

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting –August 19, 2024 at 6:30 P.M.

District Office-8870 Camino Real, Umland, Texas 78640

Board Members Present:

Toni Brewer

Joe Howe

Tracy Scheel

Rebecca Moore

William Ilse

Earl Sparks

Robert Diaz

Others Present:

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

Mike Persyn with K. Friese and Associates

Shawn Crawford with K. Friese and Associates

Kerry Averyt with Canyon Regional Water Authority Via Zoom

Trey Wilson with Canyon Regional Water Authority Via Zoom

Justin Ivicic with Maxwell Special Utility District Via Zoom

Allison Nieto with Southwest Engineers

Jeff Kallus with Southwest Engineers

Tom Walker with Southwest Engineers Via Zoom

Bill Fry with Plum Creek Utility-OMMS-BVRT

Ronja Keyes with Plum Creek Utility-OMMS-BVRT

Jesse Pena with Quiddity Engineering

Humberto Ramos, County Line Special Utility District Staff

Doug Schnautz, County Line Special Utility District Staff

France Alston, County Line Special Utility District Staff Via Zoom

Tracie Crowell, County Line Special Utility District Staff

Karina Ortega, County Line Special Utility District Staff

Farah Najdawi, County Line Special Utility District Staff

JoAnn Barrera, County Line Special Utility District Staff

Tiffeny Howe, County Line Special Utility District

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.

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, Howe, Diaz, 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 July 15, 2024 regular Board meeting. Director Scheel made a motion to approve the minutes from the July 15, 2024 board of directors meeting. Director Ilse seconded the motion, and the motion passed unanimously. 7 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 reported the plant is running well and in compliance. Connections are being made, but not as many as in previous months. Flows have increased (due to school being back in session). The plant is operating at one-half (1/2) capacity right now. No real maintenance issues.

E.2 Engineer's Report. Allison Nieto with Southwest Engineers reported construction is about seventy percent (70%) complete on the Porter Creek Lift Station, hope to have completed by mid-September except for the generator which currently has long lead times. Final work thru was held August 6, 2024 for the Porter Creek Force Main, contractor is working on punch list items. Contractor to stake the pipeline alignment and mobilize equipment for the Porter Creek Gravity Main. Easement acquisition and design is in progress for the FM 2720 Gravity Main, waiting to bid the project until all easements have been acquired and the new construction contract is finalized with County Line Special Utility District (CLSUD). The FM 2720 Gravity Main will terminate at the new WRRF#3 (Water Resource Recovery Facility), design is about ninety percent (90%) complete on the facility. In order to have the line and facility complete and ready to use by next August, the project will need to be awarded at the October board meeting. The Commercial Area Wastewater project is on hold since the Spanish Retail Center decided to switch to septic and declined to provide wastewater easements. Draft report of the Wastewater CIP Amendment should be ready this month, will wait to finalize until Water Master Plan

is completed and Water CIP can be finalized. TCEQ (Texas Commission on Environmental Quality) report was submitted to TCEQ on July 2, 2024 and administrative approval was received, report is under review with TCEQ now. Seven (7) subdivisions are under review; plans have been submitted for review for ten (10) projects; and service requests and application fees have been paid for fifteen (15) projects.

Jeff Kallus with Southwest Engineers reported our application for the generator funding for the Brooks Well Site is still in Step 12 of the review process. The contractor is finishing up the punch list items at the Brooks Well Site Well #2 pump replacement, the final payment will be the retainage in the amount of \$39,410.00. Once payment is received, an O&M Manual will be provided. The FM 2720 waterline passed all tests and will be in operation to start serving the Bollinger Subdivision construction water. The ground storage tank has been erected and is being painted at the Reuse Water Plant, the building has been constructed with only the doors and windows remaining to be installed. Plans and Specs are being finalized for the Grist Mill Road Reuse Line Extension, the board approved solicitation of bids and hope to award the project at the September board meeting. Southwest Engineers are at about 90% completion on the construction plans and specifications for the Misty Lane Elevated Tank/ARWA Delivery Point #2. Pape-Dawson and ARWA (Alliance Regional Water Authority) will need to review and approve the plans. Waiting on Cobb-Fendley to provide title run sheets for the Cotton Gin Road Phase 2 Waterline Relocation Project. Plans and Specs are ready for bid on the FM 2001 Waterline Relocation Project. Hope to have the CIP draft complete and to CLSUD staff for review by the end of the month.

E.3 Capacity Report. Jeff Kallus with Southwest Engineers reported County Line Special Utility District currently has 6,420 active meters with 2,241 in reserves. Non-Standard Service Agreements (NSSAs) provided to the developer account for 547 LUES (Living Unit Equivalent). NSSAs in the works account for 1,169 LUES and remaining phases of NSSAs account for 4,107 LUES. New Service Requests account for 10,804 LUES and other Service Requests account for 1,638 LUES.

