

**COUNTY LINE SPECIAL UTILITY DISTRICT**

**Meeting Minutes**

Board of Directors Meeting – July 18, 2022  
6:30 p.m. Immediately Following the Public Hearing  
District Office – 8870 Camino Real, Umland, Texas, 78640

**Board Members Present:**

Toni Brewer  
Bob Diaz  
Joe Howe  
William Ilse  
Jeff “Rusty” Loep  
Tracy Scheel

**Others Present:**

Daniel Heideman  
Jennifer Tarbutton  
Rebecca Moore  
Doug Schnautz  
Danielle Lam, Lloyd Gosselink Rochelle & Townsend, P.C.  
Chris Betz  
Allison Nieto, Southwest Engineers  
Jeff Kallus, Southwest Engineers  
John Littlefield, Southwest Engineers  
Herb Williams, Williams Water Works  
Humberto Ramos, Canyon Regional Water Authority  
Bill Fry, BVRT Utility Holding Company  
Steven Greenberg, BVRT Utility Holding Company  
Mia Natalino, BVRT Utility Holding Company  
Kip Kronenberg, La Tierra Realty  
Brooks Willig, La Tierra Realty  
Jacy Warwick, D.R. Horton  
Chris Rawls, BGE Inc.

---

The following represents the actions taken by the Board of Directors 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 6:37 p.m.

**B. ROLL CALL.**

The roll was called of the members of the Board of Directors. All Board members were in attendance except for Director Dodson, thus constituting a quorum of the Board of Directors with Directors Brewer, Diaz, Howe, Ilse and Loep in attendance.

**C. PUBLIC COMMENT PERIOD.**

There was no public comment.

**D. CONSENT AGENDA.**

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

**E. REPORTS.**

The Board received the following reports:

**E.1 Operations Report.** Mr. Fry reported there were no problems at the plant and there were many construction projects underway.

**E.2 Engineers' Report.** Ms. Nieto reported the wastewater projects are under construction and should wrap in about a month minus a few electrical items. She stated that the Gristmill South Gravity and Reuse Mains were also under construction, but are in planning stages to order materials and construction will begin soon. Ms. Nieto explained that the Porter Creek Gravity Main is a new project and the field survey has been completed, so the next step will be engineering design and plans. She reported that several subdivision plans were approved and are under construction including the El Camino RV Park, Camino East Subdivision Phase 1 and Watermill Subdivision Phase 1. She noted that the Marigold Subdivision Phase 1 and Gristmill Retail Center were approved but they have not started construction yet. She stated that she was still reviewing plans for the Misty Lane Mobile Home Park, Wayside Subdivision and Camino East Phase 2. Ms. Nieto reported that the new wastewater service requests since the last month were the Spanish Trail Gas Station and the Bon Ton Market. Lastly, she noted that Plum Creek Utility ("PCU") is well under construction for Phase 4 of the treatment plant expansion which would add another 150,000 gallons per day of capacity (double the current capacity), and that PCU hopes to be operational before end of year.

Next, Mr. Kallus reported on construction of Alliance Regional Water Authority's ("ARWA") meter vault and tank tie-in was expected to begin in the next couple of months. He stated that the pump replacement for the Brooks Well No. 2 is to be bid on August 11, 2022. Mr. Kallus reported that for the contractor for the Gristmill Water Line, Herschap Backhoe, will begin construction in August. He explained that design has begun on the reuse water plant project and they hope to have it built in the next year.

**E.3 Financial Report.** Ms. Moore reported that the net unrestricted income of for June 2022 was \$73,314. She noted that CLSUD still had a positive balance year-to-date mainly because of the sale of service area and reimbursement for grants for line relocations. Ms. Moore reported that increasing interest rates helped with CLSUD's savings account. Director Howe also noted that electricity usage compared to the previous year was lower.

**E.4 CRWA & ARWA Report.** Mr. Ramos shared that Canyon Regional Water Authority's ("CRWA") next Board of Managers meeting is Wednesday, July 27, 2022 and they will discuss the water quality erosion report required by the Texas Commission on Environmental Quality ("TCEQ"). Next, Mr. Ramos reported that the Guadalupe Blanco River Authority ("GBRA") requested capacity at ARWA's water treatment plant, but there is no existing capacity available so there will be a discussion about whether other entities have extra capacity available. He also reported that the City of Buda decided to relinquish 0.5 million gallons per day going back to City of Kyle under their water share agreement. Mr. Ramos then explained that there has been discussion about whether GBRA may operate ARWA's facilities or if ARWA must issue a Request for Qualifications or Request for Proposal. Next, he reported that a Letter of Intent had been signed with Paul Water Treatment Services for a water treatment trailer while CRWA makes changes to its facilities. Mr. Ramos reported that CRWA had engaged Craig Heinz to help obtain groundwater leases for Wells Ranch Phase III and that seven entities had agreed to move forward with the project and CRWA would soon circulate a draft contract.

Mr. Heideman then asked Mr. Ramos to elaborate on discussion about the Hays Caldwell Plant. Mr. Ramos explained that there was a deficit of \$5 million since prices have increased. He reported that CRWA is waiting on platting from the City of San Marcos and seeking \$9 million in FEMA funds for flood mitigation.

**E.5 General Manager's Report.** Mr. Heideman reported that the GBRA water rate will increase from \$157 to \$165 dollars. Mr. Ramos added that there will also be pass-through costs related to the dam failure.

