COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting – April 15, 2026 at 6:30 P.M.

District Office-8870 Camino Real, Uhland, Texas 78640

Board Members Present:

Toni Brewer (Via Teams)

Tracy Scheel

Rebecca Moore

Hunter Schuler

William Ilse

Robert Diaz

Earl Sparks

Others Present:

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

Adam Conner with Freese and Nichols, Inc.

Phil Vaughan with Armstrong, Vaughan and Associates

Ronja Keyes with Plum Creek Utility/BVRT

Jeff Kirkwood (Via Teams)

Micah Drake with American Pipeline Inspection (Via Teams)

Claire Davis

Humberto Ramos, County Line Special Utility District Staff

France Alston, County Line Special Utility District Staff

Farah Najdawi, County Line Special Utility District Staff

Tracie Crowell, County Line Special Utility District Staff

Karina Ortega, 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. The agenda was discussed in the following order: A.-D.1; E.1 and E.2; E.4-E.9; E.12; F.1-F.9; G.; and then the meeting entered executive session under H. to discuss E.3, E.10 and E.11. Meeting entered open session to make a motion for E.3 and to adjourn the meeting.

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, Diaz, Ilse, Sparks 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 March 18, 2026 regular Board meeting. Director Sparks made a motion to approve the minutes as presented for the March meeting. Directors Scheel and Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay.

E. ITEMS FOR ACTION OR DISCUSSION/DIRECTION:

E.1 Discuss, consider, and take action regarding authority to handle media and public affairs. Mike Gershon with Lloyd Gosselink, Rochelle and Townsend discussed this item. This item was tabled last month and brought back this month to figure out how to handle the media both reactively and proactively. Reactively, CLSUD has a personnel policy adopted by the board which gives the general manager full discretion to handle the media as calls come in or they come to the office and also to handle public/customers as they call, email or come into the office. Proactively, most organizations have a plan and most delegate authority to executive management to deal with public relations and media. State law describes the relationship among directors and with its general manager and how a district is to function, primarily in Chapter 49 of the Texas Water Code. Sections 49.051, 49.053 and 49.057 indicate the importance of a governing body that acts by will of the majority and, under 49.056, delegate to a general manager (the board may delegate to the general manager full authority to manage and operate the affairs of the district subject only to orders of the board.) The board adopted ¶ 22.08 of the personnel policy so that all inquiries from the media should be directed to the general manager. At the March board meeting, it was discussed about being nimble between board meetings. A motion was made at the March board meeting by Director Moore that the board must authorize press releases, but it did not pass since only six (6) directors were present and three (3) voted for, two (2) voted against and one (1) abstained from voting. Chapter 49 of the Texas Water Code says you need a quota majority of being a concurrence of a majority of the entire board so four (4) directors would have needed to vote for the motion to adopt it. Director Moore pointed out there are two (2) different types of dealing with the media, answering media when it comes in and someone calls and then when you are actually pushing something out to the media or press. Director Sparks feels the board has one employee that they manage and that is the general manager. Feels the board should trust him and have the latitude to manage the organization and consult with the board president as needed. Director Schuler still feels the article posted in the Hays Free Press was not time sensitive and should have come to the board to review and approve. Director Schuler felt the article had political overtones and should have been approved by the board prior to posting the article. Director Moore felt the article came across as the rates were raised so much last year, they didn't need to be raised again this year. Mr. Ramos feels he is doing an effective job for the district and the board president reviewed and approved the article prior to it being posted in the Hays Free Press. Mr. Gershon reminded the board the bylaws committee chose to abandon Robert's Rule of Order which would have set out very specifically how to handle the failed motion. The personnel policy does not address the matter of being proactive. President Brewer made a motion to allow the general manager to be proactive in all media issues whether it's proactive and reactive in media issues and if there is a sensitive matter, which he can make that judgement call to interact with the board president. Director Diaz seconded the motion. Director Moore voted nay and Director Schuler abstained. 5 Ayes, 1 Nay, 1 Abstention