E.4 Easement Report. Tom Walker with Southwest Engineers reported we have ten (10) easements for the FM 2720 wastewater line, two (2) of these easements have been acquired from Capital Land Investments. Still working with Walton/RUC on easement acquisition from them. Still missing two (2) subordinations on the Camino East Easements, have acquired an Indemnity Agreement from Lennar to proceed. Acquired the easement from Hollis Burklund on Misty Lane, but still working to acquire the easement from John Siemering. Working to acquire an easement from Mr. Schmeltekopf and OPG Partners for Westside at Cotton Gin.

E.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported total water income was \$735,720.14. Total company income was \$2,877,551.00 and total expenses were \$1,046,190.00 for a bottom line of \$1,831,360.00 for the month. The San Marcos Water Agreement is higher this month because in July we went from one contract of \$88,000.00 to two (2) contracts, one is \$109,500.00 and the other one is \$23,000.00. Line 5505, which is water samples on the budget is getting close to the one hundred percent (100%) mark due to additional water sampling this year compared to previous years. Line 5550 Internet/Website is over budget due to having our website updated. Line 5560 Meetings is also over budget due to all the food purchased for the board meetings and the retirement party for Daniel Heideman. Line 5710 Postage/Printing Billing is higher this year due to the additional emails sent out for the retirement party and board meetings. Line 5835

Technology Expense is really overbudget due to the \$72,977.00 we spent on SCADA for the Plum Creek Utility (PCU) Umland Downtown Lift Station so PCU could monitor the station. Also included in this line are our IT charges, which average \$3,772.81 per month. We just started our second year of a three (3) year contract. In July we saw an eight percent (8%) increase, which is part of our contract. Our contract also was for ten (10) computers and employees, and we increased our number of employees and purchased new computers. This line also included the \$12,000.00 payment for our new accounting software and a \$1,300.00 SCADA software renewal. Director Brewer asked Ms. Alston if she had any budgets for capital items, Ms. Alston said the auditor moves everything at the end of the year, she will contact him regarding this matter. Director Howe asked how we account for expenses we will recoup from the developer later. Ms. Alston said right now those expenses are in construction in process and she is keeping track of what needs to be reimbursed to us.

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 procedures from New Gen 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.*
 - *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 was adopting an annual overage charge 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 15 CRWA sent a letter in response to the February 9th demand letter requesting mediation. Subsequently all entities agreed to seek mediation.*
- *Mediation set for May 14th.*
- *Action taken at CRWA BOT Meeting for June 10th to seek arbitration and inquire with member entities their interest. LG will provide an update on the arbitration during executive session of the July 15th meeting. CRWA will be working to amend the 2015 Regional Hays Caldwell Water Supply and Treatment Contract and will be sending out revisions to all the participating entities. CLSUD will be awaiting proposed amendments and discussing them with its Board at a future meeting. In addition, once CRWA obtains comments and consensus on the amendments from the participating entities action will be taken at a future CRWA BOT meeting to amend the 2015 agreement.*
- *Recent activities will be discussed in executive session of the CLSUD August 19th Board Meeting.*

- 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, coordinated effort to achieve funding. CRWA scheduled a meeting with all entities the week of March 20th. The meeting was scheduled for April 10th.*
 - *The meeting for April 10th will be postponed until after mediation.*
 - *Met with CRWA on May 23rd and member entities to revive previous discussions on the pipeline and Maxwell Wheeling Agreement.*
 - *At the CRWA BOT held on July 8th, CRWA passed a resolution to proceed with a Request for SWIFT Funding of \$24M. This action does not obligate the participating entities into seeking this funding as there are many questions not yet resolved to include the CLSUD pipeline and contribution of San Marcos.*
 - *At the CRWA BOT meeting held August 19th, it was announced that CRWA received authorization for funding, discussion consisted with City of San Marcos and CLSUD having concerns moving forward until other issues are resolved but direction to CRWA was to continue with Phase II that includes \$17M for ozone to which CRWA has in reserves for the project.*

- CRWA BOM -Meeting held on August 7th, result was a recommendation from the BOM to approve the proposed 2025 FY Budget.

