

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting –June 17, 2024 at 6:30 P.M.

District Office-8870 Camino Real, Umland, Texas 78640

Board Members Present:

Toni Brewer

Robert Diaz

Joe Howe

Tracy Scheel

Rebecca Moore

William Ilse

Earl C. Sparks, IV

Others Present:

Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. (CLSUD Legal Counsel)

Allison Nieto with Southwest Engineers Via Zoom

Jeff Kallus with Southwest Engineers Via Zoom

Tom Walker with Southwest Engineers Via Zoom

R.C. Collins with Southwest Engineers

Bill Fry with Plum Creek Utility-OMMS-BVRT

Ronja Keyes with Plum Creek Utility-OMMS-BVRT

Jesse Pena with Quiddity Engineering

Eren Ulusoy with Gray Engineering

Jacy Warwick with D.R. Horton Via Zoom

Andrew Friedman with SAMCO Via Zoom

Humberto Ramos, County Line Special Utility District Staff

Doug Schnautz, County Line Special Utility District Staff

France Alston, County Line Special Utility District Staff

Tracie Crowell, County Line Special Utility District Staff

Karina Ortega, County Line Special Utility District Staff

Darlene Cisneros, County Line Special Utility District Staff

Leonard Cisneros, County Line Special Utility District Staff

Farah Najdawi, County Line Special Utility District Staff

The following represents the actions taken by the Board of Directors (Board) of the County Line Special Utility District (CLSUD). The Board of Directors convened in a meeting at the date, time and location stated above. Director Brewer suspended the order of the day. Skipped the reports and went immediately to F.1 to appoint Earl C. Sparks, IV to the board and to administer the Statement of Officer and Oath of Office. After F.1, the board received reports in the following order: E.1-E.3, E.5, E.4, E-6-E.9. Items for discussion/direction were discussed in the following order: F.2-F.15, F.17-F.18 and then F.16 in Executive Session.

A. CALL TO ORDER. Director Brewer called the meeting to order at 6:30 P.M.

B. ROLL CALL. Quorum of the Board was present, with Directors Brewer, Diaz, Howe, Ilse, Scheel, Moore and Sparks in attendance.

C. PUBLIC COMMENT. No Public Comment.

D. CONSENT AGENDA:

D.1 Consider and take action to approve the minutes of the May 20, 2024 regular Board meeting. Director Diaz made a motion to approve the Consent Agenda in its entirety. Director Ilse seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay.

E. REPORTS. The Board of Directors received the following reports:

E.1 Wastewater Treatment Plant Report. Bill Fry with Plum Creek Utility-OMMS introduced Ronja Keyes who will start working with Jackie effective July 1, 2024. Ms. Keyes will also help with agreements, projects and attend board meetings when Mr. Fry cannot. Still adding connections to the plant. No major maintenance issues at the plant other than replacing some pumps. No major maintenance issued at the facilities owned by County Line Special Utility District (CLSUD), will start doing cleanup work at the downtown lift station and will send CLSUD an invoice for the work. Will work with CLSUD to help resolve a customer complaint regarding a ground water issue in a trench line which is creating some surface water issues that need to be corrected. Need to work on a reuse agreement.

E.2 Engineer's Report. Allison Nieto with Southwest Engineers reported construction is about 30% complete on the Porter Creek Lift Station, hope to have it completed the end of July. Construction is about 95% complete on the Porter Creek Force Main, hope to have it completed by the end of June. The Porter Creek Gravity Main project was awarded to EVT Construction last month, a pre-construction meeting to be scheduled in early July and hope to have it completed by the end of December. Easement acquisition and design is in progress for the FM 2720 Gravity Main, hope to finalize plans and advertise for bid next month. The Commercial Area Wastewater Project is currently

on hold since the Spanish Retail Center decided to switch to an on-site septic system and declined to provide wastewater easements, wastewater service to this area is being re-evaluated. Working on preliminary calculations and exhibits for the Wastewater CIP Amendment. Preliminary exhibits are being worked on for the Wastewater CCN (Certificate of Convenience and Necessity) Amendment. The TCEQ (Texas Commission on Environmental Quality) Bond Issuance Report is complete and ready for submittal to TCEQ. Seven (7) developments have approved plans/under construction; nine (9) developments have submitted plans for review; and eleven (11) developments have requested service and paid the application fee.

Jeff Kallus with Southwest Engineers reported the final inspection was held June 4, 2024 for the Well #2 pump replacement at the Brooks Well site, electrical punch items remain. Final inspection was held June 4, 2024 for the San Marcos (Hwy 21) waterline, cleanup of the sites still needs to be completed. The tie-in of the SH 21 water plant has been made by James Radtke Construction and water is being received from the City of San Marcos. The control valve has been installed and is waiting on the meter to arrive. The FM 2720 waterline project is estimated to be 80% complete, a change order is expected for silt fencing for certain locations of the project. The foundations for the buildings are being worked on at the reuse plant, still working through some issues found during an inspection. Geotech completed the soil borings on May 24, 2024 for the Misty Lane Elevated Tank site (ARWA delivery point #2), still waiting for the report to be delivered. Southwest Engineers is working on the construction plans and specifications for the Misty Lane Elevated Tank. Bid documents are being prepared for the FM 2001 waterline relocation.