**E.6 Legal Counsel's Report.** Ms. Lam reported that there are two Dockets pending at the Public Utility Commission of Texas. The first was to obtain a sewer certificate of convenience and necessity ("CCN"), which has been granted and recorded in Hays and Caldwell Counties. The second was the service area agreement between CLSUD and Maxwell Special Utility District that is still pending.

**E.7 Board President's Report.** There was no report on this Item.

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

**F.1 Discuss, consider, and take action to appoint and qualify new director.** Ms. Scheel was administered the Statement of Officer and Oath of Office. Ms. Scheel introduced herself and stated that she was previously a Council Member for the City of Kyle and she was appointed to the Board of ARWA, and that she resides within CLSUD's boundaries. Director Diaz moved to to accept the Statement of Officer and Oath of Office. Director Howe seconded the Motion and the Motion passed unanimously, 5-0.

**F.2 Discuss, consider, and take action regarding the approval of Armstrong, Vaughn & Associates audit services through 2025 per the "Engagement Letter."** Ms. Moore presented the proposed engagement letter. Director Diaz moved to approve the engagement letter with Armstrong, Vaughn & Associate, as presented. Director Scheel seconded the Motion and the Motion passed unanimously, 5-0.

**F.3 Discuss, consider, and take action regarding the construction of a reuse pump station and delivery system.** Mr. Littlefield reported the PCU is looking to move forward with construction of the reuse plant which would allow CLSUD to switch the concrete plant from potable water to reuse water. He explained that CLSUD will design, build and pay for the initial reuse plant and capacity would be around 30,000 to 50,000 gallons a day. Mr. Littlefield stated that PCU will contribute the existing onsite 10,000 gallon storage tank and construct a support building and provide some of the electrical work. He explained that PCU's project manager Mark Kingston will coordinate and be the project manager at no cost to CLSUD but CLSUD will reimburse Plum Creek Utility for all direct operating expenses. Mr. Littlefield reported that the proposed plan moving forward is that Plum Creek Utility will design and pay for the larger permanent plant once CLSUD has sufficient demand. He noted that PCU has offered to have their staff operate this facility at no additional cost. He stated that the goal is to be in operation by the end of this year or first quarter next year. Mr. Frye explained that there will be separate facilities for nonpotable reuse water that use purple pipes and there will be potentially 82,000 to 85,000 gallons per day of reuse water. Will still have to discharge some. But can divert use of potable water at least at the plant, where they currently use 2-3000 gallons of potable water per day.

**F.4 Discuss, consider, and take action regarding Gonzales Carrizo Water Supply Project.** Ms. Lam reported that the GBRA contract for the Gonzales Carrizo Water Supply Project had been executed the previous month.

**F.5 Discuss, consider, and take action on CRWA's Wells Ranch Phase III Water Supply Project.** Mr. Ramos reported that the project will provide 12,400 acre-feet of water and 2,000 acre-feet is available to CLSUD, although the numbers may change.

**F.6 Discuss, consider, and take action on PCU Wholesale Wastewater Agreement.** Mr. Betz reported that he had no update at this time, but anticipated having an update by the next Board meeting.

**F.7 Discuss, consider, and take action on Order Adopting Amendments to County Line Special Utility District's Land Use Assumptions, Water Capital Improvement Plan and Water Impact Fees.** After returning from executive session, Director Brewer returned to this Item for discussion. Director Brewer moved to approve the impact fee amount of \$11,705, effective Wednesday, July 20, 2022, after 5:00 p.m., and approve the Land Use Assumptions and Water Capital Improvement Plan as presented. Director Diaz seconded the Motion and the Motion passed unanimously 6-0.

**F.8 Discuss, consider, and take action on Order Adopting Amendments to CLSUD's Service Policy regarding Impact Fees and Reservation Fees.** Ms. Lam briefly summarized that the Order, explaining the revised Service Policy will clarify which impact fee will apply to each development and when the fees will be assessed and collected, in addition to clarification on monthly reservation fees. Mr. Kronenberg asked if the impact fees and reservation fees could be transferred between developments. Ms. Lam responded that the non-standard service contracts are specific to each subdivision and generally the contractual rights and obligations cannot simply transfer from one project to another. She also explained that reservations for

capacity are made based upon a finding by CLSUD's engineer that it is feasible to serve the property, so CLSUD's engineer would still need to make a determination that it is feasible to serve the other property and it would not have any negative impacts on the system.

Following executive session, Director Brewer brought this Item before the Board. Director Brewer moved to approve the Service Policy as presented, making changes in accordance with the Order amending the impact fee. Director Diaz seconded the Motion and the Motion passed unanimously, 6-0.

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

There was no discussion on this item.

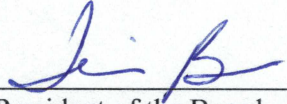
**H. EXECUTIVE SESSION.**

At 7:44 p.m., upon motion by Director Diaz, seconded by Director Howe, passed unanimously 6-0, the Board adjourned into executive session for consultation with their attorney on Items F.7 and F.8.

Upon motion by Director Howe, seconded by Director Diaz, passed unanimously 6-0, the Board returned to open session at 8:56 p.m. Following executive session, the Board returned to Item F.7.

**I. ADJOURNMENT.**

After discussion, there being no further business, and upon motion by Director Howe, seconded by Director Diaz, and unanimously passed 6-0, the meeting was adjourned at 8:59 p.m.

  
\_\_\_\_\_  
President of the Board

  
\_\_\_\_\_  
Secretary of the Board