E.2 Discuss, consider, and take action regarding County Line Special Utility District's 2025 Audit prepared by Armstrong, Vaughan and Associates. Phil Vaughan with Armstrong, Vaughan and Associates reported on this item. Mr. Vaughan works the County Line staff to ensure that the annual audit report is accurate. Mr. Vaughan did not find any material or significant findings but did make three (3) recommendations for areas that need improvement going forward. (1) Developer Deposits-This is a repeat of the year before. County Line takes in money from the developers for investigative costs of those developments but are holding those as a liability then are paying out some of the professional fees from it. Ideally, County Line should have a tracking mechanism to keep up with deposits being made by a particular developer and how much is being paid out on behalf of that developer. Mr. Vaughan feels that it is being accounted for appropriately but needs a spreadsheet that will tell whose money it is. France Alston and Farah Najdawi are both working together to get this resolved. (2) Logics Implementation-This Financial software was purchased the year before last but haven't quite converted from QuickBooks to Logics yet. This software is where billing is done. Staff are working to keep both systems up to date and some things are falling through the cracks, so QuickBooks needs to be done away with and work completely out of Logics. Logics has a fund-based accounting system that would allow better tracking of money. France Alston is working with Logics and feels this should be converted in the next month or so. and (3) Bank Reconciliations-This ties your bank balance to your financial statements. These do tie, but you want to make sure everything that goes through the bank is in your books and everything that is in your books goes through the bank. The financial summary showed meter and water sales were up about six percent (6%) in 2025 which combined with the rate increase gave a huge increase in operating revenues. The majority of the operating increase is due to the purchase of water. In 2024, there was a loss of about $567,000.00, but with the rate increase that was flipped into a $1.3 million gain in 2025. At the end of the year in terms of a cash position, County Line had $20.5 million in cash, not counting the bonds and $20.2 million of that was impact fees so there is about $300,000.00 operating cushion in the bank for any other kind of contingency. Director Scheel made a motion to accept the 2025 audit with the recommendations. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

E.3 Discuss, consider, and take action regarding options for interim water supplies and possible negotiation of an interim water supply agreement with Guadalupe-Blanco River Authority (GBRA) and County Line Special Utility District. This item was discussed in executive session. When the meeting returned to open session, Director Scheel made a motion to give Humberto the authority to negotiate with the entities that we discussed earlier in regards to an interim water supply. Director Schuler seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

E.4 Discuss, consider, and take action regarding engaging Freese and Nichols through a direct professional service contract to assist County Line Special Utility District with water resource planning. This item was tabled.

E.5 Discuss, consider, and take action to Award a Contract for Water and Wastewater Infrastructure Inspection Services pursuant to the District's Request for Proposals (RFP). Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. CLSUD solicited proposals from qualified firms to provide inspection services for water and wastewater infrastructure projects. These projects may include new construction, rehabilitation, and system improvements within the District's service area. CLSUD requires inspection services for the ongoing construction of the Bobwhite Pump Station and Ground Storage Tank projects. Inspection services will also be needed for upcoming projects, including the construction of a 30-inch water main along Bobwhite Road and the construction of a 16-inch water main along Misty Lane and Farmers Road. Inspection services for these projects are anticipated to begin in early 2026 and continue through December 30, 2028. To support the schedule for both ongoing and future construction projects, a Request for Proposals (RFP) was released through CIVCAST and the CLSUD website on February 26, 2026, and was also distributed directly to thirty-four (34) firms via email. CLSUD received nine (9) questions and eight (8) proposals. Respondents were required to provide detailed rate schedules, including hourly rates, mileage, and any additional costs. An evaluation of the proposals was conducted on March 14, 2026, and the recommended firm was selected on April 7, 2026. Based on qualifications and competitive pricing compared with the other respondents, staff recommended selecting Purcell Consulting Services (PCS) to provide inspection services. PCS will be responsible for overseeing and observing contractor activities through site inspections and ensuring compliance with contract documents, as well as District and State Standards. Inspection services will be funded through the existing two percent (2%) impact fee allocation based on $140.00 - $210.00 hourly rates. PCS proposed a fixed rate increase with three percent (3%) annually. $109.00 has been allocated for publishing the RFP on CIVCAST across Texas. The table below shows how the firms scored. Director Scheel asked how many hours they would work and Ms. Najdawi stated they would be full-time and would inspect all projects moving forward. President Brewer wanted to make sure they would receive work authorization before proceeding to inspect a project, she wanted to make sure they would not randomly go out and inspect a project without our approval or knowledge. Director Scheel made a motion to award a contract for Water and Wastewater Infrastructure Inspection Services Pursuant to the District's Request for Proposals (RFP) to Purcell Consulting Services in the amount of $140.00-$210.00 per hour. Director Shuler seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

