

## COUNTY LINE SPECIAL UTILITY DISTRICT

### Meeting Minutes

Board of Directors Meeting –October 16, 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

Tracy Scheel

#### **Others Present:**

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

Chris Betz, County Line Special Utility District Staff

Allison Nieto with Southwest Engineers (Via Zoom)

Jeff Kallus with Southwest Engineers (Via Zoom)

Tow Walker with Southwest Engineers

Scott Manuel with Plum Creek Utility-OMMS

Kristi Hester with BVRT

Jesse Pena with Quiddity Engineering

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

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The following represents the actions taken by the Board of Directors (Board) of the County Line Special Utility District (CLSUD). Items for Action or Discussion/Direction were taken out of order and were discussed in the following order: F.8, F.1, F.2, F.5, F.6, F.7, F.10, F.11, F.13, F.14, F.15, and F.17. Discussion of items G.1, G.2, and G.3 followed. Items F.3, F.4, F.9, F.11 (discussed in more detail), F.12 and F.16 were discussed in Executive Session after the previously mentioned items. 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 6:34 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 September 18, 2023 Public Hearing Meeting.**

**D.2 Consider and take action to approve the minutes of the September 18, 2023 regular Board meeting.**

Director Diaz made a motion to approve the consent agenda in its entirety. Director Scheel seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay.

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

**E.1 Wastewater Treatment Plant Operations Report.** Scott Manuel with Plum Creek Utility-OMMS reported the plant is doing well and is compliant. Plant is flowing at almost eighty percent (80%) capacity and averaging about thirty (30) connections per month. In September, Watermill Subdivision had twenty (20) connections and Camino East Subdivision had eight (8).

**E.2 Engineer's Report.** Allison Nieto with Southwest Engineers reported bids for the Porter Creek Lift Station and Force Main will be advertised in mid-October, hopes to award construction contract at the November Board Meeting. This project was added to the Capital Improvement Plan (CIP) last month. Plans should be completed for the Porter Creek Gravity Main in November and will likely bid the project in January. This project was also added to the CIP last month. Working to obtain right-of-entry letters from two (2) different landowners on the FM 2720 Wastewater Extension, once these are obtained, survey work can begin. This project was also added to the CIP last month. Survey data was recently received for the Commercial Area Wastewater and design work has begun. Preliminary design and cost estimate for the wastewater extension to downtown Umland area is being prepared. Construction at the WRRF-1 plant should be completed Fall 2023, which will add another 150,000 gallons per day of capacity. Five (5) subdivisions are under construction; four (4) plans have been approved, impact fees are still pending; six (6) developments have submitted plans for review; and twenty-two (22) have requested service and paid the application fee.

Jeff Kallus with Southwest Engineers reported we are currently working on purchasing a site on Misty Lane for a future elevated tank. A service request has been submitted to Geotech for the foundation of the tank. Alliance Regional Water Authority (ARWA) has been provided the location to incorporate into their design. Construction plans are complete on the reuse water plant and hope to bid the project at the November board meeting. Construction plans are seventy percent (70%) complete for the reuse line to the concrete plant. Construction plans for the FM 2720 water line are more than sixty percent (60%) complete from Old Spanish Trail to the Bollinger Subdivision. Several easements are still needed along this route. For the San Marcos Interim Water Supply Project, easement acquisition is in progress, Lowden Excavation has provided their contract, Texas Commission on



Environmental Quality (TCEQ) has approved the interconnect, and material submittals are currently being reviewed.

**E.3 Capacity Report.** Jeff Kallus with Southwest Engineers reported County Line Special Utility District (CLSUD) currently has 5,974 active meters and 1,700 reserved meters for a total of 7,674 meters, 1,769 meters are pending. Marigold Phase 2 and Bollinger have signed their Non-Standard Service Agreements (NSSAs) and paid their fees, which will move them up to the reserves list.

**E.4 Easement Report.** Tom Walker with Southwest Engineers reported there are seventeen (17) easements along Highway 21 and currently have acquired three (3) of them. Hope to have easements signed for Tracts 1 and 2; Tract 6 might go into condemnation. Property is owned by a brother and sister, the sister is willing to sign, but the brother is not. Still working on Tracts 7 and 16 with Spencer Nealy. Tracts 15 and 17 are close to being signed, Joe Stafford still has a few revisions. Tract 14 has been signed. The Walton Easements are almost complete.

