

**COUNTY LINE SPECIAL UTILITY DISTRICT**

**Meeting Minutes**

Board of Directors Meeting –June 19, 2023 at 6:30 P.M.

District Office-8870 Camino Real, Umland, Texas 78640

**Board Members Present:**

Toni Brewer

Robert Diaz

Joe Howe

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

Bill Fry with Plum Creek Utility-OMMS

Justin Ivicic with Maxwell Special Utility District

Jesse Pena with Quiddity Engineering

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



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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, 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 May 15, 2023 regular Board meeting.** Director Loep moved to approve the minutes and Director Diaz seconded the Motion. Passed unanimously 5 Aye, 0 Nay.

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

**E.1 Wastewater Operations Report.** Bill Fry with Plum Creek Utility-OMMS reported they are making a lot of connections, County Line Special Utility District (CLSUD) making more connections than any of their other utilities. Connections are being made at Las Estancias, Watermill, Creeks Crossing and Camino East. Plant is compliant and maintenance has been low. A breaker covered under warranty was changed out at the Downtown Uhland lift station and they are investigating some issues after the last rain fall, think the issue was coming from the Las Estancias Subdivision. Construction in the area has slowed down and not ready for the second phase of the plant yet which is 90% complete.

**E.2 Engineer's Report.** Allison Nieto with Southwest Engineers reported plans for the Porter Creek Gravity Main are 90% complete and are waiting to finalize and bid the project until developer(s) are ready to pay impact fees. Updates will be made to the Wastewater Capital Improvement Plan (CIP) and Impact Fee Amendment to include areas previously omitted that now have multiple service requests. The public hearing originally scheduled for July 24, 2023 prior to the County Line Special Utility District (CLSUD) board meeting has been pushed back to August 21, 2023 prior to the CLSUD board meeting to allow more time to prepare. Thirty (30) day notice must be given prior to the meeting and report must be ready, still deciding which projects to include and which ones not to include. Six (6) subdivisions are currently under construction; plans for two (2) gas stations have been approved, but construction has not started; eight (8) developments have submitted plans for review and eighteen (18) developments have requested service and paid the application fee. Construction should be complete Summer 2023 on the treatment plant expansion, which will add another 150,000 gallons per day capacity. Design is complete and plans are ready for bid on Plum Creek Utilities (PCU) Porter Creek lift station and force main project.

Jeff Kallus with Southwest Engineers reported he submitted the annual water audit to the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ) Consumer Confidence Report (CCR) was completed. The request for an



alternate capacity to lower supply capacity to 0.36 is at TCEQ for review, we are about two (2) months in the review and should have about another month to go before the review is complete. Materials have not arrived for construction at the Brooks well site. Currently working on site acquisition for the GBRA water source. Construction plans are 75% complete for the reuse water plant and 30% complete for the reuse line to the concrete plant. Plans are close to being wrapped up for the San Marcos interim water supply, easement acquisitions are in progress and design of the meter vault and plant tie in are about 90% complete. Working on easement exhibits and acquisitions for the FM 2720 water line.

**E.3 Financial Report.** Rebecca Moore with County Line Special Utility District (CLSUD) reported reserved meters are more since Watermill Phase 2 paid the first half of their impact fees. Water acquisition fee and water impact fee is for Watermill Phase 2. Wastewater impact fee is for Marigold Phase 1. Interest income continues to be good. Sold 31 million gallons of water, 220,000 gallons of construction water and on average, customers used 5,991 gallons of water. Billed 868 Living Unit Equivalents (LUEs) for wastewater, had 42 cut offs and 993 late fees. The San Marcos take or pay is higher than normal, we pumped 5.6 million gallons of water on that permit. Minimum monthly payment is about \$7,450.00 for Six hundred thirty (630) acre feet of water, the Edwards Aquifer wells are at a 35% reduction right now per Jeff Kallus with Southwest Engineers. Technology expense higher than normal, includes the receiver and antennae for the new meters that we will receive training on June 21 and 22. Restricted and unrestricted income positive for this month, but need to keep in mind the San Marcos water payment begins in July and will be \$88,512.00 per month. June will be the first month under the new agreement that CLSUD will be billing Goforth Special Utility District \$12,000.00 a month, under the old agreement, CLSUD billed Goforth \$6,000.00 per month. Check number 15611 in the amount of \$26,000.00 to Daisy Motor Group was for a new work truck. Check number 15654 in the amount of \$16,000.00 to Alsay Incorporated was for a new motor at the booster site. Check number 15662 to Plum Creek Utility in the amount of \$791,700.00 was a pass through for wastewater for the Marigold Phase 1 subdivision. Check number 15666 in the amount of \$7,650.00 to Plum Creek Utility was a pass through for the Watermill Phase 2 inspection fees and check number 15170 in the amount of \$32,763.79 to Prota, Inc. was the final payment for the downtown lift station. Increase in distribution system and wastewater Hays County was for the Camino East utility conveyance about two (2) months ago.

