

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting –May 20, 2024 at 6:30 P.M.

District Office-8870 Camino Real, Umland, Texas 78640

Board Members Present:

Toni Brewer

Robert Diaz

Joe Howe

Tracy Scheel

Rebecca Moore

William Ilse

Others Present:

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

Madison Huerta with Lloyd Gosselink Rochelle & Townsend, P.C. (CLSUD Legal Counsel)

Allison Nieto with Southwest Engineers Via Zoom

Jeff Kallus with Southwest Engineers Via Zoom

Tom Walker with Southwest Engineers Via Zoom

Betsy Johnson with Davidson Troilo Ream & Garza, PC Via Zoom

Spencer Nealy with Davidson Troilo Ream & Garza, PC Via Zoom

Bill Fry with Plum Creek Utility-OMMS

Paul Townsley with Plum Creek Utility

Kerry Averyt with Canyon Regional Water Authority

Jesse Pena with Quiddity Engineering

Chris Betz, County Line Special Utility District Staff

Humberto Ramos, County Line Special Utility District Staff

Doug Schnautz, County Line Special Utility District Staff

France Alston, County Line Special Utility District Staff

Tracie Crowell, County Line Special Utility District Staff

Darlene Cisneros, County Line Special Utility District Staff

Leonard Cisneros, County Line Special Utility District Staff

Farah Najdawi, County Line Special Utility District Staff

Daniel Heideman

Sharon Heideman

The following represents the actions taken by the Board of Directors (Board) of the County Line Special Utility District (CLSUD). 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 6:28 P.M.
- B. ROLL CALL.** Quorum of the Board was present, with Directors Brewer, Diaz, Howe, Ilse, Scheel and Moore in attendance.
- C. PUBLIC COMMENT.** No Public Comment.

D. CONSENT AGENDA:

D.1 Consider and take action to approve the minutes of the April 15, 2024 regular Board meeting. Director Diaz made a motion to approve the Consent Agenda. Director Scheel seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay.

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

E.1 Wastewater Treatment Plant Report. Bill Fry with Plum Creek Utility-OMMS introduced the new CEO for BVRT, Paul Townsley. Mr. Fry reported the plant is growing rapidly, running well and in compliance. Sludge processing facility is slated for start up Tuesday, May 21, 2024. About 140,000 gallons per day is flowing through the plant, the flow is split between the two (2) plants. Mowing grass weekly instead of every two weeks.

E.2 Engineer's Report. Allison Nieto with Southwest Engineers reported the Porter Creek Lift Station and Force Main are both under construction. Bids were received May 10, 2024 for the construction of the Porter Creek Gravity Main and the project will be awarded later on in the meeting. Easement acquisition and design are in progress for the FM 2720 Gravity Main and Commercial Area Wastewater. Working on preliminary calculations and exhibits for the Wastewater CIP Amendment. Preliminary exhibits for the Wastewater CCN Amendment are being prepared. The TCEQ (Texas Commission on Environmental Quality) Bond Issuance Report should be complete this month. There are eight (8) developments that have approved plans/under construction; eleven (11) developments that have submitted plans for review; and twelve (12) developments that have requested service and paid the application fee.

Jeff Kallus with Southwest Engineers reported the pump replacement for Brooks Well #2 is in operation, the contractor is completing cleanup work. Still need to attach the roof to the electrical panel and do a final walk-thru in order to complete the project. The waterline for the San Marcos/Highway 21 line has been installed and pressure tested, the contractor needs to do a final cleanup of the route once the weather clears up and a final walk-thru needs to be done. James Radtke Construction was awarded the tie-in of the water plant. The tie-in was expected to be complete, but control valves are a couple of weeks out, water can still be received using the by-pass piping. The water should be flowing this week. The contract is up to 1 million gallons per day, with a take or pay amount of 500,000 gallons per day. CLSUD hopes to take at least 500,000 gallons per day. Construction has started on the FM 2720 waterline project, about 50% of the line has been fused. Completion of the project is estimated to be early June. The contractor has prepped the foundation for the pump building and water storage tank and installed the security fence for the reuse water plant. Geotechnical quotes were received for soil investigation of the Misty Lane Elevated Tank Site (ARWA Delivery Point #2) and will be awarded later in the meeting. Southwest Engineers is working on the construction plans and specs and hopes to bid the project in the next couple of months. Hays County is still waiting for funding for Phase 2 of the Cotton Gin Road Waterline Relocation project. The county has acquired right of way easements already, CLSUD still needs to acquire easements. The FM 2001 waterline relocation includes the relocation of a 3-inch waterline and the installation of a casing capable of installing an 8-inch waterline in the future. Construction is estimated to be around \$60,000.00 with Hays County reimbursing 79% of the project cost, construction plans are completed. The Task Order for the Water CIP Amendment was approved at the March board meeting, Southwest Engineers would like to schedule a meeting to discuss which projects to include.