E.3 Capacity Report. Jeff Kallus with Southwest Engineers reported we have 6,283 active LUEs (Living Unit Equivalents) with 2,139 in reserves. With the addition of NSSAs (Non-Standard Service Agreement) in the works, the total is 9,616. When you add remaining phases of developments and new requests, the total LUE count is 23,157 with an additional 2,352 LUEs outstanding for developments that have turned in a request but has placed the project on hold. Director Howe would like to see in future reports our sources of water and when they should be online and how much of an impact reuse water will have on our potable water supply. Director Howe pointed out on the table Jeff presented that the monthly total decreased for two (2) months, Jeff isn't sure why the table is showing a decrease.

E.4 Easement Report. Tom Walker with Southwest Engineers reported the FM 2720 easements have been completed for Steelhorn. All five (5) Easements have been acquired for Camino East, still need subordinations on two (2) of the easements but were able to obtain an Indemnification Agreement from the developer which allows us to move forward. The two (2) primary lines that are being worked on now is the FM 2720 extension which has about ten (10) tracts primarily owned by Capital Land Investments and the Walton Group. Spencer Nealy is working on acquiring the easements with the Walton Group and Mr. Walker is working on acquiring the easements with Capital Land Investments. The easement from Hollis Burkland located on Misty Lane has been secured, but still need one more easement from Mr. Siemering who is planning to use Hollis Burkland as his attorney to represent him in this matter.

E.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported we had an income of \$802,110.00 with May expenses of \$609,074.00 for a net income of \$193,000.00. Ms. Alston does not receive the sewer report bill in the month that it is due, but she is showing about \$6,320.00 that we get to keep from billing for sewer. Received \$92,000.00 in interest. Large checks for May are Alterman, Inc. for \$104,391.28, Dale Lowden Excavating for \$1,233,464.45, TTE, LLC for \$46,573.75 and Canyon Regional Water Authority for \$251,932.20. At the last board meeting Ms. Alston said she would have budget adjustments available for this meeting, this is for adding some new reports. A separate line was created for meters, so Ms. Alston wants to move \$495,000.00 from line parts to meters. Director Scheel made a motion to approve. Director Diaz seconded the motion and the motion passed unanimously. 7 Aye, 0 Nay. June is the end of the second quarter so next month additional budget adjustments will be presented. Money was moved into the account to help pay the large checks for the various projects.

E.6 CRWA, GBRA & ARWA Report. Humberto Ramos with County Line Special Utility District (CLSUD) reported the following.

- HCWTP -Overage: At the November 13th CRWA BOT Item I. Approving an annual overage charge procedure from NewGen Strategies & Solutions, LLC was tabled to allow Crystal Clear SUD to hear Chris Ekrut's presentation at a meeting of all participants.
 - On November 29th a meeting of all the participants was held. The outcome was to implement the overage charge presented by Chris Ekrut for the past two years of overages. The Overage will be addressed at the Nov. 8th CRWA BOM. The issue is still unresolved.
 - On December 8th, County Line SUD sent a letter to CRWA BOT regarding their position on the method and process.
 - On December 15th, Martindale WSC sent a letter to CRWA regarding withholding Operations and Maintenance as a result of violation of its responsibilities under the terms of the Amended and Restated Regional (Hays/Caldwell Counties Area) Water Supply and Treatment Contract.
 - An overage item was on the January 8th CRWA BOT Agenda. A vote was taken, and the item failed.
 - On January 25, 2024, Maxwell SUD representatives, Martindale representatives, CLSUD representatives met with Paul Terrel (attorney for Crystal Clear) to try and resolve the overage issue.
 - On February 8th, Paul Terrel, attorney for Crystal Clear sent an email to Maxwell Attorney (Zach) and CLSUD attorney (Mike) regarding leasing water from each entity in an effort to resolve the overage issue.
 - Demand letter dated February 9, 2024 was sent by Maxwell SUD, CLSUD, and Martindale SUD to CRWA and Crystal Clear SUD.
 - At the February 12th CRWA Board
 - Took action to approve resolution CRWA 23-11-078 concerning an Annual Overage Charge Procedure which adopted an annual overage chare procedure developed by NewGen Strategies & Solutions, LLC to be applied

when the contractual annual allocation of treated water is exceeded by a participating member of the Amended Restated (Hays/Caldwell Counties Area) Water Supply and Treatment Contract, dated February 9, 2021. Meeting after Executive Session, CRWA passed Resolution CRWA 23-11-078.

- On February 15th CRWA sent a letter in response to the February 9th demand letter requesting mediation. Subsequently all entities agreed to seek mediation.
- Mediation held on May 17, 2024 was unsuccessful.
- Action taken at CRWA BOT Meeting for June 10, 2024 to seek arbitration and inquire with member entities and their interest.

