

COUNTY LINE SPECIAL UTILITY DISTRICT

Public Hearing Meeting Minutes

Public Hearing Meeting –September 18, 2023 at 6:30 P.M.

District Office-8870 Camino Real, Umland, Texas 78640

Board Members Present:

Toni Brewer

Robert Diaz

Joe Howe

William Ilse

James “Rusty” Loep

Tracy Scheel

Others Present:

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

David Klein with Lloyd Gosselink Rochelle & Townsend, P.C. (CLSUD Legal Counsel)

Chris Betz, County Line Special Utility District Staff

Allison Nieto with Southwest Engineers

Jeff Kallus with Southwest Engineers

Tom Walker with Southwest Engineers

Bill Fry with Plum Creek Utility-OMMS

Jesse Pena with Quiddity Engineering

Justin Ivicic with Maxwell Special Utility District Via Zoom

Humberto Ramos, County Line Special Utility District Staff

Daniel Heideman, County Line Special Utility District Staff

Doug Schnautz, County Line Special Utility 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, Loep and Scheel in attendance.
- C. CONDUCT A PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE LAND USE ASSUMPTIONS, WASTEWATER CAPITAL IMPROVEMENTS PLAN, AND WASTEWATER IMPACT FEE FOR COUNTY LINE SPECIAL UTILITY DISTRICT'S WASTEWATER IMPACT FEE SERVICE AREA.** Director Scheel made a motion to open the Public Hearing Meeting and Director Diaz seconded the motion. The Motion passed unanimously, 6 Aye, 0 Nay. Allison Nieto with Southwest Engineers gave a PowerPoint presentation to the Board and public, presenting the proposed Wastewater Capital Improvements Plan (CIP) Amendments. She noted that CLSUD first established a CIP in February 2020 with two (2) active customers which consisted of an elementary school and a transportation facility, and a wastewater Impact Fee in the amount of \$1,250.00 per Living Unit Equivalent (LUE). Mr. Nieto added that the most recent update to the CIP was in February 2021, when CLSUD had twenty-six (26) active customers, consisting of twenty-four (24) residential customers and the two (2) commercial customers; but the Impact Fee remained at \$1,250.00 per LUE.

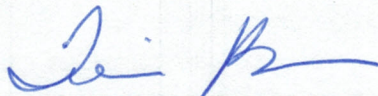
Ms. Nieto stated that CLSUD now wants to revise the CIP again to revise the project list, project costs, growth projections, and service area, and to propose increasing the Impact Fee to \$2,500.00 per LUE. Currently, CLSUD has five hundred ninety-six (596) active wastewater connections, consisting of four (4) commercial customers and five hundred ninety-two (592) single-family homes. The four commercial connections include the Umland Elementary School, HCISD Transportation Facility, St. John's Lutheran Church, and El Camino RV Resort. Ms. Nieto indicated that she had prepared a draft report and met with CLSUD Staff to review the proposed changes. She added that she met with developers to update them on the proposed changes and published the draft report in the Lockhart Post Register and Hays Free Press on August 16, 2023. Ms. Nieto met with the City of Umland Staff on August 28, 2023 and then gave a presentation at their City Council meeting on September 6, 2023. She reported that CLSUD's Impact Fee Advisory Committee met August 30, 2023 and they provided their recommendation letter to the Board, generally in support of the proposed changes to the CIP and Impact Fee. Ms. Nieto stated that as of this public hearing, CLSUD is committed to providing service to the current five hundred ninety-six (596) active customers as well as an additional eight hundred seventy-two (872) customers. With these connections, while CLSUD is not fully utilizing its existing infrastructure, additional wastewater capital improvement projects will be needed to serve the new developments next to CLSUD's existing infrastructure. Table 4 of Ms. Nieto's presentation lists thirty-six (36) developments that have requested service but have not paid their fees, so there is no service commitment yet, but CLSUD anticipates that they will eventually request wastewater service. A discussion of CLSUD's current

