

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

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

District Office-8870 Camino Real, Umland, Texas 78640

Board Members Present:

Toni Brewer

Robert Diaz

Joe Howe

William Ilse

Tracy Scheel

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

Scott Manuel with Plum Creek Utility-OMMS

Steven Greenberg with BVRT Water

Chris Betz, County Line Special Utility District Staff

Jesse Pena with Quiddity Engineering

Rebecca Moore

Humberto Ramos, County Line Special Utility District Staff

Daniel Heideman, County Line Special Utility District Staff

Jennifer Tarbutton, County Line Special Utility District Staff

France Alston, County Line Special Utility District Staff

Tracie Crowell, 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) in the order they occurred during the meeting. 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, Diaz, Howe, Ilse, and Scheel in attendance.

C. PUBLIC COMMENT. No Public Comment.

D. CONSENT AGENDA:

D.1 Consider and take action to approve the minutes of the January 22, 2024 regular Board meeting. Director Diaz moved to approve the minutes and Director Scheel seconded the Motion. Passed unanimously 5 Aye, 0 Nay.

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

E.1 Wastewater Treatment Plant Report. Scott Manuel with Plum Creek Utility-OMMS reported flow at the plant was at 150,000 gallons per day (GPD) and is in compliance. Thirteen (13) inspections were performed in January. Membranes were inspected and cleaned.

E.2 Engineer's Report. Allison Nieto with Southwest Engineers reported the Porter Creek Lift Station and Force Main are under construction. Plans are mostly complete on the Porter Creek Gravity Main, waiting to bid until financing is confirmed and developments needing service are further along. Design, easement acquisition and survey are in progress on the FM 2720 Wastewater Extension and Commercial Area Wastewater. Eight (8) subdivisions are in review; nine (9) developments have submitted plans for review; and twenty-four (24) developments have requested service and paid application fees.

Jeff Kallus with Southwest Engineers reported the contractors had been put on hold while waiting on a permit from the City of Kyle, have now received the permit and are wanting to schedule a meeting with inspectors from Kyle to limit any downtime of the wells, a pay request has been submitted. Need the signed lease to start on the reuse plant. A preconstruction meeting was held on February 6 with Lowden Excavation for the FM 2720 water line, material submittals are under review. San Marcos Water Supply project is under construction, weather slowed them down some, but should be done in March. Working on construction plans for the Misty Lane Elevated Tank, hope to bid in a few months. Received a Service Request for Kyle 40 which is a development located on High Road and is half in County Line Special Utility District's CCN and half in Goforth Special Utility District's CCN. They also submitted a Service Request to Goforth and plan to only be served by either County Line or Goforth. Open R and Lockhart 150 are both large developments located on FM 2720 and are not currently in County Line's CCN. The Grove is located on FM 150 and is in the City of Kyle's Wastewater CCN and County Line's Water CCN. Director Scheel asked how quickly we would start receiving water after the

San Marcos Water Line (Hwy 21) is completed, Mr. Kallus said a tie in would still need to be made to the Hwy 21 plant and a meter vault would need to be installed at the San Marcos tie in. As soon as these are complete, the line can go online. Director Howe was concerned that the developers of the Open R project are a fresh water supply district with eminent domain. Mr. Kallus does not feel that will be an issue; Mike Gershon thinks this might be a financing mechanism for infrastructure.

E.3 Capacity Report. Jeff Kallus with Southwest Engineers reported 700 Bunton 1A paid their impact fees for 140 LUEs. Active LUEs are 6,064 with 2,285 in reserved LUEs for a total of 8,349 LUEs. NSSAs in the works bring us to 9,512 LUEs. Remaining phases of developments brings us to 14,253 LUEs. New service requests brings the total to 18,841 LUEs. The Open R development located on FM 2720 is about 3,000 LUEs and the Lockhart 150 development also located on FM 2720 is about 450 LUEs. Both developments are located outside our water CCN. The most recent service request is for The Grove located on FM 150 and is about 900 LUEs.

E.4 Easement Report. Tom Walker with Southwest Engineers was not able to attend the meeting, so Humberto Ramos with County Line Special Utility District (CLSUD) reported. The easement with Mark Doehne, et al has been obtained. Working on a wastewater easement on Cotton Gin Road for the Camino East Subdivision.