- CRWA BOT -Meeting held on August 12th. Attached is the agenda for the meeting. Of concern are:

- A. *Discussion of proposed amendment to the Regional Hays Caldwell Water Supply and Treatment Contract. Please see the last bullet point on HCWTP above.*

Item 9 General Business

- A. *Presentation and discussion of the dispute regarding the Regional Hays Caldwell Water Supply and Treatment Contract. Item was moved to Executive Session*
- B. *Presentation and discussion of proposed Interlocal Agreement between CRWA, Martindale SUD, and County Line SUD regarding pass-through of costs associated with the amendment to the Wheeling Agreement Between CRWA and Maxwell SUD. Item was moved to Executive Session*
- C. *Presentation and discussion of the proposed Hays Caldwell pipeline.*
- D. *Presentation and discussion of update on the status of the Development Fund application for the Hays Caldwell WTP. CRWA staff informed BOT that they just found out prior to the meeting, they thought they had applied for a TWDB D-fund for the pipeline, but instead it was for the state revolving fund, and it was for the expansion and the pipeline. To date the CRWA staff does not know the status or amount they applied for. The Board advised the GM to apply for a D-Fund as well as it is faster.*
- E. *Presentation and discussion of updates on the status of the SWIFT Fund application for the Hays Caldwell WTP – CRWA was approved to receive financing from the SWIFT in the amount of \$24M for “Phase 3 – membrane replacement and misc. components” and will need all entities to affirm the sale of bonds by September 6th. At issue is that CLSUD will be responsible for payment without assurance of a pipeline and San Marcos and others will not have time to take to their governing bodies. In addition is the question if San Marcos is obligated to participate, to which they feel they do not. If San Marcos does not participate, then CLSUD will be responsible for 40%. In addition, all components for water quality treatment are currently within the current remaining balance of \$17M. It was discussed that CRWA should resolve issues with San Marcos and seek funding next year through D-Fund, SWIFT et. and use \$1.5 M of reserve (\$17M) to keep project moving for next year.*
- H. *Presentation and discussion of a proposed agreement between CRWA and ARWA for an additional delivery point for CLSUD.*
- I. *Presentation and discussion of a proposed agreement between CRWA and County Line SUD for an additional delivery point for CLSUD. Items H and I were combined and the CRWA Board will take action at its September meeting once CLSUD approves the agreement first.*
- J. *CRWA 24-08-003 Concerning Approval of the Fiscal Year 2025 Budget – CRWA Board approved the FY 2025 Budget. Total budget is \$48,721,478.47: increase of 20.04% over FY 2024 Budget; Repair and Replacement line-item increase to \$6,110,485 of which includes \$2M for a segment of a pipeline to*

address CLSUD water delivery; also 8% salary adjustment for staff; attorney fees increased. Impacts to CLSUD are Wells Ranch III water - \$366,720.22; Hays Caldwell (\$1,053,535.88); ARWA \$680,807.03. Note CLSUD still owes CRWA (\$189,82.00) for investment in ARWA.

- K. CRWA 24-08-004 Concerning Approval of the CRWA Investment Policy. - CRWA BOT approved the Investment Policy no change from last year.
- L. CRWA 24-08-005 Concerning Appointment of a CRWA representative to the ARWA Board of Directors – CLSUD Board member Tracy Scheel was appointed.

Item 10 Executive Session

- A. Consultation with CRWA's attorney(s) regarding legal issues involving the proposed amendment to the Regional Hays-Caldwell Water Supply and Treatment Contract as authorized by Section 551.071 of the Texas Government Code.
- B. Consultation with CRWA's attorney(s) regarding legal issues involving the proposed Interlocal Agreement between CRWA, Martindale SUD and County Line SUD regarding the pass-through of costs associated with the amendment to the Wheeling Agreement between CRWA and Maxwell SUD as authorized by Section 551.071 of the Texas Government Code.
- 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.
 - CRWA is still trying to complete an agreement with Green Valley SUD, East Central SUD and Springs Hill WSC.
 - CLSUD GM requested that CRWA develop an agreement that codifies that CLSUD is responsible for paying CRWA for leases obtained through the Wells Ranch III project included in CRWA FY 2025 Budgett. Currently CLSUD has paid approximately \$600,000 plus for the past two years and expected to pay another \$366,720.22 for FY 2025. At the end of 2025 CLSUD would have paid nearly \$1M without an agreement.
- GBRA/Gonzales Carrizo Water Supply Project
 - The hearing was originally set for the week of April 22, 2024, but extension has been granted. It is now scheduled for mid-June.
 - GBRA is still actively negotiating with the protestants in an attempt to settle