**E.5 Financial Report.** France Alston with County Line Special Utility District (CLSUD) reported she is working on the budget to present to the board at the January meeting. The July, August and September payments have been made to San Marcos even though an Invoice has not been received. Attorney fees are high but hope to see a decrease in them. The check cut to Southwest Engineers in the amount of \$71,795.02 is for past invoices; the \$148,237.62 check to them was for current invoices, \$60,900.00 of that amount was for the reuse plant. The Plum Creek Utility check in the amount of \$480,000.00 was for the Haney Park Impact Fees. Humberto Ramos stated that an Investment Policy Resolution needs to be added to the November board meeting agenda. Mr. Ramos has taken the Investment Officer course and Ms. Alston plans on taking it. Chris Betz wants to meet to discuss nixing the money market account since funds can quickly be transferred between the Logics account and operating account, need to come up with a policy about how much money should be kept in the operating account. Need to double check with First Lockhart National Bank (FLNB) to make sure they have offsetting securities at one-hundred ten percent (110%) for when balances exceed \$250,000.00. Director Howe had a question on the Profit and Loss Statement (P&L) regarding wastewater revenue and the portion sent to Plum Creek Utility (PCU). The P&L shows receipt of \$4,700.00 and year to date shows \$94,000.00, are we off on payments/timing? Ms. Alston will look into this and report back.

- **E.6 CRWA & ARWA Report.** Humberto Ramos with County Line Special Utility District (CLSUD) reported the following:

CRWA Construction Committee meeting was held on October 10<sup>th</sup>:

- Discussion Items
  - *PFAS lawsuit was discussed with further discussion to occur at CRWA BOT meeting.*
- Transmission Line Projects –
  - *Hays Caldwell Pipeline Alignment (GEI)-Engineer is working on the pipeline was not present to provide update on pipeline alignment. I provided the committee with insight into the recently sent CLSUD demand letter.*
- Water Treatment Plant Improvements
  - Hays Caldwell WTP Updates (Adurra) –
    - *Nonfilter building improvements- Committee requested that the members of the Hays Caldwell agreement meet to determine if any*



*items can be eliminated to reduce overall project cost. Still awaiting permitting from San Marcos and County (see attached PowerPoint)*

- *Planned filter building improvements -awaiting a kick-off meeting.*
- HCWTP -Overage: *No meeting held to address this issue. The issue is still unresolved.*
- CRWA BOT will meet on October 11<sup>th</sup> (see attached agenda). Items related to CLSUD include:
  - Item 7 Presentations/Discussions
    - A. Update on the Hays Caldwell Pipeline
    - B. Update on the Wheeling Agreement with Maxwell SUD for delivery of Hays Caldwell Water.
    - C. County Line Pipeline Project Notice and Demand Letter – *A summary of the letter was given by the attorney (Trey Wilson), with no action or direction from the Board. I did provide a statement as to our intent and our need for the pipeline.*
  - Item 9 CRWA Committee Reports
    - A. Construction Committee- *I requested a response from the CRWA Board regarding CLSUD demand letter and I asked for some type of action immediately to address the letter as CLSUD Board is awaiting a response. I asked that the Vice-President take the lead and set up a meeting among the participating entities to start addressing the expiration of the Maxwell Wheeling agreement and the pipeline.*
  - Item 10 General Business
    - A. CRWA 23-10-061 Concerning approval of amendments to CRWA Bylaws (Policy and Legislative Committee)
    - B. CRWA 23-10-62 Concerning ratification of NewGen Strategies Contract (CRWA staff) -item addresses the analysis for establishing a rate related to the 2021 Hays Caldwell Water Supply and Treatment Agreement.
  - Item 11 Executive Session
    - A. *Deliberate the employment, evaluation, and duties of the General Manager of the Authority. (requested by Humberto Ramos)*
    - B. *Deliberate the appointment and duties of the successor to the position of the General Manager. (requested by Humberto Ramos)*

County Line Pipeline is now referred to as the Hays/Caldwell Pipeline. Hays/Caldwell held a meeting October 16, 2023 to discuss what could be removed from the project to save on costs, but determined nothing could be removed from the project. The projects need \$6-8 million to complete, this figure excludes the membranes and pipeline costs.

