

**COUNTY LINE SPECIAL UTILITY DISTRICT**

**Meeting Minutes**

Board of Directors Meeting –October 21, 2024 at 6:30 P.M.

District Office-8870 Camino Real, Umland, Texas 78640

**Board Members Present:**

Toni Brewer

Joe Howe

Tracy Scheel

Rebecca Moore

William Ilse

Earl Sparks

Robert Diaz

**Others Present:**

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

Shawn Crawford with K. Friese and Associates (Via Zoom)

Trey Wilson with Canyon Regional Water Authority Via Zoom

Graham Moore with Alliance Regional Water Authority

Stephanie Leibe with Norton Rose Fulbright

Allison Nieto with Southwest Engineers

Jeff Kallus with Southwest Engineers (Via Zoom)

Tom Walker with Southwest Engineers (Via Zoom)

Bill Fry with Plum Creek Utility-OMMS-BVRT

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

Karina Ortega, County Line Special Utility District Staff

Farah Najdawi, County Line Special Utility District Staff

JoAnn Barrera, County Line Special Utility District Staff

Tiffany Howe, County Line Special Utility District

Darlene Cisneros, 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). The Board of Directors convened in a meeting at the date, time and location stated above. Director Brewer suspended the order of the day and discussed the agenda in the following order: A., B., C., F.1, F.2, D., E.1-E.9, F.3-F.16, G., H., F.17 and then I.

- 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, Howe, Diaz, Ilse, Scheel, Moore and Sparks in attendance.
- C. PUBLIC COMMENT.** Kelsey Shroyer completed a Public Comment Form for a topic not on the agenda. Ms. Shroyer and her husband have been customers of County Line Special Utility District (CLSUD) since July 2019. Ms. Shroyer wanted to address the board regarding a meter error that was discovered on October 16, 2024 and how this error has impacted her and her husband and their neighbor. Ms. Shroyer's meter and their neighbor's meter was switched when installed back in 2016. Ms. Shroyer and her husband have been paying their neighbor's water bill and their neighbor has been paying their water bill. Ms. Shroyer stated their neighbor has called the CLSUD office numerous times over a high-water bill and usage, but was told you probably have a leak. Ms. Shroyer felt the error should have been discovered when CLSUD came to her house in 2019 and turned on their water service. Ms. Shroyer also stated their home security cameras detected CLSUD field crew looking at their meter periodically. Ms. Shroyer cited reviews found on the CLSUD website from Vickey E. from nine (9) months ago and one from Tanisha Hernandez from ten (10) months ago. Ms. Shroyer hopes CLSUD investigates this further to ensure none of their other customers are being billed for an incorrect meter and to ensure there are no other errors that may result in an unnecessary higher bill. CLSUD staff took the complaint to the manager who decided to have them pay the difference from what they have paid to date this year compared to what they would have owed had the correct meter been installed, the amount due is over \$500.00. CLSUD offered to let them pay the amount out over a twelve (12) month period. After speaking with CLSUD staff and receiving the manager's decision, Ms. Shroyer did some research and found Texas Administrative Code Title 16 Part 2, Chapter 24, Subchapter F, Subpart 24165 Billing. Ms. Shroyer hopes CLSUD will reconsider the decision made by the manager especially if CLSUD is not going back and making billing adjustments to the previous resident(s) that lived in the home from when the meter was installed in 2016 until the time they moved in in 2019 and not going back and making billing adjustments to the neighboring property. Ms. Shroyer stated they have paid every bill in full and on time since moving into the home except one time when the card associated with the account had expired. Ms. Shroyer asked if she would receive a response regarding any decision to waive the back billing amount. Mike Gershon with Lloyd Gosselink stated the board could not take action tonight since this topic is not on the agenda. Mr. Gershon recommended Ms. Shroyer

make her specific requests to the manager of CLSUD in writing and provide a written copy of the statement she prepared for the meeting.

**D. CONSENT AGENDA:**

**D.1 Consider and take action to approve the minutes of the August 19, 2024 regular Board meeting.** Director Diaz made a motion to approve the consent agenda in its entirety from the August 19, 2024 board of directors meeting. Director Sparks seconded the motion, and the motion passed unanimously. 7 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 reported the flows at the plant are about 150,000 gallons per day. Connections are still being made, expect 250 connections by the end of the year. The plant is still running great, no major issues.

**E.2 Project(s) Management Report.** Farah Najdawi with County Line Special Utility District (CLSUD) reported the Lead and Copper Line Inventories, Lead and Copper Sampling and High Road Tank Repairs are ongoing projects. The lead and copper line inventory has been submitted to TCEQ (Texas Commission on Environmental Quality) and have received a compliance letter back. CLSUD had 6,371 non-lead service lines. So far CLSUD has received sixty (60) water samples collected from various customers as required by TCEQ as part of the Lead and Copper Samples required by TCEQ, CLSUD should receive compliance by December 31, 2024. The High Road Booster Station repairs project is estimated to take 176 days, some ongoing items are the two pumps and two hydraulic check vales that need to be serviced; remove the TDS meter; test SCADA panel and power panels; and disinfect the ground storage tank. The High Road Booster Station needs to be completed in order to receive the contracted water from the Alliance Regional Water Authority. K. Friese and Associates (KFA) is working on a Water Master Plan for CLSUD; Bobwhite Pump Station and Ground Storage Tank (this project is on budget and schedule so far); Cotton Gin Road Phase 2 Water Line Relocation and General Engineering Services. Thirty-two (32) easements have been acquired and still have seventeen (17) easements pending. CLSUD is on budget with easements except for Maxwell Farms which is 53% overbudget. The Misty Lane Elevated Storage Tank is an ongoing project, plans have been submitted to Alliance Regional Water Authority for review and comment. Projects for bid/contracting are the FM2720 Waterline-Segment 2; FM2001 Waterline Relocation; FM2720 Wastewater Gravity Main; and the Gristmill Reuse Line Extension. The FM2720 Water and Wastewater line will be awarded later in the meeting under Item F.11. Currently seeking three (3) quotes for the FM2001 Waterline Relocation. The Gristmill Road Reuse Line Extension will be discussed later in the meeting under Item F.9. The Porter Creek Gravity Main Project is currently delayed while the City of Uhland holds their "Pumpkin Fest", expenses incurred due to this delay will be at the expense of the City of Uhland. The Porter Creek Lift Station is awaiting approval of Change Order No. 2 requested by the contractor, Alterman. The Plum Creek Reclaimed Water Plant is on schedule and on budget. Construction projects completed so far in 2024 are the FM2720 Waterline Phase 1; SH21 Waterline (still waiting for Southwest Engineers to finalize as-builts), Brooks Pump 2 Replacement (Southwest Engineers is still assembling the O&M Manual); and the Porter Creek Force Main (waiting on record drawings from Southwest Engineers). Freddie Dipple conducts the wastewater inspections and Pape Dawson handles

the inspections of the various projects. So far wastewater inspection fees from Mr. Dipple total \$30,684.50 and inspection fees from Pape Dawson total \$20,435.00.