Inspection Services Proposal Evaluation Matrix

Evaluation Criteria	Maximum Score	FNI	GIC	PCS	BGE	DDS	BV	API	RHSI
Firm Qualifications and Availability	10	8.125	7.25	6.75	8.75	7.25	6	7.5	7.125
Qualifications and Experience of Proposed Staff	20	17.75	16.25	19.5	18.25	18	14.5	12.5	15.5
Qualifications and Experience of Site Inspector	15	13.5	13.25	14.25	12.75	12.75	11.75	5	11.25
Project Experience	25	21.75	23.5	24	22.5	23.75	17.25	18	22.75
Project Approach	20	17.75	17	19.25	17.5	18	14.25	15.25	16.25
Rate and Fees	10	7.5	8.5	8	6.75	9.5	8.5	9.25	8.5
Total	**100**	**86.4**	**85.8**	**91.8**	**86.5**	**87.3**	**72.6**	**73.0**	**81.4**

E.6 Discuss, consider, and take action regarding appointing a member to Canyon Regional Water Authority Board of Managers. Humberto Ramos with County Line Special Utility District (CLSUD) stated he currently serves in this position and is willing to continue to serve. The board of managers meet every month to talk about technical aspects of Canyon Regional Water Authority. Mr. Ramos stated he will take Tiffeny Howe with him to these meetings, and she will attend the meetings in his absence. Director Sparks made a motion to approve a resolution appointing Humberto Ramos to the Canyon Regional Water Authority Board of Managers. Director Scheel seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

E.7 Discuss, consider, and take action regarding appointing a member to Canyon Regional Water Authority Board of Trustees. Humberto Ramos with County Line Special Utility District (CLSUD) stated the Canyon Regional Water Authority (CRWA) Board of Trustees is comprised of two (2) appointed board members from each participating entity. Currently Tracy Scheel and himself are appointed to the Board of Trustees. The meetings are held on the second Monday of every month at 6:00 p.m. and board members may also serve on various committees. Mr. Ramos is willing to continue serving on the board. Director Schuler asked what the difference is between the board of managers and board of trustees and Mr. Ramos stated the board of trustees is like the governance of Canyon Regional and the board of managers are just general managers, technical people that meet every month to talk about construction and what's going on and just make recommendations to the board of trustees. Director Schuler feels it is a conflict of interest for Mr. Ramos to serve on the Board of Managers and Board of Trustees. Director Scheel said it is like a committee that reviews all the technical aspects of all the construction and makes a recommendation to the board on how to proceed. Director Scheel said there are currently twenty-two (22) members on the board and the president is trying to reduce that number to eleven (11) members on the board, but it is not going over very well. Director Sparks made a motion to re-appoint Humberto Ramos to the CRWA Board of Trustees. Director Scheel seconded the motion. Director Schuler abstained. 6 Aye, 0 Nay, 1 Abstention

E.8 Discuss, consider, and take action to authorize Lochner to advertise the Bobwhite 30-inch Water Main Phase 3 project for bids. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. On November 7, 2024, the Board approved a contract with Lochner (formerly KFA) to provide engineering services for the design of a water line to serve future developments along Bobwhite Road. This project was included in the 2022 Water CIP (Capital Improvements Plan) and consists of three phases: Phase 1 from Old Spanish Trail to the Bollinger Subdivision, Phase 2 from the Bollinger Subdivision to FM 2720, and Phase 3 along Bobwhite Road. Phase 3 includes approximately 3,950 linear feet of 30-inch water main from Bobwhite Road to the future plant site. Construction of Phases 1 and 2, extending from Old Spanish Trail to FM 2720, has been completed. At the March 2026 Board meeting, the Board approved a total project budget of $2,487,827.40. Construction is anticipated to be completed in the first quarter of 2027. Lochner has now completed the design for Phase 3 and is seeking Board approval to solicit bids for the Bobwhite 30-inch Water Main Phase 3 project on April 23, 2026. Pre-bid conference will be held on May 14, 2026, questions due by May 25, 2026, and bid opening on May 28, 2026, with the award of the contract at the June board meeting. The engineering cost for the bid phase is $16,300.00 and the Opinion Probable Construct Cost (OPCC) is $1,890,711.80 which includes a twenty-five percent (25%) contingency for potential change orders. The project is impact fee eligible. Construction is estimated to take six (6) months from the notice to proceed date. Director Scheel made a motion to authorize Lochner to advertise the Bobwhite 30-inch Water Main Phase 3 project for bids. Director Diaz seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay

E.9 Discussion regarding County Line Special Utility District's involvement in wastewater services. Humberto Ramos with County Line Special Utility District (CLSUD) and Board President Toni Brewer discussed this item. Ms. Brewer and Mr. Ramos both recommended this item go to the executive committee to review the Agreement CLSUD currently has with Plum Creek Utility (PCU), discuss the financial impact and any other matters relating to wastewater services and then go back to the board at a later meeting to decide. CLSUD is still negotiating the rate adjustment with PCU. All seven (7) of the board directors agreed the executive committee should meet as soon as possible to discuss CLSUD's involvement in wastewater services. President Brewer instructed Mr. Ramos to schedule an executive committee meeting as soon as possible.

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 in executive session. No action was taken during executive session or when the meeting returned to open session.

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 in executive session. No action was taken during executive session or when the meeting returned to open session.

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 2C.**

No update or action taken on this item.

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. For WRRF #1, the plant is in compliance. The monthly TCEQ (Texas Commission on Environmental Quality) report was submitted on March 20, 2026, and the total permitted capacity is 300,000 gallons per day with approximately 200,000 gallons per day currently in use. For WRRF #3, the startup and walkthrough are completed, and the remaining punch list items are being addressed. The total permitted capacity is 150,000 gallons per day with approximately 8,000 – 9,000 gallons per day currently in use. Currently investigating potential inflow and infiltration (I&I) issues. SCADA (Supervisory Control and Data Acquisition) project is underway for equipment procurement for WRRF and Lift Station sites. Thirty-three (33) residential connections were made in March for a total of seventy-two (72) residential connections for the year. Connection counts are different between County Line Special Utility District and Plum Creek Utility due to timing of meter installation, inspections and the fact that some water customers do not receive wastewater service from Plum Creek Utility. County Line and Plum Creek Utility will share reports going forward to ensure the connection counts are as accurate as possible.

F.2 Project(s) Management Report. Farah Najdawi with County Line Special Utility District (CLSUD) gave this report. Going forward, the board wants to see actual projects amounts. If a check has been cut, they want the figures to reflect that check even if the payee has not cashed/deposited that check. Please see the attached presentation.

F.3 Capacity Report. Humberto Ramos with County Line Special Utility District (CLSUD) reported twenty-seven (27) LUEs were added in March towards the one-hundred-thirty-six (136) LUE goal. Current active accounts are 6,804 with 2,146 in reserve. Water demand (active + reserves in acre feet) is 2,461 and current water supply in acre feet is 3,320. Currently we have a 40% reduction for our Edwards water supply and 10.5% reduction for our Canyon Regional Water Authority (CRWA) water supply.

F.4 NSSA Tracking Report. Tracie Crowell with County Line Special Utility District (CLSUD) reported Hemphill Elementary School and Simon Middle School executed Amendments to their existing agreements due to the expansion of both schools due to an increase in staff and students. Hemphill Elementary paid Water Acquisition Fees only for an increase of 20 LUEs (Living Unit Equivalents) in the amount of $12,200.00 and Simon Middle School paid Water Acquisition Fees only for an increase of 55 LUEs in the amount of $33,550.00. Schools do not pay Impact Fees, and no additional connections were made to the system, only an increase in LUEs. The Bobwhite C-Store project located at the corner of FM 2720 and Bobwhite Road is no longer moving forward. Our attorney added the Caldwell Valley Master Planned Community (Waterstone), Hays CISD Middle School No. 7 and Caldwell Valley Tech Park projects to their list of Non-Standard Service Agreements (NSSAs) to draft. No Service Requests were received in March.