Chris Betz with Alliance Regional Water Authority (ARWA) reported they will meet at the office of County Line Special Utility District on October 25, 2023. Discussing the Guadalupe Blanco River Authority (GBRA) plant expansion. Not everyone at ARWA needs the expansion right now, CLSUD would probably benefit from the expansion happening now. They are having issues with funding from the State of Texas for various projects; the State/Texas Water Development Board (TWDB) are running slow with issuing payments to ARWA. Right of Way discussions are continuing, landowners think their property is worth more than appraised amount.



**E.7 General Manager's Report.** Humberto Ramos with County Line Special Utility District (CLSUD) reported on this item. Mr. Ramos and Jennifer Tarbutton have been meeting monthly with the City of Uhland to develop a water conservation ordinance, minimum standards for developers, franchise agreement and plan for providing wastewater to downtown Uhland. Working to develop an Encroachment Agreement to provide to the City of Kyle. Regarding Project Nora (Mega Site), Mr. Ramos attended meetings with proposed project sponsors, developers, utility companies, GBRA and Caldwell County. This project would require 2.5 million gallons of water per day (roughly 2,800-acre feet of water) and 1.5 million gallons of wastewater per day. Developer is requesting incentives, but CLSUD is not able to provide any right now. Director Howe asked if Hoppy Haden, Judge for Caldwell County, or the Governor could push for the use of reuse water, but right now reuse water would take too long to build. Other large industries are also looking at this "Mega Site."

Daniel Heideman with County Line Special Utility District (CLSUD) reported the proposed office expansion cannot happen at the current CLSUD location due to there not being enough space. It was proposed that the maintenance building be converted into the meeting space and a new maintenance building be constructed at other property owned by CLSUD. Engineering is currently working on finding out if the City of Kyle will allow this project and what their requirements will be.

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

**E.9 General Counsel's Report.** Nothing was reported.

**E.10 Employee Benefits Update.** Jennifer Tarbutton with County Line Special Utility District (CLSUD) reported on this. Ms. Tarbutton has submitted requests for alternative health plans through other insurance groups, but at meeting time, had not received any responses. We currently have thirty (30) days prior to the January 1, 2024 renewal date to make a final decision on health benefits with TXHB (TML). Ms. Tarbutton will send out a meeting request to the benefits committee to meet in October or November to discuss this further. An update will be provided at the November board meeting.

**F. ITEMS FOR ACTION OR DISCUSSION/DIRECTION:** Items for Action or Discussion/Direction were taken out of order and were discussed in the following order: F.8, F.1, F.2, F.5, F.6, F.7, F.10, F.11, F.13, F.14, F.15, and F.17. Items F.3, F.4, F.9, F.11 (discussed in more detail), F.12 and F.16 were discussed in Executive Session after the previously mentioned items.

**F.1 Discuss, consider, and take action on Order Calling a Public Hearing to Receive Petitions to Annex Land into County Line Special Utility District.** Chris Betz discussed this item since Danielle Lam with Lloyd Gosselink Rochelle & Townsend was not able to attend the meeting. The residential lots in the Sunset Oaks Subdivision will be transferred to Maxwell Special Utility District and the Commercial Lots will be transferred to County Line Special Utility District (CLSUD). CLSUD's counsel is working with the landowner for the commercial lots of Sunset Oaks to prepare and submit a landowner petition for annexation to CLSUD before the date of the public hearing. Was recommended to hold the Public Hearing on the same date as CLSUD's November Board meeting to be held November 20, 2023. And a motion was recommended to adopt the Order Calling Public Hearing to Receive Petitions to Annex Land into CLSUD, setting the date of the public hearing to November 20, 2023 at 6:30 p.m. Director Scheel made a motion to approve a Call of a Public Hearing on the same date as the board's regular



board meeting in November, which is November 20, 2023 to Receive Petitions to Annex land into CLSUD. Director Ilse seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay.

