson announced that the Board of Directors would convene in Executive Session to seek legal advice from the District's legal counsel 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. No final action, decision or vote will be taken in Executive Session.

- A. Asset Transfer and Utility System Consolidation Agreement between Chisholm Trail Special Utility district and the City of Georgetown.**
- B. TCEQ Docket No. 2014-0437-UCR, SOAH Docket No. 582-14-3380, regarding the STM Application of the District and City of Georgetown.**
- C. Discussion of legal action to preserve or protect water service rights of the Chisholm Trail Special Utility District, including action under 7 USC 1926b, related to various petitions for expedited CCN release for areas sought to be served by the City of Leander, including petitions and TCEQ orders involving: Joseph, Herbert, and Benjamin Bradley; Herbert David Bradley; Pamela Christianson; Mary Ann Garlock; and Robert Tesch.**

Adjourn Executive Session

At 6:34 p.m. the Board of Directors adjourned the Executive Session on a motion by Pat Gower and seconded by Mike Sweeney.

Reconvene into Open Session

At 6:35 p.m. the Board of Directors reconvened the open session of the meeting.

Ed Pastor moved that the Board approve the general terms of settlement, along the lines that we have discussed, regarding the City of Leander, including settlement of the pending decertification matters and Leander's participation in the pending STM hearing.

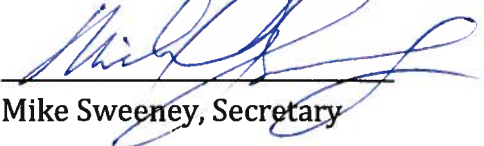
Our attorney should prepare the Settlement Agreement prior to the next Leander City Council meeting. If terms need to be negotiated, the President shall be authorized to conduct such negotiations on behalf of the Board, and to execute the Settlement Agreement.

Our attorney is directed to take such action as may be necessary, including filing Motions to Overturn and Lawsuits in state court, to challenge the TCEQ decertification orders and to protect the District's CCN and related interests, unless the City of Leander approves the Settlement Agreement prior to the deadline to file such Motions and Lawsuits.

Gary Goodman seconded the motion, which the Board approved unanimously.

Adjournment

The meeting adjourned at 6:40 p.m. on a motion by Ed Pastor and seconded by Mike Sweeney, which the Board approved unanimously.


Mike Sweeney, Secretary