

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting – February 18, 2026 at 6:30 P.M.

District Office-8870 Camino Real, Umland, Texas 78640

Board Members Present:

Toni Brewer

Tracy Scheel

Rebecca Moore

Earl Sparks

Hunter Schuler

William Ilse

Others Present:

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

Laura Ingram with Lloyd Gosselink Rochelle & Townsend, P.C. (CLSUD Legal Counsel) (Via Teams)

Mike Schroeder with Waterstone Land Partners

Ronja Keyes with Plum Creek Utility/BVRT

Jennifer Sullivan with HW Lochner (Via Teams)

Wayne Watts with HW Lochner (Via Teams)

Humberto Ramos, 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

Tiffeny Howe, County Line Special Utility District Staff

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 6:30 P.M.

B. ROLL CALL. Quorum of the Board was present, with Directors Brewer, Scheel, Moore, Sparks, Ilse and Schuler in attendance.

C. PUBLIC COMMENT. There were no public comments.

D. CONSENT AGENDA:

D.1 Consider and take action to approve the minutes of the January 22, 2026 regular Board meeting.

Director Sparks made a motion to approve the minutes as stated. Director Scheel seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay.

E. ITEMS FOR ACTION OR DISCUSSION/DIRECTION:

E.1 Discuss, consider, and receive an update on the Impact Fee Study process. Jennifer Sullivan with HW Lochner gave a presentation that explained what impact fees are and how they can be used; went over the legal requirements when updating impact fees; what facilities can be funded by impact fees and their limitations; formula used to calculate impact fees; schedule used when updating impact fees; public process; discussed County Line SUD's current impact fees; talked about the Impact Fee Advisory Committee (IFAC); and the next milestones. Ms. Sullivan also had various maps of County Line SUDs area. The presentation Ms. Sullivan presented was the same presentation she did at the February 5, 2026, meeting with about thirty-six (36) different developers. New laws regarding impact fees went into effect September 1, 2025. Director Schuler wanted to know if the presentation was legal advice or what the scope of work was. Ms. Sullivan said she is the consulting engineer hired to do the calculations and part of Chapter 395 states that a professional engineer must do this, she also worked with CLSUD's attorney to provide input on the process. Director Schuler also wanted to know who/how the LJE number was determined for the next ten (10) years. Ms. Sullivan said everyone is working with the developers to come up with the most accurate number they can, but since you cannot predict the future, the count may not be correct. That is why you update the fees every five (5) years. Director Schuler also asked what happens if the maximum allowable fee is not adopted. Ms. Sullivan said this fee pays for your operation, maintenance and growth expenses. If the fee isn't enough to cover these expenses, the rate payers will need to make up the difference therefore subsidizing that growth.

E.2 Discuss, consider and take action to approve reallocation of 2025 Budget line items. France Alston with County Line Special Utility District (CLSUD) discussed this item. At the January 2026 board meeting, Ms. Alston discussed the reallocation of some 2025 budget line items. This was brought back to the board at the February 18th meeting to approve. Director Scheel made a motion to approve. Director Shuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.3 Discuss, consider, and take action on streamlining the project cost approval process through upfront total project budget approval, including modification of procurement policy. Farah Najdawi with County Line Special Utility District (CLSUD) and Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. (LG) discussed this item. The current project approval process requires individual board action for multiple project expenses throughout the life of each project. This item-by-item approval model increases administrative workload, slows procurement and execution, and creates unnecessary delays in project delivery. After meeting with the Executive Committee on February 13th, we are proposing a standardized approval framework that authorizes a full project budget at initiation. This framework maintains financial oversight through internal tracking and monthly reporting. Approving an upfront total project budget would allow the Board to authorize the full financial scope of a project at the outset, while delegating execution authority within that approved amount to the General Manager in accordance with procurement requirements. The current District procurement thresholds are shown in the table below. Standard project cost allocation would be mobilization 10%; engineering design 18%; bid phase 0.5%; construction phase support 1.5%; construction inspection consultant 2%; project management (CLSUD) 2%; inflation adjustment 3% per year; and 30% contingency. The contingency percentage would decrease to 5% after the design is finalized. Mr. Gershon said the approach can be done legally. Director Sparks made a motion to approve the streamlining the project cost approval process through the upfront total project budget approval including whatever modifications are necessary in our procurement policy to make that happen with the understanding that we're going to watch this closely over this next several months as we're rolling this in to see how close we are and how it works. Director Scheel seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay. The board directed Mr. Gershon to update the policy and include it in the March board packet.

Amount	Not Budgeted	Budgeted Category	Budgeted Line Item
≤ \$5,000	GM & BOD President	GM	GM
\$5,001 – \$74,999	BOD	GM & BOD President	GM & BOD President
≥ \$75,000	BOD	BOD	BOD

E.4 Discuss, consider, and take action to approve Agreement for Professional Consulting Services with Dandy Planning, LLC dba Gap Strategies. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Mr. Ramos feels this is needed within County Line for public education on rates and infrastructure, coordination with local jurisdictions and public's understanding of CLSUD's role. They have already placed an article in the Hays Free Press regarding rates and the upcoming board election. Dandy Planning has experience in the region and has recently worked with the City of Kyle and Alliance Regional Water Authority (ARWA). The cost would not exceed \$23,700.00 and is budgeted under professional services. Director Schuler was not comfortable with the idea of a press release without the board's knowledge or consent or ability to review the content of that press release and recommended the board not approve this item. Director Scheel was not comfortable with the fact the article was published, and the board was not made aware of it. Director Moore was concerned about some typos in their contract and presentation and agreed with Director Shuler. Director Scheel made a motion to approve. Her motion did not receive a second, so the motion failed.

E.5 Discuss, consider, and take action to appoint members to the County Line Special Utility District Impact Fee Advisory Committee. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Currently the Impact Fee Advisory Committee (IFAC) must not be less than 50% of representatives of the real estate, development, or building industries who are not employees or officials of a political subdivision or government entity. The IFAC serves in an advisory capacity and is established to advise and assist CLSUD in adopting land use assumptions; review the capital improvements plan and file written comments; monitor and evaluate implementation of the capital improvements plan; file semiannual reports with respect to the progress of the capital improvements plan and report to the political subdivision any perceived inequities in implementing the plan or imposing the impact fee; and advise the political subdivision of the need to update or revise the land use assumptions, capital improvements plan, and impact fee. The IFAC will meet to discuss the proposed amendments to the Land Use Assumptions (LUA), Capital Improvements Plan (CIP), and Impact Fees before the public hearing and will file written comments on the proposed amendments with CLSUD at least five (5) days before the public hearing. Currently, Scott Miller (*Representing Land Developer*) was appointed to the IFAC in 2025. Staff recommend the following appointments to the IFAC:

Joe Howe -*Representing Business Owner/Commercial*
Previously appointed/served on IFAC prior.