HCWTP – Improvements/Membrane Replacement/Pipeline

- CRWA Staff submitted a TWDB Swift Application (\$24.9M) for improvements without CLSUD Pipeline. Subsequently, CRWA submitted a TWDB D-Fund application (\$19M).
 - CLSUD Staff met with interim CRWA GM Randy Schwenn on pipeline funding and coordinated an effort to achieve funding. CRWA scheduled a meeting with all entities for the week of March 20th. The meeting was scheduled for April 10th.
 - The meeting for April 10th was postponed until after mediation.
 - Met with CRWA on May 23rd and member entities to revive previous discussions on the pipeline and Maxwell Wheeling Agreement.
 - No recent meetings established or no new activities.
- CRWA BOM - Meeting held on June 5th, of importance was the request for the 3rd occasion to set up meetings with CRWA and HCWTP entities for the Pall Trailer, Expansion of the plant, and pipeline; set up meetings with entities interested in Wells Ranch III project.
 - CRWA BOT – Meeting held on June 10th. Attached is the agenda for the meeting. Of concern are:

Item 7 Presentations/Discussions

- A. 2001 Water Transportation and Wheeling Agreement with Maxwell SUD -Recall this item was on the previous agenda. More continued discussion of draft amended agreement to the Wheeling Agreement extending the agreement for two years and establishing a new rate for CLSUD and Martindale. CRWA will formalize at their July meeting and CLSUD will follow. Need for Interlocal Agreement with County Line Special Utility District and Martindale Water Supply Corporation providing for the

pass-through and reimbursement to CRWA of compensation and other costs payable from CRWA to Maxwell SUD under the proposed amendment to the 2001 Water Transportation and Wheeling Agreement.

Discussion continued on proposal for construction of new transmission line to deliver water to CLSUD. CLSUD representatives requested that at the July meeting, a task order for engineering services be included in the CWRA agenda as time will be needed to determine a path forward.

Item 11 Executive Session

A. Discussion with Counsel concerning the May 17, 2024 mediation of the Hays Caldwell Water Supply Contract dispute, the proposed mediation settlement agreement and next steps for Canyon Regional Water Authority.

- CRWA Wells Ranch III Project

- No agreement has been finalized, only drafted with errors.
- Gonzales County Underground Water Conservation District – CRWA is requesting that certain conditions of the 920 AF be excluded as part of the permit requirement. Intent is to use the permitted water for East Central, SHWSC and Green Valley. The district will also require additional mitigation fees and monitoring wells.
- CRWA is trying to determine how to move forward with utilizing the 920 AF for Green Valley SUD, East Central SUD and Springs Hill WSC.
- A meeting for the members of Wells Ranch III will be coordinated soon. Still awaiting a meeting with CRWA and other members to determine the path forward for this project. Note, at the end of 2024, CLSUD has paid more than \$600,000 for water leases to which there is no agreement. Some leases have been acquired with this money.

- GBRA/Gonzales Carrizo Water Supply Project

- The hearing was originally set for the week of April 22, 2024, but an extension has been granted. It is now scheduled for mid-June.
- GBRA is still actively negotiating with the protestants in an attempt to settle. The hearing was set for the week of April 22, 2024.
- GBRA received 100% design packages for the eastern pipelines and is currently reviewing the design. GBRA is anticipating receiving 100% design of the northern pipeline and booster pump station by the end of this month.
- GBRA has received approximately 53 appraisals and has initial offers out to 48 landowners for the pipeline easements.
- Recall CLSUD is contracted for 2,419 AF or 27.63% of total project. In addition, GBRA needs additional funding in the amount of \$19,421,475 to complete the project. CLSUD portion is \$5,366,153.564. GBRA is currently working on the debt schedule.

- Met with GBRA on February 5th to discuss potential increased cost for CLSUD Financial Plan. Based on this meeting they informed CLSUD the need is \$68M. Waiting on debt schedule from GBRA.
 - Met with GBRA on April 29th to discuss the delivery points for the project.
 - Will meet with GBRA in June, meeting yet to be determined to discuss and give update to the project. In addition, a discussion and update on GBRA's WaterSecure Project will occur.
- Alliance Regional Water Authority (ARWA) BOT- Next meeting is June 26, 2024. It is possible at this meeting ARWA will take action to terminate the water sharing agreement for 630 AF/yr. with City of San Marcos for CLSUD. This action will allow for Item 9, to be an agreement directly with the City of San Marcos. At the May 22, 2024 meeting the ARWA authorized approving the Phase 1C/1D expansion of the Carrizo Water System and GBRA's requested capacity increase at the Water Treatment Plant. At the time of this reporting no agenda for the June 26, 2024 ARWA Board meeting was completed.

Region L – Region L is in its 4th year of the 5-year plan. The 2026 Region L Plan is due October 20, 2025. Current activities to complete the 2026 Plan, are to have each Water User Group (WUG) review previous 2021 Plan water management strategies (WMS) and submit new WMS. Currently CLSUD has the following WMS from the previous 2021 Plan:

- a.) CLSUD Trinity Well Field -potential after two phases – 1,000 AF beginning 2050 to 2070
- b.) Brackish Edwards Project – Phase I (500 AF) year 2050; Phase II (1,500 AF) year 2060; Phase III (1,500 AF) year 2070
- c.) Non-potable Reuse – year 2020 (500 AF); year 2070 (3,360 AF)

In addition, CLSUD will be submitting WMS's (3,000 AF) associated with potential projects with BVRT and Maxwell as a result of our MOU and in addition, CLSUD will submit facilities improvement for the Booster Site at HWY 21 and possible expansion of the High Road Pump Station.

Director Howe would like to see a project that would get water to CLSUD the quickest and cheapest. The board would like to see a list of all the projects, how much water the project would bring and what the cost is to CLSUD.