**E.3 Capacity Report.** Jeff Kallus with Southwest Engineers reported the capacity report looks about the same as last month other than a few more service requests. Marigold Phase 4 paid impact fees and two (2) more projects are expected to pay impact fees. Attorney is preparing several more Non-Standard Service Agreements (NSSAs).

**E.4 Easement Report.** Tom Walker with Southwest Engineers reported that Walton signed the easements on FM 2720 along with the Steelhorn waterline easement. Still trying to obtain subordinations on two (2) of the Camino East easements, the landowners have signed the easements, and Lennar Homes signed an Indemnity Agreement allowing us to proceed. Hollis Burklund and John Siemering have both signed the easements needed for Misty Farms. The easements have been prepared and sent to Mr. Schmeltekopf and OPG Partners to sign for the Westside at Cotton Gin project. Working on obtaining two (2) more rights of entry for the Cotton Gin Road Phase 2 Waterline Relocation project. Walton signed their easement for Lantana and the Miller easement was also signed, but still trying to obtain a signature for the subordination.

**E.5 Financial Report.** France Alston with County Line Special Utility District (CLSUD) reported interest in the Logic's account for September is \$82,642.00. Total interest so far this year is \$843,439.00. Water revenue for September was \$679,893.43. Total income for the company was \$776,256.00. Total expenses were \$632,607.00 and the bottom line was \$143,648.67. Working with the auditor to make sure reports are correct. Director Howe asked what unbilled utility revenue is and Director Moore replied this is water that customers have used but have not been billed for yet, Ms. Alston said the auditor created this category. Most of the checks are for construction and easement costs, there is one check to Pedernales Electric Co-op in the amount of \$21,258.29 was for electricity at the re-use site. Trash expense is more because of rental fees for a roll off dumpster used for cleaning up trash at the office. Received payment from the City of Kyle in the amount \$138,000.00 for Contract No. 2 for part of our CCN (Certificate of Convenience and Necessity) they purchased. Ms. Alston requested board approval to move \$30,000.00 from line 5270 Tank Labor-Water to line 5280 Tank Parts-Water for Cla Valves. Ms. Alston also requested board approval to move \$26,000.00 from line 5240 Line Parts-Water to line 5250 Repair and Maintenance-Water Plant to build a fence around the entire area owned by CLSUD at the booster station located on Hwy 21. Director Sheel made a motion to approve moving \$30,000.00 from 5270 labor to 5280 parts and moving \$26,000.00 from 5240 to 5250. Director Ilse seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**E.6 CRWA, GBRA & ARWA Report.** Humberto Ramos with County Line Special Utility District (CLSUD) reported the following.

- HCWTP -Overage: At the November 13<sup>th</sup> 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 29<sup>th</sup> 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. 8<sup>th</sup> CRWA BOM. The issue is still unresolved.

- On December 8<sup>th</sup>, County Line SUD sent a letter to CRWA BOT, regarding their position on the method and process.
  - On December 15<sup>th</sup>, 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.
  - An overage item was on the January 8<sup>th</sup>, 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 8<sup>th</sup>, Paul Terrel, attorney for Crystal Clear sent an email to Maxwell Attorney (Zach) and CLSUD 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 12<sup>th</sup> CRWA Board
    - Took action to approve resolution CRWA 23-11-078 Concerning an Annual Overage Charge Procedure. Which was adopting an annual overage charge 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. A meeting after Executive Session, CRWA passed Resolution CRWA 23-11-078
  
  - On February 15<sup>th</sup> CRWA sent a letter in response to the February 9<sup>th</sup> demand letter requesting mediation. Subsequently all entities agreed to seek mediation.
  - Mediation set for May 14<sup>th</sup>.
  - Action taken at CRWA BOT Meeting for June 10<sup>th</sup> to seek arbitration and inquire with member entities about their interest.
- LG will provide an update on the arbitration during executive session of the July 15<sup>th</sup> meeting. CRWA will be working to amend the 2015 Regional Hays Caldwell Water Supply and Treatment Contract and will be sending out revisions to all the participating entities. CLSUD will be awaiting proposed amendments and discussing them with its Board at a future meeting. In addition, once CRWA obtains comments and consensus on the amendments from the participating entities action will be taken at future CRWA BOT meeting to amend the 2015 agreement.

- Recent activities will be discussed in executive session of CLSUD's August 19<sup>th</sup> Board Meeting.
- On October 2<sup>nd</sup>, Tyler J. Hjorth (City of San Marcos) sent a letter response to CRWA Project Costs Under Amended and Restated Regional Water Supply and Treatment Contract letter dated August 9, 2024.
- At the CRWA BOT held on October 7<sup>th</sup>, no discussion of this item occurred. CLSUD representatives to CRWA asked that this item be discussed at its November 12<sup>th</sup> CRWA BOT.