infrastructure ensued, noting that CLSUD's central wastewater system consists of the Plum Creek 12" Gravity Main; Plum Creek 15" Gravity Main; Gristmill 12" Gravity Main (active and committed connections also include Plum Creek Utility retail customers in the Gristmill Highlands Subdivision); SH 21 12" Gravity Main; SH 21 15" Gravity Main; Downtown Uhland Lift Station; Downtown Uhland Force Main; Gristmill South 15" Gravity Main; and Gristmill South 18" Gravity Main. All existing infrastructure has sufficient capacity for CLSUD's projected growth of 10,000 connections in the next ten (10) years, but additional infrastructure will be necessary to connect some of these proposed developments to the existing infrastructure and new WRRF sites. Previous completed CIP projects include the Las Estancias Force Main; State Highway 21 12" Gravity Main; State Highway 21 15" Gravity Main; Downtown Uhland Lift Station; Downtown Uhland Force Main; Gristmill South 15" Gravity Main and Gristmill South 18" Gravity Main. The cost of constructing these projects was \$5,209,077.89, and CLSUD can still recover about \$3,524,873.87 based on the remaining capacity. The new CIP will include the Porter Creek Gravity Main, which starts at Cotton Gin Road and Dairy Lane and follows Porter Creek down to a lift station which will serve the Creeks Crossing neighborhood; Porter Creek Lift Station and Force Main which will pump the wastewater across the creek to the PCU WRRF #1, where it will be treated; and the commercial area wastewater gravity main, which includes the area around the CLSUD Office, Five Star Concrete, Woodworks business, Bon Ton Meat Market and some other commercial lots around Hwy 21 and Gristmill Road. This project will have a small regional lift station that will pump water across Hwy 21; FM 150 Gravity Main which will go from the future Plum Creek Utility (PCU) WRRF #2 near FM 150 and Hwy 21 up Hwy 21 and along FM 150 to the North. The plans for this facility are complete and are scheduled to break ground any time now; Clear Fork Creek Gravity Main which will branch off the FM 150 Gravity Main and will follow Clear Fork Creek. This will serve tracts on the westside of FM 150; Misty Lane Wastewater Oversizing will serve a development on Misty Lane that is committed to building their own lift station and force main to connect back to the treatment plant. CLSUD will need to oversize the pipe to account for future development in the area; and the FM 2720 Gravity Main which runs along FM 2720 down to the PCU WRRF #3 near Misty Lane and Jolly Road. The new CIP projects are at a cost of \$13,013,632.00 without financing and \$21,484,589.00 with financing. Financing is based on a twenty (20) year term at 5 1/2 % interest. The \$2,500.00 per LUE fee was calculated by adding the \$3,524,873.87 plus the \$21,484,589.00 to get a total of \$25,009,462.87 and dividing that by the projected growth of 10,000 LUEs over the next ten (10) years. The FM 2720 Gravity Main was re-routed due to easement acquisition issues, which reduced the rate of the proposed impact fee since the re-route didn't require as many road bores. Humberto Ramos commented that the City of Uhland was pleased that CLSUD reached out to them about this project and had positive comments. The City of Uhland is currently rural, but going towards suburbia and we need to make sure we have the infrastructure to support this development, so we don't have package plants all over the place. Developers also have had positive comments when the project was discussed with them. David Klein commented that the notice of this public hearing project was published in the proper newspapers and that the Impact Fee Advisory Committee met and provided its comments to CLSUD in a timely manner. Joe Howe commented the Impact Fee Advisory Committee met and reviewed the CIP presentation and proposed Impact Fee amount change. The Committee members present at the meeting were Joanne and Thomas, who are both in real estate; Mia, who works for

PCU, and Joe Howe. Jim was not able to make the meeting. Director Howe stated that the presentation made sense, that CLSUD should proceed since all these improvements need to happen, and that all Committee members were in agreement with the revised CIP and Impact Fee change. David Klein stated that Ms. Nieto had calculated the maximum allowable impact fee amount, in light of the revised CIP, and that to the extent that CLSUD does not accept that amount, then the difference will be made up from rate revenue. Jesse Pena asked for detail about the mega site and Ms. Nieto stated that several entities are interested in this site, but we are not sure what will ultimately go there or the required capacity. Discussion ensued that there is an approved permit from the Texas Commission on Environmental Quality (TCEQ) for the wastewater treatment plant on Misty Lane, with a capacity of 1.55 million gallons per day (MGD), but may need to amend the permit further.

Daniel Heideman asked if the \$75.00 inspection fee is part of the proposed new impact fee and Ms. Nieto stated it is a separate fee along with the \$5,000.00 PCU fee which covers the treatment at the plant. The proposed wastewater impact fees, along with the PCU Fee and inspection fee, would total \$7,575.00 per LUE. David Klein stated the \$5,000.00 PCU Fee is 100% passed through CLSUD to PCU. CLSUD would only keep the \$2,500.00 impact fee, if approved as proposed. Director Scheel verified that over the next 1 ½ years, \$17 million of the \$21 million will be paid up front and then the remaining amount will be paid over the next ten (10) years. Ms. Scheel wants to make sure CLSUD is not strapping itself trying to get everything completed. Humberto Ramos stated that there is money in the applicable CLSUD account to get the project started and that he and Chris Betz have visited about potentially issuing bonds to keep the project moving forward. Ms. Nieto stated developers are required to pay their fees eighteen (18) months prior to needing active service. Joe Howe stated that WRRF #1 is working on the reuse plans which would extend our potable water supply. Director Scheel is glad we are moving forward so we are not playing catchup later. There were no further comments. David Klein stated a motion would need to be made to close the Public Hearing. Director Scheel made the motion to close the Public Hearing and Director Ilse seconded the Motion. The Motion passed unanimously, 6 Aye, 0 Nay, and the Public Hearing closed at 6:56 P.M.

D. ADJOURNMENT. Director Brewer requested a motion be made to adjourn the Public Hearing, Director Scheel made the motion to adjourn the Public Hearing Meeting; Director Diaz seconded the Motion; and Motion passed unanimously, 6 Aye, 0 Nay. The Public Hearing Meeting was adjourned at 6:57 P.M.



County Line SUD, Board President
Toni Brewer

Date 10/16/23