- GBRA received 100% design packages for the eastern pipelines, northern pipeline, and booster pump station and is currently reviewing the design.
 - GBRA has received approximately 59 appraisals and has initial offers to 53 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'S 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.
 - Met with GBRA on July 2nd to discuss and update the project. GBRA will present and update to the CLSUD BOT on July 15. In addition, a discussion and update on GBRA's WaterSecure Project occurred. Regarding the WaterSecure Project, it is estimated that the project will cost between \$3,900 to \$4,000/ AF. GBRA in the future will present to the CLSUD BOT.
 - As of August 2nd, GBRA has provided comments on the 100% design packages for the eastern pipeline and northern pipeline. GBRA is currently reviewing 100% design package for booster pump station. GBRA has received approximately 62 appraisals and has sent initial offers out to 59 landowners and has also sent out 44 final offer letters to landowners for the pipeline easements and booster pump station.
- Alliance Regional Water Authority (ARWA) BOT- Next meeting Aug 28th is in person at San Marcos. Anticipate election of officers and action regarding Operations and Maintenance Rate & Cost Allocation Study, action on progressing with 2024 SWIFT funding. At the time of this reporting no agenda for the August 28th ARWA Board meeting was completed. Current update on Segment C construction crews are advancing on Segment C since work began in April. In the last few months, crews have been conducting environmental surveys, tunneling activities, and site clearing to facilitate material staging. Nearly all of the 12-inch waterline installation is completed, the focus now shifts to pipe installation near Lehman High School and further southward. Tunneling and boring operations are scheduled without anticipated road closures.
- Region L– Meeting was held on August 1st, of importance is TWDB discussed current status of the new "Texas Water Fund" and announced the awarding of 2024 SWIFT Funding to CRWA, ARWA and GBRA. The consultant discussed water management strategies (WMS) from the large wholesales to include ARWA, NBU and GBRA. Region L will continue to work on large wholesale WMS and begin addressing WMS for the Water User Groups (WUG). Region L is in its 4th year of the 5-year plan. The Initially Prepared Plan is due in March 2025 with the final 2026 Region L Plan due October 20, 2025. 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 yr to 2070
 - b.) Brackish Edwards Project – Phase I (500 AF) 2050 yr; Phase II (1,500 AF) 2060 yr; Phase III (1,500 AF) 2070 yr
 - c.) Non-potable Reuse – 2020 yr (500 AF); 2070 yr (3,360 AF)

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

Director Scheel asked how much money we owe Canyon Regional Water Authority (CRWA), Mr. Ramos said our portion was \$199,000.00 but we have paid it down to \$189,000.00. We won't pay anymore until we have something in writing stating what we owe this and what has been paid.

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

- Met with Building and Executive Committee on July 19th to review status of the building activities and address projects and wholesale water projects with committee.
- Will meet with Executive Committee and Building committees on August 23rd to continue work on developing a recommend rate to be proposed to the whole Board at a future meeting and discuss the RFQ response for an architect.
- Continue working with various developers within CLSUD CCN.
- Regional meetings (see E.4 CRWA & ARWA Report)
- Pape-Dawson did not want to sign our Master Services Agreement, so CLSUD parted ways with them. Pape-Dawson would have done Construction Management, will now handle internally.

City of Umland Meeting(s)

- Currently working with SWE and CLSUD attorney to review and comment on the franchise agreement.
- Have a meeting August 21, 2024 to discuss permits and various other topics.

City of Kyle

- Forwarded invoice as per the request by City Kyle staff to resolve CCN transfers and funds owed to CLSUD.
- Have a meeting August 21, 2024 to discuss The Grove.

Project Nora (Mega Site)

- No new update

E.8 President's Report. Director Brewer reported there will be a rate study meeting Friday, August 23, 2024, still trying to nail down projects and wholesale water price. The Building Committee will start sifting through the RFQs (Request for Qualifications) submittals, Director Brewer will email the committee about scheduling a meeting to discuss the RFQs. Director Brewer directed Humberto Ramos to find a real estate agent to look at the current CLSUD office property, the property on FM 150 where a new office site is proposed and to look at any other available property in case we are not able to build a new office at the property located on FM 150.

E.9 General Counsel's Report. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. reported the Public Utility Commission (PUC) is comfortable with our responses and how we are handling the two (2) complaints filed with them against us. Still working with Allison Garcia to resolve her complaints.

F. ITEMS FOR ACTION OR DISCUSSION/DIRECTION WHICH WERE TAKEN OUT OF ORDER AND DISCUSSED IN THE FOLLOWING ORDER: F.2-F.15 AND THEN F.17 AND F.18 WERE DISCUSSED IN REGULAR SESSION (IN THAT ORDER) AND F.16 AND F.1 (IN THAT ORDER) WERE DISCUSSED LATER IN EXECUTIVE SESSION.