Joanne Jarrett – *Representing Real Estate*
Previously appointed/served on the IFAC prior.

Brooks Willig -*Representing Land Developer*
Brooks serves as the Managing Partner of La Tierra Realty. He has managed the acquisition, development, and sale of over 10,000+ acres across 90+ projects. Projects within County Line's service area include Creeks Crossing, Highlands at Grist Mill, and Prime Data Centers Austin Campus.

Mike Schroeder -*Representing Developer/Master Planned Community*
Mike is the co-owner and developer of "WaterStone" a 5,000-lot master planned community in Hays County featuring a new 900,000 sf Industrial project constructed by Lincoln Property Company, 2,000 homes constructed by Lennar, multifamily, retail and a Lazy River anchored amenity center. Currently he has a development within CLSUD known as Caldwell Valley comprising 817 acres.

Chris Shandor – *Representing Industrial/Data Center*
Chris is a former licensed civil engineer in 5 states, he has developed properties in 15 states, ranging from master planned communities to large industrial parks. Currently he is working with "Tract" a master planned data center park developer with over 25,000 acres of land owned or under contract in 9 different states. Tract is known as the Caldwell Valley Technology park and comprises 1,515 acres within CLSUD.

Director Moore was concerned about Joe Howe continuing to serve on the committee since his wife is an employee of CLSUD. Mike Gershon, legal counsel for CLSUD, said legally this is not an issue, might be perceived as being illegal though. Director Scheel made a motion to appoint the five mentioned and

Scott Miller on the Impact Fee Advisory Committee. Director Shuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.6 Discuss, consider, and take action to engage Kimley-Horn to pursue funding opportunities for non-impact fee eligible projects identified in the Lochner 2025 Water Master Plan, in order to maintain system pressure and ensure compliance with TCEQ pressure requirements. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. The Lochner 2025 Water Master Plan identified infrastructure projects necessary to maintain system pressure and comply with TCEQ pressure requirements that are not eligible for funding through impact fees. The total estimated cost for those projects as displayed in the table below total \$25,514,538.42. The District currently does not have dedicated budget capacity to advance these projects without outside funding assistance. The Texas Water Development Board 2026 Water Supply & Infrastructure Grant (WSIG) program provides funding of up to \$15 million for planning, design, and construction of eligible water infrastructure improvements. To pursue this opportunity, staff recommend engaging Kimley-Horn to prepare and submit the WSIG application on behalf of the District. Kimley-Horn will assist with identifying eligible projects, preparing required documentation, and coordinating the application using cost data from the adopted Water Master Plan. While funding is not guaranteed, pursuing this grant provides a critical opportunity to advance priority infrastructure projects that otherwise lack funding. The cost would be \$30,700.00. CLSUD would qualify for this based on the fact the community has less than 100,000 residents.

Project #	Project	Project Description	Total CIP Cost
1	Laidley Acres Subdivision	F.H. Installation	\$74,385.00
2	Avery Park Subdivision	F.H. Installation	\$50,092.00
3	High Meadows Subdivision	W.L. Upsize	\$7,883,505.34
4	Laidley Acres	W.L. Upsize	\$4,339,642.81
5	Avery Park Subdivision	W.L. Upsize	\$3,330,288.00
6	Oakmont Estates Subdivision	W.L. Upsize	\$2,533,580.63
7	Summer Sun Subdivision	W.L. Upsize	\$1,577,939.98
8	Sunset Ridge	W.L. Upsize	\$1,939,587.60
9	Ranch at Porter Creek Subdivision	W.L. Upsize	\$2,052,871.57
10	Flint Rd.	W.L. Upsize	\$1,557,529.44

11	FM 2001	Water Line Relocation	\$175,116.05
Total			\$25,514,538.42

Director Sparks made a motion to engage Kimley-Horn to pursue the funding opportunities for non-impact fee eligible projects. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.7 Discuss, consider, and take action to contract PCS consulting to provide inspection services for Bobwhite Booster Pump Station, GST and 30-inch water main. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. At the October board meeting, the District approved engaging TEC Consulting to provide construction management and inspection services for the Bobwhite Booster Pump Station & Ground Storage Tank project in the amount of \$369,040.00, and for the Bobwhite 24-inch Water Main Phase 3 project in the amount of \$81,120.00. TEC has since transitioned its central Texas construction management and inspection services to Purcell Consulting Services (PCS). PCS has partnered with TEC since 2021 and will continue to receive TEC support as needed. Existing personnel familiar with District projects will remain available, ensuring continuity of service and project oversight. This transition allows the District to contract directly with PCS while maintaining the same experienced staff supporting current construction activities. Mike Gershon, legal counsel for CLSUD said TEC and PCS are two (2) stand alone companies. Our contract with TEC does not have an assignment clause in the contract. Thad Purcell has an ownership interest in TEC but is no longer providing services through TEC because TEC no longer wants to conduct business in this area. There will not be a price increase by going with PCS. Mr. Purcell is not looking to breach his contract with TEC. Director Scheel would like to have an RFQ issued for two weeks just to make sure Thad Purcell with PCS is qualified to do the job. Humberto Ramos will contact TEC to make sure we can still work under our contract with them for the next thirty (30) days so projects can continue to have inspections done and while CLSUD issues the RFQ. This item was tabled until next month.