E.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported total revenue for January was \$2,443,336.91 of which \$1,638,700.00 was impact fees paid by 700 Bunton. Total expenses for water were \$845,159.00. Bottom line was \$1,406,431.00. The Logic's account is at \$21,475,383.00, interest on that per month is over \$100,000.00. No checks out of the ordinary for the month of January. Doug Schnautz with CLSUD informed Ms. Alston in January, some items had been ordered in 2023 and not yet received by CLSUD totaling around \$269,434.00. These items are not included in the 2024 budget. To stop this from happening again, purchase orders have been implemented. Trying to purchase meters as soon as impact fees are paid so we have them in stock when the developer is ready to have them installed. In March, Chris Ekrut should be able to provide an update on the rate study.

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. (see attached)*
 - *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. Vote was taken and item failed.*
- *On January 25th, 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 9th, 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.*

HCWTP – Improvements/Membrane Replacement/Pipeline

- *CRWA Staff submitted a TWDB Swift Application for improvements without CLSUD Pipeline. Subsequently, CRWA submitted a TWDB D-Fund application.*
- *No discussions or resolution regarding the CLSUD pipeline as per the Demand Letter sent by CLSUD to CRWA in August of 2023.*
- CRWA BOM -*Meeting held on February 7th, I was unable to attend.*
- CRWA BOT met on February 12th (see attached agenda). *Items related to CLSUD include all items listed under General Business:*
 - Item 7 Presentations/Discussions
 - B. *The President of the Board of Trustees will appoint members the Evaluation and Selection Committee for the RFQ's for Construction Administration for the Hays/Caldwell Water Treatment Plant – Tracey Scheel will serve on this committee.*
 - C. *Status of discussions concerning Amended and Restated Regional (Hays/Caldwell Counties Area: Water Supply and Treatment Contract, dated February 9, 2021. -item was moved to correspond with Item H.*
 - D. *Litigation Pending Against Crystal Clear SUD (HK Baugh Ranch, LLC vs. Crystal Clear Special Utility District) as it relates to the Hays-Caldwell and Amended and Restated Regional (Hays/Caldwell Counties Area) Water Supply and Treatment Contract, dated, February 9, 2021. – CRWA position is this only impacts the ARWA not CRWA. President was subpoenaed.*
 - E. *Notice and demand letter received from CLSUD on August 31, 2023 related to Hays Caldwell project – CRWA stated that CLSUD should meet with staff to resolve, even though CRWA is aware of delivery point and failed to set up meeting with all members of project.*

- Item 10 General Business
 - A. *CRWA 24-02-011 Concerning Appointing CRWA Representatives to the Alliance Regional Water Authority Board of Directors – Green Valley rep – Nicholas Sherman appointed.*
 - D. *CRWA 24-02-014 Concerning entering into a certain agreement with the Gonzales County Underground Water Conservation District. – Randy Schwen stated the Gonzales was confused with the amount CRWA was asking for which was 920 AF not 14,000 AF.*
 - F. *CRWA 24-02-016 Concerning an award to DN Tanks for a contract to provide construction services for the Hays/Caldwell Water Treatment Plant Project – no action was taken as no supporting documentation to determine selection matrix/process was provided.*
 - G. *CRWA 24-02-017 Concerning Recusal of the CRWA Treasurer – it was moved but failed based on vote.*
 - H. *CRWA 23-011-078 Concerning an Annual Overage Procedure (Doris Steubing) - it was taken into executive session and in open session was approved.*

- CRWA Wells Ranch III Project
 - *No agreement has been finalized, only drafted with errors.*
 - *Gonzales County Underground Water Conservation District. – Randy Schwen stated the Gonzales was confused with the amount CRWA was asking for which was 920 AF not 14,000 AF.*

- GBRA/Gonzales Carrizo Water Supply Project
 - *The hearing is set for the week of April 22, 2024.*
 - *GBRA has been actively negotiating with the protestants (5) to attempt to settle. Thus far GBRA has settled with Gonzales County WSC with four protestants remaining.*
 - *GBRA provided comments all of the 90% design for the pipelines and booster pump station.*
 - *Schedule-wise, these pipelines are anticipated to bid in July 2024, with construction complete in April 2026.*
 - *GBRA has received approximately 19 appraisals and has initial offers to 11 landowners for the pipeline easements.*
 - *ARWA received submittals for the design of the expansion of the WTP and is evaluating those SOQs.*
 - *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.*

CRWA's Swift Application did not include our pipeline as it is a defund application.

- Chris Betz reported Alliance Regional Water Authority will meet on February 28th at the San Marcos Activity Center. Last month they picked the top bidder for the pipeline with a goal to try and improve pricing and speed the process up so they can get everyone water as quickly as possible. GBRA wants to expand the treatment facility earlier than planned, trying to find a win/win for everyone.