Chris Betz was not able to attend the meeting, but provided the following information for Alliance Regional Water Authority (ARWA) via email:

Last Month (May):

- Swore in a few new Directors and elected Officers.
- Appointed Members to the Technical and Administrative Committees, added some folks to the bank accounts, etc.
- Reviewed project status and costs.
- Approved the Operations and Maintenance Rate & Cost Allocation Study (*from Chris Ekrut*) for the remainder of 2024.
- Approve the Phase 1C/1D expansion of the water system (the project that we had mentioned over the past few meetings that would bring more ARWA (& GBRA) water sooner and save @ \$14 million).

This Month (June):

- I expect that the meeting will be virtual and (*limited*) in-person @ CLSUD on Wednesday, June 26 @ 3pm.
- We'll discuss the 2024-2025 Budget.
- We'll discuss our current SWIFT (*Texas Water Development Board funding*) application.
- Review project status.
- We have distributed a memo with some specific details on the past delays that this project phase (*1B*) encountered, I would expect that there might be some further discussion on this.
- We'll discuss Some engineering design work reviews.

E.7 General Manager's Report and Office Expansion Report. Humberto Ramos with County Line Special Utility District (CLSUD) reported the following.

General Manager Report

- Presented a calendar of activities for June 2024
- Met with one potential Board Member from solicitations to fill District 6.
- Met with Executive Committee to interview prospective Board member for District 6 – June 6th
- Met with Executive Committee on June 7th to continue work on developing a recommended rate to be proposed to the whole Board at a future meeting. Discussed staffing needs, capital projects, and wholesale expenses.
- Continue working with various developers within CLSUD CCN.

- Regional meetings (see E.4 CRWA & ARWA Report)
- A customer filed a complaint with the Public Utility Commission (PUC). CLSUD staff met with the customer and are working on a plan of action. Mike Gershon is preparing a response to the complaint to meet the June 28, 2024 deadline to reply to the PUC.
- Will be on vacation June 24-28. France Alston will be in charge while he is away.

City of Uhland Meeting(s)

- City Council Meeting –Attended the meeting held on June 5th; Action taken to allow the mayor to communicate and be the representative to CLSUD. Director Howe is still concerned that Ms. Duke is not attending any of our board meetings and did not follow the process of filing a complaint with the Public Utility Commission (PUC).

City of Kyle

- Awaiting a meeting with Staff to resolve CCN transfers and funds owed to CLSUD by City of Kyle. Emailed City of Kyle staff.

City of San Marcos

- Attended the City Council meeting on June 4th where the WSA agreements were approved.

San Marcos Partnership

- Met with staff on June 6th to discuss interest from data centers in CLSUD CCN. The San Marcos Partnership watches the economic development in Hays County. The governor uses them to try to bring in big industries to the area.

Project Nora (Mega Site)

- No new update

Office Expansion

- A Building Committee was formed on May 20, 2024. Item 3 on the current Board Agenda - RFQ for Architectural Services for new main office and new operations and maintenance building.

Security

- ADT installed a security system at the CLSUD office and booster sites.

Customer Service Credit Cards

- Karina Ortega (Customer Service Manager) provided an update on the credit card equipment. Should receive the printer and scanner any day. Waiting for an official letter from Logics regarding how credit card information is handled. Ms. Ortega did receive an email stating they do not store credit card information.

E.8 President's Report. Director Brewer was provided with plans and communicated with the City of Kyle and the engineers. Ms. Brewer will set up a meeting with the Building Committee next week.

E.9 General Counsel's Report. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. did not have anything to report under this item.

F. ITEMS FOR ACTION OR DISCUSSION/DIRECTION:

F.1 Discuss, consider, and take action regarding appointing a member to fill vacancy on the County Line Special Utility District Board. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. and our Board President, Toni Brewer discussed this item. This item was discussed prior to any of the reports above. CLSUD staff met with several candidates for the open board seat and then passed the information to the Executive Committee. The Executive Committee met with the candidates that were still interested. Director Brewer named Earl Sparks "Chip" as the candidate they chose and asked a motion to be made to appoint him. Chip stood and said a little something about himself. Director Brewer made a motion to appoint Earl Sparks "Chip" to the County Line board of directors. Directors Scheel and Diaz seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay. Director Sparks took his Statement of Officer and Oath of Office. Director Sparks was appointed to Place 6 and has a term that expires in May 2027.

F.2 Discuss, consider, and take action to recognize and accept the resignation from the Vice President position and to appoint a new Vice President to fill the vacancy in this officer position. Robert Diaz requested an agenda item at the previous board meeting to allow for his resignation as Board Vice President but remain on the Board as a Director. Mike Gershon with Lloyd Gosselink Rochelle and Townsend said filling Director Diaz's vacancy as Board Vice President is governed by CLSUD's bylaws, which adopt Robert's Rules of Order. These rules require notice to the Board of the officer vacancy and of the opportunity to fill it, which are satisfied by this agenda item. This approach is consistent with the statute governing officers, Texas Water Code §49.054. Director Diaz made a motion to accept his resignation as Vice President. Director Scheel seconded the motion and the motion passed unanimously. 7 Aye, 0 Nay. President Brewer made a motion to appoint Tracy Scheel as the new Vice President. Director Diaz seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay. Tracy Scheel abstained from voting.

