

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting –May 15, 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

Ken Dodson

James “Rusty” Loep

Tracy Scheel

Others Present:

Chris Betz, County Line Special Utility District Staff

Allison Nieto with Southwest Engineers via Zoom

Jeff Kallus with Southwest Engineers via Zoom

Humberto Ramos with Canyon Regional Water Authority

Scott Manuel with Plum Creek Utility-OMMS

Daniel Heideman, County Line Special Utility District Staff

Doug Schnautz, County Line Special Utility Staff

Jennifer Tarbutton, County Line Special Utility District Staff

Rebecca Moore, 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, Dodson, Loep 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 April 17, 2023 regular Board meeting. Director Diaz moved to approve the minutes and Director Scheel seconded the Motion. Passed unanimously 7 Aye, 0 Nay.

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

E.1 Wastewater Operations Report. Scott Manuel with Plum Creek Utility-OMMS (PCU) reported the plant in compliance for the month of April. Thirty-three (33) inspections done in April, no change in commercial inspections. Waiting on a breaker at the plant, hopefully will be online in July.

E.2 Engineer's Report. Allison Nieto with Southwest Engineers reported all projects are complete at the Downtown Uhland Wastewater plant, generator has been installed at the lift station and is operational. Switched over the Las Estancias gravity main and will switch over the transportation department when school is out, hopefully in June. Plans are 90% complete for the Porter Creek Gravity Main, waiting to finalize and bid the project until developer(s) are ready to pay impact fees. Beginning updates to Wastewater Capital Improvement Plan (CIP) and Impact Fee Amendment to include areas previously not included, but are now requesting service in those areas, hope to have ready for the July board meeting. Plum Creek Utility (PCU) is under construction on the WRRF 1 Phase 4 expansion which will add another 150,000 gallons per day of capacity for a total of 300,000 gallons per day capacity, construction should be complete in Summer 2023. Design is complete and plans are ready for bid on Plum Creek Utilities Porter Creek Lift Station and Force Main project. Five (5) subdivisions are under construction; three (3) plans have been approved; seven (7) plans have been submitted for review; and seventeen (17) have requested service and paid the application fee, 129 Cotton Gin and Kyle 98 have been added since last month.

Jeff Kallus with Southwest Engineers reported we are waiting on the electrical components so construction can begin, hopefully in June at the Brooks Well site. Visited with a couple of landowners for a site acquisition for the Guadalupe Blanco River Authority (GBRA) water. FM 2720 water line in design, easement exhibits are being received and easement costs are being negotiated with landowners. San Marcos Interim Water Supply easement acquisitions are in progress, design of the meter vault and plant tie in are about 90% complete, survey has been completed and design of waterline is about 80% complete. Region L Projections

which are done every five (5) years to help figure water development funding for future projects has been submitted. Alternate Capacity Request to lower supply capacity to 0.36 has been submitted to Texas Commission on Environmental Quality (TCEQ) for review, they have sixty (60) days to review.

E.3 Financial Report. Rebecca Moore with County Line Special Utility District (CLSUD) reported distribution center higher than last year, recorded the Camino East Phase 1 utility conveyance. Collected one (1) wastewater impact fee for an individual, not a development. Sold 29 million gallons of water, 291,000 gallons was construction water. Average customer uses about 5,628 gallons. Wastewater income billed out 851 Living Unit Equivalent (LUE). Late fees and cutoff fees consisted of forty (40) cutoffs and nine hundred-thirty-two (932) late fees. Interest still looks good. \$10,000.00 accounting expense for the 2022 audit. Check No. 15557 payable to QroMex Construction Co. for the last payment on the Gristmill South Gravity Main.