E.3 Capacity Report. Jeff Kallus with Southwest Engineers reported there are currently 6,268 active connections with 2,193 in reserves, 1,318 pending for NSSAs (Non-Standard Service Agreement) in the works and 4,752 for remaining phases. Impact Fees have not been paid yet, but construction plans have been received for Westside at Cotton Gin, Glenhaven, Caldwell Estates, Hays CISD, Wayside Phase 3 and Marigold Phase 4. With the ARWA (Alliance Regional Water Authority) water contract and with the GBRA (Guadalupe Blanco River Authority) water contract, we are looking at roughly 13,500 LUEs (Living Unit Equivalent) of supply capacity, that will meet the peak day with the alternative capacity that TCEQ (Texas Commission on Environmental Quality) approved.

E.4 Easement Report. Tom Walker with Southwest Engineers reported the Camino East line has five (5) easements. Tract 5 easement has been signed and a check has been delivered to the landowner, the easement will be recorded this week. Easements have been signed on two (2) other tracts, but still trying to obtain subordinations on both of those tracts. The Misty Lane line has two main tracts that are still being worked on, the landowners do not want to negotiate. The landowners along FM 2720 have verbally agreed to set the easement sixty feet (60') inside their property line to allow for the TxDOT future road expansion. Easements are being worked on for Tracts 23-32.

E.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported the Logic's account received \$100,000.00 in interest in the month of April, but the amount will go down due to the expenses for all the projects we currently have. Total revenues for April for the billing cycle is \$754,908.00 which is down from the budgeted amount of \$793,026.00. Net operating income for

the month of April was \$54,845.00. The total budget is under budget by \$889,000.00. Ms. Alston will have budget adjustments at the June board meeting.

E.6 CRWA, GBRA & ARWA Report. Humberto Ramos with County Line Special Utility District (CLSUD) reported the following. Prior to his report, Mr. Ramos introduced Kerry Averyt, the new General Manager of Canyon Regional Water Authority (CRWA).

- HCWTP -Overage: At the November 13th CRWA BOT Item I. Approving an annual overage charge procedure from NewGen Strategies & Solutions, LLC was tabled to allow Crystal Clear SUD to hear Chris Ekrut's presentation at a meeting of all participants.
 - On November 29th a meeting of all the participants was held. The outcome was to implement the overage charge presented by Chris Ekrut for the past two years of overages. The Overage will be addressed at the Nov. 8th CRWA BOM. The issue is still unresolved.
 - On December 8th, County Line SUD sent a letter to CRWA BOT regarding their position on the method and process.
 - On December 15th, Martindale WSC sent a letter to CRWA regarding withholding Operations and Maintenance as a result of violation of its responsibilities under the terms of the Amended and Restated Regional (Hays/Caldwell Counties Area) Water Supply and Treatment Contract.
 - The overage item was on the January 8th CRWA BOT Agenda. A vote was taken, and the item failed.
 - On January 25, 2024, Maxwell SUD representatives, Martindale representatives, and CLSUD representatives met with Paul Terrel (attorney for Crystal Clear) to try and resolve the overage issue.
 - On February 8th, Paul Terrel, attorney for Crystal Clear sent an email to Maxwell's Attorney (Zach) and CLSUD's attorney (Mike) regarding leasing water from each entity in an effort to resolve the overage issue.
 - Demand letter dated February 9, 2024 was sent by Maxwell SUD, CLSUD, and Martindale SUD to CRWA and Crystal Clear SUD.
 - At the February 12th CRWA Board
 - Took action to approve resolution CRWA 23-11-078 concerning an Annual Overage Charge Procedure which adopted an annual overage share procedure developed by NewGen Strategies & Solutions, LLC to be applied when the contractual annual allocation of treated water is exceeded by a participating member of the Amended Restated (Hays/Caldwell Counties Area) Water Supply and Treatment Contract, dated February 9, 2021. Meeting after Executive Session, CRWA passed Resolution CRWA 23-11-078.
 - On February 15th CRWA sent a letter in response to the February 9th demand letter requesting mediation. Subsequently all entities agreed to seek mediation.
 - Mediation is set for May 17th.