**E.4 CRWA & ARWA Report.** Humberto Ramos with Canyon Regional Water Authority (CRWA) started his report with their Construction Committee meeting held Tuesday, June 6, 2023. County Line Special Utility District's (CLSUD) pipeline and metering project from the Hays/Caldwell water treatment plant to William Pettus Road in hopes to connect to the San Marcos water, the general manager was hoping to award a contract to Southwest Engineers, but was not able to because Southwest Engineers has not qualified yet to be on the master service agreement. CRWA is obligated to provide water to CLSUD, but is not currently able to provide all the water currently contracted for. Maxwell Special Utility District agreed to a short term agreement to wheel water from CRWA to CLSUD, but Maxwell SUD wants to exercise their right to terminate the agreement. In regard to the membranes, switch was flipped on June 5, 2023 and was running manually, but had to turn it off since they do not have SCADA (Supervisory Control and Data Acquisition) equipment to monitor the system. Ardurra was awarded the project to proceed with design to fix the membranes.



Board of Managers met Monday, June 12, 2023. Approved an Investment Policy, Surplus/Salvage Policy and June 19 as an observed holiday. Mr. Ramos was appointed as a representative for Region L. Martindale Water Supply Corporation brought up the issue of who pays for water overages pumped by participating entities. This issue has been in discussion for some time and parties cannot come to an agreement. Met with a mediator in executive session and will meet again this month, this meeting will include General Manager's from non-participating entities in hopes of reaching an agreement. CRWA also met in executive session in regards to the generator claim against Trihydro Corporation.

Chris Betz with Alliance Regional Water Authority (ARWA) reported their next meeting will be held Wednesday, June 28, 2023 at 3:00 P.M. in San Marcos. Primary item for discussion at the meeting will be GBRA increasing the size of the water treatment plant, should ARWA have a portion and be involved in the expansion. Still on track to deliver water September 2024 for Phase 1A, phases 1 B and C can be fulfilled with the expansion of the water treatment plant. Have all easement acquisitions for Segment A of the pipeline. Segment C has the most work to do, contains the most parcels, several of the tracts belong to ARWA members and seven (7) parcels are in condemnation proceedings.

**E.5 General Manager's Report.** Daniel Heideman with County Line Special Utility District (CLSUD) asked if anyone had any questions in regard to his May director's report attached to the board packet. Mr. Heideman provided a handout with a drawing of the proposed new building. A meeting was held June 15, 2023 with the engineers to discuss the plan, will go out for bids once approved. An additional twenty feet (20') was added to the building to allow for three (3) office spaces and storage. Board decided to do concrete floors and wanted to make sure building would be ADA compliant and had all required fire exits.

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

**E.7 Capacity Report.** Rebecca Moore with County Line Special Utility District (CLSUD) reported the capacity report is still at the .41 water capacity, hopes report will be at the alternate capacity by the next board meeting. Watermill Phase 2 paid first half of impact fees, LUE count went from 188 to 190. Uhland Plaza is not going forward as planned, have a signed NSSA, but he has not paid any fees yet. NSSA has a clause if fees are not paid within "XX" amount of days, NSSA is not valid. Board is concerned and feels developer should sign a document canceling the NSSA and project if not actually planning to proceed with the project. Since report was prepared, two new service requests were received, a convenience store located on High Road and a development off Misty Lane called Paloma Farms with 180 Living Unit Equivalents (LUEs). Westside at Cotton Gin provided a new phasing plan requesting 147 LUEs. We currently have a signed Non-Standard Service Agreement (NSSA) for this development, but it is on an old form and LUE count is not correct, an Addendum to the NSSA has been prepared and sent to the attorneys for review. Build out schedule is still the same.