E.4 CRWA & ARWA Report. Humberto Ramos with Canyon Regional Water Authority (CRWA) reported their meeting was held May 8, 2023. New members appointed took their Oath of Office. Election of officers was held. President is Tim Fousse from the City of Cibolo; Vice President is Brandon Rohan from East Central; Secretary is Doris Steubing from Maxwell; and Treasurer is Regina Franke from Crystal Clear. Regina Franke and Pat Allen were reappointed to the Alliance Regional Water Authority (ARWA) Board of Directors. Presentation was given by Guadalupe Blanco River Authority (GBRA) in regards to the Guadalupe River Habitat Conservation Plan which would protect endangered species. In regards to the Hays/Caldwell water treatment plant, requests for quotes (RFQ) were requested for repairs of the membranes, three (3) consultants responded and interviews will take place to see who will do the repairs of the membranes. Procurement policy was approved. In regards to the FM 621/CR266 Pipeline Relocation Project, an Interlocal Cooperative Agreement was approved concerning the cost sharing. Project cost is \$536,000.00 and CRWA's share would be \$256,000.00 for relocating the water utility. Meeting went into executive session to discuss status of negotiations with Nanostone and Trihydro regarding the emergency generators. Lou Rosenberg, attorney for CRWA gave his ninety (90) day notice, board recommended seeking new council. Paw trailer was ran, still waiting for authorization from the state to use this while the membranes are repaired at the water treatment plant. GBRA was offline for twenty-four (24) hours on May 3, 2023, notice was given to all entities, enough water was produced for the day. Production for the month was between 2 and 2.8 million gallons per day. Mr. Gallegos was hired to help determine the cost of a pipeline from the Hays/Caldwell plant to County Line Special Utility District (CLSUD).

Chris Betz with Alliance Regional Water Authority (ARWA) reported their next meeting will be held May 24, 2023 at 2:00 P.M. in Buda in their main council chambers. Will discuss the water treatment plant expansion, gathering information from entities to see what their primary need will be. In regards to the pipeline/right of way acquisitions, already paid money to the county for commissioner's court ruling. Will discuss the expensive change order received for the booster pump. Edwards Aquifer Authority (EAA) Bill passed through the House with everyone's approval and is currently in the Senate, should know something in the next thirty (30) days. Humberto Ramos with Canyon Regional Water Authority (CRWA) reported \$54 million is needed to finish Segment C of the pipeline, this amount will also

include construction of an elevated storage tank and administration building. Easements for this project are costing more than expected.

E.5 General Manager's Report. Daniel Heideman with County Line Special Utility District (CLSUD) reported a 3.20% water loss. Water levels in Canyon Lake are falling and restrictions will be imposed if water levels continue to fall.

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

E.7 Capacity Report. Rebecca Moore with County Line Special Utility District (CLSUD) reported two (2) new developments were added, 129 Cotton Gin with 200 Living Unit Equivalents (LUE) in their request and Kyle 98 with 610 Living Unit Equivalents (LUE) in their request. Developer buildout schedules have not changed much.

E.8 Easement Report. Jeff Kallus with Southwest Engineers reported that the San Marcos waterline has thirteen (13) parcels, survey has been completed, easement negotiations have begun, four (4) tracts have been unresponsive, 1.5 easements have been signed, but not purchased. FM 2720 waterline easement negotiations have begun, received easement exhibits for six (6) tracts, remaining exhibits are waiting on the revised survey. Steelhorn waterline has two (2) tracts, survey has been completed and easement exhibits are in the works. Landowners of two tracts have properties in negotiations along FM 2720. Proposals for the FM 2001 waterline relocation have not been requested yet since this project is a few years out. Chris Betz recommended condemnation proceedings are started in time on those four (4) tracts that have not been responsive since payments will begin on the San Marcos water in July, hopefully the landowners will for these tracts will realize we are serious and will negotiate a price.

E.9 Pending Legislation Report. Chris Betz with Alliance Regional Water Authority (ARWA) reported the Edwards Aquifer Authority (EAA) Bill passed through the House with everyone's approval and is currently in the Senate, will know something in the next thirty (30) days.

F. ITEMS FOR ACTION OR DISCUSSION/DIRECTION taken out of order, F.16 first and then continued with F.1-F.17:

F.1 Discuss, consider, and take action regarding CRWA Wells Ranch III New Water Supply Contract. Humberto Ramos with Canyon Regional Water Authority (CRWA) presented this item. Meeting was held the week before with all entities. In regards to water, County Line Special Utility District (CLSUD) is requesting 2,000 acre feet of water. New Valley and New Central which is the pipeline going west raised the question of how much more water can be pushed through their existing pipeline, 850 acre feet of water is the additional amount that can be pushed through the pipeline. They suggested that amount be divided amongst themselves and come up with new costs. All entities were given a two (2) week timeframe to provide the correct delivery points of their water. Pipeline going north, consisting of Maxwell Water Supply Corporation, County Line Special Utility District and Crystal Clear Special Utility District are discussing if a 30" pipeline will be large enough to push the required amount of water. Springs Hill Water Supply Corporation is in the process of converting from a water supply corporation to a special utility district, a process that could take up to eighteen (18) months, entities decided not to wait for this conversion. In regards

to the leasing efforts, 7,000 acre feet of potential water was acquired. Hope to have an agreement ready by July or August for everyone to sign. No action taken on this item.

