

COUNTY LINE SPECIAL UTILITY DISTRICT
Meeting Minutes

Board or Directors Meeting – April 18, 2022 6:30 PM Immediately following the
Public Hearing

District Office - 8870 Camino Real, Umland, TX 78640

Board Members:	Present:
Chris Betz	* in person
Rene Harbison	* Absent
Toni Brewer	* in person
Bob Diaz	* in person
Ken Dodson	* in person
Joe Howe	* in person
William Ilse	* in person

Others:	Present:
Daniel Heideman	* in person – Staff
Jennifer Tarbutton	* in person – Staff
Rebecca Moore	* in person – Staff
Doug Schnautz	* in person - Staff

The following represents the actions taken by the Board of Directors 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 and via video conference call and telephone conference call.

Guests:

Allison Nieto of Southwest Engineers – via Zoom
Jeff Kallus of Southwest Engineers – in person
Humberto Ramos of Alliance Regional Water Authority – in person
Herb Williams of Williams Water Works Consulting – in person
Justin Ivicic – via Zoom
David Klein, Attorney of Lloyd Gosselink Rochelle & Townsend – in person
Danielle Lam, Attorney of Lloyd Gosselink Rochelle & Townsend – in person
Scott Miller of Ranch Road Development – in person
Kip Kronenberg of La Tierra Reality – in person
Jacy Warwick of D.R. Horton – in person
Brooks Willig of La Tierra Reality – in person

A. Call to Order

Director Betz called the meeting to order at 7:43 p.m.

B. Roll Call

The roll was called of the members of the Board of Directors:

All Board members were in attendance except for Director Harbison, thus constituting a quorum of the Board of Directors. All Directors who attended voted on all matters that came before the Board, except Director Diaz who was not present to vote on Item H.5.

C. Public Comment Period

H.7 Order Amending CLSUD's Water CIP and Impact Fees

Director Betz began by discussing Item H.7 following CLSUD's public hearing on its capital improvement plan ("CIP") and impact fee. He explained that the impact fee advisory committee recommended the maximum impact fee of \$10,660 and the Board could set an impact fee lower, but not higher, than that maximum. Director Betz then noted that the Board still needed to discuss the timing of the impact fee, the relationship with reservation fees, and the effective date of the impact fee, so this Item would be discussed in executive session.

F.2 Update on Projects Related to Wastewater

Next, Director Betz introduced Item F.2. Ms. Nieto presented her report on wastewater projects. She stated that downtown Umland is under construction and lift station sections would be set that week. She also explained that CLSUD's application to obtain a sewer certificate of convenience and necessity ("CCN") was facing delays at the Public Utility Commission of Texas ("PUC") and the next deadline would be May 8, 2022. She reported that along Highway 21 CLSUD was working on obtaining 2 easements and that Gristmill Road only requires 2 of the 3 easements that CLSUD is trying to obtain. Ms. Nieto stated that the gravity and reuse main project would be advertised for bids in early May. Lastly, she noted that Plum Creek Utility ("PCU") had begun construction on phase 4 of its wastewater plant.

H.2 Change Order from Lowden Excavating, Inc.

Ms. Nieto stated that the change order was due to increases in the costs of the Highway 121 gravity main project. Specifically, it was for boring several sections of the road rather than open cutting. She explained that Lowden Excavating had difficulty with the soil and were proposing to bore deep underneath yards and Cotton Gin Road, which would avoid existing water lines and

power poles. She noted that even with the increased cost the total would be lower than the next lowest bidder. Director Howe asked if the contract specified how the pipe would be installed. Ms. Nieto responded that the plans in the bid showed open cutting, but there are now concerns with the limited space and safety. Director Betz asked Ms. Nieto if this was a reasonable and necessary change order. Ms. Nieto responded that it was reasonable, but may not be necessary, although it would make maintenance easier. Mr. Heideman added that had Lowden Excavating been familiar with the area or done surveys, the bid would have included boring. He expressed that the change order is necessary and would benefit CLSUD in the long run. Ms. Nieto also reported that she had asked Lowden Excavating if it would be less expensive to obtain additional easements and was told no. Mr. Heideman noted that Bluebonnet Electric Cooperative told Lowden Excavating that it would be dangerous to open cut near the power poles because of the soil type. Director Howe stated that it would cost CLSUD approximately \$160,000 more, but CLSUD would not want to lose a good contractor. However, he wanted reinforce that contractors should do their due diligence before submitting bids. Director Betz asked Ms. Nieto what the next lowest bid was. Ms. Nieto reported that the second lowest bid was approximately \$1.19 million and this change order amounted to \$1.17 million. Director Brewer agreed that contractors need to do their due diligence. Director Howe moved to approve the Change Order from Lowden Excavating as presented. Director Dodson seconded the Motion and the Motion passed unanimously, 6-0.