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
 - Hired following staff: Customer Service Specialist, Regulatory/Conservation Specialist and a Field Operator; will have new staff attend the March BOT.
 - Continue working with various developers within CLSUD CCN.
 - Regional meetings (see E.4 CRWA & ARWA Report)
 - *Region L meeting scheduled for February 14th.*
 - *Attended Guadalupe County Ground Water Conservation District – February 8th. GWD will be considering rule changes to Wilcox.*
 - City of Umland Meeting(s)
 - *Monthly Meeting with Staff – TBD. Will continue to work on priorities for CLSUD: development of a water conservation ordinance by 2nd Q of 2024, wastewater ordinance 1st Q of 2025, working on Franchise agreement.*
 - *City Council Meeting – Meeting held on February 7th; staff attended.*
 - City of Kyle
 - *Meeting on CCN (water) transfer was postponed. Currently researching how much compensation is owed to CLSUD for previous agreements and Cost Benefit Analysis to provide service by CLSUD.*
 - *Staff attended City of Kyle City Council mtg on Feb. 7th.*
 - Project Nora (Mega Site)
 - *Had a zoom meeting on Feb. 9th with utilities and prospective industrial users.*

A PhD student was hired to Work on a Lead Line Survey which is required by the State of Texas and Federal Government to ensure our lines do not contain lead. We have an October deadline to submit documentation.

Office Expansion Report:

Daniel Heideman with County Line Special Utility District (CLSUD) reported a committee was formed consisting of Doug Schnautz, Drew Schnautz, Daniel Heideman and Jennifer Tarbutton. They have met with John Littlefield of Southwest Engineers a few times to discuss the plans for the new building. Mr. Littlefield should have a final design at the next board meeting.

E.8 President's Report. Nothing was reported.

E.9 General Counsel's Report. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. reported on the District Checklist included in the board packet. Checklist does not include Cyber Security training which is required if you are using district computers or accessing the database to perform your official duties.

F. ITEMS FOR ACTION OR DISCUSSION/DIRECTION WHICH WERE TAKEN OUT OF ORDER AND DISCUSSED IN THE FOLLOWING ORDER: F.1, F.2, F.3, F.4, F.5, F.6, F.7, F.8, F.19, F.10, F.12, F.14 AND F.15 WERE DISCUSSED IN REGULAR SESSION AND F.11, F.13 AND F.16 WERE DISCUSSED LATER IN EXECUTIVE SESSION.