HCWTP – Improvements/Membrane Replacement/Pipeline

- CRWA Staff submitted a TWDB Swift Application (\$24.9M) for improvements without CLSUD's Pipeline. Subsequently, CRWA submitted a TWDB D-Fund application (\$19M).
- CLSUD Staff met with interim CRWA GM Randy Schwenn on pipeline funding, coordinated an effort to achieve funding. CRWA scheduled a meeting with all entities for the week of March 20<sup>th</sup>. A meeting was scheduled for April 10<sup>th</sup>.
- The meeting for April 10<sup>th</sup> will be postponed until after mediation.
- Met with CRWA on May 23<sup>rd</sup> and member entities to revive previous discussions on the pipeline and Maxwell's Wheeling Agreement.
- No recent meetings established or no new activities.
- At the CRWA BOT held on July 8<sup>th</sup>, CRWA passed a resolution to proceed with a Request for SWIFT Funding of \$24M. This action does not obligate the participating entities into seeking this funding as there are many questions not yet resolved to include the CLSUD pipeline and contribution of San Marcos.
- At the CRWA BOT meeting held August 19<sup>th</sup>, it was announced that CRWA received authorization for funding, discussion consisted with City of San Marcos and CLSUD having concerns moving forward until other issues are resolved but direction to CRWA was to continue with Phase II that includes \$17M for ozone to which CRWA has in reserves for the project. It was further discussed that CRWA did not seek TWDB D-Fund for the pipeline it was a State Revolving Fund.
- Attached is the CLSUD Pipeline Schedule (CRWA Reedville 12" Pipeline Project Schedule.) presented at the CRWA BOT meeting held September 9<sup>th</sup> and the Ardurra memo dated September 6<sup>th</sup>.
- CRWA Project Timeline for Hays Caldwell (October 2, 2024) shows project tracking on schedule for Phase 1 to include GST. Phase II improvements which include ozone are to go to bid by March 2025 with completion, 2<sup>nd</sup> quarter of 2027. Until then participants will experience levels of Trihalo Methanes (THM's) above MSL. THM's are a chemical byproduct of water disinfection that forms when chlorine reacts with natural organic matter.

Funding for membrane replacement (Phase III) is still questionable as San Marcos sent recent correspondence and recall CRWA did not move forward with SWIFT funding.

- Mr. Ramos is going to see if TCEQ (Texas Commission on Environmental Quality) will sample our water after the water received from CRWA and San Marcos are mixed.

CRWA BOM -Meeting held on October 2<sup>nd</sup>

- CRWA staff stated CRWA is working on a Wells Ranch III agreement. Also, THM's are occurring at its Lake Dunlap plant which uses ozone to remove organics and more importantly still occurring at its Hays Caldwell WTP.

CRWA BOT -Meeting held on September 9<sup>th</sup>. Of concern were:

Item 9 General Business

- A. Presentation and discussion of update on the status of CRWA's pending TWDB State Revolving Fund. CRWA is awaiting the next steps. Two requests were made, one for a pipeline and the other for the expansion.
- C. CRWA 24-09-004 Concerning an Agreement Between CRWA and ARWA for an Additional Delivery Point for County Line SUD. Item was approved.
- D. CRWA 24-09-005 Concerning an Agreement Between CRWA and County Line SUD for an Additional Delivery Point. Item was approved.

Item 10 Executive Session

- B. CRWA 24-09-006 Concerning Proposed Revisions to Interlocal Agreement Between CRWA, County Line SUD, and Martindale SUD and County Line SUD regarding the pass-through of costs associated with the amendment to the Wheeling Agreement between CRWA and Maxwell SUD as authorized by Section 551.071 of the Texas Government Code. – No action was taken in Open Session.

CRWA BOT -Meeting held on October 2, 2024. Of concern were:

Item 9 General Business

- A. Discuss, consider, and take possible action on Resolution 24-10-004 concerning the approval of a resolution by the Board of Directors of the Alliance Regional

- Water Authority (ARWA) authorizing the issuance of contract revenue bonds for the Canyon Regional Water Authority in connection with Regional Water Supply Contract Project not to exceed \$42,630,000 contingent upon approval of contract revenue bonds by participating ARWA entities. - Resolution was approved.
- B. Discuss reimbursement of funds paid by CRWA for the ARWA pipeline program. – It was stated to date CLSUD is the only entity who has paid in full the \$189,000 amount to CRWA for participation in the HCPUA/ARWA. Currently owed to the CRWA is approximately \$3M.

### 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. Still awaiting a meeting with CRWA and other members to determine the path forward for this project. Note at the end of 2024, CLSUD has paid more than \$600,000 for water leases to which there is no agreement.
- CRWA is still trying to complete an agreement with Green Valley SUD, East Central SUD and Springs Hill WSC.
- CLSUD GM requested that CRWA develop an agreement that codifies that CLSUD is responsible for paying CRWA for leases obtained through the Wells Ranch III project included in CRWA FY 2025 Budget. Currently CLSUD has paid approximately \$600,000 plus for the past two years and expected to pay another \$366,720.22 for FY 2025. At the end of 2025 CLSUD would have paid nearly \$1M without an agreement.
- CRWA is working on an agreement with East Central, Springs Hill Water Supply Corporation and Green Valley Special Utility District for the 920 AF.
- CLSUD will not pay for the leased amount of water associated with 2,000 AF until an agreement is solidified with CRWA.
- On October 8<sup>th</sup>, CLSUD received a letter from Kerry Averyt (GM) of CRWA, regarding CLSUD's nonpayment notice to CRWA for Wells Ranch III water leases without an agreement. Recall that CLSUD has been paying approximately \$650,000.00 to CRWA for leases tied to the Wells Ranch III project for the past two years. At issue is that there is no contractual obligation or water supply agreement that binds CLSUD to this cost. October 1, 2024 is the beginning of the new Fiscal Year Budget for CRWA, on September 30, 2024, I (Humberto Ramos) sent an email notice to CRWA that



CLSUD will not pay beginning October 1<sup>st</sup>, unless there is a signed agreement from CLSUD of the leases or the project associated with Wells Ranch III.