E.8 Discuss, consider, and take action to engage Lochner to update the Emergency Preparedness Plan (EPP) to include the High Road water supply and submit the updated plan to TCEQ. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. In response to Winter Storm Uri, the 87th Texas Legislature enacted Senate Bill 3 (SB 3), which added Section 13.1394 to the Texas Water Code. This law requires affected water utilities to maintain emergency operations during extended power outages exceeding 24 hours. As an affected utility, CLSUD must maintain and submit an Emergency Preparedness Plan (EPP) to the Texas Commission on Environmental Quality (TCEQ) demonstrating the District's ability to restore or maintain system pressure of at least 20 psi during qualifying outages. CLSUD previously engaged Southwest Engineers to prepare and coordinate approval of the District's EPP. The District has since expanded its system to include the High Road water supply. Because the EPP must reflect all operational facilities, the plan must be updated to incorporate the High Road infrastructure and related emergency preparedness measures. The proposed engagement authorizes Lochner to update the EPP and submit the revised plan to TCEQ for approval in compliance with Texas Water Code Section 13.1394. After three (3) rounds of negotiations with Lochner, the total fee for the update is \$34,670.00, and completion and submission to TCEQ is anticipated before

December 2026. This action ensures continued regulatory compliance and maintains the District's operational readiness during extended emergency conditions. Director Scheel would like to do this annually instead of multiple times during the year. Director Scheel made a motion to engage Lochner to update the Emergency Preparedness Plan to include High Road water supply and submit the updated plan to TCEQ. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.9 Discuss, consider, and take action to authorize negotiation of the Short-Term Option for Potable Water Reservation and Diversion Contract between the Nueces River Authority (NRA) and County Line Special Utility District. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. This project is an ocean desal located on Harbor Island Corpus Christi with a pipeline to Hays County. Harbor Island is located near the ferry to Port Aransas. This project is part of Region N. A representative of the Nueces River Authority gave a presentation of the project to the Executive Committee on February 13, 2026. The project will produce one hundred (100) million gallons per day with ninety-five percent (95%) of this water already sold. Mr. Ramos would like to sign a two (2) year contract for the remaining five percent (5%), after the two (2) year period, CLSUD can get out of the contract if they want. All participants will pay for their own pipeline. No site has been chosen for a booster station(s) since the NRA is not sure of all the participants yet. The City of Kyle has signed up for ten (10) million gallons per day. CLSUD will need additional water to satisfy commitments and regulatory requirements since the contract with San Marcos will end in 2028 and the GBRA water is delayed. If CLSUD contracts for more water than needed, they can go out on the market and sell it. The first two (2) years will be design and engineering and during that time, they will start talking about what the payments will be and when the water will come. They are estimating the water will be in this area in 2031 or 2032 and providing water for Corpus Christi by 2029. Director Scheel made a motion to approve. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.10 Discuss, consider, and take action regarding CRWA's proposed amendments to Amended and Restated Regional (Hays/Caldwell Counties Area) Water Supply and Treatment Contract provided in furtherance of settlement of City of San Marcos v. CRWA, Maxwell Special Utility District (SUD), Crystal Clear SUD, County Line SUD and Martindale Water Supply Corporation, Cause No. 25-0782-CV-E (Guadalupe County District Court). This item was discussed during executive session. No action was taken.

E.11 Discuss, consider, and take action regarding above-referenced lawsuit initiated by City of San Marcos in Cause No. 25-0782-CV-E. This item was discussed during executive session. No action was taken.

E.12 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. Cotton Gin Road Easements:

- a. Tract 1
- b. Tract 2
- c. Tract 2A
- d. Tract 2C.

This item was discussed during executive session. Once the meeting re-entered open session, Director Scheel made a motion to approve as discussed in executive session. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

F. REPORTS- The Board of Directors will receive reports regarding the following.

F.1 Wastewater Treatment Plant Report. Ronja Keyes with Plum Creek Utility-OMMS-BVRT reported on this item. The plant is in compliance; the maintenance activity at WRRF#1 during January was limited to minor routine maintenance; and there were not any maintenance activities on County Line SUD's wastewater facilities and lines during January. Construction of the WRRF#1 expansion has been completed, and the facility is fully operational with a total permitted capacity of 300,000 gallons per day with approximately 190,000 gallons per day in use. Twelve (12) connections were made to the system in January, seven (7) in the Camino East Subdivision and five (5) in the Marigold Subdivision. Humberto Ramos thanked Plum Creek Utility for the tour of the facility with him and Director Sparks. PCU is working on a response back to County Line SUD regarding the rate increase.

F.2 Project(s) Management Report. Farah Najdawi with County Line Special Utility District (CLSUD) reported on this item. See attached presentation. The format of Ms. Najdawi's presentation/report will change starting at the March 18, 2026 board meeting.

F.3 Capacity Report. Humberto Ramos General Manager for County Line Special Utility District (CLSUD) reported twenty-five (25) LUEs were added towards the one-hundred-thirty-six (136) LUE goal. Current active accounts are 6,773.2 with 2,191.5 in reserve. Water demand (active + reserves in acre feet) 2,779.06 and current water supply in acre feet is 3,493.71. Currently we have a 40% reduction for our Edwards water supply and 10% reduction for our Canyon Regional Water Authority (CRWA) water supply.

F.4 NSSA Tracking Report. Humberto Ramos with County Line Special Utility District (CLSUD) reported Non-Standard Service Agreements (NSSAs) were signed for 700 Bunton Phase 1B and 2A (205 LUEs) and Bollinger Phase 5A (4 LUEs). NSSAs were emailed to the developer of S&P Uhland, Sunset Oaks Commercial and Gristmill Retail Center. Our attorney is working on NSSAs for the Kyle Wastewater Treatment Plant expansion, revised NSSAs for Hemphill Elementary and Simon Middle School and JD's Supermarket Kyle. Received Service Requests for Kyle Estates East (805 total LUEs with 190 LUEs in Phase 1), Prime Data Center (24 LUEs) and Caldwell Valley (2,000 total LUEs with 925 LUEs in Phase 1). The second half of water impact fees were collected for TK Ranch (\$461,212.50) and Bollinger Phase 5A (\$25,875.00).