F.1 Discuss, consider, and take action regarding appointing members to fill two vacancies on the County Line Special Utility District Board. Mike Gershon with Lloyd Gosselink, Rochelle & Townsend, P.C. discussed this item. Written notices of resignation were received from Directors Ken Dodson (Place 3) on December 27 and James "Rusty" Loep (Place 6) on January 5. Director Ken Dodson's term expires May 2025; Director Rusty Loep's term expires May 2024. Texas Water Code § 49.105(a) mandates that an appointment be made within 60 days of the vacancy and provides that the appointed Director serves for the remainder of the term. Texas Water Code § 49.105(b) states that if a board vacancy is not filled by appointment by the 61st day after the vacancy occurred, a petition signed by more than 10 percent of the registered voters of the district, requesting the board to fill the vacancy by appointment, may be presented to the board. Each Director serves "at large," and not to serve in a limited geographical region like with commissioners' courts (by precinct), city council (by place), and some districts. Information was posted to the District's website regarding the vacancies and eligibility requirements. Rebecca Moore came to the meeting wishing to serve on the board. A gentleman named Charlie Supak showed interest in serving on the board and was supposed to attend the meeting but did not show up. Director Scheel made a motion to go ahead and appoint Rebecca Moore to fill Ken Dodson's place. Director Diaz seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.2 Discuss, consider, and take action regarding Election Services Contracts with Hays and Caldwell Counties. Mike Gershon with Lloyd Gosselink, Rochelle & Townsend, P.C. discussed this item. Mr. Gershon felt neither county required the contracts be in place in February, feels the election will be canceled. Could not get a final answer from either county if a deposit is required. Director Scheel felt nothing could be done until after the March 5 election because we don't know who's going to be on the ballot. Mr. Gershon recommended a motion be passed to delegate authority to Toni or Humberto to sign the contracts if necessary. Director Scheel made a motion to approve Humberto to sign any election contracts for both Hays and Caldwell Counties. Director Ilse seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.3 Discuss, consider, and take action to create a Water Resources Committee and/or Executive Committee. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Mr. Ramos feels the staff needs direction moving forward. Would like to establish a committee to vet ideas, information, etc. to the committee and they can bring it back to the board so an informed decision can be made. Director Brewer feels it is a really good idea to have this committee. Mr. Gershon stated the Open Meetings Act does not require notice in an open meeting for meetings less than a quorum if that committee isn't strategizing to formulate important policies. The board decided the committee would be an executive committee consisting of the officers and would be less than a quorum. Mr. Gershon recommended the following motion be made to form an executive committee composed of the board president, vice president and secretary with the intent not to create recommendations. Director Scheel made a motion to use the motion Mr. Gershon stated. Director Ilse seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.4 Discuss, consider, and take action regarding Lease Agreement for the Reuse Plant with Hill Vue Farm, LLC. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Item was carried over from the January 22, 2024 Agenda. Mr. Ramos and France Alston met with representatives from Hill Vue Farm and discussed and negotiated the lease agreement. Tom Walker with Southwest Engineers provided some pricing amount examples. The agreement was reviewed by the attorney of CLSUD and Hill Vue Farm. A price per month was established with guidelines to change the per month amount every year based on the consumer price index of the region. The land is proximal to the PCU wastewater facility for system efficiency. Director Howe pointed out a typo at No. 11 heading in the Agreement. Heading has "Quite", and it should be "Quiet". Director Scheel made a motion to approve the Ground Lease Agreement for the Reuse Plant with Hill Vue Farm. Director Ilse seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.5 Discuss, consider, and take action regarding Road Maintenance Agreement with Hill Vue Farm, LLC. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. This item was carried over from the January 22, 2024 Agenda. This agreement is between CLSUD, Plum Creek Utility (PCU), Hill Vue Farm, LLC and Daniel Heideman and Sharon Heideman for the upkeep of the road to the wastewater treatment plant. Maintenance costs of the road will be split equally between CLSUD and PCU. Director Scheel made a motion to approve the Road Maintenance Agreement with Hill Vue Farm, LLC. Director Diaz seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.6 Discuss, consider, and take action regarding amendment(s) to the Procurement Policy. Humberto Ramos with County Line Special Utility District (CLSUD) and Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. discussed this item. This item was carried over from the January 22, 2024 Agenda. Mr. Gershon stated the amendments to the Procurement Policy will expand flexibility and authority to work with the Buy Board; addressed threshold numbers in the table; and cleaned up the policy to make it align with statutory law. Director Scheel made a motion to approve amendments to the Procurement Policy. Director Ilse seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.7 Discuss, consider, and take action to bid the Porter Creek Gravity Main Project. Allison Nieto with Southwest Engineers discussed this item. This project is needed to serve the Haney Park Subdivision, which paid wastewater impact fees for Phase 1A (96 LUEs) on September 18, 2023, and recently submitted their Phase 1 construction plans for review. It will also serve Westside at Cotton Gin, Rowan Ranch, and the surrounding area in the future. It was included in the WW Capital Improvement Plan Amendment last September and had an estimated construction cost of \$1.4 million. Plans should be completed next month. This item is to get approval to issue an advertisement for bids on this project. Director Scheel made a motion to approve bidding the Porter Creek Gravity Main Project. Director Diaz seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.8 Discuss, consider, and take action regarding amendment(s) to the Personnel Policy. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. The benefits committee met in November of 2023, but did not have the opportunity to meet prior to this meeting. Vacation time would change in the policy for new employees, previously new employees received one (1) week of time, but the new policy would give new employees two (2) weeks of vacation right away;

additional holidays were added; increased bereavement time from three (3) days to five (5) days based on the General Manager's discretion; short term and long-term disability were added. Director Howe requested the board be provided with three to five benchmarks to compare with other organizations. Directors Howe and Scheel feel clarification language should be added to the policy that board members should not be entitled to the same benefits as employees. This item will be tabled until next month.