F.1 Discuss, consider, and take action to approve Interlocal Cooperation Agreement by and between Canyon Regional Water Authority, County Line Special Utility District and Martindale Water Supply Corporation. This item was discussed second (2nd) during executive session. Outside of executive session, Director Scheel made a motion to Approve Interlocal Cooperation Agreement by and between Canyon Regional Water Authority, County Line Special Utility District and Martindale Water Supply Corporation with modifications made during executive session and to allow our president, Toni Brewer to sign the agreement if necessary. Director Sparks seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.2 Discuss, consider, and take action regarding an Agreement for Addition of Delivery Point between County Line Special Utility District and Canyon Regional Water Authority. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Currently, CLSUD has an agreement with Canyon Regional Water Authority (CRWA) for participation (10%) in CRWA's share (30.89%) of the Alliance Regional Water Authority (ARWA) project. This agreement contemplates delivery point(s) for CLSUD to accept water from ARWA. CLSUD's current delivery point is the High Road Booster Site (G-Site) purchased from Goforth SUD five years ago. In October 2022, CLSUD began discussions with ARWA for a second delivery point. In 2023, a determination was made by CLSUD to request a second delivery point to be located at Misty Lane. Subsequently on November 3, 2023 CLSUD purchased property on Misty Lane (\$225,000.00) to construct an elevated storage tank for the second delivery point. In addition, on December 11, 2023 a Task Order (\$160,000.00) was approved for Southwest Engineers to design the elevated storage tank. Currently there are no easements needed for the placement of the water line from the ARWA line to Misty Lane as the ARWA line is across the road from Misty Lane. In order for CLSUD to secure a second delivery point from CRWA the following must occur: CLSUD must request a second delivery point from CRWA; CRWA must approve an agreement with ARWA for this second delivery point; CRWA must then enter into an agreement with CLSUD as a participating member for the second delivery point. CRWA will wait for CLSUD to approve the agreement first then at the September 9th CRWA BOT meeting, action will be taken by CRWA to approve an agreement with ARWA for the second delivery point. CLSUD will be responsible for all costs associated with the second delivery point. Estimated costs for this are: ARWA stub out, tee & valve - \$9,000.00; Road Bore & Tie-in - \$60,000.00; ARWA equipment - \$165,000.00; and ARWA equipment (change order items) - \$64,000.00 with a total cost estimate of \$300,000.00. Director Scheel made a motion to approve the Agreement for the addition of a delivery point between Canyon Regional Water Authority and County Line Special Utility District pending review of the contract. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.3 Discuss, consider, and take action regarding Task Order Amendment No. 1 with Southwest Engineering for Easement Acquisition for Westside at Cotton Gin. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. On April 1, 2022, Daniel Heideman signed Task Order #21-02-22-1 under the engineering service agreement between CLSUD and Southwest Engineering (SWE) for wastewater line improvements to serve the Westside at Cotton Gin Subdivision, located on the south side of Cotton Gin Road, just upstream of the client's proposed Porter Creek Gravity Main project. SWE agreed to provide CLSUD with engineering services, including easement acquisition for line installations. This work involves title research for the tracts along the proposed alignment, preparation and delivery of right-of-entry letters to landowners, conducting easement negotiations, and maintaining communication with landowners before and during construction. The total service charge for this task order was \$16,960.00. On August 6, 2024, SWE issued Amendment No. 1 for Task Order #21-02-22-1, requesting an additional \$5,000.00. This amendment is issued because the easement negotiations have taken longer than anticipated. The landowner has hired an attorney and has challenged the alignment and compensation terms, requiring additional easement acquisition negotiation services that need to be added to the original task order to adjust total task order amount to \$21,960.00. The developer will be responsible for all actual costs. Director Scheel made a motion to approve Task Order Amendment No. 1 with Southwest Engineering for Easement Acquisition for Westside at Cotton Gin. Director Moore seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.4 Discuss, consider, and take action regarding Task Order Amendment No. 2 with Southwest Engineering for Easement Acquisition for FM 2720 Wastewater Main. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. On November 20, 2023, Humberto Ramos signed Task Order #12-10-23-1 under the engineering service agreement between CLSUD and SWE for the FM 2720 Wastewater Easement Acquisition and Design project. SWE was tasked with providing offsite wastewater infrastructure to the Bollinger Subdivision along FM 2720, which required easement acquisition and the design of improvements. In their scope of work, SWE agreed to assist CLSUD by obtaining the necessary signatures on easement documents and recording them with the county clerk (Task 2 in the engineering service proposal). They also committed to securing the services of a state-registered land surveyor to obtain survey exhibits, topographic survey data for infrastructure design, and the necessary metes and bounds descriptions to accompany the wastewater easement documents (Tasks 3, 5, and 6 in the engineering service proposal). The total cost for these and other services was set at \$250,000.00. On March 22, 2024, Amendment No. 1 was issued due to an increase in the Estimated Maximum Amount (EMA) for Tasks 2, 3, 5, and 6. This increase was necessitated by TXDOT's plans to widen FM 2720, which resulted in the wastewater line being pushed further onto the property. An extra \$11,000.00 was added, bringing the total task order amount to \$261,000.00. A second amendment was issued on August 6, 2024, due to an additional increase in the EMA for Task 1 (Easement Acquisition). This was required because of the need for extra coordination with Kinder Morgan for a gas main encroachment agreement, extended landowner negotiations caused by easement revisions related to the FM 2720 roadway widening, delays in developers closing on the land, and changes in the developer/attorney points of contact. An extra \$15,000.00 was added, bringing the total task order amount to \$276,000.00. Allison Nieto with Southwest Engineering (SWE) said the Walton Easement negotiations are still ongoing but hope to have them completed soon. These expenses will be at CLSUD's expense as this is a CIP (Capital Improvement Project) Project and included in our Impact Fees. Director Scheel made a motion to