**F.2 Discuss, consider, and take action on Order Excluding Land from County Line Special Utility District.** Chris Betz discussed this item since Danielle Lam with Lloyd Gosselink Rochelle & Townsend was not able to attend the meeting. Mr. Betz went over the following changes made to the Order that was included in the board packet: 1.) After discussion with Jeff, a reference to Exhibit B (post-exclusion map of CLSUD's entire boundary) was removed from the final version of the Order because an accurate map could not be prepared in time for the Board meeting. The law does not require a map to be included in the Order and was meant to be included for the convenience of future landowners. The Order just needs the language saying CLSUD redefines the boundaries of the District to embrace all land not excluded; and 2.) Added the metes & bounds description of all the residential portion of Sunset Oaks, some of which may already be in Maxwell's boundaries but are included for simplicity (3 descriptions – 144.662 acres, 35.236 acres, 73.845 acres). CLSUD held a public hearing on the exclusion of the Sunset Oaks Subdivision on October 16, 2023 and there were no protests against the exclusion or landowner petitions to exclude other land. The landowner/developer of Sunset Oaks is aware of the exclusion and is in support. Since CLSUD no longer has a water CCN over the residential portion of Sunset Oaks, it is practicable, just, and desirable to exclude this land. A recommended motion was made to adopt the Order Excluding Land from CLSUD to remove the residential area of the Sunset Oaks subdivision from CLSUD's jurisdictional boundaries. Director Howe made a motion to adopt the Order Excluding Land from CLSUD to remove the residential area of the Sunset Oaks Subdivision from CLSUD's jurisdictional boundaries. Director Diaz seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay.

**F.3 Discuss, consider, and take action regarding Wastewater Rates presentation.** This item was discussed in Executive Session. No action was taken.

**F.4 Discussion regarding Amended and Restated Wholesale Wastewater Service Agreement Between PCU and CLSUD.** This item was discussed in Executive Session. No action was taken.

**F.5 Discussion regarding CRWA Wells Ranch III Project.** Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. A permit hearing was held on September 14<sup>th</sup> for CRWA submittal of a permit amendment application to the Gonzales County Underground Water Conservation District (GCUWCD) to increase the production rate for one of its existing permitted wells in the Carrizo aquifer, "Well 14- Christian West," from 495 gallons per minute (GPM) to 1,065 gallons per minute (GPM). At this meeting many of the same protestants of the GBRA permit were vocal against the CRWA permit request. The Board of GCUWCD moved to have a contested case hearing to determine if the protestants have standing. No date was given for the contested case hearing. No action was taken.

**F.6 Discuss, consider, and take action regarding GBRA/Gonzales Carrizo Water Supply Project.** Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Discovery continues in the SOAH process but seems to be decreasing. The hearing is set for the week of April 22, 2024. GBRA provided comments on the 60% design of the pipelines back to HDR, and they are working on responses. We have a workshop with them this Wednesday. Schedule-wise, these pipelines are anticipated to bid in July 2024, with construction complete in April 2026. GBRA is



working with ARWA to initialize WTP expansion design. ARWA put out an RFQ for this design. Design could start as early as this December.

**F.7 Discuss, consider, and take action regarding contributions to Texas County and District Retirement System (TCDRS).** Jennifer Tarbutton with County Line Special Utility District (CLSUD) discussed this item. Currently, employees of CLSUD are contributing four percent (4%) to TCDRS and the company contribution is one hundred twenty five percent (125%). CLSUD's internal contribution is 4.37%. CLSUD conducted a census of the employees, and they would like to increase their contribution to seven percent (7%) which is the max an employee can contribute. Ms. Tarbutton is still waiting on actuaries from TCDRS for the employer contribution rate increase in case CLSUD increases the employer contribution rate. Max employer contribution is two hundred fifty percent (250%). Maxwell Special Utility District does not participate in TCDRS. Alliance Regional Water Authority (ARWA) contributes at a rate of one hundred fifty percent (150%) and their employees contribute at a rate of seven percent (7%). Canyon Regional Water Authority contributes at a rate of two hundred fifty percent (250%) and their employees contribute at a rate of seven percent (7%). No action was taken on this item, and it will be added to the November Agenda.