**E.8 Easement Report.** Jeff Kallus with Southwest Engineers reported the San Marcos waterline has thirteen (13) tracts and one and a half (1 ½) easements have been purchased, a verbal confirmation has been received for signature of the half (1/2). Five (5) easements have been purchased for the FM 2720 Waterline. Developers own two (2) tracts and are wanting service so they will provide the easements with their developments. Steelhorn Waterline Extension has two (2) tracts and they are both part of the FM 2720 route. FM



2001 Waterline Relocation is low priority right now, as we are waiting for the County to acquire right of ways before we proceed with our easement acquisitions.

**E.9 Pending Legislation Report.** Chris Betz with Alliance Regional Water Authority (ARWA) and Humberto Ramos with Canyon Regional Water Authority (CRWA) reported on this. The Edwards Aquifer Authority (EAA) Bill which passed unanimously in the House, was placed on the Senate Intent Calendar, but was not picked up and pushed by a lobbyist and hopefully will be picked up again next session. Another Bill to watch is House Bill 10, Senate Bill 28, King-Perry Bill which relates to financial assistance and programs administered by the Texas Water Development Board, voters will vote on this on the November ballot.

#### **F. ITEMS FOR ACTION OR DISCUSSION/DIRECTION:**

**F.1 Discuss, consider, and take action regarding CRWA Wells Ranch III New Water Supply Contract.** Humberto Ramos with Canyon Regional Water Authority (CRWA) discussed this item. Contract is moving forward. Language in this contract is similar to the Hays/Caldwell Contract which has issues that need to be resolved. Until these issues are resolved, the CRWA Wells Ranch III Contract will be on hold. New debt schedule will be issued since East Central Special Utility District and Green Valley Special Utility District requested an additional 850 acre feet of water. No action taken.

**F.2 Discuss, consider, and take action regarding Gonzales Carrizo Water Supply Project.** Chris Betz with Canyon Regional Water Authority (CRWA) stated there is no substantial update for this item. No action taken.

**F.3 Discuss, consider, and take action on PCU Wholesale Wastewater Agreement.** Chris Betz with Canyon Regional Water Authority (CRWA) stated Herb Williams is working on the financial spreadsheet portion of the Agreement and we are waiting on our attorney to review the Agreement so we can meet with Plum Creek Utility (PCU) to finalize the language. No action taken.

**F.4 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) discussed this item. Ms. Moore provided a handout at the meeting providing information for a thirty-six (36) month contract with HCS, BlueBolt and Varay. Ms. Moore preferred HCS since they are a local company, have represented Maxwell Water Supply Corporation for over ten (10) years without problems, have two factor authentication and actually came to the CLSUD office and looked at all the equipment. Bluebolt is her second favorite out of the three. Varay is hesitant to give a contract until they are actually chosen as our IT vendor. Director Scheel made a motion to approve HCS as the IT Vendor and Director Loep seconded the motion. 5 Aye, 0 Nay-Motion passed unanimously.

**F.5 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) discussed this item. Nothing new to report at this time. No action taken.

**F.6 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 Engineering discussed this item. Board voted at last month's board meeting to schedule this meeting immediately before the July board meeting. Will not be ready to have the meeting prior to the July board meeting as we are still trying to figure out which projects to put in the Capital Improvements Plan (CIP) and where the funds will come from. Impact Fee Advisory Committee recommendation needs to be submitted by August 14, 2023 and will need to meet by the first or second week in August. Director Scheel made a motion to cancel the 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 originally scheduled prior to the July 24, 2023 board meeting and re-schedule hearing prior to the August 21, 2023 board meeting. Director Diaz seconded the motion. 5 Aye, 0 Nay-Motion passed unanimously.