#### GBRA/Gonzales Carrizo Water Supply Project

- The hearing was originally set for the week of April 22, 2024, but extension has been granted. It is now scheduled for mid-June.
- GBRA is still actively negotiating with the protestants in an attempt to settle
- GBRA received 100% design packages for the eastern pipelines, northern pipeline, and booster pump station and is currently reviewing the design.
- GBRA has received approximately 59 appraisals and has initial offers to 53 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 5<sup>th</sup> 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 29<sup>th</sup> to discuss the delivery points for the project.
- Met with GBRA on July 2<sup>nd</sup> to discuss and update the project. GBRA will present and update to the CLSUD BOT on July 15. In addition, a discussion and update on GBRA's WaterSecure Project occurred. With regard to the WaterSecure Project it is estimated that the project will cost between \$3,900 to \$4,000/ AF. GBRA in the future will present to the CLSUD BOT.
- As of August 2<sup>nd</sup>, GBRA has provided comments on the 100% design packages for the eastern pipeline and northern pipeline. GBRA is currently reviewing 100% design package for booster pump station. GBRA has received approximately 62 appraisals and has sent initial offers out to 59 landowners and has also sent out 44 final offer letters out to landowners for the pipeline easements and booster pump station.
- As of September 6<sup>th</sup>, GBRA has provided comments on the 100% design packages for all 3 phases (BPS, Northern, and Eastern Pipeline).
- GBRA has received approximately 63 appraisals and has sent initial offers out of 62 landowners and has also sent out 50 final offer letters out to landowners for the pipeline easements and booster pump station.
- As of October 4<sup>th</sup>, following is the update: design is 100%; land acquisition process is still ongoing (30% acquired); three projects will be presented to the GBRA board for approval of submitted bids, in addition all projects have been submitted to TCEQ and TWDB for approvals.

Alliance Regional Water Authority (ARWA) BOT- Next meeting October 30<sup>th</sup>. At the time of this reporting no agenda for the October 30<sup>th</sup> ARWA Board meeting was completed. The

Meeting will be virtual here at CLSUD offices. Action to be taken will be approve the resolution and the supporting documents for obtaining the \$138 M SWIFT funding.

Region L – Next meeting November 7th. Region L is in its 4th year of the 5-year plan. The Initially Prepared Plan is due in March 2025 with the final 2026 Region L Plan due October 20, 2025. 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 yr to 2070
- b.) Brackish Edwards Project – Phase I (500 AF) 2050 yr; Phase II (1,500 AF) 2060 yr; Phase III (1,500 AF) 2070 yr
- c.) Non-potable Reuse – 2020 yr (500 AF); 2070 yr (3,360 AF)

In addition, CLSUD submitted WMS's (3,000 AF) associated with potential projects with BVRT and Maxwell as a result of our MOU and in addition CLSUD submitted facilities improvement strategies for the Booster Site at HWY 21 and possible expansion of the High Road Pump Station. CLSUD will be the public (water user group) that will be submitting the BVRT, CLSUD and Maxwell project.

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

#### General Manager Report

- Continue working with various developers within CLSUD CCN.
- Regional meetings (see E.7 CRWA & ARWA report)

#### City of Umland Meeting(s)

- EDC – met in late September to discuss delaying the Porter Creek Gravity Main Project until Pumpkin Fest completes at the end of October. EDC will pay for the cost of the delay in the amount of \$7,600.00.
- Working with LG on CLSUD Franchise Agreement.
- Attended City Council Meeting October 2, 2024
  - Approved Resolution for Public Improvement District (PID).
  - Working with City staff to identify CLSUD infrastructure in City initiative for road improvement plan.

#### City of Kyle

- No new update
- Director Scheel said the City of Kyle's Council is requesting The Grove start at the top phase of their project so the proposed grocery store can come in instead of starting on the south side of the project's phase consisting of residential homes.

## Project Nora (Mega Site)

- No new update

**E.8 President's Report.** Director Brewer reported the executive committee has been meeting regularly to discuss the rate study. Recommendations were made to Chris Ekrut with NewGen Strategies at the last meeting, the committee is meeting again Friday, October 25, 2024. The Building Committee has an item later on the agenda to appoint DRG as the architect for the new CLSUD building project.

**E.9 General Counsel's Report.** Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. reported he will cover his report under the discussion items on the agenda.

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

**F.1 Discuss, consider, and take action related to a Resolution Approving a Resolution of the Board of Directors of the Alliance Regional Water Authority Authorizing the Issuance of Contract Revenue Bonds for the Canyon Regional Water Authority (in the principal amount not to exceed \$42,630,000); and Other Related Matters.** Graham Moore with Alliance Regional Water Authority (ARWA) presented this item. Mr. Moore was at the meeting to provide an update to the project and to discuss the financing ARWA is seeking. The infrastructure that runs east to west and to the south is currently in place and currently active. Everything to the north is also installed. Still working on the infrastructure in between these areas. The water treatment plant is in its last four (4) days of thirty (30) days of demonstration testing. Phase 1B: Booster Pump Station is in the Maxwell Texas area. This phase consists of a 5-million-gallon ground storage tank and pumps with space to expand to add more pumps. Segment C of the pipeline was awarded to KcKee Utility Contractors with Notice to Proceed on April 15, 2024. The contract requires Lines 1, 3 and 4 to be completed by February 28, 2025 and Line 2 is set for completion by October 31, 2025. Line 3 (Segment C) runs to the east and is the line that will deliver water to County Line Special Utility District (CLSUD). Line 2 runs to the southwest and is the line that will deliver water to San Marcos. Segment C started with Line 3 (12" line) in mid-April and is completely installed and hydrostatically tested. Line 1 pipe is being installed now with three (3) crews actively working on it. The micro tunnels in Maxwell and under IH 35 are complete and hand tunneling, and auger bores continue for Lines 1 and 2. Construction will end in late 2024 on the water treatment plant, Segment A, Segment B, Booster Pump Station/DPs, Segment D and Segment E. Segment C construction should end in late 2025. The South elevated storage tank should be complete mid-2024 and the North elevated storage tank should be complete in early 2026, water will still be delivered even if this project is not complete. The CLSUD board approved the Bond Anticipation Note (BAN) in December 2023 and now ARWA needs the board of CLSUD to approve the refinance of this note along with the financing for the Phase 1C/1D expansion. The Phase 1C/1D water treatment plant expansion will consist of a 1-million-gallon raw water tank, flowmeter and rapid mix basin, sand drying beds, 2 million gallon and 3-million-gallon Clearwell, three (3) high service pumps, six (6) filters, solids handling expansion, lime facility and a CO2 tank and feed system. The Phase 1C wellfield and raw water expansion will consist of raw water and well drilling infrastructure for well sites 1, 2, 3 and 4 and the Phase 1D expansion will consist of raw water and well drilling infrastructure for well sites 5, 10 and 11. The Phase 1C Maxwell Booster Pump Station expansion will consist of constructing a 5-