F.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported on this item. At the last board meeting, Director Moore asked if the projects CLSUD has been doing are going to the balance sheet accounts and at the end of the 2024 audit, the auditor asked for CLSUD to go ahead and start putting them in construction in process in their own accounts. This practice occurred during all of

2025 and will continue going into 2026. Total income for January was \$1,629,475.94, total expenses were \$1,031,353.56 and bottom line was \$598,122.38. The following checks were out of the ordinary: BOKF, NA in the amount of \$981,675.01 for the Bond payment, the second payment of \$1.5 million is due in August; Texas Municipal League in the amount of \$43,081.78 for the company's insurance; Hill Vue Farms, LLC in the amount of \$23,539.44 for a lease agreement that is paid once per year; and three (3) checks to Director Scheel. Director Schuler was concerned about this since she received more than the other directors. Ms. Alston said Director Scheel attends three (3) different meetings every month, she attends Alliance Regional Water Authority (ARWA), Canyon Regional Water Authority (CRWA) along with their construction committee meetings. Director Scheel also turns in mileage for these meetings. Per the request of Director Moore, Ms. Alston presented an Operating P&L which does not include Impact Fees or Wastewater Fees, this is an actual operations expense report. On the Balance Sheet, Director Moore was concerned that the Developers Deposit Payable line appears as if they owe CLSUD over a million dollars, Ms. Alston will look into this and provide an answer at the next board meeting. Director Moore was also concerned that the Equipment-Vehicles line appears to have increased by \$70.00-\$80.00, Ms. Alston will look into this and provide an answer at the next board meeting.

F.6 Production & Operation(s) Report. Tiffeny Howe with County Line Special Utility District (CLSUD) reported that three (3) bids were sought to repair sheetrock and interior structure in the main office building, estimated price ranges from \$7,000.00 to \$18,000.00; two (2) foundation opinions were also sought, the estimated cost to repair the foundation ranges from \$20,000.00 to \$80,000.00. Ms. Howe is making operating training a priority. In January, one (1) class has already been taken; another class has started, and two (2) tests are scheduled to be taken. Director Shuler asked about the various levels of licenses, Ms. Howe said Class D is the easiest licenses to obtain (you don't need any years of experience and takes about 20 hours of classes.); Class C is your basic water operators license, with this license you are able to do certain tests; Class B requires more experience and training; and the highest license is Class A.

CLSUD experienced ice and very cold weather January 24-27. The following happened during that time:

- Winterization Checklist
- Communication with other entities
- 2 on-call techs
- Storage tanks at higher levels
- Essential staff only reported to work Monday, January 26
- Electricity was down for 1 ½ hours Saturday
 - Back up battery kicked in but did not last the entire time. A new, 36-hour battery has since been installed
- Transducer at Woodlands Elevated Storage Tank went out
 - Levels were read manually; water levels did not drop too low
 - Transducer was replaced on January 28
 - Heat tape was installed
- Brooks Well #2 communicated inconsistently
 - Started working consistently after it thawed
- There were no service interruptions.

Canyon Regional Water Authority (CRWA) shut down our water supply for a few hours to install a line to circumvent the smaller line north of Reedville, owned by Maxwell SUD. The tie-in was scheduled in advance with CLSUD to allow time to fill the storage tanks to have water on hand, our other sources of water were utilized during this time. City of San Marcos scheduled maintenance for February 11, a similar strategy used with the CRWA shutdown will be used to keep storage tanks at higher levels.

Our techs are marking manholes along our wastewater line on FM 2720 to help prevent farmers damaging them while plowing, mowing, etc. Ms. Howe is working with Farah Najdawi to revise CLSUD’s construction standards to include this practice.

LEAKS REPAIRED

			GALLONS
26-Jan	S. Plum Creek Rd. - repair on old repair		1500
29-Jan	S. Plum Creek Rd. - old dressers leaking		5900
30-Jan	Dairy Rd. - leaking gasket on saddle		16,270
FLUSHING			41,780

2026	CRWA 1058 AF			SAN MARCOS 1680 AF			EAA 291.418 AF CLSUD (241.086) AF 500 AF SM (413.644) AF			ARWA 219 AF		
	TOTAL MONTHLY PRODUCTION GALLONS	PRODUCTION DAILY AVERAGE GALLONS	PRODUCTION PEAK DAY MG GALLONS	TOTAL MONTHLY PRODUCTION GALLONS	PRODUCTION DAILY AVERAGE GALLONS	PRODUCTION PEAK DAY GALLONS	TOTAL MONTHLY PRODUCTION GALLONS	PRODUCTION DAILY AVERAGE GALLONS	PRODUCTION PEAK DAY GALLONS	TOTAL MONTHLY PRODUCTION GALLONS	PRODUCTION DAILY AVERAGE GALLONS	PRODUCTION PEAK DAY GALLONS
JAN.	9,030,309	291,300	349,964	17,070,000	569,000	746,000	9,090,591	293,245	372,122	4,529,981	150,999	185,083
FEB.												
MAR.												
APR.												
MAY												
JUN.												
JUL.												
AUG.												
SEPT.												
OCT.												
NOV.												
DEC.												
YTD	9,030,309	291,300	349,964	17,070,000	569,000	746,000	9,090,591	293,245	372,122	4,529,981	150,999	185,083

SOURCE	UNIT	PERMITTED WITHOUT REDUCTION	REDUCED TO	USED TOTAL	REMAIN
CRWA	AF	1308	1058	27.713	1,030.287
CLSUD (Well #1 Edwards)	AF	76.212	40% reduction 45.727	17.032	28.695
CLSUD (Well #2 Edwards)	AF	215.206	40% reduction 129.123	10.886	118.237
SAN MARCOS EDWARDS	AF	500	40% reduction 300	0	300
ARWA	AF	219	NO REDUCTION	14.353	204.647
SAN MARCOS	AF	1680	NO REDUCTION	52.385	1,627.615
TOTAL =				122.369	5,167.602

F.7 General Manager's / CRWA, GBRA and ARWA Report. Humberto Ramos, General Manager for County Line Special Utility District (CLSUD) reported on this item.

General Manager Report

- Continue working with various developers within CLSUD CCN. Held impact Fee Study meeting with residential developers, commercial developers and data center representatives on February 5, 2026, thirty-six (36) people attended either in person or virtually.
- Regarding increasing customer deposits; Staff will be meeting with Maxwell SUD to compare deposit charges and processes.
- Regional meetings (see below CRWA & ARWA Report)
- Attended Plum Creek County Groundwater Conservation District meeting on January 20th to brief the District on the completion of the sewer pipeline and update to the dewatering activities.
- CLSUD awaiting review of CLSUD request for reimbursement of Cotton Gin relocation line from Hays County.
- Working with Chris Ekrut (New Gen) and France to close out 2025 financial status of CLSUD. Working with Chris, France and staff to develop and monitor 2026.