HCWTP – Improvements/Membrane Replacement/Pipeline

- CRWA Staff submitted a TWDB Swift Application (\$24.9M) for improvements without CLSUD Pipeline. Subsequently, CRWA submitted a TWDB D-Fund application (\$19M).
 - CLSUD Staff met with interim CRWA GM Randy Schwenn on pipeline funding and coordinated an effort to achieve funding. CRWA scheduled a meeting with all entities for the week of March 20th. The meeting was scheduled for April 10th.
 - The meeting for April 10th was postponed until after mediation.
 - Met with CRWA on May 23rd and member entities to revive previous discussions on the pipeline and Maxwell Wheeling Agreement.
- CRWA BOM -Meeting was held on May 8th, of importance is the discussion of the potential for “Brown Out’s” which may cause serious issues at CRWA. A meeting for the members of Wells Ranch III will be coordinated soon. Finally, a resolution from the CRWA BOT will be needed to continue the submittal of a SWIFT application for HC expansion and membrane.

- CRWA BOT -Meeting was held on May 13, 2024. Some concerns were:

Item 8 Presentations/Discussions

B. 2001 Water Transportation and Wheeling Agreement with Maxwell SUD - Discussion of draft amended agreement to the Wheeling Agreement extending the agreement for two years and establishing a new rate.

C. Need for Interlocal Agreement with County Line Special Utility District and Martindale Water Supply Corporation providing for the pass-through and reimbursement to CRWA of compensation and other costs payable from CRWA to Maxwell SUD under the proposed amendment to the 2001 Water Transportation and Wheeling Agreement.

Item 11 General Business

E. CRWA 24-05-008 Concerning Approval of a Request for TWDB SWIFT Funding -The Board will discuss, consider and act on Resolution 24-05-008 approval of submittal of the full application for SWIFT funding to the Texas Water Development Board.

F. CRWA 24-05-009 Concerning an Amendment to the 2001 Water Transportation and Wheeling Agreement with Maxwell SUD f/d/a Maxwell WSC. The Board will discuss, consider, and act on Resolution 24-05-009 approval of an Amendment to the 2001 Water Transportation and Wheeling Agreement with Maxwell SUD. Approval of the Amendment may be conditioned upon approval by County Line SUD and Martindale WSC of a separate Interlocal Agreement providing for the pass-through and reimbursement to CRWA of compensation and other costs payable to Maxwell SUD.

- CRWA Wells Ranch III Project

- No agreement has been finalized, only drafted with errors.
- Gonzales County Underground Water Conservation District – CRWA is requesting that certain conditions of the 920 AF be excluded as part of the permit requirement. Intent is to use the permitted water for East Central, SHWSC and Green Valley. The district will also require additional mitigation fees and monitoring wells.

- CRWA is trying to determine how to move forward with utilizing the 920 AF for Green Valley SUD, East Central SUD and Springs Hill WSC.
 - A meeting for the members of Wells Ranch III will be coordinated soon.
 - We are invested for 2,000 AF of water.
- GBRA/Gonzales Carrizo Water Supply Project (Texas 130 Project)
 - The hearing was originally set for the week of April 22, 2024, but an extension has been granted. It is now scheduled for mid-June.
 - GBRA is still actively negotiating with the protestants in an attempt to settle. The hearing was set for the week of April 22, 2024.
 - GBRA received 100% design packages for the eastern pipelines and is currently reviewing the design. GBRA is anticipating receiving 100% design of the northern pipeline and booster pump station by the end of this month.
 - GBRA has received approximately 53 appraisals and has initial offers out to 48 landowners for the pipeline easements.
 - Recall CLSUD is contracted for 2,419 AF or 27.63% of total project. In addition, GBRA needs additional funding in the amount of \$19,421,475 to complete the project. CLSUD portion is \$5,366,153.564. GBRA is currently working on the debt schedule.
 - Met with GBRA on February 5th to discuss potential increased cost for CLSUD Financial Plan. Based on this meeting they informed CLSUD the need is \$68M. Waiting on debt schedule from GBRA.
 - Met with GBRA on April 29th to discuss the delivery points for the project.
- Alliance Regional Water Authority (ARWA) BOT- At the April 15th meeting, Mr. Ramos was not re-appointed to ARWA. Instead, the new general manager of CRWA, Kerry Averyt was appointed. Currently, Chris Betz represents CLSUD on the ARWA Board. The next ARWA meeting will be held May 22, 2024 at the San Marcos Activity Center, this meeting will be an in person meeting only. One item of interest that will be discussed is the request by CLSUD for a second delivery point at Misty Lane for receiving ARWA water. This action will require concurrence with CRWA/CLSUD and ARWA through an agreement. At the time of this reporting no agenda from ARWA was completed.