million-gallon ground storage tank, an additional pump for Leg 4 (South), additional pump for Leg 3 (North) and Phase 1D will include an additional pump for Leg 3 (North). CLSUD can currently receive 219-acre feet per year of water and with the expansion, CLSUD can receive 478-acre feet per year of water. The schedule of the Water Treatment Plant is design is currently underway, bidding will be in January 2025, construction notice to proceed in April 2025 and treatment plant startup in March 2027. The principal amount of the BAN refinance is \$46 million with CRWA's share being \$14,210,000 and CLSUD's share being \$1,467,126. Projected interest is \$2,000,000 for the year with CRWA's share being \$617,800 and CLSUD's share being \$63,785. The principal amount of the Phase 1C/1D expansion is \$90 million with CRWA's share being \$27,800,000 and CLSUD's share being \$2,870,239. The total of the two is \$138,000,00 with CRWA's share being \$42,630,000 and CLSUD's share being \$4,401,150. ARWA used the \$2 billion State Water Implementation Fund of Texas (SWIFT) funding managed by the Texas Water Development Board (TWDB) in 2015, 2017, 2019, 2020 and 2022. TWDB reduced the subsidies starting in 2021-for a thirty (30) year note the subsidy dropped from 20% to 14%.

**TWDB-SWIFT Rate Subsidy Information**

Debt Term (yrs)	2017 Rate	2019 Rate	2020 Rate	2022 Rate
30	2.76%	2.33%	2.03%	3.95%

**2024 Principal and Interest Comparison**

	2025	2026-2054	Total
ARWA Budgeted for CRWA (3.99%)	\$1,213,000	\$2,497,000 - \$2,502,000	\$73,700,000
Actual CRWA (3.48%)	\$962,000	\$2,327,000 - \$2,387,000	\$69,196,000
CLSUD's share of Actual CRWA (10.3246% of CRWA)	\$99,323	\$240,253 - \$246,449	\$7,144,210

Next steps are: approval of the Financing Agreement between ARWA and TWDB by mid-September stating debt service option; TWDB sells bonds in early October; boards to consider approval of Resolution issuing debt in October 2024 (CRWA's board approved on October 7, 2024, but interest had to be under 5%, the boards of Crystal Clear Special Utility District and Green Valley will approve this week, the city's approved last week and ARWA's board will approve on October 30, 2024); ARWA will close on the loans by December 2, 2024 and; the first payment of interest only is made in August 2025. Mr. Moore would like the board of CLSUD to adopt a resolution authorizing ARWA to issue SWIFT funds. Stephanie Leibe with North Rose Fulbright is the bond counsel for ARWA and CLSUD. The expansion will also include the almost 9,000-acre feet of GBRA water project. Water rights have already been leased and permitted. Director Scheel made a motion to Approve a Resolution Approving a Resolution of the Board of Directors of the Alliance Regional Water Authority Authorizing the Issuance of Contract Revenue Bonds for the Canyon Regional Water Authority in the principal amount not to exceed \$42,630,000 and other related matters. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.2 Discuss, consider, and take action related to a Resolution of the Board of Directors of the County Line Special Utility District, Approving an Interlocal Agreement between The City of Uhland, Texas and County Line Special Utility District regarding the Ownership, Operation and Maintenance of Water and Wastewater Utilities in the Anderson Park Public Improvement District in the City's Corporate Limits; and other Matters in Connection Therewith.** Stephanie Leibe with Norton Rose Fulbright US L.L.P. discussed this item. Ms. Leibe is the bond counsel for CLSUD and the City of Uhland. The City of Uhland is about to take on their second PID (Public Improvement District) bond issuance for the Anderson Park PID which is a D.R. Horton development within the City of Uhland. This PID will be used to finance public infrastructure including the water and wastewater improvements for the Anderson Park development. Since CLSUD is the water and sewer utility provider for the area, those improvements will be transferred to County Line Special Utility District (CLSUD) upon completion and in exchange for that conveyance, CLSUD agrees to own and operate and perform maintenance on these facilities. CLSUD signed a similar agreement with the City of Uhland for the Watermill PID. The City of Uhland already approved this. Walton Texas is one of the landowners along with Continental Homes which is the limited partnership of D.R. Horton. This property is not the same property referenced in Item F.17 below. Director Scheel made a motion to approve a Resolution of the Board of Directors of the County Line Special Utility District, Approving an Interlocal Agreement between The City of Uhland, Texas and County Line Special Utility District regarding the Ownership, Operation and Maintenance of Water and Wastewater Utilities in the Anderson Park Public Improvement District in the City's Corporate Limits; and other Matters in Connection Therewith. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.3 Discuss, consider, and take action to approve Easement to the Guadalupe Blanco River Authority for the TX-130 Groundwater Supply Project.** Tracie Crowell with County Line Special Utility District (CLSUD) discussed this item. GBRA needs a permanent and temporary construction easement for the construction, maintenance and operation of a pipeline to transport water for the TX-130 Groundwater Supply Project, GBRA also needs an Access Easement for Ingress and Egress. The permanent easement will be 0.0511 acres, and the temporary construction easement will be 0.03 acres. CLSUD wishes to donate the easements to GBRA (offer presented for these easements was \$5,746.00). Director Scheel made a motion to approve the donation of the easement to the Guadalupe Blanco River Authority for the TX-130 Groundwater Supply Project. Director Moore seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.4 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.** Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Amendment is needed for the Wastewater CIP (Capital Improvements Plan). Following the Chapter 395 process. The hearing will be held immediately prior to the December 16, 2024 board meeting. The Impact Fee Advisory Committee will need to meet prior to the December board meeting and will need to give their recommendation to the board. Director Scheel made a motion to set 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 on December 16. Director Moore seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.5 Discuss, consider, and take action to approve Interlocal Cooperation Agreement by and between Canyon Regional Water Authority, County Line Special Utility District and Martindale Water Supply Corporation.** This item was tabled.

