

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting – August 15, 2022 6:30 PM

District Office – 8870 Camino Real, Umland, TX 78640

Board Members Present:

Toni Brewer
Bob Diaz
Joe Howe
Tracy Scheel
Ken Dodson

Others Present:

Daniel Heideman
Jennifer Tarbutton
Rebecca Moore
Doug Schnautz
Chris Betz
Bill Fry, Plum Creek Utility
Scott Manuel, Plum Creek Utility
Allison Nieto, Southwest Engineers - via Zoom
Jeff Kallus, Southwest Engineers – via Zoom
Humberto Ramos, Canyon Regional Water Authority
Justin Ivivic, Maxwell Special Utility District
Marcus Naiser, Ardurra

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 6:32 P.M.
- B. ROLL CALL. Director Brewer conducted a roll call of the Board, and a quorum of the Board was present, with Directors Brewer, Diaz, Howe, Dodson and Scheel in attendance.
- C. PUBLIC COMMENT. There was no public comment.
- D. CONSENT AGENDA. D.2 & D.3 Director Dodson moved to approve the consent agenda. Director Diaz seconded the Motion and the Motion passed unanimously, 5-0. Item D.1 was not voted on.

The Board then took up the following Items, out of order:

E. Reports – The Board received the following reports.

E.1 Operations Report – Bill Fry reported, stated the treatment plant is in compliance. Bill introduced Scott Manuel as the certified operator of the waste water plant. Mr. Fry suggested letting PCU build and run the reuse system.

E.2 Engineers Report – Allison Nieto reported on the Waste Water projects. Director Howe asked if the Bollinger notice for a MUD would affect CLSUD in any way, Mr. Heideman explained and replied no. Next, Jeff Kallus reported on the Water projects, stated SWE is in the design stage of the Kyle interconnect on Bunton Lane. There were no questions from the Board.

E.4 CRWA & ARWA Report – Humberto Ramos reported on ARWA projects status, he reported the Alliance requested Swift funding and they were awarded the funding of 10 million dollars. Daniel Heideman asked about the upsizing of the water treatment plant. Mr. Ramos replied It has not been approved or disapproved. He stated that demand projections are being requested. Chris Betz reported there was consideration of trying to get water sooner with the Kyle connection being moved further East on the pipeline, it could possibly shave 6 months off the timeline. Next, Mr. Ramos reported that the CRWA's Wells Ranch III project has had contracts sent to all 7 entities. Joe Howe asked how stage IV water restrictions in Maxwell affected CLSUD customers. Mr. Ramos stated they asked the member entities to reduce their construction water use, they complied and all needs were met. Daniel Heideman reported CLSUD restricted the contractors for each project to 100,000 gal per day Mon-Thurs.

E.3 Financial Report – Rebecca reported and added that CLSUD applied for a grant of \$200,000.00 for Brooks Well at the end of July.

E.5 General Managers Report – Daniel Heideman reported. He added that we had some additional flushing that was needed. He also reported Scada put in another alarm.

F. ITEMS FOR ACTION OR DISCUSSION/DIRECTION

F.1 Discuss, consider and take action to accept the resignation of Daniel Heideman from the Canyon Regional Water Authority Board of Trustees. – Director Diaz moved to approve the resignation of Daniel Heideman, Director Scheel 2nds the motion. Motion is passed with 5 Aye, 0 Nay – motion passed unanimously.

F.2 Discuss, consider, and take action to appoint a representative to the Canyon Regional Water Authority Board of Trustees. – Tracy Scheel volunteered to be the new representative. Director Dodson made a motion to appoint Tracy Scheel, Director Diaz 2nds the motion. 5 Aye, 0 Nay – motion is passed unanimously.

F.3 Discuss, consider, and take action to authorize bank account signatory. – Director Howe made a motion to add Doug Schnautz as a bank signatory. Director Dodson 2nds the motion, 5 Aye, 0 Nay – motion is passed unanimously.

F.4 Discuss, consider, and take action regarding update to the Hays Caldwell Treatment Plant. - Marcus Naiser of Adurra reported and updated on the Hays Caldwell Treatment Plant status. He stated the membrane used for dewatering has not been working properly. In 2017 the project was 17.5 million, currently the project is slated at 23 million. However, the construction escalation is projected at 26 million. They are looking at ways to make up for the shortfall of the funding, one solution is The Hazard Mitigation Grant Program. They submitted an application for 9.6 million in June to fund the shortfall plus other upgrades to bring the treatment plant above the 500 year flood plane projection. Director Scheel asked what plan B would be, Mr. Neiser stated it would have to be another bond. January 2025 is the goal for completing the project. Humberto Ramos commented that the membranes are not included in this budget. – No action taken