F.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported on this item. Revenue for March was $1,273,642.72. Total expenses for March were $1,000,092.90 leaving a bottom line of $273,549.82. Director Moore asked if the check in the amount of $136,881.58 payable to Nueces River Authority is under GBRA buy in and Ms. Alston stated it is the first payment to hold water regarding the agreement signed at the March 2026 board meeting. Director Moore asked what expense line this check is on, and Ms. Alston said she would have to investigate it and provide a response at the next board meeting. The operating P&L total revenue was $1,046,500.22, total expenses were $998,885.00 with a bottom line in the black of $47,614.82. Director Schuler asked what CLSUD's bond credit rating is, and Ms. Alston said an A-. Director Schuler also asked what the reserve funds consist of, and Ms. Alston said Impact Fees and Bond money. CLSUD has about two (2) payrolls of money in the bank. Director Moore stated water revenue is down roughly nine percent (9%) and wondered if we had a comparison of the water sold in February 2025 versus water sold in February 2026. Mr. Ramos said it would be investigated, and an answer would be provided at the next board meeting.

F.6 Production & Operation(s) Report. Tiffeny Howe with County Line Special Utility District (CLSUD) reported flushing accounted for 58,350 gallons of water and there were no leaks. Humberto Ramos reported the safety issues of the current office discussed at the March board meeting were dealt with. Five (5) filing cabinets weighing between 600-900 pounds each were removed from the attic by a piano moving company and the door that would not close and lock was repaired. Mr. Ramos stated the current office space was previously used as a welding shop and he is not sure of the thickness of the foundation and feels the current space has exceeded the purpose. Mr. Ramos would like the board to wait on the foundation repairs approved at the March board meeting to make sure that is the correct path forward considering there will be additional expenses incurred that were not approved at the March board meeting (see charts below for estimated expenses). The City of Uhland has a 20-acre tract of land and a 7-acre tract of land that maybe CLSUD and them could work together to construct new office space. The City of Uhland has until 2028 to do something with the 7-acre tract of land, or they will have to give it back to Walton. Director Scheel said CLSUD should put a hold on the repairs for at least three (3) months to see where CLSUD is financially. The other board members agreed with Director Scheel. Ms. Howe also reported that she contacted TCEQ regarding Class "C" license requirements. CLSUD needs to have another Class "C" licensed employee prior to the next inspection in two (2) years.

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		
DATE	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.	8,569,881	306,067	450,000	15,787,000	563,821	879,000	7,862,784	280,814	493,990	4,079,655	145,702	193,881
MAR.	10,804,893	348,545	446,090	18,354,000	592,065	664,000	9,429,476	304,177	359,088	5,078,388	163,819	196,162
APR.												
MAY												
JUN												
JUL.												
AUG.												
SEPT.												
OCT.												
NOV.												
DEC.												
YTD	28,405,083	315,304	446,090	51,211,000	574,962	879,000	12,382,851	292,745	493,990	13,688,024	153,507	196,162

SOURCE	UNIT	PERMITTED WITHOUT REDUCTION	REDUCED TO	USED TOTAL	REMAIN
CRWA	AF	1308	1058	87.172	970.828
CLSUD (Well #1 Edwards)	AF	76.212	40% reduction 45.727	49.273	-3.546
CLSUD (Well #2 Edwards)	AF	215.206	40% reduction 129.123	31.693	97.43
SAN MARCOS EDWARDS	AF	500	40% reduction 300	3.546	296.454
ARWA	AF	219	NO REDUCTION	42.458	176.542
SAN MARCOS	AF	1680	NO REDUCTION	157.161	1,522.839
			TOTAL =	371.303	3,060.547

Portable Building - incl. Delivery, ADA ramp & restroom, and Return	Flooring Removal	Flooring Install
Willscot $11,572	B. Alvarez Tech Masonry $6,151	
Mobile Modular $18,485	Wildflower Homebuilders $4,232	
Aries Buildings $21,893	Floors Plus, incl. removal of old flooring $12,465	

Repair for Current Office Building

- Foundation Repair $47,225 (+ $10-15,000?)
- Flooring Removal and New Flooring Install $12,465
- Portable Building $17,317
- Move Technology / Utility hook-ups, Permits, Fees $8,000?
- Cracks, Walls / Ceiling Repair $12,371

≈ $99,386

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.
- Regional meetings (see below CRWA & ARWA Report)
- CLSUD awaiting review of CLSUD request for reimbursement of Cotton Gin relocation line from Hays County.
- Working with Chris Ekrut (New Gen) France and staff to monitor 2026 budget and expected growth.
- Chris Ekrut is working to derive deposit charges for industrial and commercial users.
- Attended Water Summit hosted by Hays County Judge Becerra on March 27th. The next meeting is April 29, 2026.