**F.7 Discuss, consider, and take action to approve transfer of Wastewater CCN from Gristmill Utility, LLC to County Line Special Utility District.** Allison Nieto with Southwest Engineers discussed this item. Gristmill Utility Company (GUC) has two (2) Certificate of Convenience and Necessity (CCN) areas they ultimately want to transfer to County Line Special Utility District (CLSUD). Want to transfer the CCN area for the Wayside Subdivision first because it is a simpler transfer since it does not currently have customers or infrastructure. Will transfer the CCN area for the Highlands at Gristmill Subdivision later because it will be a more complicated transfer since it currently has customers and infrastructure. Gristmill Utility Company wants to transfer these two (2) CCN areas to CLSUD since they are stand alone subdivisions and create additional work and expense for GUC, CLSUD has a CCN over everything else and adjacent tracts. CLSUD will receive \$170,000.00 from the developer for using our existing gravity main along Plum Creek Road since they did not pay any Impact Fees for using our system. Ms. Nieto has contacted David Klein, the attorney who drafted the document questioning why the County is Williamson and why CLSUD is bearing the cost of the transfer and doing all the work. Director Howe wanted to know what happens if CLSUD does not accept the transfer and PCU/GUC does not provide service. Ms. Nieto stated they have to continue providing service and are able to continue providing service to those customers. Just simpler if there are not these two (2) carve outs in the CCN area. Director Howe asked who would handle the billing, Rebecca Moore with CLSUD stated CLSUD would handle the billing, CLSUD is already billing the Highlands at Gristmill Subdivision. Director Howe asked if CLSUD would collect the \$1,250 fee per LUE for the approximately 794 LUEs in the Wayside Subdivision, CLSUD will not collect the fee since the subdivision is not in the Impact Fee Service Area, but they will pay a portion of the gravity main down Plum Creek Road that is being used to serve the subdivision. They are using up about 1/3<sup>rd</sup> of the capacity in the line. The line cost approximately \$600,000.00 and the developer will pay CLSUD \$170,000.00. Director Howe is concerned about CLSUD not collecting the Impact Fees that PCU/GUC were paid and feels the transfer of the CCN is balanced more towards PCU/GUC. He feels CLSUD should not bare the burden of PCU/GUC's bad decision of wanting to be the provider and now not wanting to be the provider. He feels we should take the actual money value and make sure CLSUD is paid what they should be paid. No action taken.

**F.8 Discuss, consider, and take action regarding Reuse Water Plant Proposal from Southwest Engineers.** Daniel Heideman with County Line Special Utility District (CLSUD) discussed this item. BVRT originally planned to build and finance the reuse plant, but now



CLSUD decided they want to build the reuse plant. Southwest Engineers sent an amendment to the proposal to complete the planning, bidding and anything else required to get the plant built. Amendment is an increase of \$127,500.00. Construction of the reuse plant would not be part of the Capital Improvement Plan (CIP), Herb Williams will need to prepare a study. Original proposal to CLSUD was for \$51,500.00 and then it was decided BVRT was going to build the plant, now CLSUD wants to build the plant. Amount is higher since plans now call for a bigger and better plant than originally quoted and planned. Director Brewer feels we should find out how much work BVRT has done and value of work that has already been completed since we will have to reimburse BVRT for work completed. Director Scheel made a motion to move \$127,500.00 from unrestricted funds to general funds for the use of taking over the amended contract for Southwest Engineering for the Reuse Water Plant Proposal, approve the Southwest Engineering Proposal with Daniel Heideman signing off. Director Howe seconded the motion. 5 Aye, 0 Nay-Motion passed unanimously.

**F.9 Discuss, consider, and take action establishing reuse connection fee and reuse rate.** Jeff Kallus with Southwest Engineers discussed this item. Nothing really to discuss at this time. Attorney for County Line Special Utility District (CLSUD) was asked if CLSUD can include the reuse facility and the water impact fee as part of the water portfolio, but have not received a reply back as of meeting date. No action taken.