**F.8 Discuss, consider, and take action regarding future board meetings of CLSUD.** Tracie Crowell with County Line Special Utility District (CLSUD) discussed this item. A suggestion was made to reschedule the November 20, 2023 board meeting to November 13, 2023 because of the Thanksgiving Holiday. Director Scheel stated Canyon Regional Water Authority (CRWA) has their meeting that day so she and Humberto Ramos would not be able to attend the board meeting of CLSUD if it was rescheduled to that day. The board of directors of CLSUD unanimously decided the original scheduled day of November 20, 2023 would be the best day to have the meeting.

**F.9 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 in Executive Session. No action was taken.

**F.10 Discuss, consider, and take action regarding Memorandum of Understanding (MOU) for joint water project planning with Guadalupe Blanco River Authority and County Line Special Utility District.** Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Currently Guadalupe Blanco River Authority (GBRA) is seeking partnerships through Memorandums of Understanding (MOUs) in the region to begin a planning process to assist entities like CLSUD meet its future water supply demands through collaboration and information sharing for GBRA's Midbasin Project. This MOU would commit CLSUD to its own cost incurred in the development of sharing information and is undetermined at this time. The term of the MOU is December 21, 2028. This would allow CLSUD to see where they fit and coordinate with Region L numbers. Director Scheel made a motion to approve the MOU with GBRA and CLSUD. Director Diaz seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay.

**F.11 Discuss, consider, and take action regarding Memorandum of Understanding (MOU) for joint water project planning with BVRT, Maxwell Special Utility District and County Line Special Utility District.** Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. This item was discussed in regular session and then later in Executive Session. In an effort to provide water



service for the population, CLSUD must always be looking to diversify and increase its water supply options. Currently, CLSUD has a Public Private Partnership (3P) with BVRT for wastewater. BVRT will be engaging Freese and Nichols to assist BVRT identify a water supply option proximal to the SH 130 Toll for its own service area. BVRT has reached out to CLSUD and Maxwell Special Utility District and requested equal participation through a 3P collaboration in identifying a water supply project through this MOU. Based on the scope of work by Freese and Nichols, they are to identify a project that can provide a supply of water based on the entity demands that is proximal to the SH 130 Toll and the project must be inserted in the upcoming 2026 Region L Plan. This MOU commits CLSUD to a one-time obligation of \$77,919.66, the cost could decrease if others participate. The term of the MOU is one (1) year. This project could possibly bring in the Wells Ranch 3 Project water on Hwy 130. Maxwell Special Utility District has this on their Agenda for their October 18, 2023 board meeting. Director Brewer would like to see all projects in one place since there are so many of them. Director Scheel made a motion after Executive Session discussion to approve a MOU for joint water project planning with BVRT, Maxwell Special Utility District and CLSUD. Director Diaz seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay.

**F.12 Discuss, consider, and take action regarding new request for service within CLSUD service area.**

This item was discussed in Executive Session. No action was taken.

**F.13 Discuss, consider and take action regarding acquisition of elevated storage tank site at Misty Lane (portion Property ID 116859, Misty Lane Commercial Subdivision) or alternative sites within southern portion of service area.** Mike Gershon with Lloyd Gosselink Rochelle and Townsend discussed this item. The District intends to construct an elevated storage tank and has entered into a contract to purchase a 0.5-acre lot on which to construct the tank. The 0.5-acre lot is located along Misty Lane and is a small portion of a larger 5-acre lot ("Lot 3") that is currently owned by Misty Lane, LLC. The 0.5-acre lot under contract is currently encumbered by certain deed restrictions, at least one easement, and other restrictions that could impede the District's ability to use the property for its intended purpose. The District has formally objected to these encumbrances and requested that the seller resolve the encumbrances. After speaking with representatives from the County and the District about the encumbrances, the seller has proposed selling the District a different 0.5-acre lot to use as the site of the elevated storage tank. This newly proposed 0.5-acre lot will still be part of Lot 3 along Misty Lane, but it is in a different portion of Lot 3. The seller is hopeful that this new 0.5-acre lot will not be impacted by the same encumbrances at issue with the original 0.5-acre lot. The District is currently waiting for the seller to provide a contract amendment identifying the new 0.5-acre lot, which may expand to approximately 0.55 acres to account for a right of way without having to pay additional consideration, and extending the option period and closing date, and extending the survey due date. Seller advised that they agree to reimburse the District for expenses incurred on due diligence to acquire the other site. CLSUD qualified for an exception regarding platting. Director Howe made a motion to approve the amendment to the contract to allow for the new location of an approximate 0.5-acre lot. Director Scheel seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay.