approve Task Order Amendment No. 2 with Southwest Engineers for Easement Acquisition for FM 2720 Wastewater Main. Director Ilse seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.5 Discuss, consider, and take action regarding Task Order with Southwest Engineering for work associated with the Sewer CCN Amendment. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. This Task Order was issued on August 6, 2024, by Southwest Engineering (SWE) to incorporate a new development into our Sewer CCN (Certificate of Convenience and Necessity). SWE will prepare the necessary maps for CLSUD's sewer CCN amendment application, assist CLSUD's attorney with supporting documents required to justify the additional CCN area, and help respond to public utility commission (PUC) comments with detailed reasoning. SWE proposes to complete this work on an HOURLY basis within the estimated maximum amount of \$20,000.00. Any additional costs will be negotiated with CLSUD, and with CLSUD's approval, an amendment to this Task Order will be made to complete the project. By the end of the work, SWE will deliver the necessary maps, supporting documents for the attorney, and PUC-related documents. Director Scheel made a motion to approve Task Order with Southwest Engineers for work associated with the Sewer CCN Amendment. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.6 Discuss, consider, and take action regarding Task Order with Southwest Engineering for Easement Acquisition for FM 2720 (Lantana Development). Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. This Task Order was issued on August 13, 2024, by Southwest Engineering (SWE) for Lantana Easement acquisition coordination. SWE will conduct title research and coordinate right of entry (ROE) and negotiation services related to acquiring the necessary easements from three (3) landowners for water and wastewater extensions to Lantana Subdivision. SWE will deliver the easement exhibits, ROEs, correspondence, broker opinion of value, final offer letter, and any other related documents. The estimated maximum amount (EMA) for engineering services to complete this project on an hourly basis is \$30,000.00. If the service cost approaches the EMA but does not exceed it before completing the work, SWE will negotiate an appropriate cost with CLSUD, seek approval, and amend this task order as necessary. The developer will be responsible for the expenses. Director Scheel made a motion to approve Task Order with Southwest Engineers for Easement Acquisition for FM 2720 (Lantana Development). Director Ilse seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.7 Discuss, consider, and take action to approve Solicitation of Bids for the Reuse Line Extension on Grist Mill Road. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. On June 23, 2021, Daniel Heideman signed a task order with Southwest Engineers (SWE) to provide engineering services for extending water and reuse lines, as well as handling the necessary acquisition measures for the installation along Grist Mill Road, from the Highlands at Grist Mill Subdivision to 5 Star Concrete. The project will include approximately 700 linear feet of 8-inch reclaimed waterline, including bores under SH 21 and Grist Mill Road. If extended to the County Line office site, an additional 600 linear feet will be added. CLSUD requires construction to be completed by the end of this year, with an estimated completion date of December 2024. Estimated timeline for the contractor to complete the 700 linear foot project is approximately two and a half (2½) months. Southwest Engineers has completed the construction plans and submitted the ROW (Right of Way) permits to TXDOT. SWE anticipates having bids ready for the September board meeting. Construction is