Region L – At the May 2, 2024 meeting, Mr. Ramos was selected to serve as the Vice-Chair of Region L. Region L is in its 4th year of the 5-year plan. The 2026 Region L Plan is due October 20, 2025. Current activities to complete the 2026 Plan, are to have each Water User Group (WUG) review previous 2021 Plan water management strategies (WMS) and submit new WMS. Currently CLSUD has the following WMS from the previous 2021 Plan:

- a.) CLSUD Trinity Well Field -potential after two phases – 1,000 AF beginning 2050 year to 2070.
- b.) Brackish Edwards Project – Phase I (500 AF) 2050 year; Phase II (1,500 AF) 2060 year; Phase III (1,500 AF) 2070 year
- c.) Non-potable Reuse – 2020 year (500 AF); 2070 year (3,360 AF)

Chris Betz mentioned Region L's importance isn't talked about much. It is very important to have your project in the statewide water plan or it's tough to get any money. Region L is important if you are expanding or growing.

In addition, CLSUD will be submitting WMS's (3,000 AF) associated with potential projects with BVRT and Maxwell as a result of our MOU and in addition, CLSUD will submit facilities improvements for the Booster Site at Hwy 21.

Chris Betz reported agency rules, officer elections, bank signers, technical committee members and the early expansion of the GBRA water treatment plant will be of importance at the May 22, 2024 ARWA meeting. The City of Kyle and CLSUD would like to have this early expansion so we can receive the water sooner; other entities who do not need the water right now, would rather wait for the expansion. Working with GBRA on the early expansion would save us about \$14 million. The early expansion would have a startup (delivery) date of January 2027 and would be 1.2 million gallons per day. Will also discuss operations and maintenance cost allocation - how we divide the cost between GBRA and ARWA. Discussions will be had regarding the Texas Water Development Board funding; monitoring well projects; and partner insurance limits. Will start providing and updated delivery and volume schedule for the ARWA water. CLSUD's water is expected to be delivered at the High Road Tank by February 28, 2025.

E.7 General Manager's Report and Office Expansion Report. Humberto Ramos with County Line Special Utility District (CLSUD) reported the following.

- Met with four (4) potential Board Members from solicitations to fill Place Six (6).
- Met with Executive Committee on May 3, 2024 to develop a recommended rate to be proposed to the whole Board at a future meeting. Another meeting is scheduled for June 7, 2024 at 3:00 pm at the office of CLSUD.
- Hosted Emergency Operations Training for BVRT/PCU operations on May 9, 2024. CLSUD staff attended.
- Continue working with various developers within CLSUD CCN.
- Regional meetings (see E.4 CRWA & ARWA Report)
- City of Uhland Meeting(s)
 - Received a Public Utility Commission (PUC) complaint from Lacey Duke, the Mayor of Uhland on April 24, 2024. Worked with Lloyd Gosselink Rochelle & Townsend, P.C. to provide a response within fifteen (15) days. The attorney for the City of Uhland was not aware of the complaint and does not feel the complaint was authorized by the City Council. They will investigate further and provide a follow-up. Director Howe pointed out Mayor Duke does not attend CLSUD board meetings and feels she should. Director Howe felt Mike Gershon had a well written response to Mayor Dukes complaint.
 - City Council Meeting – Did not attend the meeting held on May 1, 2024, waiting until the PUC complaint is resolved.
- City of Kyle
 - Awaiting meeting with Staff to resolve CCN transfers and funds owed to CLSUD by City of Kyle.
- Project Nora (Mega Site)
 - No new update
- Office Expansion –held a predevelopment meeting with City of Kyle on April 25, 2024. Current estimation of the building is \$2.4M. Item F.2 below will have further discussion and action.

- Working with the City of San Marcos to extend the Water Agreements for another two (2) years for 500 AF of Edwards Water instead of 630 AF and 1,120 AF of surface water.
- Farah Najdawi, Humberto Ramos and Thad Purcell visited the High Road Booster Station that was purchased from Goforth SUD about five (5) years ago. Serious issues were identified at the visit including a leaky tank, cracked valves, pumps and electrical issues. These issues will need to be addressed prior to the arrival of the ARWA water.
- The updated Drought Contingency Plan was approved. The next update is due May 2029.
- Farah Najdawi will develop a timeline for project management. The timeline will give an update on the progress of each project, will include deliverables and deadlines. This will help hold everyone accountable for their actions.