**F.10 Discuss, consider, and take action regarding delegation of authority to General Manager to approve easements.** The approval of these easements are easements that do not require condemnation. Easements that require condemnation will need board approval and a passed resolution as required by eminent domain law. Director Howe made a motion to delegate authority to the general manager to approve non-condemnation easements. Director Scheel seconded the motion. 5 Aye, 0 Nay-Motion passed unanimously.

**F.11 Discuss, consider, and take action regarding emergency generator power at the High Road site and County Line Special Utility District office.** Daniel Heideman with County Line Special Utility District (CLSUD) discussed this item. Mr. Heideman expressed the need for a generator at the elevated tank on High Road and at the office of County Line Special Utility District (CLSUD). Power was recently lost at both locations which caused SCADA (Supervisory Control and Data Acquisition) to go down and all communications were lost at the CLSUD office. Mr. Heideman estimates a Generac brand generator for the elevated tank to be around \$2,000.00 and is not sure of the cost for a generator for the CLSUD office. Would like both generators to run off of propane. Board unanimously approved this item.

**F.12 Discuss, consider, and take action for board approval of Resolutions for Eminent Domain on easement tracts along State Hwy 21, FM 2720 and Steelhorn.** This item was discussed in Executive Session under Texas Government Code 551.072 (deliberations about real property). Director Scheel made a motion to approve Resolution for Eminent Domain on easement tracts along State Hwy 21 and Director Diaz seconded the motion. 5 Aye, 0 Nay-Motion passed unanimously. State Hwy 21 Resolution is No. 2023.06.19-12-1. Director Scheel made a motion to approve Resolution for Eminent Domain on easement tracts along FM 2720 and Director Howe seconded the motion. 5 Aye, 0 Nay-Motion passed unanimously. FM 2720 Resolution is No. 2023.06.19-12-2. Director Scheel made a motion to approve Resolution for Eminent Domain on easement tract for Steelhorn and Director



Diaz seconded the motion. 5 Aye, 0 Nay-Motion passed unanimously. Steelhorn Resolution is No. 2023.06.19-12-3.

**F.13 Discuss, consider, and take action on succession plan for the General Manager position.** This item was discussed in Executive Session under Texas Government Code 551.074 (personnel matters). Director Howe made a motion to move forward to direct Chris Betz to continue as directed in Executive Session with the General Manager search committee and Director Scheel seconded the motion. 5 Aye, 0 Nay-Motion passed unanimously.

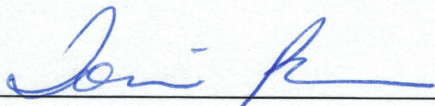
**F.14 Discuss, consider, and take action regarding acquisition of elevated tank site along Misty Lane.** This item was discussed in Executive Session under Texas Government Code 551.072 (deliberations about real property). Southwest Engineers prepared a cost comparison for this item. Director Scheel made a motion to approve Site 2 and Director Diaz seconded the motion, Director Howe abstained from voting. 4 Aye, 0 Nay, 1 Abstention

**F.15 Discuss, consider, and take action regarding appointing an Impact Fee Advisory Committee.** Allison Nieto with Southwest Engineers stated this item is related to the Capital Improvement Plan (CIP) previously discussed. An Impact Fee Advisory Committee was previously established. Chris Betz suggested appointing an alternate to the Committee, but board decided to wait until the Committee meets the first week in August. No action taken.

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

**H. EXECUTIVE SESSION.** Director Scheel made a motion to enter into Executive Session to discuss Items F.12 and F.14 above under Texas Government Code 551.072 (deliberations about real property) and discuss Item F.13 above under Texas Government Code 551.074 (personnel matters). Director Howe seconded the motion. Motion passed unanimously and the board adjourned into Executive Session at 8:44 P.M. Director Scheel made a motion to come out of Executive Session and Director Diaz seconded the motion. Motion passed unanimously. Board entered into regular session at 10:02 P.M.

**I. ADJOURNMENT.** Director Howe made a motion to adjourn the meeting and Director Scheel seconded the Motion, Motion passed unanimously. Meeting was adjourned at 10:07 P.M.

  
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Date 7/24/23

County Line SUD, Board President

Toni Brewer