F.5 Discuss, consider, and take action regarding the construction of a reuse pump station and delivery system. – Mr. Heideman stated that Jeff Kallus has started the design of the reuse plant. He suggested that PCU run and operate the system. Mr. Heideman stated that they are negotiating the price per 1000 gal to process the water with PCU. Chris Betz reiterated that the water is owed by CLSUD the costs are - No action taken

F.6 Discuss, consider, and take action regarding Gonzales Carrizo Water Supply project. – Chris Betz reported that we received some documents that have been forwarded to the attorneys for review. He stated we have not heard back from them yet. – No action taken

F.7 Discuss, consider, and take action on CRWA's Wells Ranch Phase III Water Supply project. – Humberto Ramos commented to consider the approval of the project. – No action taken

F.8 Discuss, consider, and take action on PCU Wholesale Wastewater Agreement. – Chris Betz reported he asked Allison Nieto with SWE to take a look at the agreement, Mr. Betz reported the reuse agreement has been removed from the PCU Wholesale Wastewater Agreement. He also stated he expects to have constant updates in the next few months. – No action taken

F.9 Discuss, consider, and take action to award the Well No. 2 Pump Replacement Project. – Jeff Kallus reported 3 companies, low bid on the project was McKinley Drilling. Mr. Kallus recommended awarding McKinley Drilling the project. Director Howe asked if it included upgrading the electrical, Mr. Kallus stated it includes the pump and upsizing the electrical work to include a generator to be used at the site in the future. Director Diaz made a motion to award the bid to McKinley Drilling, Director Scheel 2nds the motion. 5 Aye, 0 Nay – motion is passed unanimously.

F.10 Discuss, consider, and take action on the transfer of CCN Service areas between County Line Special Utility District and Goforth Special Utility District, - Jeff Kallus explained the property is the Haney Tract between Cotton Gin & High Rd. There was a majority portion of the property that was in Goforth's CCN. The recommendation was to retain approx. 100 LUE's in CLSUD's CCN. Mr. Heideman explained the location of the property and that the entire property will still be served by waste water. Director Howe asked if there was any money involved, Mr. Heideman explained that the developer is paying for the costs. Ms. Moore stated that any costs incurred would be billed against the developers

deposits already collected by CLSUD. Mr. Betz stated, to make it clear, he thought that both sides were saying the same thing. The cost would be cost neutral to CLSUD. Jeff Kallus stated the developers are handling the application to the PUC to amend the CCN. Director Dodson made a motion to transfer the CCN service area between CLSUD and Goforth Utility District, Director Scheel 2nds the motion. 5 Aye, 0 Nay – motion is passed unanimously.

F.11 Discuss, consider, and take action to amend County Line Special Utility Districts Drought Contingency Plan and update Section H of the Service Policy. – The Drought Contingency Plan update notes the following changes. Section V: Authorization – changed from “Board President, General Manager or his/her designee” to “District’s General Manager or his/her designee” Other changes included wording updates such as using the word may not “shall” on “Notification of the Public & Additional Notification, remove “misdemeanor”, remove “publication in the newspaper”, change 3rd time violation fee from “\$60.00” to \$120.00, add “restrict pool filling if possible” remove “pool covers” remove “direct mail” add billing notification, replace “Maxwell Water Supply” with Maxwell Special Utility District. Jeff Kallus stated he would be reviewing the Drought Contingency Plan in the future as well. Director Howe made a motion to amend County Line Special Utility Districts Drought Contingency Plan and update Section H of the Service Policy, Tracy Scheel 2nds the motion. 5 Aye, 0 Nay – motion is passed unanimously

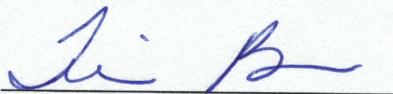
F.12 Discuss, consider, and take action on Order Appointing Representatives to Initiate Water Rationing Stages. – It was discussed to name Daniel Heideman and Doug Schnautz as responsible representative authorized to initiate stages of water rationing. Director Scheel made a motion to approve, Director Dodson 2nds the motion. 5 Aye, 0 Nay – motion is passed unanimously.

F. 13 Discuss, consider, and take action to adopt Order Adopting Amendments to CLSUD’s Service Policy regarding Water Acquisition Fees and Late Fees. - Director Scheel made a motion to pass the proposed \$610.00 Water Acquisition Fee as well as increasing the late fee from \$5.00 to \$15.00, Director Dodson 2nds the motion. 5 Aye, 0 Nay – motion is passed unanimously

G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS. – It was discussed to add a “Capacity Report” to the E. Items, Review NSSA’s and update the personnel policy to include W2’s necessary from Board Members.

H. EXECUTIVE SESION. There was no executive session held.

I. ADJOURNMENT. Director Diaz moved to adjourn the meeting. Director Howe seconded the Motion and the Motion passed unanimously, 5-0. The meeting adjourned at 8:55PM.



Date 9/19/22

County Line SUD, Board President
Toni Brewer