City of Uhland Meeting(s)

- Staff did not attend the February 5th City Council Meeting. No update

City of San Marcos

- City of San Marcos would like to take lease agreement extension for approval to their council in April. Lease agreements are for surface and Edwards groundwater for two more years from 2026-2028.

City of Kyle

- LG working with City of Kyle attorney to address “interlocal agreement” regarding relocation of water lines for Bunton Creek Rd and Leahman Rd road projects. CLSUD and City of Kyle staff will meet in the week of February 16-20th to discuss it further. County Line was served with Eminent Domain papers for the Lehman Road project.

BVRT

- BVRT submitted a Sewer Rate adjustment in April to take into effect in 2026 as per our Agreement. At the January 22nd CLSUD Board meeting the Board denied the submitted rate adjustment. On January 23rd, GM spoke with Shilen Patel, CEO, regarding CLSUD denial of the rate adjustment.
- Will meet with Shilen Patel on the week of February 25th to discuss WRRF #2 and the Draft Reuse Agreement.

Caldwell County Flood Mitigation Plan

- No update.

CAPCOG-CEDS (COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY) Caldwell County Meeting

- No update.

Update on CRWA, ARWA and GBRA

Update on Hays Caldwell Water Treatment Plant -CRWA

- At the February 9, 2026 CRWA BOT, CRWA GM reported:
 - Phase I WTP Facility Improvements
 - Construction complete; received substantial completion.
 - Hays Caldwell Pipeline (Reedville pipeline)
 - Approximately 4,000 linear feet of pipeline have been installed.
 - Tie into the system occurred on February 5th.
 - Ground Storage Tank
 - Used 512 days of 401 days contract time, which equals 127.7% of available contract time expended. CRWA will provide at next meeting why the delays.
 - Pall Mobile Membrane Filtration Unit
 - Coordination with TCEQ is ongoing to satisfy additional agency requirements.
 - The 2nd rental unit is currently in operation.
 - A meeting will be held in February to discuss the need for a 3rd trailer.

- Pilot Study
 - Consultant is currently compiling data. Director Scheel stated that the study is completed and the construction committee will issue a report sometime next week. The study consisted of three (3) different membranes to see which one worked best.

CRWA BOT -Meeting held on February 9, 2026, of concern were:

Item 8 General Business

- C. Discuss, consider, and take possible action on Resolution 26-02-004 amending the Alliance Regional Water Authority Fiscal Year 2026 Budget. This item was approved and it was for an amendment of \$50,000 and results in an annual increase of \$10,748.33 for CLSUD.
- D. Discuss, consider, and take possible action on Resolution 26-02-006 accepting nominations for CRWA Representative to be appointed to the Alliance Regional Water Authority Board of Directors, and appointing a Representative selected by vote of the CRWA Board of Trustees. Mike Saldana (Interim GM for Crystal Clear was selected as the appointee.
- E. Discuss, consider, and take possible action on amending the CRWA Board of Directors administrative policies to include a policy on hiring past and present appointed CRWA Board Members and hiring past and present appointed CRWA Board Member immediate family members at CRWA. (Mr. Ramos) This item was tabled until next meeting so the attorneys can review proposed language.
- F. Discuss reducing the number of members on the CRWA Board of Trustees from 22 to 11. Legal counsel for CRWA will conduct review of reducing board membership.

GBRA/Gonzales Carrizo Water Supply Project

- Recall CLSUD is contracted for 2,419 AF or 27.63% of total project-water is to be delivered by February 2027.
 - The groundwater permit was denied at the June 10th Gonzales County Underground Water Conservation District (GCUWCD).

As of February 6, 2026, following is the update to the project: Booster Pump Station (BPS) continues with construction. Electrical conduit around the site main focus. BPS building concrete foundation is close to being complete. GST subgrade and fill is complete, concrete slab to commence this month. Contractor completed sitework at Lockhart delivery point and are moving to Goforth delivery point Contractor started on the first delivery point. Eastern pipeline 40% construction with only one bore remaining. Northern Pipeline boring continues. Contractor began installing pipe last week.

No update on the permit status with GCUWCD.

GBRA Water Secure Supply Project- CLSUD staff and consultant attended the January 23rd and with the potential utilities from the below table to discuss comments received for the Water Secure Supply Project agreement and provide an update. GBRA will forward a new draft agreement within two weeks regarding recommended changes based on input.

Alliance Regional Water Authority (ARWA) BOT- Next Board meeting will be February 25th. Discussion will center around cost and financing options to the additional expansion costs. In addition, next phase of the Water Supply Study will be considered.

Region L – 2026 Region L Regional Water Plan was approved in January 2025 from TWDB. At the February 5th meeting efforts were taken for the next 2031 Region L Regional Water Plan to include seating the officers and filling vacancies. Currently two vacancies exist for agricultural representation. Humberto Ramos (CLSUD) was renominated and will remain Vice-chair of Region L.

F.8 President’s Report. Director Brewer did not have anything to report.

F.9 General Counsel’s Report. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. reported County Line SUD will have their first ever election and will need to sign election contracts with both Hays and Caldwell Counties. City of Kyle filed eminent domain proceedings against County Line SUD regarding the Lehman Road project. Mr. Gershon discussed these matters further during executive session.

G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS. The following items were requested to be added to future agendas. Director Schuler requested the following items be added to future agendas.

1. Discuss and revise the General Manager’s job duties as it pertains to public affairs. He would like to see this on the March Agenda. Director Moore seconded the motion.
2. County Line Special Utility District’s continued involvement in wastewater services with any background information that staff can provide as well as any response received from Plum Creek. He would like to see this on the April Agenda. Director Scheel seconded the motion.
3. Posting recordings of board meetings on the district’s website. He would like to see this on the March Agenda. Director Scheel seconded the motion.

H. EXECUTIVE SESSION. Meeting entered Executive Session at 9:11 p.m. 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 discuss Items E.10, E.11 and further discuss Item F.9 above, 551.072 (deliberations about real property) to discuss Item E.12 above; the General Manager’s operational duties under 551.074 (personnel matters); or as otherwise authorized by law. The meeting entered open session at 10:16 p.m.

I. ADJOURNMENT. Director Scheel made a motion to adjourn the meeting. Director Schuler seconded the Motion, Motion passed unanimously. 6 Aye, 0 Nay. Meeting was adjourned at 10:21 P.M.