F.2 Discuss, consider, and take action regarding upsizing the Wells Ranch III Pipeline from 24" to 30". Jeff Kallus with Southwest Engineers, Humberto Ramos with Canyon Regional Water Authority (CRWA) and Chris Betz presented this item. County Line Special Utility District (CLSUD) requested 2,000 acre feet of water; Maxwell Water Supply Corporation (MWSC) requested 3,000 acre feet of water; and Crystal Clear Special Utility District (CCSUD) requested 1,500 acre feet of water. A twenty-four inch (24") pipeline is capable of handling this flow. Entities began wondering if upsizing to a thirty inch (30") pipeline might be better so they would be prepared for future demands. Entities felt it would be better to pay now, instead of paying more in the future to upgrade the pipeline. Board decided unanimously that upsizing to the thirty inch (30") pipeline would make the most sense.

F.3 Discuss, consider, and take action regarding Gonzales Carrizo Water Supply Project. Chris Betz presented this item. Nothing new to report, project is moving along. No action taken on this item.

F.4 Discuss, consider, and take action on PCU Wholesale Wastewater Agreement. Chris Betz presented this item. Agreement is moving along. Herb Williams was hired to make sure the numbers make sense, want to figure out how Plum Creek Utility (PCU) determines their rates to charge customers. Attorney for Plum Creek Utility and County Line Special Utility District (CLSUD) are working to finalize items on the agreement, hope to have more information by middle of June. No action taken on this item.

F.5 Discuss, consider, and take action regarding hiring new IT Support Vendor for County Line Special Utility District. Rebecca Moore with County Line Special Utility District (CLSUD) presented this item, provided a handout at the meeting in spreadsheet form comparing the four (4) vendors. HCS is located in San Marcos, provided a quote for both a one (1) year contract and three year (3) contract, Justin at Maxwell Water Supply has used them for over ten (10) years and is happy with them, HCS has a relationship with Spectrum and we would still be able to use our current internet provider (Spry) as a backup; BlueBolt is located in Austin, provided a quote for a one (1) year contract and was recommended by Director Howe; Varay is located in San Antonio, provided a one (1) year quote for their most expensive package and then a one (1) year quote for their cheapest package, recommended by BVRT; and TekRescue located in San Marcos provided a one (1) year quote, no reference for this vendor. All four (4) vendors would support our local system and would be able to provide better security. Director Brewer suggested Ms. Moore request quotes from BlueBolt and Varay for three (3) year contracts and present the information at the next board meeting. Unanimous agreement by the board.

F.6 Discuss, consider, and take action regarding County Line Special Utility District's Final Audit prepared by Armstrong, Vaughan and Associates. Rebecca Moore with County Line Special Utility District (CLSUD) presented this item. No changes made, just need approval of the final audit. Director Scheel made a motion to approve the final audit and Director Diaz seconded the motion. 7 Aye, 0 Nay-Motion passed unanimously.

F.7 Discuss, consider, and take action regarding the Reclaimed Water Supply Agreement between Plum Creek Utility Company LLC and County Line Special Utility

District. Daniel Heideman with County Line Special Utility District (CLSUD) presented this item. This agreement started out because Plum Creek Utility (PCU) assumed they would build and operate the plant to deliver the reuse water into CLSUDs system. The intention of CLSUD was they would build, own and operate the reuse plant. Mr. Heideman recommended to the board that CLSUD build, own and operate the reuse plant. PCU would not have any involvement except to deliver treated water out of their plant and into a tank owned by CLSUD. Plant would be located on a one (1) acre spot inside the ten (10) acres currently leased, the spot would be subleased from PCU. CLSUD engineers are currently working on plans for the reuse plant. An agreement would still be needed between PCU and CLSUD to cover certain things. Board agreed unanimously for CLSUD to build, own and operate the reuse plant.