H.9 Myrtle Heideman Easement

Ms. Nieto explained that this easement was needed for the Gristmill Road south gravity main and reuse main. She reported that the value of the easement was calculated in the same manner as other easements obtained by CLSUD. Mr. Heideman stated that the Easement had already been granted. Director Betz explained that it was on the Agenda to approve payment because the grantor is related to a CLSUD employee. Director Dodson moved to approve payment for the easement from Myrtle Heideman. Director Ilse seconded the Motion and the Motion passed unanimously, 6-0.

F.1 Update on Wastewater Plan Operations

Mr. Heideman presented this Item on behalf of Bill Fry. He reported that the current phase of the wastewater treatment plant was at half capacity. He noted that flow was 70,000 gallons per day.

K. Executive Session

At 8:10 p.m., Director Dodson moved to go into executive session under Texas Government Code Section 551.071 for CLSUD to consult with its attorney regarding Items H.1, H.5, H. 6, H.7. and H.8. Director Diaz seconded the Motion and the Motion passed unanimously, 6-0.

At 9:23 p.m., Director Diaz moved that the Board of Directors come out of executive session under Texas Government Code Section 551.071 and go back into open session. Director Brewer

seconded the Motion and the Motion passed unanimously, 6-0. Director Betz announced that no action was taken in executive session. The Board then took up Item H.1.

H.1 GBRA Water Supply Agreement

Mr. Klein reported that the attorneys were still working with GBRA on the agreement and were waiting for edits from GBRA's counsel.

H.3 Gristmill Road Water Main

Mr. Heideman reported that the project went to bid the past week and CLSUD received four to five bids. The lowest bidder was from Herschap Backhoe & Ditching, Inc. for \$210,805. Mr. Heideman added that there was a letter from Mr. Kallus recommending this bid. He stated that the project was included in the CIP and that the Water Mill and RV Park developments would connect to this line. Mr. Heideman reported that the second lowest bid was approximately \$295,000 and the highest was over \$400,000. He explained that the project would include road bores and the area will be surveyed. He stated that an existing right-of-way on Director Harbison's property had been deeded to CLSUD. Mr. Heideman noted that CLSUD want to relocate the line on the easement, but the location is not certain so a survey will have to be done. Director Betz added that Director Harbison wanted to ensure the proper easement location and suggested we go ahead and get a surveyor there. Director Ilse moved to approve the bid by Herschap Backhoe & Ditching, Inc. Director Brewer seconded the Motion and the Motion passed unanimously, 6-0.

H.4 Addendum to the Interlocal Agreement

Ms. Lam explained that CLSUD and Maxwell Special Utility District ("MSUD") executed an Interlocal Agreement in November 2021 to swap their CCN area in the Sunset Oaks subdivision. The General Managers of CLSUD and MSUD subsequently agreed to swap additional areas to clean up the CCN boundaries to follow the outline of tracts and a map was created to reflect this. Ms. Lam reported that CLSUD and MSDU filed a petition at the PUC for approval of the Interlocal Agreement, including the larger area map. The PUC found a discrepancy between the area described in the Interlocal Agreement and shown on the map and requested that the parties amend their petition to make them consistent. Ms. Lam explained that the Addendum would amend the Interlocal Agreement to increase the swapped acreage to match the map proposed by the General Managers. Director Brewer moved to approve the Addendum to the Interlocal Agreement, as presented. Director Dodson seconded the Motion and the Motion passed unanimously, 6-0.

H.5 Order Amending CLSUD's Service Policy

Director Betz reported that CLSUD Staff and counsel gave their recommendations in executive session. Director Howe moved to approve the Order Amending CLSUD's Service Policy, as

presented. Director Brewer seconded the Motion and the Motion passed, 5-0. Director Diaz was not present to vote on this Item.