Date 3/18/26

Toni Brewer
County Line SUD, Board President

Project(s) Management Report

Farah Najdawi
February 18, 2026

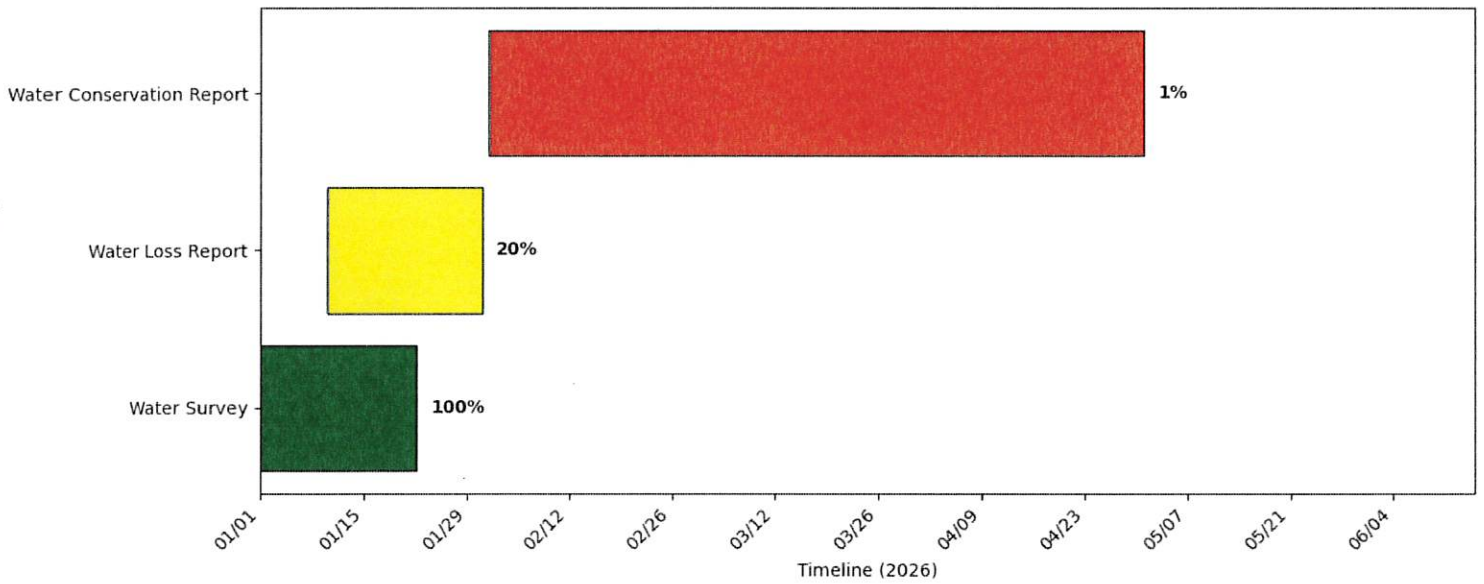
Projects Overview | 2026- Ongoing

	Project Name	Assign to	Type	Project Status	Completion Date
1	Lead and Copper Line inventories	CLSUD	Other	Ongoing	Dec-2027
2	TCEQ Reports	CLSUD	Water	Ongoing	Dec-2029
3	TWDB Reports	CLSUD	Water	Ongoing	May-2026
5	Diamond Map Improvement	CLSUD	Other	Ongoing	Dec-2027
5	RRA and ERP	KHs	Other	Ongoing	Dec-2026
7	Water Master Plan	KFA/Lochner	Water	Completed	Dec-2025
3	Bobwhite Pump Station and GST	KFA/Lochner	Water	Bid/Contract	Apr-2027
3	Cotton Gin Rd. Ph. 2 Water Relocation	KFA/Lochner	Water Relocation	Ongoing Design	Oct-2026
0	City of Kyle-Kyle PWK and Lehman Rd	KFA/Lochner	Water Relocation	Ongoing Design	Dec-2026
1	Bunton Creek Road –City of Kyle	KFA/Lochner	Water Relocation	Ongoing Design	Apr-2027
2	Caldwell County- Rocky Road Realignment at SH21	-	Water Relocation	Predesign	Fall-2026
3	Caldwell County- FM2720 Realignment at Gristmill Road	-	Water Relocation	Predesign	Fall-2026
4	Reuse Water Retail Dispensary	KFA/Lochner	Water	Onhold	Jun-2026
5	FM2720 Water Main (Phase 3)	KFA/Lochner	Water	Ongoing Design	Dec-2026
6	FM 2001 Water Line Relocation	SWE	Water	Completed	May-2025
7	FM 2720 Water Main (Phase 2)	SWE	Water	Ongoing Construction	Feb-2026
8	FM 2720 Wastewater Main	SWE	Wastewater	Ongoing Construction	Feb-2026
9	Emergency Preparedness plan (EPP)	Lochner	Other	Ongoing	Dec-2026
0	Misty Lane and Farmers Rd	KHs	Water	Ongoing Design	Jun-2028

TWDB Reports

January 1, 2026-May 1, 2026

2026 TWDB Reports



CLSUD Projects Budget Tracking

Project	Duration	Start	Finish	Cost Breakdown	BTD
Lead and Copper Line Inventories	Ongoing	Oct-2023	Ongoing	Contractor	YTD
Diamond Map Improvement	Ongoing	Mar-2025	Ongoing	GIS Analyst	YTD

Design and Construction Phase Projects (Lochner)