F.8 Discuss, consider, and take action on potential CCN transfer to City of Kyle and amending the jurisdictional boundaries concerning property located on FM 150.

Daniel Heideman with County Line Special Utility District (CLSUD) and Jeff Kallus with Southwest Engineers provided an update on this item. Mr. Kallus had not received an update from the City of Kyle or the developer. Mr. Heideman stated the developer had backed out of the contract, but a new developer has signed a contract, but has not mentioned anything about the CCN transfer. New developer is aware they would be responsible for all costs to transfer the CCN. City of Kyle is requiring a \$75,000.00 payment to cover the costs of CLSUD and City of Kyle. Mr. Kallus stated no Living Unit Equivalent (LUE) compensation was discussed. CLSUD is not able to provide the needed pressure at the highest point of the property and a new elevated tank and booster would need to be constructed to serve the property. City of Kyle currently has an elevated tank located close to the property. No action taken on this item.

F.9 Discuss, consider, and take action to approve the Interlocal Agreement between County Line Special Utility District and Goforth Special Utility District.

Jeff Kallus with Southwest Engineers and Daniel Heideman with County Line Special Utility District (CLSUD) presented this item. Development is partially located in the Certificate of Convenience and Necessity (CCN) of Goforth Special Utility District (GSUD) and County Line Special Utility District (CLSUD). GSUD would serve the majority of the development and CLSUD would serve a small triangle of the development. CLSUD will be the provider of wastewater service to the development. Agreement is currently still with the attorney for GSUD and CLSUD. Development this agreement applies to is the Haney Park Subdivision. Director Scheel made a motion to approve this item and for Mr. Heideman to work through and negotiate the agreement. Director Ilse seconded the motion. 7 Aye, 0 Nay-Motion passed unanimously.

F.10 Discuss, consider, and take action regarding Reimbursement Agreement between County Line Special Utility District and Haney Park, LLC concerning the CCN transfer for Haney Park.

Jeff Kallus with Southwest Engineers and Rebecca Moore with County Line Special Utility District (CLSUD) presented this item. Ms. Moore stated this agreement ties back to the agreement in Item F.9 above. Agreement would reimburse CLSUD costs to negotiate, prepare and execute the water Certificate of Convenience and Necessity (CCN) Transfer Agreement; costs to prepare, file and prosecute the CCN Application(s) at the Public Utility Commission (PUC); and costs to negotiate, prepare and execute the Billing Agreement. Reimbursement not to exceed \$15,000.00 unless prior

written approval is received. Attorney for CLSUD recommended in an email the board make a motion for the General Manager to negotiate and execute the Reimbursement Agreement with the developers for Haney Park. . Director Scheel made a motion to approve this item and for Mr. Heideman to work through and negotiate the agreement. Director Ilse seconded the motion. 7 Aye, 0 Nay-Motion passed unanimously.

F.11 Discuss, consider, and take action to approve a Joint Billing Agreement between County Line Special Utility District and Goforth Special Utility District. Meeting is scheduled for the following week to discuss this agreement. Director Scheel made a motion to table this item. Director Dodson seconded the motion. 7 Aye, 0 Nay-Motion passed unanimously.

F.12 Discuss, consider, and take action to approve purchase of work vehicle(s). Money was included in cash flow projections previously presented. Daniel Heideman with County Line Special Utility District presented this item. Mr. Heideman purchased a 2018 half (1/2) ton truck for \$26,000.00 and is still looking for a three quarter (3/4) ton truck with a utility bed. No action was taken on this item.

F.13 Discuss, consider, and take action on Order Setting a Public Hearing to Consider Amendments to the Land Use Assumptions, Capital Improvements Plan, and the Wastewater Impact Fees for the County Line Special Utility District Wastewater Impact Fee Service Area. Allison Nieto with Southwest Engineers presented this item. Need to amend the wastewater Capital Improvement Plan (CIP) and potentially the Impact Fees to add areas and projects who recently requested service, mostly in Caldwell County. Ms. Nieto just started working on the CIP. Would like to schedule a public hearing meeting prior to the July board meeting of County Line Special Utility District (CLSUD). Notice will need to be placed in the newspaper thirty (30) days prior to the meeting. Director Scheel made a motion to set a public hearing for July 24, 2023 at 6:30 pm at the office of CLSUD. Director Diaz seconded the motion. 7 Aye, 0 Nay-Motion passed unanimously.

