

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting – September 19, 2022 at 6:30 PM

District Office-8870 Camino Real, Umland, Texas 78640

Board Members Present:

Toni Brewer

Robert Diaz

Joe Howe

William Ilse

Ken Dodson

James "Rusty" Loep

Tracy Scheel

Others Present:

Chris Betz

Allison Nieto with Southwest Engineers via Zoom

Jeff Kallus with Southwest Engineers via Zoom

Humberto Ramos

Herb Williams

Stephanie Leibe with Norton, Rose, Fulbright US, LLP-Bond Council for the City of Umland

Daniel Heideman

Doug Schnautz

Jennifer Tarbutton

Rebecca Moore

Bill Fry

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. Meeting called to order at 6:32 P.M.

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

C. PUBLIC COMMENT. There was no public comment.

D. CONSENT AGENDA:

D.1 Consider and take action to approve the minutes of the August 15, 2022 regular Board meeting. Director Howe moved to approve the minutes and Director Diaz seconded the Motion. 7 Aye, 0 Nay.

E. REPORTS.

The Board of Directors received the following reports:

E.1 Operations Report. Joe reported plant is up and running, running at 2/3rds capacity. Adding a few connections each month.

E.2 Engineer's Report. Allison Nieto reported the Downtown Umland waste water force main complete and the gravity main and lift station will be wrapping up soon. Grist Mill South gravity and reuse mains are under construction. Porter Creek Gravity Main is under design and should be complete next month. Five (5) developments under construction, three (3) plans approved, three (3) submitted for review and seventeen (17) have requested service and paid an application fee. PCU started construction on Phase 4 WWTP expansion, will add another 150,000 gallons per day of capacity, this will bring capacity to 300,000 gallons per day.

Jeff Kallus reported ARWA project construction for meter vault will start soon. Preparing contracts for pump replacement at the Brooks site. Visiting with landowners for property for a delivery point for the GBRA project. The Grist Mill Road project is complete, will have a final inspection done. Reuse Water Plant is in design. County Line SUD is booked for 2,000 acre feet of water for Wells Ranch Phase 3, this amount can be increased if needed. Construction plans for the FM 2001 water line are almost complete. Easements are being acquired and the survey has started for the FM 2720 project. Monitoring plan is wrapping up. Plans have been submitted to the City of Kyle for review for the Kyle Interconnect. Surveyors have started on the Grist Mill Road Reuse Water Line Extension. Joe Howe requested a detailed summary of developments that have and have not paid fees.

E.3 Financial Report. Rebecca Moore reported one (1) Impact Fee paid for 32 connections. Water revenue is up, sold fifteen (15) million more gallons this August compared to last August.

E.4 CRWA & ARWA Report. Humberto Ramos with CRWA reported second round of comments are due for Wells Ranch III project so additional rounds of comments can be made, drop dead

date is October 28, 2022. Need to make sure entities requesting water are able to pay for the water and they put in any request for additional water, right of first refusal. Need for hazard mitigation funds for the Hays/Caldwell Expansion project. Searching for technology for temporary repairs on the membranes. Looking for a water attorney to help with permits. Discussed fiscal year budget.

Chris Betz with ARWA reported they are still working on the rights of way. Trying to get members to provide firm numbers on the amount of water they need, to make sure demand projections can be met. Working on getting delivery point in line for County Line SUD.

E.5 General Manager's Report. Daniel Heideman referred attendees to handout included in the board packet. Stated he received a letter from Real Holdings, LLC requesting County Line SUD release a portion of wastewater CCN to them, they want to construct their own wastewater treatment facility, Daniel sent the letter to our attorney for review.

E.6 President's Report. Nothing was reported.

E.7 Capacity Report. Rebecca Moore discussed the chart included in the board packet in regards to LUE's. Jeff Kallus reported the need to get the reuse plant up and running to possibly get the concrete plant off the potable water system to create more capacity. Rebecca Moore reported in the last two (2) months over two (2) million gallons of construction water was sold.