**F.6 Update on Task Order with K. Friese and Associates, LLC regarding the Bobwhite Booster Station.** Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. At the August 19th, CLSUD BOT meeting, the Task Order with K. Friese and Associates, LLC (K. Friese) regarding the Bobwhite Booster Station was presented with an estimated cost of \$758,561.00 and discussed. The direction of the Board was to direct and authorize the General Manager to negotiate and authorize a Task Order based on negotiations with K. Friese and to provide an update at the next CLSUD board meeting based on those negotiations. Meetings to negotiate the scope of work and fees were held on August 1, 2024 and again on August 16, 2024. These meetings resulted in discussing the varying components to expedite the completion of the Booster Site and initial estimations for construction from subconsultant estimates. A meeting to negotiate the final scope of work and fees was held on August 29, 2024. This meeting resulted in eliminating the 60% design component from the original Task Order and further discussed cost estimations with subconsultants to determine the construction cost of the Booster Station. Also discussed was the pre-purchase component that will allow the prepurchase of pumps, emergency generator, and automatic transfer switch and flow control valves ahead of the projects schedule to meet the GBRA schedule for delivery of water. Based on these activities the original Task Order was reduced by \$101,243.00 to \$657,318.00 and was signed on August 29, 2024. No action was taken on this item, it was only an update to the board.

**F.7 Discuss, consider, and take action regarding Water Supply Agreement between County Line Special Utility District and Maxwell Special Utility District.** Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Maxwell Special Utility District (Maxwell) has requested a water supply agreement for water from CLSUD's interest in Canyon Regional Water Authority (CRWA). The term of the agreement is for two years and can be extended if mutually agreed upon, the agreement is a take or pay agreement. The agreement contemplates the completion of the "Reedville Line" upgrades. Based on a recent CRWA Water Analysis dated July 19, 2024 letter by Southwest Engineers, CLSUD has the water available to lease. To date, CLSUD has no existing water supply agreement with Maxwell. From 2024-2026, Maxwell has requested 250-acre feet of water. Revenue generated for CLSUD is as follows: For the year 2024, 250-acre feet at \$6.40 per 1,000 gallons is \$521,361.00; for the year 2025, 250-acre feet at \$5.28 per 1,000 gallons is \$430,123.00; and for the year 2026, 250-acre feet at \$5.54 per 1,000 gallons is \$451,303.00 for a total revenue of \$1,402,787.00. This revenue will help offset the cost of our payments to CRWA for the 1,308-acre feet of water we are contracted with them for. So far, the most water CLSUD has taken from the CRWA water supply is 1,100-acre feet. Director Scheel made a motion to approve a Water Supply Agreement between County Line Special Utility District and Maxwell Special Utility District. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.8 Discuss, consider, and take action to Amend Agreement with NewGen Strategies & Solutions.** Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. In November 2023, the board of CLSUD approved an agreement with NewGen Strategies & Solutions (NewGen) in the amount not-to exceed \$37,500.00 to conduct a comprehensive rate study that accounts for all business expenses and contractual obligations for the preceding year. The approved agreement was

set for time and material basis's and was through the Houston-Galveston Area Council Cooperative Purchasing Program (HGAC Buy). The Executive Committee has been meeting since April 2024 with NewGen to review the results of the rate study prepared by them. Based on a letter dated August 12, 2024, NewGen has a remaining balance of \$1,872.00. It is anticipated that to complete the rate study and continue meeting to the end of the year with the CLSUD Executive Committee, NewGen will require an additional expense of \$10,250.00. In the event the comprehensive rate study is completed before the end of the year, NewGen will not bill CLSUD. NewGen has also been working on a reuse rate and also prepared the rates for the Agreement with Maxwell Special Utility District approved in Item F.7 above. Director Scheel made a motion to amend our agreement with NewGen Strategies & Solutions not to exceed \$10,250.00. Director Sparks seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.9 Discuss, consider, and take action to authorize the awarding of the Reuse Line Extension Project on Gristmill Road.** Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. On August 19, 2024, the Board approved the solicitation of bids for the Reuse Line Extension on Gristmill Road. This project involves the installation of approximately 1,300 linear feet of 8-inch reclaimed waterline, including bores under SH21 and Gristmill Road. The bid was advertised in August, with bidding scheduled to open on September 12, 2024. However, no bids were received on that date. Due to this, CLSUD staff, in consultation with legal services, decided to seek three quotes since the estimated construction cost was set at \$150,000.00. The lowest quote received was from Travis Hobbs Construction, LLC at \$185,130.00, which covers the installation of the reuse lines from SH21 to 5 Star Concrete and the CLSUD office. Since the quotes received exceeded the estimated \$150,000.00, and TCEQ (Texas Commission on Environmental Quality) regulations permit quotes only if the construction cost is below \$150,000.00, CLSUD's legal services advised rebidding the project. The contractor is expected to complete the 1,300 LF project in approximately 2.5 months, with the reuse plant scheduled to be completed by December 30, 2024. Southwest Engineers (SWE) have completed the construction plans and attached them to the contract documents. The updated schedule for this project, as provided by SWE, is as follows: SWE sent the advertisement of the project to the Lockhart Post Register and Hays Free Press on Friday, October 18, 2024. The project will run on October 23rd and 24th, and again on October 30th and 31st. A bid opening for the project is scheduled for November 7, 2024. CLSUD staff sought the authorization for the Board President and General Manager to award the Reuse Line Extension project on Gristmill Road, pending the award recommendation from SWE. Director Howe had a concern of awarding the project if only one (1) bid was received, Mike Gershon with Lloyd Gosselink said the project does not have to be awarded. Director Scheel made a motion to authorize the awarding of the Reuse Line Extension project on Gristmill Road to the General Manager and Board President in a range from \$185,000.00 to \$350,000.00. Director Howe seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.10 Discuss, consider, and take action regarding Task Order for engineering design with K. Friese and Associates, LLC for Cotton Gin Road Water Line Relocation Project.** Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. On July 15, 2024, the board approved Task Order (TO) #10-07-24-1 with Southwest Engineers (SWE) to coordinate the preparation of easement exhibits, for CLSUD waterline easements for the Cotton Gin Road Waterline Relocation project. SWE will manage Rights-of-Entry (ROE) coordination and negotiation services. Bowman, the engineering consultant for Hays County, is moving forward with the Cotton Gin Road (CR 129) Phase 2 Roadway