**F.14 Discuss, consider, and take action regarding developments with perfluoroalkyl and polyfluoroalkyl substances (PFAS) regulation, nationwide litigation, sampling, and related notices and deadlines for DuPont, 3M and other class-action lawsuit settlements.** Mike Gershon with Lloyd Gosselink Rochelle and Townsend discussed this item. PFAS are man-made chemicals that have been used in industry and consumer products since the 1940s. They have been used to make nonstick



cookware, water-repellent clothing, stain resistant fabrics and carpets, some cosmetics, some firefighting foams, and products that resist grease, water, and oil. The Environmental Protection Agency (EPA) has begun to develop a regulatory program intended to keep drinking water safe—that program is evolving. Water supply can be treated to remove PFAS. There have been thousands of lawsuits for economic damages filed nationwide, some of which are class-action lawsuits. These lawsuits target those responsible for the substances leaching into the ground and water. Recently DuPont and 3M have settled class-action lawsuits and agreed to pay billions of dollars to certain classes of qualified parties. Defendants were required to identify certain classes of potential claimants and provide them with an opportunity to opt in or opt out of the settlement fund. It is likely that each claimant water utility will need to demonstrate (1) that their water source is affected by PFAS and (2) the extent of impact. CLSUD water comes from wholesale providers or our wells. Wholesale providers are responsible for making sure our water is safe and PFAS free, CLSUD needs to be concerned about our Edwards Well water. Specialized samples would need to be taken in the right areas of the system to see if CLSUD is affected by PFAS. Due to the limited pool of settlement funds, there may not be enough to go around nationwide, and the funds probably would not be enough to cover the costs of testing. CLSUD is automatically part of the suit. If CLSUD decides to opt out, they would need to do so by December 4, 2023 and December 11, 2023 by submitting a form with supporting documentation stating you would not be seeking payments from either of these two (2) settlements. CLSUD would have the right down the road to bring suit against 3M and Dupont if they choose to. If CLSUD decides not to opt out, they must do baseline testing by a company who specializes in PFAS testing and would need to have the samples tested at a lab that specializes in PFAS. Dupont has estimated settlement funds in the amount of 12.5 billion dollars and 3M has estimated settlement funds in the amount of \$1.2 billion dollars. At some point, sampling will need to be done. CLSUD Can either sample the way Dupont and 3M requires or test independently. Chris Betz and Director Scheel suggested doing a hybrid option, and test to determine if CLSUD is affected by PFAS or not. A law firm that is representing plaintiffs in these class action suits have criteria on their web page to help determine whether you could be affected by PFAS. Some of the questions on their web page: Are you next to a military base; Are you next to industrial facilities where these substances are manufactured. Does not appear that CLSUD fits the class, Mr. Gershon couldn't check any boxes just looking at where our wells are in relation to other facilities. Director Scheel made a motion to table this item to the November 20, 2023 meeting to allow Humberto Ramos and staff to do more research. Director Ilse seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay.

**F.15 Discuss, consider, and take action to adopt policy regarding third-party encroachment on CLSUD's easements and other real property.** Mike Gershon with Lloyd Gosselink Rochelle and Townsend discussed this item. This policy came about when the City of Kyle contacted CLSUD for a copy of their Encroachment Policy. The City of Kyle is proposing to lay a new sewer line down the southside of FM 150 to the northside of FM 150 and connect to the existing sewer line along Plum Creek. They will be crossing several of CLSUD waterlines and will need to be sure they either sleeve their lines or the lines of CLSUD and make sure the lines are the correct distance apart. The policy presented to the board is intended to memorialize in writing a uniform approach to dealing with encroachments, while providing discretion to the District to determine whether to grant or deny any request for encroachment. The policy delegates authority to the General Manager to manage and make decisions on encroachment requests, and for the General Manager to defer back to the board on such a request if the General Manager believes is helpful. The policy does not propose a fee to be paid by the party requesting approval of an encroachment, the majority of the requests will come from sister utility companies, and we would hope they would extend the same courtesy to us by



agreeing to work with us and not charge a fee. Chris Betz asked if there is anyway we could use this to help assist in the interconnect project we've been working on for the past three (3) years, Humberto Ramos thinks yes. Director Scheel made a motion to approve the policy. Director Howe seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay.