F.3 Discuss, consider, and take action to approve solicitation Request for Qualifications (RFQs) for architectural services for new main office and new operations and maintenance building. Farah Najdawi with CLSUD prepared the Request for Qualifications. Humberto Ramos stated the original plan was to expand the existing facility at the current location, but the current location is not large enough for the expansion. Started working on plans to move the maintenance shop to the site where the "Hemphill" elevated tank is located on FM 150 and make the existing maintenance shop a meeting room and offices but could not justify the cost. Want to discuss relocating the entire CLSUD facility to a new location and possibly selling the existing facility. Director Scheel made a motion to solicit a Request for Qualifications for architectural services for the new building. Director Moore seconded the motion and the motion passed unanimously. 7 Aye, 0 Nay

F.4 Consideration and approval of a Resolution authorizing the filing of an application with the Texas Commission on Environmental Quality for Approval of Certain Projects and the Issuance of Revenue Bonds Pursuant to the Provisions of Section 49.181, as Amended, Texas Water Code; Authorizing the Execution of any Necessary Engagement Agreement with the District's Financial Advisor. On December 18, 2023, the CLSUD Board of Trustees approved the engagement of New Generation Strategies, Norton Rose Fulbright US, SAMCO Capital and Southwest Engineers to assist with pursuing public and private funding opportunities associated with the Land Use Assumptions and 2022 Water Capital Improvements Plan and the 2023 Wastewater Plan. This effort was needed to pursue funding opportunities outside of CLSUD's traditional practice and take a proactive approach to meet CLSUD infrastructure obligations. New Generation Strategies was engaged to assist with conducting a comprehensive water rate analysis and determine proposed water rates associated with debt issuance. SAMCO (Financial Advisor) and Norton Rose Fulbright US LLP (Bond Counsel) were engaged to ensure actions are taken to follow state and federal regulations. Finally, Southwest Engineers was engaged to assist with preparing the application for funding with the Texas Commission on Environmental Quality (TCEQ). The proposed debt issuance is \$24M. Andrew Friedman with SAMCO hoped to market the bonds this fall. Impact Fees will be used to pay off the debt early or help to make the debt payments while development is happening until we have the new rate payers on the ground paying utilities generating the revenue needed to make the debt payment. Director Scheel asked if we need to take the bond issuance to election and Andrew Friedman said no since these are revenue bonds and not tax bonds. Director Moore asked what the difference is between these bonds and USDA funding. Mr. Friedman stated the bonds, and the USDA funding are the same. You would be issuing revenue bonds to the USDA and issuing bonds to the USDA is important because it helps protect your CCN (Certificate of Convenience and Necessity). The only problem with USDA funding is it takes a lot of time for the approval process and CLSUD does not have the time for the process at this time. USDA funding does have better interest rates, but you must amortize rates over forty (40) years. Director Scheel made a motion to approve a Resolution authorizing the filing of an application with the Texas Commission on Environmental Quality for Approval of Certain Projects and the Issuance of Revenue Bonds Pursuant to the Provisions of Section 49.181, as Amended, Texas Water Code; Authorizing the Execution of any Necessary Engagement Agreement with the District's Financial Advisor engage Norton Rose Fulbright US LLP as the bond counsel and provide such services for CLSUD. Director Howe seconded the motion and the motion passed unanimously. 7 Aye, 0 Nay

F.5 Discuss, consider, and take action to delegate authority to negotiate and enter an agreement with Pape Dawson Engineers for Construction Management and Inspection Services. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. Authorization was given by the CLSUD board at the May 20, 2024 board meeting to solicit a Construction Management and Inspection Services (CMI) RFQ. The RFQ was posted on the CLSUD website at 8:00 am on May 21, 2024, and emailed to fourteen (14) engineering consultants. Four (4) responses were received by the due date of June 7, 2024, and an internal evaluation committee was formed to review the responses on June 10, 2024. The evaluation committee consisted of Farah Najdawi and Humberto Ramos. The average score of the respondents was 74.8 out of 100. The results of the evaluation committee are shown in the table below. Pape Dawson Engineers emerged as the firm with the most relevant expertise in providing CMI services. Their RFQ highlighted a project approach that aligns with CLSUD's needs, including a communication plan, inspection approach, and compliance with TCEQ and TWDB regulations. Also, the firm has sufficient staff to offer construction management, construction observation, water infrastructure design, and erosion control services. The evaluation committee selected Pape Dawson Engineers as the qualified firm to provide CMI services to CLSUD. Currently, CLSUD is managing seven (7) projects with a total contract bid of \$7,852,472. Also, there are seventeen (17) future projects projected to cost a total of \$23,683,303, making a sum of twenty-four (24) projects in total. For CMI services, inspection costs are calculated based on 1% of both current and future project costs, while construction management services are estimated at 3.8% of current and future project costs. The projected cost for CMI services is estimated to be \$1,513,717. Ms. Najdawi said the percentage (%) amount came from other utilities. Director Howe feels this could be a moral hazard, he hopes Pape Dawson works to get the best infrastructure for CLSUD at the lowest price instead of infrastructure at the highest price so they can make more money. The inspector will not be a full-time inspector, we will be able to negotiate a rate and will have a termination clause in the contract. The contract should be about a three (3) year deal. Nine (9) of the projects are in the CIP (Capital Improvements Project) and the cost of the CMI services can be included moving forward. Director Scheel made a motion to approve Pape Dawson Engineers for Construction Management and Inspection Services. Director Diaz seconded the motion and the motion passed unanimously. 7 Aye, 0 Nay