E.8 President's Report. Director Brewer discussed under F.2 below.

E.9 General Counsel's Report. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. reported he has been busy working on the mediation held May 17, 2024. Mr. Gershon also reported his office has been working on various Non-Standard Service Agreements (NSSAs).

ITEMS FOR ACTION OR DISCUSSION/DIRECTION

F.1 Discuss, consider, and take action regarding appointing a member to fill vacancy on the County Line Special Utility District Board. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. and our Board President, Toni Brewer discussed this item. As per the direction from our CLSUD Board at the April 15, 2024 meeting, it was requested to staff to use CLSUD means to solicit the public for the CLSUD Board Seat Six (6) vacancy. Therefore, on April 16, 2024 staff placed a vacancy notice on the CLSUD website and began sending emails using the "mail chimp" program to those customers (5,029) that receive email notifications. In addition, on April 22, 2024, a solicitation notice was placed on the customer bills that receive paper bills. This effort was coordinated with Mail Pro. All paper bill customers (4,987) received this notice on their bills by April 26, 2024. The staff of CLSUD met with four (4) interested customers regarding the Seat Six (6) vacancy. The purpose of the meeting with staff was to provide a high-level briefing on CLSUD. Director Brewer requested the names and email addresses of the four (4) individuals that met with Humberto Ramos and Tracie Crowell with CLSUD be provided so they could be contacted by the Executive Committee to schedule a time to meet with them.

F.2 Discuss, consider, and take action to form and appoint a Building Committee. Director Brewer, Board President of County Line Special Utility District (CLSUD) discussed this item. Director Brewer feels a committee needs to be formed to discuss the new building. We need to step back and take a look at the property CLSUD is currently located on and the proposed site for the new building. The committee needs to determine the best path forward, does not want to rush into a decision and have an issue down the road. Director Moore volunteered to be on the committee and Director Brewer appointed Director Scheel and herself to be on the committee as well as Humberto Ramos.

F.3 Presentation on Municipal Utility Districts (MUDS), Public Improvement Districts (PIDS) and Public Utility Districts (PUDS). Madison Huerta with Lloyd Gosselink Rochelle & Townsend, P.C. gave a presentation on this item. No action was taken on this item. There are several types of Special Purpose Districts in Texas (see chart below from the presentation). These districts share powers and authorities. They provide infrastructure and deliver specific services like firefighting, road construction and wastewater treatment. They are created by local government bodies, the Texas Legislature, or the Texas Commission on Environmental Quality (TCEQ). They can be governed by the Commissioners Court of the county of origin or by a Board of Directors.

Groundwater Management Area (GMA)	County Development District (CDD)
Sports and Community Venue District (SCVD)	Library District (LD)
Noxious Weed Control District (NWCD)	Levee Improvement District (LID)
Groundwater Conservation District (GCD)	County Assistance District (CAD)
Multijurisdictional Library District (MLD)	Independent School District (ISD)
Road District (RD)	Irrigation District (ID)
Water Control and Improvement District (WCID)	Hospital District (HD)
Public Improvement District (PID)	Regional District (RD)
Road Utility District (RUD)	Health Services District (HSD)
Fresh Water Supply District (FWSD)	Navigation District (ND)
Homestead Preservation District & Reinvestment Zone (HPD)	Mosquito Control District (MCD)
Wind Erosion District (WED)	Self-Liquidating Navigation District (SLND)
Municipal Utility District (MUD)	Emergency Services District (ESD)
Municipal Management District (MMD)	Special Utility District (SUD)
Arts and Entertainment District (A&E)	Jail District (JD)
Water Improvement District (WID)	Stormwater Control District (SCD)
Municipal Development District (MDD)	Crime Control and Prevention District (CCPD)
Sports Facility District (SFD)	Municipal Management District (MMD)
Drainage District (DD)	Agricultural Development District (ADD)

Source: Texas Senate Research Center

A Municipal Utility District (MUD) provides an alternate way to finance infrastructure, such as water, wastewater, drainage, and road facilities. They may issue bonds to reimburse a developer for authorized improvements and are governed by Chapters 49 and 54 of the Texas Water Code and authorized by Section 59, Article XVI of the Texas Constitution. They have Eminent Domain powers.