F.14 Discuss, consider, and take action regarding First Amendment of Wholesale Treated Water Supply Agreement between County Line Special Utility District and Goforth Special Utility District. Daniel Heideman and Rebecca Moore with County Line Special Utility District (CLSUD) presented this item. Board has not reviewed the amendment yet, but CLSUD attorneys have reviewed. Ms. Moore stated Goforth Special Utility District (GSUD) is currently being billed \$6,762.99 per month and \$1.79 per thousand gallons of water. The new base rate would be \$12,198.00 per month and \$6.42 per thousand gallons of water over 1,900,000 gallons of water. Director Scheel made a motion to approve the Amendment of Wholesale Treated Water Supply Agreement between County Line Special Utility District and Goforth Special Utility District pending review. Director Ilse seconded the motion. 7 Aye, 0 Nay-Motion passed unanimously.

F.15 Discuss, consider, and take action concerning Order amending County Line Special Utility District's Service Policy regarding easements. Daniel Heideman with County Line Special Utility District (CLSUD) presented this item. Current District Service Policy states the developer is responsible for going out and obtaining any necessary easements. If the developer is not successful in obtaining the easement, then CLSUD has to go out and try to obtain the easement. In most cases, CLSUD is not aware of what the developer has told or promised the landowner. Feel it would be better if CLSUD goes out

and tries to obtain the easement from the beginning and have the developer pay the costs of obtaining the easement. CLSUD cannot condemn for a water line for a single developer, must be for a regional water line. Director Dodson made a motion to approve Order Amending County Line Special Utility District's Service Policy regarding easements. Director Ilse seconded the motion. 7 Aye, 0 Nay-Motion passed unanimously.

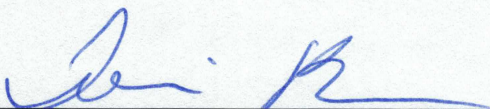
F.16 Discuss, consider, and take action to upgrade SCADA at the Downtown Lift Station. Scott Manuel with Plum Creek Utility-OMMS (PCU) and Daniel Heideman with County Line Special Utility District (CLSUD) presented this item. When the Downtown Lift Station was built, SCADA equipment was installed to report all data to CLSUD. CLSUD has since asked PCU to operate the station. The SCADA equipment used by CLSUD is not the same equipment used by PCU. With the current equipment, all data would be sent to CLSUD and CLSUD would then have to forward all the data to PCU. If CLSUD upgraded their SCADA equipment to the SCADA equipment used by PCU, all data would be sent directly to PCU and would possibly allow PCU to see any potential problems before they actually occurred. The upgrade in the SCADA equipment would allow PCU to keep the system running efficiently. Upgrade cost with Prime Controls would be \$72,977.00. PCU chose Prime Controls because they have a good reputation, been around for a long time and have a large presence in the Austin area. PCU would like the upgrade to happen as soon as possible, this equipment would be standard for PCU in the future. After review of CLSUD's Procurement Policy, Director Scheel made a motion to waive any requirement for multiple bids, Director Diaz seconded the motion. 7 Aye, 0 Nay-Motion passed unanimously. Director Scheel made a motion to approve the upgrade, Director Diaz seconded the motion. 6 Aye, 1 Nay, Director Howe opposed. Motion passed.

F.17 Discuss, consider, and take action on succession plan for the General Manager position. Chris Betz provided an update on this item. Information has been posted on the website of County Line Special Utility District (CLSUD) and the website of Texas Rural Water Association (TRWA). Information was also sent out to folks that interact with people in the water industry. Cutoff for applying for the position is Monday, May 22, 2023. One (1) person has sent in a resume and Mr. Betz visited with them and sent their resume to the committee. The TRWA website received fifty-two (52) views this past week. No action was taken on this item.

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

H. EXECUTIVE SESSION. Meeting did not enter into executive session.

I. ADJOURNMENT. Director Loep made a motion to adjourn the meeting and Director Diaz seconded the Motion, Motion passed unanimously.



County Line SUD, Board President

Toni Brewer

Date 6/19/23