F. ITEMS FOR ACTION OR DISCUSSION/DIRECTION:

F.1 Discuss, consider, and take action regarding Gonzales Carrizo Water Supply Project. Chris Betz stated the documents are with the attorney for review. No action taken.

F.2 Discuss, consider, and take action on CRWA's Wells Ranch Phase III Water Supply Project. Still under review by legal.

F.3 Discuss, consider, and take action on PCU Wholesale Wastewater Agreement. Chris Betz reported working on updates, hope to have update at next board meeting. No action taken.

F.4 Discuss, consider, and take action regarding Interlocal Cooperative Agreement between the City of Uhland and County Line Special Utility District regarding Watermill Public Improvement District. Stephanie Leibe reported the City of Uhland would agree to finance the PID's for the construction of the water/wastewater for the Watermill District. In return for the City of Uhland conveying the improvements to County Line SUD, County Line SUD would agree to own, maintain operate and provide services to the residents of the Watermill District. This agreement is required by the Attorney General's Office when the City of Uhland issues the PID bonds to memorialize they are receiving some consideration back from County Line SUD so there is no violation of lending credits between the two. Approved subject to attorney approval, Director Scheel moved to approve and Director Dodson seconded the Motion. 7 Aye, 0 Nay.

F.5 Discuss, consider, and take action to adopt Order Adopting Amendments to County Line Special Utility District's Drought Contingency Plan, Update Section H of the Service Policy and Appoint A Designee. Changes were reviewed marked on the document included in the board packet. Director Scheel moved to approve and Director Dodson seconded the Motion. 7 Aye, 0 Nay.

F.6 Discuss, consider, and take action to adopt Order Adopting Amendments County Line Special Utility District's Service Policy Regarding Fees for Water and Wastewater Service.

Herb Williams reported water reservation fee was adopted in 2000. Not sure what future costs will be with GBRA since all water rights have not been purchased yet, but we are moving forward, a fee is not currently being paid to GBRA. Customers who have made a commitment with County Line SUD to purchase water/reserve water should be charged a fee of \$17.42. This fee will be modified once we know the GBRA costs. The \$17.42 is for County Line SUD paying to reserve water that customers have requested, but are not currently needing the water, fee will be assessed until a meter is installed and they are receiving a monthly water service. The \$17.42 fee came from recommendations from Southwest Engineers and County Line SUD, this fee should be reviewed annually. Tracy Scheel asked if this should be a fee schedule item, board agreed to ask our attorney if this can be added to the fee schedule. Director Scheel moved to approve subject to attorney's decision on making this a fee schedule item versus and actual amount, Director Diaz seconded the Motion. 7 Aye, 0 Nay.

F.7 Discuss, consider, and take action to adopt Order Adopting Amendments to County Line Special Utility District's Investment Policy. Rebecca Moore reported she updated the investment policy. Joe Howe pointed out Section 6.2.

G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS. Discuss Investment Committee. Daniel Heideman suggested a luncheon should possibly be scheduled so individuals could come in and take required classes that have not been taken yet. Review fees to make sure there is enough money to cover costs, might need to prepare a budget analysis.

H. EXECUTIVE SESSION. At 8:21 PM, upon Motion by Director Scheel, seconded by Director Diaz, passed unanimously 7-0, the Board adjourned into executive session as authorized by Texas Government Code Section 551.074 (personnel matters). A Motion was made by Director Howe and seconded by Director Scheel and unanimously passed, the executive session ended at 8:44 PM and a Motion was made to enter regular session, Motion passed unanimously 7-0.

Upon returning to regular session, Director Scheel made a Motion to set up a committee to review salaries, benefits, policies and procedures. Committee to consist of Directors Scheel, Howe and Brewer. Motion passed unanimously 7-0.

I. ADJOURNMENT. Director Ilse made a motion to adjourn the meeting and the Motion passed unanimously. Meeting was adjourned at 8:46 PM.



County Line SUD, Board President

Toni Brewer

Date 11/21/22