A Public Utility District (PUD) are for utilities only. They provide electric, water, wastewater, and telecommunication service. They are run by a group of cities, a county, an irrigation district, or another public entity. They are governed by Chapter 49 of the Texas Water Code and authorized by Section 59, Article XVI of the Texas Constitution. PUDs operate similar to Homeowner Associations (HOAs).

A Public Improvement District (PID) enables a municipality or county to finance certain improvements and services like parking facilities, libraries, mass transit, etc. for an area by levying and collecting special assessments on property. They must be created by a petition to the governing

body of the municipality/county; or by a petition signed by at least 50% of the landowners in that land area. They are governed by Chapter 372 of the local government code.

The following Special Districts are within CLSUD's boundaries.

- Ranch at Clear Fork Creek MUD No. 1 and No. 2. CLSUD has not received a request for water and wastewater service as they are not ready to develop for MUD No. 1. Was created by TCEQ in 2004 and was active and confirmed as of 2009. Subject to Chapters 49 and 54 of the Texas Water Code. MUD No. 1 consists of 938.5 acres and had a boundary change in 2015. MUD No. 2 consists of 110.42 acres and had a boundary change in 2022.
- Caldwell Valley MUD was created by the Legislature in 2015. They have powers under Chapters 49 and 54 of the Texas Water Code. Consists of 1,278.22 acres and has not had a recent boundary change.
- Bollinger MUD was created by TCEQ in 2022 and is active as of 2023. They have powers under Chapters 49 and 54 of the Texas Water Code. Consists of 332.765 acres and has not had a recent boundary change.
- Open R Fresh Water Supply District was originally created as a fresh water supply district by the Commissioners Court in 2022 but was given MUD powers by the Legislature in 2023. They have powers under Chapters 49 and 54 of the Texas Water Code. Consists of 1,278.22 acres and has not had a recent boundary change.
- Glenhaven which is not yet active (still needs to be confirmed by election)

The following Special Districts are near CLSUD's boundaries.

- Hays County MUD No. 10
- Wayside MUD
- Lantana MUD which is not yet active (still needs to be confirmed by election)

There is no official way or statutory prescription for how these districts have to wind down. Sometimes nobody is running them and sometimes somebody is running them, but just not taxing. They are subject to open records and meeting requirements since they are local governmental entities. They have the ability to levy taxes on your property.

Director Scheel was concerned that the Bunton Creek PID never charged the homeowners and is now trying to charge them. She wants to make sure the infrastructure is conveyed to CLSUD when the PID comes to an end. Ms. Huerta will check into this.

F.4 Discuss, consider, and take action regarding agreement with upgrades from Edmunds GovTech. France Alston with County Line Special Utility District (CLSUD) discussed this item. Edmunds GovTech is used for our billing system. The customer service department wants to begin using credit cards for customers who come to the office to make payments. Right now, customers can only pay with checks, money orders and cash. The upgrades will also include bringing the whole accounting system into Edmunds GovTech including the financials, general ledger, accounts payable, fixed assets, budget, purchase orders and inventory. The cost to have it set up is \$18,000.00. The lease for the financials will be three (3) years. The billing system, which is already in place, is \$30,000.00, the financials coming in are only \$6,000.00 every three (3) years. Director Moore wants to make sure the credit card processing is PCI (Payment Card Industry) compliant and asked if the HR

Module was also included. Ms. Alston said the HR Module is not included in this upgrade. Director Scheel made a motion to approve using or switching to Edmunds GovTech. Directory Diaz seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay

F.5 Discuss, consider, and take action regarding approving solicitation of Request for Qualifications (RFQs) for Construction Management and Inspection (CMI) Services. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. The RFQs for Construction Management and Inspection Services aim to solicit proposals for overseeing and inspecting water infrastructure projects. CLSUD is currently looking to hire a construction management and inspection service for ongoing projects like the reuse plant. The objective is to enhance CLSUD's infrastructure development in Hays and Caldwell Counties from May 2024 to June 2029. This includes assessments, permits, construction oversight, compliance, and stakeholder collaboration. Also, includes inspection tasks such as documenting meetings, tracking progress, reviewing change orders, preparing reports, monitoring safety, inspecting work, testing equipment, coordinating installations, and attending board meetings. The RFQ will be posted on CLSUD's website on May 21, 2024 with a closing date of June 7, 2024, at 5 pm. Seventeen (17) consultants have already been identified. The results will be an agenda item at the June board meeting. Director Scheel wants to make sure the inspector is truly inspecting the projects. Director Scheel made a motion to approve solicitation regarding Request for Qualifications for Construction Management and Inspection (CMI) Services. Director Moore seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay

F.6 Discuss, consider, and take action to approve Contract Change Order No. One for work associated with the Plum Creek Reclaimed Water Plant. Farah Najdawi with County Line Special Utility District (CLSUD) stated additional information is needed from the engineers for this item. Director Scheel made a motion to table this item. Director Diaz seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay

F.7 Discuss, consider, and take action to approve an agreement with PSI to conduct geotechnical services associated with the Misty Lane Elevated Storage Tank. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. On December 18th, CLSUD authorized Task Order 11-12-23-1 with Southwest Engineers for engineering services associated with the construction of the Misty Lane Elevated Storage Tank (EST) for a lump sum of \$160,000.00. The purpose of this EST is to receive water from the Alliance Regional Water Authority (ARWA) through a secondary delivery point within CLSUD. Within this task order, the cost associated for the geotechnical services was to be the responsibility of CLSUD. The services to be provided are to perform four soil borings at depths recommended by the tank manufacturers. Therefore, in order to comply with the CLSUD procurement process, the following three quotes were obtained for geotechnical services:

1. Intertek PSI - \$10,900.00 (report completed in 4 weeks)
2. TSI Laboratories - \$15,525.00 (report completed in 8-9 weeks)
3. MEG Engineers - \$20,000.00 (report completed in 3 weeks)

Director Scheel made a motion to approve Intertek PSI to conduct geotechnical services in the amount of \$10,900.00. Director Diaz seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay

F.8 Discuss, consider, and take action to award contract for the Porter Creek Gravity Main project.

Allison Nieto with Southwest Engineers discussed this item. This project is needed to serve several upcoming developments, including Haney Park, Westside at Cotton Gin, Rowan Ranch and Kyle 40. This will start at the Porter Creek Lift Station which is currently under construction and will generally follow Porter Creek up to Dairy Road into Cotton Gin Road. It was included in the Wastewater Capital Improvement Plan (CIP) approved last September and had an estimated construction cost of \$1,342,657.00. Bids were received from the following seven (7) contractors on Thursday, May 10, 2024.

1. EVT Construction for \$879,586.79 with a start date of June 1st and a 150-day completion time.
2. RAM 2 Utilities for \$1,039,598.20 with a start date of June 17th and a 165-day completion time.
3. Nelson Lewis, Inc. for \$1,041,703.00 with a start date of June 15th and a 180-day completion time.
4. Dale Lowden Excavating for \$1,103,689.92 with a start date of June 3rd and a 90-day completion time (dependent upon materials)
5. JM Pipeline for \$1,190,908.95 with a start date of June 3rd and a 100-day completion time.
6. Liberty Civil Construction for \$1,355,301.75, no start date was given and a 120-150-day completion time.
7. Qro Mex Construction for \$1,493,715.00 with a start date of July 15th and a 220-day completion time.

Even though we have not previously worked with EVT Construction, LLC, Ms. Nieto recommended awarding the project to them. She reviewed their statement of qualifications and contacted several of their references and believes they can successfully complete the project.

Director Scheel made a motion to approve EVT Construction, LLC for the construction of the Porter Creek Gravity Main. Director Ilse seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay

F.9 Discuss, consider, and take action to approve Amendment No. 1 to Southwest Engineers Task Order 9-11-21-2 Camino East Easement Acquisition.

Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. In November 2021, CLSUD authorized Task Order 9-11-21-2 with Southwest Engineers for engineering and ROW services associated with the acquisition of easements associated with the Camino East development. The original task order was for \$42,400.00. Due to the difficulty in obtaining the easements and the increased time and associated expenses, Southwest Engineers is requesting Amendment No. 1 for \$9,500.00. All costs associated with obtaining the easement are the responsibility of the developer, which is Lennar Homes.