Task Name	Duration	Start	Finish	Oct 2, 2024	Oct 3, 2024	Oct 4, 2024	Oct 1, 2025	Oct 2, 2025	Oct 3, 2025	Oct 4, 2025	Oct 1, 2026	Oct 2, 2026	Oct 3, 2026	Oct 4, 2026	Oct 1, 2027	Oct 2, 2027	Oct 3, 2027	Oct 4, 2027	Oct 1, 2028			
BOBWHITE PS & GST	783 days	Thu 8/29/24	Mon 8/30/27	[Gantt bar spanning from Oct 29, 2024 to Oct 30, 2027]																		
Progress meetings	409 days	Wed 9/4/24	Mon 3/30/26	[Gantt bar spanning from Sep 4, 2024 to Mar 30, 2026]																		
Construction	674 days	Mon 1/27/25	Fri 8/27/27	[Gantt bar spanning from Jan 27, 2025 to Aug 27, 2027]																		
COTTON GIN RD. PH. 2 WATER RELOCATION	536 days	Mon 9/16/24	Sat 10/3/26	[Gantt bar spanning from Sep 16, 2024 to Oct 3, 2026]																		
Progress meetings	270 days	Wed 9/18/24	Tue 9/30/25	[Gantt bar spanning from Sep 18, 2024 to Sep 30, 2025]																		
Drafting 100% plans/specifications/costs	234 days	Thu 9/19/24	Tue 8/12/25	[Gantt bar spanning from Sep 19, 2024 to Aug 12, 2025]																		
Coordinated with SWE on ROE and ESMT survey	95 days	Mon 11/18/24	Fri 3/28/25	[Gantt bar spanning from Nov 18, 2024 to Mar 28, 2025]																		
Continue Coordination with Bowman and County	290 days	Tue 11/19/24	Mon 12/29/25	[Gantt bar spanning from Nov 19, 2024 to Dec 29, 2025]																		
FM2720/ BOBWHITE 24 IN. WATER MAIN PH 3	551 days	Wed 11/20/24	Wed 12/30/26	[Gantt bar spanning from Nov 20, 2024 to Dec 30, 2026]																		
Progress Meetings	162 days	Wed 11/20/24	Thu 7/3/25	[Gantt bar spanning from Nov 20, 2024 to Jul 3, 2025]																		
Caldwell County Permit	62 days	Fri 12/5/25	Mon 3/2/26	[Gantt bar spanning from Dec 5, 2025 to Mar 2, 2026]																		
Contract Document prep	56 days	Mon 12/15/25	Sun 3/1/26	[Gantt bar spanning from Dec 15, 2025 to Feb 1, 2026]																		

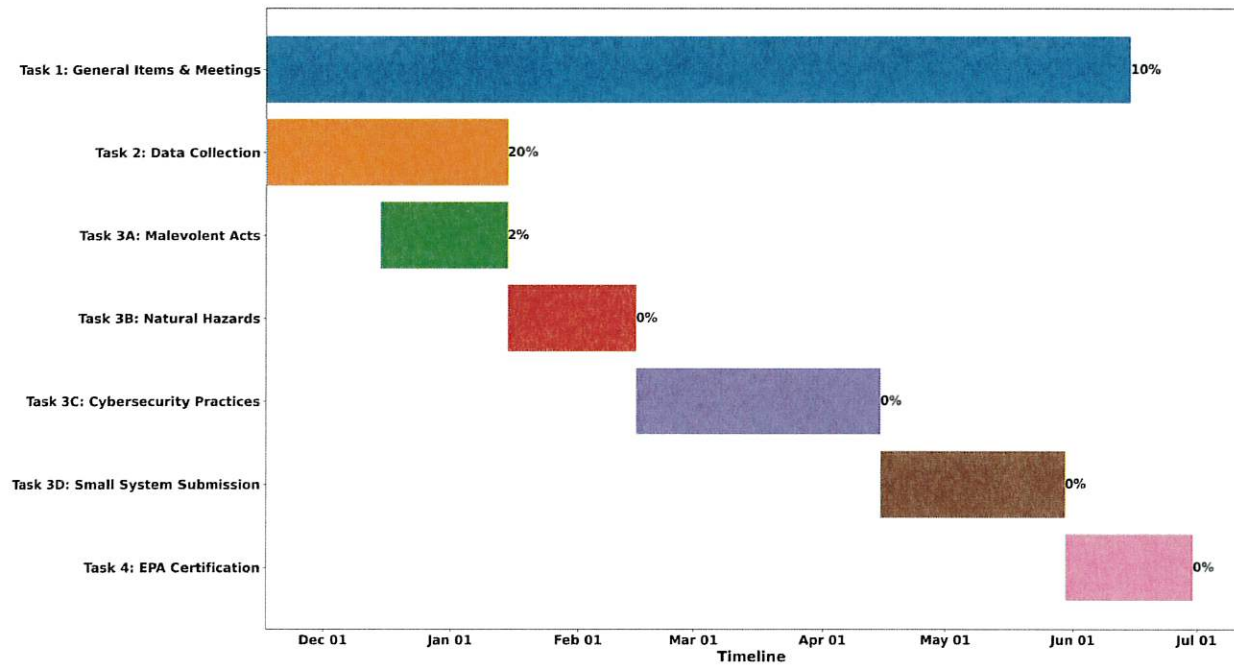
Budgeting for the Design Phase Lochner Projects

Jan 1, 2025- Feb 1, 2026

Project	Assign to	Original Engineering TO	Approved Amendment TO	Current Engineering TO	Billed to Date	BTF	% Complete
Water Master Plan	KFA	\$199,978.00	-	\$199,978.00	\$199,978.00	-	100%
Bobwhite PS and GST	KFA	\$657,318.00	-	\$657,318.00	\$533,693.71	\$156,395.29	81.2%
Cotton Gin Water Line Relocation (Ph 2)	KFA	\$353,205.00	-	\$353,205.00	\$259,971.50	\$93,233.50	73.6%
FM2720/Bobwhite-24" Water Main PH3	KFA	\$361,003.00	\$38,415.00	\$399,418.00	\$ 326,809.10	\$72,608.90	81.82%
Wastewater CIP	KFA	\$39,675.00	-	\$39,675.00	\$34,650.00	\$5,025.00	87%