H.6 Order Amending CLSUD's Rates

Director Diaz rejoined the Board to discuss this Item in open session. Mr. Klein explained that the Order as written proposes several amendments to CLSUD's service policy, but at this time CLSUD Staff and counsel would only like to amend Sections G.8 and G.10. Director Howe asked for the effective date of this change. Mr. Heideman noted that the next billing cycle would begin on April 19, 2022, and an immediate change would be reflected in the May bills. Mr. Klein recommended that it be effective immediately, April 18, 2022. Director Ilse moved to amend the Order to only amend Sections G.8 and G.10 of the service policy and set an effective date of April 18, 2022. Director Brewer seconded the Motion and the Motion passed unanimously, 6-0.

H.7 Order Amending CLSUD's Water CIP and Impact Fees

Director Betz reported that no action was taken in executive session and the Board would like to discuss this Item at its next meeting. He explained that the next regular Board meeting would be on May 16, 2022, but the Board could meet sooner if needed.

H.8 CRWA's Wells Ranch II Water Supply Project

Director Betz reported that no action was taken in executive session. He noted that CLSUD is expecting more numbers from CRWA by the end of May.

F.3 Updates on Projects Related to Water

Director Betz presented this Item on behalf of Mr. Kallus.

F.4 Update on CRWA & ARWA Board Meetings

Director Betz reported that CRWA had approved a new General Manager from Colorado. He assured the Board that Humberto Ramos did not intend to leave CRWA. ARWA is considering bids from multiple entities to manage the water treatment plant.

F.5 Update on Progress of the 2022 Budget

Director Betz reported that there were no changes.

F.6 Review of the March 2022 Financial Reports

Director Betz noted that there was a large amount of income, potentially from a new subdivision. Reviewed the restricted funds had no change, not a whole lot changed.

F.7 Update on the Wastewater CCN

Director Betz reported that the application is in its final stretch at the PUC.

F.8 SCADA Update

Mr. Heideman explained that the physical aspect of the project should be complete. He reported that CLSUD Staff asked for an explanation of the two different programs and were waiting for a response.

F.9 Edwards Well Generator

Mr. Heideman stated that the entire site needs an electrical update. He asked to add this Item to a later Agenda.

F.10 Wholesale Wastewater Agreement

Director Betz reported that the last update was regarding whether CLSUD should sell its wastewater system to PCU and that CLSUD had received a response from PCU on April 17, 2022. Mr. Heideman explained that the idea arose from the discussion about reuse water after CLSUD's attorneys determined that the reuse water belongs to CLSUD. Director Howe noted that he had heard comments from PCU implying that it was PCU's reuse water. He also asked if there was an expiration date in the agreement. Director Betz confirmed that there is an expiration date and the parties would work on that issue.

G. General Manager and Legal Counsel Reports

There were no reports from the General Manager or legal counsel.

I. Board President Report

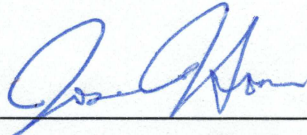
Director Betz had nothing else to report.

J. Future Agenda Items

Mr. Klein stated that the Board would need to add the CIP and impact fee to its next Agenda.

L. Adjournment

At 10:09 p.m., Director Betz moved to adjourn the regular Board meeting. Director Diaz seconded the Motion and the Motion passed unanimously, 6-0.



~~Chris Betz~~ Joseph Howe
~~President of the Board~~ Secretary of the Board



Toni Brewer
~~Secretary of the Board~~
President

Acronyms:

ARWA – Alliance Regional Water Authority
CCN – Certificate of Convince and Necessity
CLSUD – County Line Special Utility District
CRWA – Canyon Regional Water Authority
GBRA – Guadalupe Blanco River Authority
NSSA – Non-Standard Service Agreement
PCU – Plum Creek Utility
SWE – Southwest Engineers
TCDBGP – Texas Community Development Block Grant Program
TCEQ – Texas Commission on Environmental Quality
TML – Texas Municipal League
TRWA – Texas Rural Water Association
TWA – Texas Water Alliance
TWDB – Texas Water Development Board