Director Scheel wanted to wait to vote on this item until Item F.13 below was discussed in Executive Session. After Executive Session Director Scheel made a motion to approve Amendment No. 1 to Southwest Engineers Task Order 9-11-21-2 for Camino East easement acquisition and to approve the Possession and Use Agreement for the Parker and Yusuf Camino East Tracts. Director Diaz seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay

F.10 Discuss, consider, and take action to bid the FM 2001 waterline relocation project. Jeff Kallus with Southwest Engineers discussed this item. Hays County and TxDOT have a proposed roadway project that will require the relocation of an existing 3-inch waterline along SH 21 where the proposed FM 2001 will intersect. The utility coordinator for the roadway project has requested that the relocation be completed by the end of this year. Therefore, SWE is requesting permission to go to bid for waterline relocation project. The construction plans are complete, and the new easement acquired. With approval, we anticipate having bids ready for the July board meeting. The improvements include the relocation of a 3-inch water line and the installation of a casing capable of installing an 8-inch water line in the future. Construction is estimated to be around \$60,000.00 and total cost being approximately \$110,000.00. The County/TxDOT will be reimbursing 79% of the project cost. The total cost will also include correspondence with the utility coordinator, looking at plans, designing the line, easement purchase and right of way acquisition. Director Scheel made a motion to approve the bid of the FM 2001 waterline relocation project. Director Ilse seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay

F.11 Discuss, consider, and take action to approve bid for tank inspection and cleaning. Doug Schnautz with County Line Special Utility District (CLSUD) discussed this item. TCEQ (Texas Commission on Environmental Quality) requires yearly tank inspections and suggests cleaning every 3-5 years. Records could not be found to show inspections were done in 2023. Would like for tanks to be inspected and cleaned this year and then going forward, start a rotation for 2-3 tanks to be cleaned per year starting in 2027. All tanks will need to be inspected again next year.

Tanks to be inspected and cleaned this year are:

1. Two (2) ground storage tanks at SH 21 Booster
2. Hemphill Elevated Tank
3. Woodlands Elevated Tank
4. High Road Elevated Tank

We are not currently using the Brooks Standpipe or High Road Booster Station. Sometime before we receive the Alliance water, the High Road Booster Station will need to be inspected and cleaned.

To comply with the CLSUD procurement process, three quotes were sought for tank cleaning and inspection and the results are captured below:

1. Advanced Diving Services, Inc. \$9,740.00
2. Ron Perrin Water Technologies, Inc. \$14,794.00
3. Texas Tank Services \$13,350.00

Director Scheel made a motion to approve Advanced Diving Services, Inc. for inspection and cleaning services and to make sure inspections were done in 2023 and we have the report. For reconciliation, she would like to make sure we have the reports for the last five (5) years. France Alston will check to see if payment was made for 2023. Director Moore seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay

F.12 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 third (3rd) in Executive Session. No action was taken on this item.

F.13 Discuss, consider, and take action authorizing the acquisition of the following easements and property in support of the District's water pipeline infrastructure projects.

- A. Tract 1, FM 2720 RUC Holdings** – This easement has been completed and can be removed.
- B. Tract 5, Camino East, Lennar** – This easement has been completed and can be removed.
- C. Tract 1, Parker Easement, Camino East, Lennar** – Easement has been signed, still trying to get the Subordination signed by the lienholder.
- D. Tract 3, Yusuf Easement, Camino East, Lennar** – Easement has been signed, still trying to get the Subordination signed by the lienholder.
- E. Misty Lane Easement** – Have met with the landowners but are not making any progress.

This item was discussed first (1st) in Executive Session. No motion was made while in Executive Session. Upon leaving Executive Session, Director Scheel made a motion under Item F.9 above and Director Diaz seconded the motion.

F.14 Discuss, consider, and take action regarding the transfer of wastewater CCN service area from Gristmill Utility Company to County Line Special Utility District, and the Sewer CCN Service Area Transfer Agreement between Gristmill Utility Company and County Line Special Utility District. This item was discussed second (2nd) in Executive Session. No action was taken in Executive Session and no action was taken after leaving Executive Session.

G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS. No items were given.

H. EXECUTIVE SESSION. Director Scheel made a motion to enter Executive Session and Director Diaz seconded the motion. The motion passed unanimously 6 Aye, 0 Nay. Meeting entered Executive Session at 8:11 P.M. to discuss Items F.13, F.14 and F.12 above in that order. Director Scheel read the following before entering Executive Session: 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), and 551.072 (deliberations about real property).

Director Scheel made a motion to leave Executive Session and Director Diaz seconded the motion. The motion passed unanimously 6 Aye, 0 Nay. Meeting entered Regular Session at 9:22 P.M.

No motions or actions were made during Executive Session.

I. ADJOURNMENT. Director Scheel made a motion to adjourn the meeting and Director Moore seconded the Motion, Motion passed unanimously. 6 Aye, 0 Nay Meeting was adjourned at 9:23 P.M.



Date 6/17/24

Toni Brewer
County Line SUD, Board President