**F.16 Discuss, consider, and take action authorizing the acquisition of the following easements in support of the District's water pipeline infrastructure projects.** This item was discussed in Executive Session. Director Scheel made a motion outside of Executive Session to authorize negotiations for acquisition of the following easements in support of the District's water pipeline infrastructure projects as discussed in Executive Session. Director Howe seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay

- A. Tract 4, Highway 21, Walton Texas LP
- B. Tract 5, Highway 21, Walton Texas LP
- C. Tract 13, Highway 21, Clarence Schulle
- D. Tract 1, FM 2720, RUC Holdings
- E. Tract 5, FM 2720, RUC Holdings
- F. Tract 6, FM 2720, Doehne/Tripolic
- G. Tract 9, FM 2720 RUC Holdings
- H. Tract 10, FM 2720, Walton Texas LP

**F.17 Discuss, consider, and take action regarding Contract Change Order for Well No. 2 Pump Replacement Project.** Jeff Kallus with Southwest Engineers discussed this item. This project bid last year and waited about a year to get materials. With the current drought, the water level in well #2 has dropped 50 feet since May of 2021 when an aquifer study was performed. The water level was 175' bgl in May of 2021 and the contractor measurements suggest it to be 227' bgl now. With the drop in water level, it is recommended that the well pump be placed at 430' instead of 315' as designed. The design level was set at 315' to keep the pump inside the casing, which is no longer doable with the current water levels considering draw down. The pump will now instead be placed below the casing which is called the open hole. The previous well pumps were placed in the open hole but were smaller pumps. A dummy test was performed to make sure the pump could be placed in the open hole. A dummy test is the lowering of pipe joint of similar size as the pump to check if there are any obstructions, such as a crooked bore hole. The contractor was able to lower the dummy with no issues and was able to touch the bottom of the hole at 600'. The submitted change order includes the material necessary to place the well pump at a deeper depth. It includes an additional 120 feet of 6" steel column, 1.5" SS shaft, SS bearing retainers and glide inserts. The total change order is \$17,568.00. Director Howe asked if the original contract was clear about the amount of material and depth of the pump. Mr. Kallus said no, it was not broken down per column pipe. The change order shows the original contract price and the price after the change order. The original scope showed the pump 20' higher than what is currently proposed. Humberto Ramos said our attorney needs to develop a change order policy so we do not have the need to go to the board for small change order amounts. Director Howe made a motion to approve the change order for \$17,568.00 in additional materials. Director Scheel seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay.



**G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS.**

**G.1 Service Policy which addresses property ownership regarding executing NSSAs**

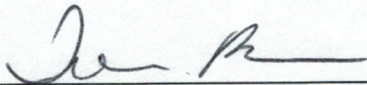
**G.2 Design of the Misty Lane Elevated Tank to receive ARWA water**

**G.3 RFQ regarding rate study for commercial and industrial water rates**

Director Scheel made a motion to add all three items to next month's agenda. Director Howe seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay.

**H. EXECUTIVE SESSION.** Director Scheel made a motion to enter Executive Session under *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 Howe seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay and the meeting adjourned into Executive Session at 8:12 p.m. to discuss Items F.3, F.4, F.9, F.11, F.12 and F.16. Director Diaz made a motion to leave Executive Session. Director Scheel seconded the motion. Motion passed unanimously, 5 Aye, 0 Nay. Meeting entered regular session at 9:28 p.m. to make the motions for Items F.11 and F.16. No action was taken on Items F.3, F.4, F.9 and F.12.

**I. ADJOURNMENT.** Director Scheel made a motion to adjourn the meeting and Director Diaz seconded the Motion, Motion passed unanimously. Meeting was adjourned at 9:29 P.M.



County Line SUD, Board President  
Toni Brewer

Date 11/20/23