Table: Evaluation Criteria for CMI RFQ

Firm Name		Utility Engineering Group	Pape Dawson Engineers	TEC Consulting	K. Friese + Association
Grading Criteria	Grade	Score			QUALIFICATIONS CERTIFICATION IS MISSING
Firm and Project Team Introduction	out of 5	4.5	5	5	
Experience of the Firm with similar work	out of 10	8	9.5	9	
Resume of Proposed Project Manager	out of 10	7.5	9	8.5	
Resumes of Proposed Lead Technical Professional(s)	out of 10	10	10	6	
Support personnel experience	out of 15	15	15	11	
Scope of work	out of 30	17.5	26.5	17.5	
Change Requests to Standard Form of Agreement	out of 5	5	5	5	
Conflicts of Interest	out of 5	5	5	5	
Historically Utilizing Business	out of 5	0	0	0	
TOTALS		72.5	85	67	0

F.6 Presentation on CLSUD Inspection Progress of High Road Pump Station and Plum Creek Reclaimed Water Plant. Farah Najdawi with County Line Special Utility District (CLSUD) gave the presentation. During May, CLSUD staff along with an inspector visited the High Road Plant (purchased from Goforth Special Utility District in 2019 and has been out of service for the past five (5) years. The capacity of this tank is 125,387 gallons and pumps 500 gallons per minute.) and the Plum Creek Reuse Plant. The inspection of the High Road Plant was conducted to ensure it is ready for service before CLSUD receives alliance water in February 2025. For the Plum Creek Reuse Plant, which is currently under construction, the inspection aimed to assess pre-placement conditions and monitor the contractor’s on-site activities. The presentation provided an update on the inspection progress of both plants, detailing the current status, key findings, and any critical issues identified. Also, it outlined the recommendations for repairs, the planning and tracking of these repairs, and the scheduling timeline to bring the plants into operation. The presentation also highlighted the steps being taken to address these issues and ensure both plants operate efficiently and in compliance with all regulatory standards before deployment. Director Scheel requested an analysis of what the cost would be using an in-house inspector versus contracting the inspection services out. Director Scheel wants to include salary, benefits, etc. in the analysis. No action was needed on this item.

F.7 Discuss, consider, and take action to approve Contract Change Order No. One for work associated with the Plum Creek Reclaimed Water Plant. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. Change Order No. 1 involves modifications to the Plum Creek Reclaimed Water Plant following CLSUD's decision to increase tank capacity from 60,000 Gallons to 150,000 Gallons. Bid items 2A and 3A were alternative bids for the 150,000-gallon tank and its foundation. The changes include adjustments to yard piping, adding the fence, removal of the 10,000-gallon hydro-pneumatic tank and air compressor, installation of two 132-gallon hydro-pneumatic bladder tanks, install two silent check valves, stabilizing wall and vapor barrier. These modifications allow the hydro-pneumatic tank to store water under pressure, meeting water demand from pump stops to pump starts. Also, the fence was incorrectly labeled as "existing" in the Bid Documents. It is recommended to add a stabilizing wall to provide support for the end of the partition wall in the electrical area of the building. Adding a vapor barrier is recommended by the inspector to prevent the transmission of water vapor from the subgrade through the foundation slab of the building. The total cost for adding the new items is \$45,667.00. As a result, the contract amount after the change order has been reduced by \$7,348.00. The contract period for completion will be extended by 20 days, bringing the total to 320 days. TTE Contractors has a contractor for the electrical for the VFDs instead of using Alterman, not sure how this will tie into our SCADA system. Director Scheel made a motion to approve Contract Change Order No. 1 for work associated with the Plum Creek Reclaimed Water Plant. Director Ilse seconded the motion and the motion passed unanimously. 7 Aye, 0 Nay

F.8 Discuss, consider, and take action to approve solicitation Request for Qualifications (RFQs) for water system master plan and engineering service. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. The RFQs for water system master plan and engineering services aim to solicit proposals for providing a comprehensive water system design, evaluation, and improvement plans for CLSUD, including treatment systems, storage, and future development and assisting with increased engineering services needed. CLSUD is currently looking to hire an expertise in various engineering services related to water distribution infrastructure. The objective is to enhance CLSUD's water distribution infrastructure development, improvement and future planning. Also, provide a plan for future capital projects and developer-driven initiatives. The RFQ will be posted on CLSUD's website on June 18, 2024, at 8 am, with a closing date of July 2, 2024, at 5 pm. Director Moore asked what the difference is between Request for Qualifications and Request for Quote. Request for Quote the vendor provides an amount of what the project will cost and Request for Qualifications, the vendor must provide evidence they are qualified to handle the task. With a Request for Quote, you also must be careful not to just choose the lowest cost vendor that may not be qualified to handle the task. Director Scheel made a motion to approve solicitation Request for Qualifications for water system master plan and engineering services. Director Howe seconded the motion and the motion passed unanimously. 7 Aye, 0 Nay