F.9 Discuss, consider, and take action to terminate Frost Bank Agreement. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. On September 28, 2021, CLSUD entered a Financial Advisory Contract with Frost Bank for professional services associated with performing as a Financial Advisor. At our board meeting held on December 18, 2023 action was taken to engage SAMCO Capital as the new Financial Advisor. CLSUD may terminate the agreement with Frost Bank with written notice, this item is to codify with the board their wishes to terminate the agreement with Frost Bank. Director Scheel made a motion to approve termination of the Frost Bank Agreement. Director Ilse seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.10 Discuss, consider, and take action to approve Resolution and supported by a Secretary's Certificate authorizing the purchase of the Hiram Brown 2.0-acre tract and designating who is authorized to represent the district. Tracie Crowell with County Line Special Utility District (CLSUD) discussed this item. The purchase of the 2.0-acre tract was approved at a previous board meeting. The title company closing the transaction needs a Resolution, supported by a Secretary's Certificate, stating who has authority to sign the closing documents and their capacity. Director Scheel made a motion to approve the Resolution and Secretary's Certificate. Director Diaz seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.11 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. Humberto Ramos with County Line Special Utility District (CLSUD) and Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. discussed this item in executive session. Item was discussed third (3rd) in executive session. No action was taken in executive session. Director Scheel made a motion as discussed in executive session. Director Diaz seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.12 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, FM 2720 RUC Holdings**
- B. Tract 6, FM 2720, Doehne/Tropoli**
- C. Tract 5, Camino East, Lennar**
- D. Misty Lane Easement**

Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. The item was included on the agenda in case action was needed. The easement in Item B above has been secured. No action was taken on this item.

F.13 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. This item was discussed second (2nd) in Executive Session. No action was taken in executive session. Director Scheel made a motion to table this item. Director Diaz seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.14 Discuss, consider, and take action to approve Construction Water Reimbursement Agreement between Goforth Special Utility District, County Line Special Utility District and Ranch Road Talavera, LLC. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. On May 22, 2012, CLSUD entered into a Wholesale Treated Water Supply Agreement with Goforth Special Utility District (SUD) to provide potable water to the Talavera subdivision located within the CCN of Goforth SUD until Goforth SUD could build the necessary infrastructure to provide water to the subdivision. From May 2023 through January 2024, the developer of the Talavera subdivision used 2,149,400 gallons of construction water. Subsequently the Developer paid Goforth for this construction water at Goforth SUD's construction water rate. Per the agreement, Goforth SUD made payments to CLSUD for potable water only and did not pay CLSUD for the construction water used by the developer. Therefore, to rectify the oversight all parties agree a reimbursement agreement is in order. The amount owed by Goforth SUD and the developer of the Talavera subdivision to CLSUD collectively is \$30,746.39. The board of Goforth SUD approved this agreement on January 31, 2024. Director Scheel made a motion to approve the Construction Water Reimbursement Agreement between Goforth Special Utility District, County Line Special Utility District and Ranch Road Talavera, LLC. Director Ilse seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.15 Discuss, consider, and take action to approve Second Amendment to 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. This Amendment is needed because the developer of the Talavera subdivision wants to complete the last phases of the development, but Goforth SUD has not completed the pipeline needed to deliver water to this development. The pipeline should be completed in the second quarter of 2024. CLSUD will stop providing water to this development when Goforth SUD completes the pipeline. CLSUD will not provide construction water. The rate takes into account the new pipeline being built on Hwy 21, easements associated with this pipeline and the cost of the water. The board of Goforth SUD approved this agreement on January 31, 2024. Director Scheel made a motion to approve Second Amendment to Wholesale Treated Water Supply Agreement between County Line Special Utility District and Goforth Special Utility District. Director Diaz seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

F.16 Discuss, consider, and take action regarding CCN Transfer with City of Kyle. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. This item was discussed first (1st) in executive Session. No action was taken during executive session. Director Scheel made a motion to approve as discussed in executive session. Director Ilse seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay

G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS. No Future Items were given.

H. EXECUTIVE SESSION. Director Scheel made a motion to adjourn into 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), 551.072 (deliberations about real property), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.087 (deliberations regarding economic development negotiations). Director Diaz seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay. Meeting entered executive session at 7:54 P.M. to discuss items F.16, F.13 and F.11 in that order. Director Scheel made a motion to leave executive session. Director Diaz seconded the motion and the motion passed unanimously. 5 Aye, 0 Nay. Meeting left executive session and entered back into regular session at 9:26 P.M. No action was taken while the meeting was in executive session.

Prior to entering executive session, Mike Gershon administered the Oath of Office to Rebecca Moore so she could join the discussions in executive session.

I. ADJOURNMENT. Director Diaz made a motion to adjourn the meeting and Director Scheel seconded the Motion, Motion passed unanimously. 5 Aye, 0 Nay Meeting was adjourned at 9:28 P.M.



Date 3/18/24

Toni Brewer
County Line SUD, Board President