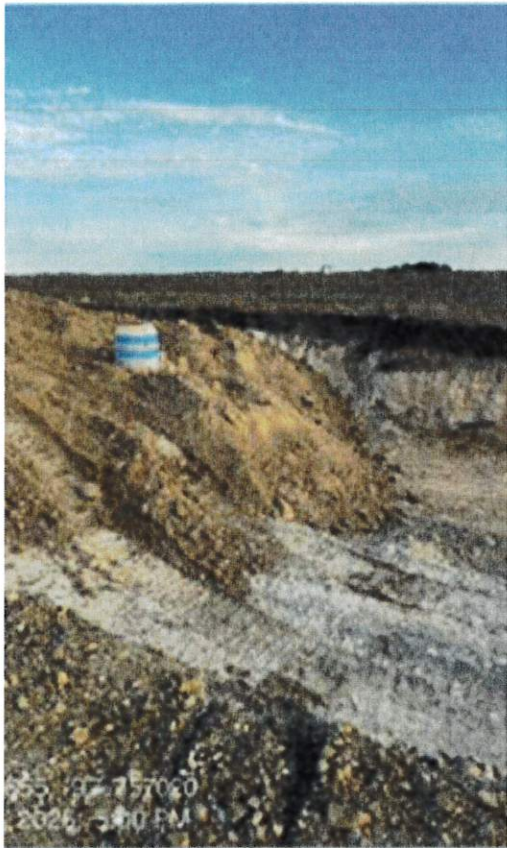
Risk & Resilience Assessment (RRA-KH)

Dec 1, 2025- Jun 30, 2026



Under Construction Projects (SWE)

Task Name	Duration	Start	Finish	%	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half				
FM 2720 Water Main - Segment 2	440.88 days	Tue 6/25/24	Tue 3/3/26	84%																		
Design	100 days	Tue 6/25/24	Tue 11/12/24	100%																		
Bidding	15.88 days	Wed 9/25/24	Wed 10/16/24	100%																		
County Permitting	53 days	Wed 9/25/24	Fri 12/6/24	100%																		
Award	2.88 days	Thu 10/17/24	Mon 10/21/24	100%																		
Contract Execution & NTP	25 days	Tue 10/22/24	Sun 11/24/24	100%																		
Construction	215 days	Mon 11/25/24	Fri 9/19/25	100%																		
FM 2720 Wastewater Main	545 days	Wed 1/31/24	Tue 3/3/26	80%																		
Easement Acquisition	173 days	Fri 2/2/24	Tue 10/1/24	100%																		
Survey	22 days	Tue 2/20/24	Wed 3/20/24	100%																		
Additional Survey	1 day	Thu 4/25/24	Thu 4/25/24	100%																		
Design	108 days	Fri 4/26/24	Tue 9/24/24	100%																		
Bidding	16 days	Wed 9/25/24	Wed 10/16/24	100%																		
County Permitting	53 days	Wed 9/25/24	Fri 12/6/24	100%																		
Award	3 days	Thu 10/17/24	Mon 10/21/24	100%																		
Contract Execution & NTP	25 days	Tue 10/22/24	Sun 11/24/24	100%																		
Construction	321 days	Mon 11/25/24	Mon 2/16/26	85%																		
Record Drawings	152 days	Mon 8/4/25	Tue 3/3/26	10%																		



Budgeting for the Design/Bid/Construction Assistance Phase (SWE)

Jan 1, 2026- Feb 1, 2026

Project	Assign to	Original Engineering TO	Approved Amendment TO	Current Engineering TO	Billed to Date	BTF	% Complete
Gristmill Reuse Line	SWE	\$137,500.00	\$31,000.00	\$168,500.00	\$168,500.00	-	100%
FM 2720 Wastewater Main	SWE	\$250,000.00	\$26,000.00	\$276,000.00	\$267,133.18	\$8,866.82	96.7%
FM 2720 Water Main	SWE	\$315,840.00	-	\$315,840.00	\$387,150.50	-	111%
Misty Lane Elevated Storage Tank	SWE	\$160,000.00	-	\$160,000.00	\$151,969.60	\$8,030.00	95%
FM2001 Water Line Relocation	SWE	No TO	-	No TO	\$ 41,856.74	-	-
Bobwhite Rd Water Line Esmt Acquisition	SWE	\$15,000.00	-	\$15,000.00	\$17,100.75	-	114.0%
Cotton Gin Water Line Relocation Ph 2 Esmt Acquisition	SWE	\$97,000.00	-	\$97,000.00	\$102,422.50	-	105.6%
Porter Creek Lift Station and Force Main	SWE	\$35,500.00	-	\$35,500.00	\$35,500.00	-	100%

Budgeting for the Construction Phase (SWE)

Nov 1, 2025- Dec 1, 2025

Project	Contractor	Contractor Bid	Change Orders	Current Cost	Billed to Date	BTF	% Billed
Reuse Plant	TTE	\$1,379,000.00	(\$7,348.00)	\$1,371,652.00	\$1,371,652.00	\$0.00	100%
Porter Creek Gravity Main	EVT	\$879,586.79	\$0.00	\$879,586.79	\$879,586.79	\$0.00	100%
Gristmill Reuse Line	Travis Hobbs	\$169,350.00	(\$4,120.00)	\$165,230.00	\$165,230.00	\$0.00	100%
Porter Creek Lift Station	Alterman	\$1,193,600.00	\$2,366.00	\$1,195,966.00	\$1,195,966.00	\$0.00	100%
FM 2720 Water & WW Mains	Lowden	\$3,499,893.10	\$206,820.36	\$3,706,713.46	\$3,354,155.04	\$352,558.42	90.5%
FM 2001 Water Line	Nelson Lewis	\$79,780.00	(\$28,394.32)	\$51,385.68	\$51,385.68	\$0.00	100%

General Engineering Services (SWE)

Jan 1, 2026- Feb 1, 2026

General services with Task Orders	Provided Services	Budget	
		Original T.O	BTD
Sewer CCN Amendment	Amended sewer CCN /publishing	\$20,000.00	\$2,747.50
Total		\$2,693.75	

❖ **Note:**

SWE charges to CLSUD:

✓ Requested info: \$281.25

Budgeting for W/WW inspection services

Jul 1, 2025-Dec 30, 2025

Project	Inspector	Total Project Budget	Billed to Date	BTF	% Complete
Reuse Plant	Robert Dial	\$Hourly	\$5,495.00	N/A	N/A
Gristmill Reuse Line	Robert Dial	\$13,920.00	\$6,500.00	\$7,420.00	47%
FM 2001 Water Line	Robert Dial	\$9,850.00	\$2,170.00	\$7,680.00	22%
FM 2720 WW and Water Main (Ph2)	TEC	\$102,440.00	\$92,470.00	\$9,970.00	90.3%
Misty Lane EST	TEC	\$66,240.00	\$2,750.00	\$63,490.00	4.2%
Cotton Gin Water Line Relocation (Ph 2)	Doucet	\$226,125.00	\$2,070.00	\$224,055.00	0.01%