F.9 Discuss, consider, and take action to approve Water Supply Agreement with City of San Marcos for 500 AF of Edwards Water. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. On March 24, 2021, CLSUD entered into a Water Supply Agreement (WSA) with ARWA for water sharing from the City of San Marcos for 630 AF of Edwards Water at a rate of \$3.21/1,000. The term was to provide water through this agreement until the ARWA is on-line and provides water to CLSUD, which is to occur in February 2025. The WSA is drafted as a 50%

take or pay with a monthly minimum. This means that CLSUD can take up to 630 AF per year and pay the full amount of \$658,968/yr. or \$54,914/month or take 50% of the 630 AF/yr. which is (315 AF) and pay a monthly minimum of \$27,457/month. This structure allows CLSUD to reserve all the 630 AF/yr., at its own discretion and use up to 630 AF/yr. amount but at a minimum use 315 AF/yr. In an effort to continue to provide water for the increased development within and outside our CCN, staff met with San Marcos to discuss extending the original agreement. The proposed agreement is for 500 AF/yr. and executed by the City Council of San Marcos and the CLSUD Board and continue to January 1, 2027. The rate increased to \$3.41/1,000 and will continue the term of the contract to 2027. Under the 50% take or pay structure, CLSUD will reserve 500 AF/yr. at a cost of \$555,576/yr. or \$46,297/month but required to pay a monthly minimum of 250 AF or (\$277,788/yr. or \$23,149/month). CLSUD has a permit for 291 AF of Edwards Water. CLSUD Board wanted clarification of A. under Agreements in the WSA which states Effective July 1, 2024, CLSUD will reimburse San Marcos for EAA capacity necessary for CLSUD to meet EAA permitting capacity restrictions put in place during the EAA permitting years 2024-2026. Director Scheel made a motion to approve the Water Supply Agreement with San Marcos for 500 AF of Edwards Aquifer Water with the amendment to clarify Item A. under Agreements to ensure that we are not picking up any material expense beyond price per thousand. Director Howe seconded the motion and the motion passed unanimously. 7 Aye, 0 Nay

F.10 Discuss, consider, and take action to approve Water Supply Agreement with City of San Marcos for 1,680 AF of Surface Water. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. On February 20, 2023, CLSUD entered into a Water Supply Agreement (WSA) with the City of San Marcos for 1,120 AF of surface water at a rate of \$5.82/1,000. The terms of the agreement were for two (2) years to expire on July 1, 2025. The WSA is drafted as a 50% take or pay with a monthly minimum. This means that CLSUD can take up to 1,120 AF per year and pay the full amount of \$1,062,150/yr. or \$88,512.50/month or take 50% of the 1,120 AF /yr. which is (560 AF) and pay a monthly minimum of \$44,256/month. This structure allows CLSUD to reserve all the 1,120 AF, and at its own discretion use up to this amount but at a minimum 560 AF/yr. As a result of this WSA, CLSUD invested approximately \$1.4M for easements, pipe and improved infrastructure to receive the water from San Marcos and deliver to the CLSUD Booster site on Hwy 21. CLSUD started receiving water on May 21, 2024 after the infrastructure was completed. In an effort to continue to provide water for the increased development within and outside our CCN, staff met with San Marcos to discuss extending the original agreement with an additional 560 AF. The proposed agreement is for a term of two (2) years to begin July 1, 2024 and continue to July 1, 2026. The rate dropped to \$4.80/1,000 and will continue the term of the contract to 2026. Under the 50% take or pay structure, CLSUD will reserve 1,680 AF/yr. (\$2,628,000/yr. or \$219,000/month) but required to pay a monthly minimum of 840 AF or (\$1,314,000/yr. or \$109,500/month). Unlike Edwards Water, there are no restrictions on this water and our pipeline can handle this flow. Director Scheel made a motion to approve an Agreement with San Marcos for surface water to increase our amount of surface water. Director Diaz seconded the motion and the motion passed unanimously. 7 Aye, 0 Nay

F.11 Discuss, consider, and take action to approve a Wholesale Treated Water Supply Agreement between County Line Special Utility District and Goforth Special Utility District. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Goforth SUD received an application for water service for the Camino West Subdivision located north of High Road (Hays C.R. 127) and west of Lonnie Lane (Hays C.R. 128). Certain infrastructure improvements must be

completed including a sixteen-inch (16") water line along High Road from Goforth Road to near Great Northern Drive (in the Railyard Subdivision); construction of an elevated tank at Plant F; and the construction of Plant N. In the interim, Goforth SUD sent a letter to CLSUD requesting CLSUD to provide the Camino West Subdivision Phases 1-3 water in the amount of 492 AF over three (3) years. CLSUD has assisted Goforth SUD with wholesale water in the past. The agreement will be a take or pay, any infrastructure costs will be at the cost of the developer and will be paid at the time the work is done, the agreement will only be for potable water, no construction water will be sold. A rate for the water will need to be determined for the agreement. Director Scheel made a motion to approve directing staff to negotiate a Wholesale Treated Water Supply Agreement with Goforth Special Utility District. Director Moore seconded the motion and the motion passed unanimously. 7 Aye, 0 Nay.

F.12 Discuss, consider, and take action to approve Task Order from Southwest Engineers for Phase 2 Cotton Gin Road Survey Work and Water Line Relocation. Previously Hays County did a road widening project along Cotton Gin Road, which required relocation of County Line waterlines from near Ewald Drive to Bonanza Street. This was known as phase 1. The County has since acquired ROW for their phase 2 road widening from Bonanza Street to near SH 21. This acquisition has moved CLSUD's waterline into County ROW and some instances beneath the new property lines / fence lines. It is estimated that roughly 8,000 linear feet of waterline will need to be relocated. The total cost for the relocation is estimated to be approximately \$1,735,000, which is estimated that around 75% will be reimbursable. The non-reimbursable portion includes the upsize cost of a 3-inch waterline to a proposed 12-inch waterline as well as existing roadway crossings that will need relocation. SWE submitted a task order to allow survey to start on the project and easement acquisition to proceed. Additional engineering will be needed for design, bidding/award and construction of the project when necessary. The task order may be amended at that time. Humberto Ramos with County Line Special Utility District (CLSUD) tabled this item.