Improvement Project, with construction expected to start in early February 2025. However, due to delays in acquiring the rights-of-way (ROWs), meeting the original deadline will not be possible. Consequently, SWE's right-of-way team has begun securing ROW for survey purposes. Also, CLSUD requires engineering design services for the replacement of existing water mains as part of the Hays County Cotton Gin Roadway Improvements Project which includes replacing 2,630 linear feet of 3-inch PVC water main with a 12-inch water main; replace 5,320 linear feet of 12-inch PVC water main with a 12-inch water main; and relocate 35 linear feet of 6-inch PVC water main. K. Friese and Associates (KFA) is seeking board approval to complete the design and provide bid/construction assistance, with an expedited schedule spanning 275 days from September 17, 2024, to October 3, 2025. The engineering service fees for this task order are \$353,205.00. Humberto Ramos stated a portion of this amount might be reimbursable. Director Moore made a motion to approve Task Order for engineering design with K. Friese and Associates, LLC for the Cotton Gin Road Water Line Relocation Project. Director Ilse seconded the motion, and the motion passed unanimously. 7 Aye 0 Nay. Director Moore amended the motion to include "not to exceed \$355,000.00." Director Scheel seconded the amended motion, and the amended motion passed unanimously. 7 Aye, 0 Nay

**F.11 Discuss, consider, and take action to award the FM 2720 water main and FM 2720 wastewater main project from the Bollinger Subdivision to Bobwhite Road (Segment 2).** Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. On March 28, 2022, Daniel Heideman signed a task order with Southwest Engineers (SWE) to provide engineering services for easements and water line design improvements to serve developments along FM 2720, including the Ranch Road Bollinger Subdivision and the Bob White Ranch Subdivision. The initial task order was set at \$67,840.00 for easement research. A subsequent modification, approved by Mr. Heideman, increased the total fees to \$315,840.00 to cover design services for Phase 1 and Phase 2 of the FM 2720 Water Line. Segment 1 of the waterline runs from Old Spanish Trail to the Bollinger Subdivision; Segment 2 of the waterline extends from the Bollinger Subdivision to Bobwhite Road. Segment 1 of the project includes approximately 14,000 linear feet of 24-inch water main and was completed in August 2024. SWE has now completed the design for Segment 2 of the waterline. On November 23, 2023, the board approved a task order with SWE for the design and construction of offsite wastewater infrastructure for the Bollinger Subdivision along FM 2720. This project requires easements and design improvements, with initial fees set at \$250,000.00. The project includes approximately 15,000 linear feet of 18-inch, 21-inch, and 24-inch wastewater gravity collection mains leading to the proposed PCU WRRF3 facility on Misty Lane. On August 19, 2024, the board approved a modification to the task order, adding \$15,000.00, bringing the total amount to \$276,000.00. SWE has completed the design for the FM 2720 Gravity Main and received board approval to proceed to bidding at the July 2024 board meeting. To speed up the construction of the water and wastewater lines and to eliminate two (2) contractors working on the project, CLSUD wishes to bid the project as one project and award the contract to only one contractor. The project was posted in the Lockhart Post Register and Hays Free Press for two (2) weeks. Sealed bids were opened at the office of CLSUD on October 16, 2024. Seven (7) bids were received. The project is being requested to be awarded to Dale Lowden Excavating in the amount of \$3,499,893.10 (see attached letter dated October 17, 2024 from SWE with their recommendation of award). The lowest bid was JM Pipeline, LLC of Burnet, Texas in the amount of \$3,440,718.00. The highest bid was from QroMex Construction Company in the amount of \$6,296,908.00. See attached letter dated October 17, 2024 from Southwest Engineers regarding their recommendation of Award. Director Scheel made a motion to award the FM 2720 water main and FM



2720 wastewater main project from the Bollinger Subdivision to Bobwhite Road (Segment 2) to Dale Lowden Excavating in the amount of \$3,499,893.10. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.12 Discuss, consider, and take action to delegate authority to negotiate and enter an agreement with DRG Architects for Architectural Design Services for new CLSUD facility.** Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. On June 19, 2024, CLSUD received board approval to issue an RFQ (request for qualifications) for architectural services for a new main office and operations & maintenance warehouse. The RFQ was sent to sixteen (16) firms, and responses from seven (7) architects were received by August 19, 2024. The building committee reviewed the RFQs and selected DRG Architects with a score of seventy-seven (77) for their proven expertise in designing and managing public facility projects. Their experience includes government offices, maintenance buildings, and similar projects. DRG's experienced team, led by licensed architects and engineers, excels in handling complex, multi-discipline projects and has a strong history with local government clients. CLSUD sought board approval to delegate authority to negotiate and enter into an agreement with DRG Architects for architectural design of the new CLSUD facility. Director Scheel made a motion to delegate authority to negotiate and enter an agreement with DRG Architects for Architectural Design Services for new County Line SUD facility to the General Manager and the Building Committee. Director Ilse seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.13 Discuss, consider, and take action regarding covered walkway between main office and warehouse.** France Alston with County Line Special Utility District (CLSUD) discussed this item. At the August 19, 2024 board meeting Doug Schnautz presented this item, and the board approved the proposal received from Lone Oak Construction Management, LLC in the amount of \$10,645.00, excluding license and permits and anything that was not included in the scope of work. Doug Schnautz has been trying to contact Lone Oak Construction Management, LLC to inform them the board accepted their proposal and to see when construction can begin. Lone Oak Construction is not responding to his calls or emails. A letter was composed and mailed via certified mail to Lone Oak Construction Management, LLC on Friday, September 6, 2024 with a deadline to respond, as of meeting time, a response was not received from Lone Oak Construction Management. CLSUD would like to award the project to Hays General Contractors, LLC in the amount of \$7,280.00. Director Scheel asked if CLSUD has ever worked with this contractor and if any references were received. Director Scheel made a motion to discontinue our original contractor approval to Lone Oak Construction and change over to Hays General Contractors, LLC in the amount of \$7,280.00 upon getting references to make sure they are reputable. Director Ilse seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.14 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 is related to Item F.5 above which was tabled, Mike Gershon with Lloyd Gosselink recommended this item be tabled as well.

**F.15 Discuss, consider, and take action authorizing the acquisition of the following easements and property in support of the District's water pipeline infrastructure projects.** Tracie Crowell with County Line Special Utility District (CLSUD) discussed this item.