estimated to cost around \$150,000.00 for the entire route, and the project is included in the funding application to TCEQ (Texas Commission on Environmental Quality). Humberto Ramos met with 5 Star Concrete this month and they are onboard and requested to have a potable water connection and a reuse water connection. Director Scheel made a motion to approve Solicitation of Bids for the Reuse Line Extension on Grist Mill Road. Director Sparks seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.8 Discuss, consider, and take action regarding Task Order for engineering design with K. Friese and Associates, LLC associated with the County Line Special Utility District Booster Site located at Bobwhite Road. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. The Bobwhite Booster Site is a planned water plant that will be constructed to receive groundwater from the Guadalupe Blanco Regional Water Authority (GBRA). The contracted water, totaling 2,419 acre-feet annually and up to 2.8 MGD (Million Gallons per Day), is expected to begin arriving in 2027. The new water source will be handled by booster site facilities designed and constructed by K. Friese and Associates to store and pump the 2.8 MGD contract amount. CLSUD is also exploring additional future water supply projects, with the expectation that these future sources will be integrated into the Bobwhite Booster Site. Anticipating this, CLSUD purchased extra acreage at the site to accommodate potential expansions. Any future water sources will likely necessitate expansion of the water facilities, including ground storage, pumps, piping, and electrical systems. In 2022, SWE estimated the total cost for design, bidding, and construction at \$3,225,000.00. In comparison, K Friese estimated the design engineering and bidding phase services at \$758,561.00 (this amount also includes a pre-purchase agreement so we can purchase materials ahead of time and not have to wait to order materials so we can have the needed materials when ready for construction and includes SCADA in the construction cost at \$4,136,160.00. The difference in estimates is primarily because SWE's estimate is two years old, and construction and labor costs have increased significantly since then. GBRA is still working to obtain easements. Director Scheel made a motion to approve Task Order for engineering design with K. Friese and Associates, LLC associated with the County Line Special Utility District Booster Site located at Bobwhite Road and with Humberto hopefully negotiating a little bit more down and then also skipping the sixty percent (60%) design phase and with an update at the next board meeting. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.9 Discuss, consider, and take action regarding Task Order with K. Friese and Associates, LLC for developing a Water Master Plan. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. The 2024 Water Master Plan for CLSUD will be developed by K. Friese and Associates (KFA) who will provide engineering services to create a hydraulic water model and a comprehensive water master plan. The project is scheduled for completion by February 17, 2025. The scope of work includes project management, data collection, and regular meetings, with KFA conducting assessments of the current system, land use analysis, and forecasting population and water demand. They will also create and calibrate a hydraulic model, analyze system deficiencies, and develop a prioritized Capital Improvement Projects (CIP) list for new impact fees. The total cost for this project is estimated at \$199,978.00, and the final deliverables will include a detailed Water Master Plan report, long-term maintenance recommendations, and CIP projects planned for the next twenty (20) years. Specific exclusions and additional services will be addressed in future task orders. The contract has two (2) public meetings included. Impact Fees must be updated every five (5) years.

Director Sparks made a motion to approve Task Order with K. Friese and Associates, LLC for developing a Water Master Plan. Director Scheel seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.10 Discuss, consider, and take action on the purchase and installation of the reporting and (SQL) Bridge Modules for the Ignition App/SCADA System. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. On July 15, 2024 the board approved soliciting K. Friese and Associates to work on the water master plan for CLSUD. To support their efforts, K. Friese requires records of hourly, daily, and monthly inflow and outflow rates, pump run times, and tank elevations for CLSUD's water supply. This data will assist in the inventory assessment, predict future water demand, and forecast population growth over the next five years, all of which are essential components of the water master plan deliverables. To facilitate this, CLSUD staff recommend purchasing and installing the Reporting and Structured Query Language (SQL) Bridge Modules for the Ignition SCADA system. SQL, a standardized programming language for managing relational databases. SQL will enable CLSUD to collect and manage the specific data needed for the water master plan. These modules will provide the functionality to design graphical views, build transaction groups, and write SQL scripts for querying the required data. The software license will support the generation of reports with tables for hourly pump volumes, pump runtime, and tank elevations, as well as bar graphs and trends for the data. Also, the Reporting and SQL Bridge Modules will assist CLSUD staff in preparing annual water reports and water use surveys for TWDB/TCEQ (Texas Water Development Board/Texas Commission on Environmental Quality). Doug Schnautz with CLSUD stated we already have the reports, this will enable K. Friese to grab the reports without going into SCADA. The Reporting and SQL Bridge Module license is priced at \$8,378.00, covering only the software license itself and excluding the programming labor required to build the reports. Also, programming services for up to twenty (20) hours at a cost of \$3,191.00, which includes modifying control device programs to track pump run times and creating daily reports for inflow flow rate, inflow totals, pump run times, and EST/GST tank level trends. This brings the total cost to \$11,569.00. Director Howe made a motion to approve the Purchase and Installation of the Reporting and SQL Bridge Modules for the Ignition App/SCADA system. Director Moore seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.11 Discuss, consider, and take action to approve the deadline for Porter Creek Lift Station. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. On July 19, 2024, CLSUD received Change Order #1 from the Porter Creek Lift Station contractor, Alterman, requesting a sixty (60) day extension to the contract timeline, with no change to the contract price. The original completion date was July 20, 2024, so the new completion date would be September 18, 2024. This extension is due to weather delays, groundwater issues, and material delivery delays. Southwest Engineers (SWE) has reviewed and approved this change order. SWE have indicated that, barring any further weather delays, the lift station should be substantially complete by the new September 18 date. However, the generator and Automatic Transfer Switch (ATS) are still experiencing long industry-wide delays, and a firm delivery date for these items has not yet been established. As a result, the change order covers the completion of the remaining items, but the timeline for the generator and ATS remains undetermined. It's important to note that Phase 3 of the Creeks Crossing Subdivision is still on hold, so the first user of this lift station will likely be the Haney Park development. CLSUD is not obligated to provide wastewater service to Haney Park until March 16, 2025, based on their NSSA

(Non-Standard Service Agreement), so the timeline extension should not impact service commitments. A contingency plan was included in the contract, and CLSUD is within it. No action is required on this item by the board, this item was just for informational purposes to the board.