F.13 Discuss, consider, and take action to approve bidding construction of Elevated Storage Tank located on Misty Lane. Jeff Kallus with Southwest Engineers (SWE) discussed this item. The Board approved the design of a 1.0 MG elevated tank along Misty Lane to increase the water system's elevated storage capacity and also to be a second delivery point for the ARWA (Alliance Regional Water Authority) water supply. SWE is requesting permission to go to bid on the project once the Plans and Specifications are completed and we have received approval from both TCEQ (Texas Commission on Environmental Quality) and ARWA. SWE recommends that the base bid be a composite (concrete) elevated tank. An alternate bid be sought for a multi-column tank. A composite elevated tank typically has a higher construction cost but will have less maintenance cost over time. The ARWA water is expected to arrive by early 2025; however, the tank manufacturers indicate that it could take up to 450 calendar days (15 months) to complete the construction of a multi-column tank and up to 550 calendar days (18 months) for the composite tank from award of the project. CLSUD will be able to initially receive the ARWA supply at the booster station along High Road, which has a similar arrival time as the site along Misty Lane. At meeting time, the geotechnical report had not been received, but should be received any day. Director Howe wants a report on the maintenance cost differences between a composite tank and a multi-column tank. Director Scheel made a motion to approve bidding construction of the Elevated Storage Tank located on Misty Lane with both options. Director Ilse seconded the motion and the motion passed unanimously. 7 Aye, 0 Aye

F.14 Discuss, consider, and take action to approve estimate from Wayne Dabbs Service Company for lights at the CLSUD office and booster station. Doug Schnautz with County Line Special Utility District (CLSUD) discussed this item. CLSUD needs to add lights to the outside of the office, shop area, and two of the booster sites for safety and security. Mr. Schnautz requested quotes from three (3) different companies and received a full quote from Wayne Dabbs Service Company in the amount of \$18,695.06; Shirley Electric only provided a quote for the office area and no response was received from the third company. Mr. Schnautz has received the City of Umland ordinances regarding lighting and will make sure CLSUD is in compliance with the ordinances. Director Scheel made a motion to approve Wayne Dabbs Service Company to add lights to the CLSUD office and two booster sites in the amount of \$18,695.06 in accordance with the City of Umland's lighting ordinances. Director Ilse seconded the motion and the motion passed unanimously. 7 Aye, 0 Naye

F.15 Discuss, consider, and take action to approve purchase of U-Branches, Screw on Curb Stops and ¾ Curb Stops from G.A. Powers Co. LLC. Doug Schnautz with County Line Special Utility District (CLSUD) discussed this item. CLSUD is trying to stay ahead of the growth we are currently experiencing by maintaining a supply of parts needed to install meter services when they are needed. Wait times for these items were eighteen (18) months but wait times have lowered to five (5) months. Director Scheel made a motion to approve ordering the needed parts. Director Howe seconded the motion and the motion passed unanimously. 7 Aye, 0 Naye

F.16 Discuss, consider, and take action regarding Amended and Restated Regional (Hays/Caldwell Counties Area) Water Supply and Treatment Contract, Water Transportation and Wheeling Agreement between Maxwell SUD and CRWA, CRWA staff's draft Memorandum of Understanding, and CLSUD's demand letter to CRWA. This item was discussed in executive session. No action was taken on this item when the meeting adjourned from executive session.

F.17 Discuss, consider, and take action authorizing the acquisition of the following easements and property in support of the District's water pipeline infrastructure projects.

- A. Tract 1, Parker Easement, Camino East, Lennar
- B. Tract 3, Yusuf Easement, Camino East, Lennar
- C. Misty Lane Easement

No discussion or action was taken on this item.

F.18 Discuss, consider, and take action regarding the transfer of wastewater CCN service area from Gristmill Utility Company to County Line Special Utility District, and the Sewer CCN Service Area Transfer Agreement between Gristmill Utility Company and County Line Special Utility District. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. A Third-Party Agreement has been signed between CLSUD and Plum Creek Utility. Waiting for the PUC (Public Utility Commission) to try our case, the deadline for the joint filing is July 1, 2024. No action was taken on this item.

G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS. No items were given.

- H. EXECUTIVE SESSION.** Director Scheel made a motion to enter executive session and read the following: County Line Special Utility District reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (consultation with attorney). Director Diaz seconded the motion. The meeting entered executive session at 9:26 P.M. to discuss item F.16 above. Director Howe made a motion to leave executive session and Directors Diaz and Ilse seconded the motion. Meeting left executive session at 10:29 P.M. and entered regular session.
- I. ADJOURNMENT.** Director Scheel made a motion to adjourn the meeting and Directors Diaz and Howe seconded the Motion, Motion passed unanimously. 7 Aye, 0 Nay. Meeting was adjourned at 10:29 P.M.



Toni Brewer
County Line SUD, Board President

Date 7/15/24