- A. Tract 1, Parker Easement, Camino East, Lennar** (Easement has been signed, but still waiting on a subordination from their lender. CLSUD received an Indemnity Agreement from Lennar Homes)
- B. Tract 3, Yusuf Easement, Camino East, Lennar** (Easement has been signed, but still waiting on a subordination from their lender. CLSUD recorded an Indemnity Agreement from Lennar Homes)
- C. Westside at Cotton Gin**
  - A. Schmeltekopf** (Easement has been drafted and sent to him for signature)
  - B. OPG Partners** (Easement has been drafted and sent to them for signature)
- D. Lantana Easements**
  - A. Miller** (Easement has been signed, but waiting on a subordination from their lender)
  - B. Walton** (Easement has been signed)
- E. Walton Easements** (Easements have been signed)
- F. Cotton Gin Road Waterline Relocation (9 easements)** (Rights of entry have been secured on all the tracts except for two (2))
- G. FM 2720 Wastewater (10 easements)** (These easements have been signed)

Director Scheel made a motion authorizing the acquisition of the easements and property in support of the District's water pipeline infrastructure projects and authorize the Board President, Toni Brewer to sign them. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**F.16 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.** Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Mr. Ramos stated this is an update only and no action needs to be taken. This property is the other portion that needs to be transferred to CLSUD. Lloyd Gosselink is working on a draft agreement for this transfer. Once the agreement is completed and signed, it will be sent to the Public Utilities Commission (PUC).

**F.17 Discuss, consider, and take action regarding the Revised Petition to Expedite Decertification of a portion of the CLSUD Wastewater CCN Service Area located North of Hwy 21; East of High Road; and to the West of Rhode Road.** This item was discussed in executive session. Outside of executive session, Director Scheel made a motion to direct Humberto Ramos to write a letter as discussed in executive session. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay


**G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS.** The board would like Humberto Ramos to give a brief on the public comment under Item C. above in his General Manager Report at the November 18, 2024 Board Meeting.

**H. EXECUTIVE SESSION.** Director Scheel read the following: 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) to receive legal advice from CLSUD’s attorney regarding the Petition of Walton Texas, LP to amend CLSUD’s Sewer CCN by Streamlined Expedited Release, pending at the Public Utility Commission under Docket No. 56460, 551.072 (deliberations about real property) to discuss, consider, and take action regarding revised petition to expedite decertification of a portion of the County Line Special Utility District Wastewater CCN Service Area located North of Hwy 21; East of High Road; and to the West of Rhode Road and in accordance with Section 551.074 (personnel matters) for the business of the annual evaluation of the General Manager. The meeting entered executive session at 8:36 p.m. The meeting left executive session at 9:35 p.m.

**H.1 Annual Evaluation of General Manager.** Outside of executive session, Director Scheel made a motion as discussed in executive session. Director Ilse seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

**H.2 Receive legal advice from CLSUD’s attorneys regarding Petition of Walton Texas, LP to amend CLSUD’s Sewer CCN by Streamlined Expedited Release, pending at the Public Utility Commission under Docket No. 56460.**

**I. ADJOURNMENT.** Director Scheel made a motion to adjourn the meeting and Director Diaz seconded the Motion, Motion passed unanimously. 7 Aye, 0 Nay. Meeting was adjourned at 9:37 P.M.



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Date 11/18/24

Toni Brewer  
County Line SUD, Board President



October 17, 2024

Mr. Humberto Ramos, General Manager  
County Line Special Utility District  
8870 Camino Real  
Uhland, Texas 78640

RE: FM 2720 Gravity Wastewater Main (SWE Project No. 0017-092-23)  
FM 2720 Water Main – Segment 2 (SWE Project No. 0017-085-22B)  
Wednesday, October 16, 2024 at 10:00 AM  
Recommendation of Award

Dear Mr. Ramos:

Bids on the referenced project were received and opened at 10:00 AM, Wednesday, October 16, 2024. There was a total of seven (7) bids received. JM Pipeline, LLC of Burnet, Texas submitted the low base bid of \$3,440,718.00 and a completion timeframe of 220 days. Dale Lowden Excavating, LLC of San Marcos, Texas submitted the second lowest bid of \$3,499,893.10 (an increase of \$59,175.10 or 1.7%) and a completion timeframe of 250 days. The next lowest bid was nearly \$450,000 higher than the second bid.

We have worked with JM Pipeline in the past on several water projects and one wastewater project for various clients, including the Union Pacific Water Line Relocation for County Line SUD. That project was successfully completed, but it was a much smaller project ( $\pm$ \$135,000) with a subcontractor being used for the bore under the railroad. They are also currently working on both wastewater line and water line projects for Camino Real Utility (CRU) in the Mustang Ridge area, which were designed by Southwest Engineers. The wastewater project is nearly complete (it was already put into operation by CRU in June/July), but there have been delays finishing out the project (even though it is listed as a Completed Project in the information provided in JM's bid package). There was also a large gas main that was hit and scratched during trench excavation, and discussions with CRU's construction inspector were not favorable toward them. Additional issues mentioned by inspector included lack of adequate equipment and oversight in the field and poor communication. JM also ended up using a subcontractor to complete much of the project. The CRU water line project has just recently commenced construction, but there have been issues with staging pipe on property where easements were not yet acquired and silt fence installation. We believe that JM Pipeline could ultimately complete this project but have concerns about the level of detail and efficiency of the construction process.



We have worked with Dale Lowden Excavating numerous times in the past on both water and wastewater projects for County Line SUD, including Segment 1 of this FM 2720 Water Main project, which they have successfully completed in an acceptable manner. CLSUD's water inspector was also pleased with their work on this and other previous projects they completed. Furthermore, Dale Lowden Excavating should be familiar with CLSUD's expectations during construction based on past projects, so we believe that they could effectively complete this project in a timely manner. While their construction duration is 30 days longer than JM Pipeline, it would still put completion of this project near the end of July 2025, which should still satisfy CLSUD's current service commitments.

Furthermore, both of these bids were under the estimated project cost/budget. Due to the relatively small difference between the two low bids, our prior experiences with both contractors, and the substantial magnitude of this project, our current recommendation would be to award this project to Dale Lowden Excavating in the amount of \$3,499,893.10. However, if the CLSUD Board wishes to proceed with the lower bid from JM Pipeline, we will work closely with them and CLSUD's inspectors during construction to help oversee the project to an acceptable completion.

Respectfully submitted,

Allison M. Nieto, P.E.

Jeff J. Kallus, P.E.