F.12 Discuss, consider, and take action regarding entering into an Automation and Controls Service Agreement with SCADA Provider (Alterman). Doug Schnautz with County Line Special Utility District (CLSUD) discussed this item. CLSUD uses SCADA (Supervisory Control and Data Acquisition) to monitor and control pumps and tank levels to maintain pressure in the system. There are times throughout the year when maintenance is required, or new sites are added. Alterman is our SCADA provider and bills on an hourly basis. CLSUD currently does not have a service contract with Alterman therefore we pay a slightly higher hourly rate than we would otherwise. CLSUD has spent more than \$52,000.00 with Alterman, so some savings could be had with a service contract. The annual agreement cost would be \$20,520.00, mileage and vehicle fees would be \$1,539.00 with a total cost of \$22,059.00. The monthly cost would be \$1,654.00 after the initial payment of \$3,860.00 which includes a ten percent (10%) down payment and the first month's payment. The agreement would be effective September 1, 2024 and end August 30, 2025. Director Scheel made a motion to enter into an Automation and Controls Service Agreement for SCADA with Alterman. Director Ilse seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.13 Discuss, consider, and take action regarding purchasing a GPS System for CLSUD Service Trucks. Doug Schnautz with County Line Special Utility District (CLSUD) discussed this item. CLSUD is looking into installing GPS equipment on all service trucks owned by CLSUD. This system would allow for the location of CLSUD property to be tracked in the event of theft or locating a vehicle in an emergency. The system will also track fuel efficiency, maintenance, and provide geofencing. CLSUD currently has six (6) trucks that will need to be outfitted with a GPS. We have obtained cost analysis from six (6) different service providers. After reaching out to others who use this service it is his recommendation to use the LINXUP system. This system will monitor speed and driving but does not have cameras. France Alston will check to see if this will lower our insurance rates. The cost for this system will be \$1,440.00 per year with a three (3) year contract (\$20.00 per month per truck). Director Scheel made a motion to approve purchasing a GPS System for CLSUD Service Trucks. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.14 Approve ratification for expenses associated with pump/motor rebuild at the High Road Booster Station. Doug Schnautz with County Line Special Utility District (CLSUD) discussed this item. CLSUD will begin receiving water through the High Road Booster site when Alliance Regional Water Authority (ARWA) water becomes available. Since this plant has been sitting idle for the past few years CLSUD removed the two (2) booster pumps and motors to have them rebuilt. This item was to ask for forgiveness and to inform the board of the action and cost. The cost for these repairs is \$7,760.00 for each pump/motor and an installation cost of \$2,500.00 for a total cost of \$18,020.00. Director Scheel made a motion to approve the expenses associated with pump/motor rebuild at the High Road Booster Station. Director Ilse seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

F.15 Discuss, consider, and take action regarding covered walkway between main office and warehouse. Doug Schnautz with County Line Special Utility District (CLSUD) discussed this item. CLSUD created additional office space in the warehouse earlier this year to relocate some main office staff to free up space in the main office. Staff located in the warehouse still go to the main office for

meetings, copying, scanning, etc. A covered walkway between the main office and warehouse would help keep staff and paperwork dry during inclement weather. Proposals were received from the following companies: Hays General Contractors, LLC (\$7,280.00), Bruce Kana Custom Homes, LLC (\$27,850.00), and Lone Oak Construction Management, LLC (\$10,645.00). The proposals submitted were not an apple/apple comparison. Director Scheel made a motion to approve a contract with Lone Oak Construction Management, LLC in the amount of \$10,645.00 for a covered walkway between the main office and warehouse. Humberto Ramos is to check the cost of any required permits and license. Director Ilse seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

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 first during executive session. No action needed on the item.

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**
 - A. Hollis Burklund**
 - B. John Siemering**

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) stated the CCN (Certificate of Convenience and Necessity) Amendment for the Wayside Subdivision has been secured and is currently working on the CCN Amendment for the Highlands at Grist Mill Subdivision.

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 stated 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) to discuss Item F.1 in regards to Canyon Regional Water Authority and Martindale Water Supply Corporation Interlocal Cooperation Agreement and Item F.16 The Amended and Restated Regional 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. Director Moore seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay. Meeting entered executive session at 8:43 P.M. Executive session ended at 10:14 P.M. and entered regular session from the direction of Director Brewer. After

leaving executive session, a motion was made for Item F.1 above and no action was taken on Item F.16 above.

- I. **ADJOURNMENT.** Director Scheel made a motion to adjourn the meeting and Director Diaz seconded the Motion, Motion passed unanimously. 7 Aye, 0 Nay. Meeting was adjourned at 10:15 P.M.



Date 10/21/24

Toni Brewer
County Line SUD, Board President