City of Uhland Meeting(s)

- Met with new City Administrator (Hayden Brodowsky) on April 2nd discussed establishing better relations and commitment to the community. In addition, discussed progress on developments, franchise fee, streamlining permit fees, surplus property and conservation ordinance.

City of San Marcos

- Still waiting for the City of San Marcos to move forward with the lease agreement extension for approval with their council. 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 met on February 18th to discuss further issues with the agreement to include payment.
- City of Kyle filed on February 2, condemnation of easements on Leahman Rd. CLSUD received was informed on February 17 regarding Cause No. 26-0130-C and 26-0130-C#2.
- City Manager Bryan Langley has resigned from the City of Kyle to work for Goodyear, Arizona. His last day will be May 15th.

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. On February 25, 2026, BVRT submitted a letter in response to the CLSUD denial for a rate adjustment. This letter is an effort to provide justification for a revised rate calculation for the wholesale services. CLSUD staff met on March 12th to discuss proposed justifications.

- Met with Shilen Patel on March 2nd to discuss WRRF #2 and the Draft Reuse Agreement, and Gristmill Utility.
- On March 3rd received a letter regarding increased rate for Wholesale Wastewater Rate for Former Gristmill Utility Customers. This results in CLSUD owing $10,364.52.
- Met on April 7th with Shilen Patel, BVRT staff and BVRT consultant and CLSUD and Chris Ekrut (New Gen.) to discuss February 25th BVRT rate adjustment request. All will work to try and address issues by July 2026. CLSUD/review was presented documents day of April 7th and will require CLSUD/consultant to review.
- Will meet with Shilen Patel again on April 22, 2026.

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

- Meeting held on April 13, 2026, at the time of submitting this report, the meeting had not occurred. CLSUD GM will discuss any important resolutions to those items listed below at CLSUD April 15th meeting.

CRWA BOT -Meeting held on April 13, 2026, at the time of submittal of this report, the meeting had not occurred. CLSUD GM will discuss any important resolutions to those items listed below at CLSUD April 15th meeting: **The April 13, 2026 meeting did not occur due to the meeting not being properly posted.**

Item 9 General Business

D. Discuss, consider, and take possible action on Resolution 26-04-008 Approving the use of Fiscal Year 2025 remaining funds for needed repairs and replacements at CRWA facilities.
E. Discuss, consider, and take possible action on Resolution 26-04-009 Executing an amendment to the Water Supply Agreement between CRWA and GBRA.

G. Discuss, consider, and take possible action on Resolution 26-04-011 Accepting nominations for a 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.

Item 10 Executive Session

A. Consultation with CRWA Attorney(s) pursuant to Section 551.071 of the Texas Government Code to seek legal advice and discuss settlement offers in connection with Cause No. 25-0782-CV-E; City of San Marcos vs. Canyon Regional Water Authority , County Line Special Utility District, Crystal Clear Special Utility District, Maxwell Special Utility District and Martindale Water Supply Corporation; Pending in the 456th District Court of Guadalupe County, Texas.

C. Consultation with CRWA's attorney(s) pursuant to Section 551.074 of the Texas Government Code regarding the employment of, evaluation, and duties of the General Manager including review of the status of the General Manager's goals.

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 April 2, 2026, following is the update to the GBRA components of the project: Booster Pump Station (BPS) continues with construction. BPS Building slab has been poured, and masonry exterior is going up. GST tank has gone vertical and is getting the bar wrap and shotcrete finish this week and next. Work is ongoing at all 5 delivery points. Eastern Pipeline is ~80% constructed with only the UPRR bore remaining. While the Northern Pipeline is ~9% constructed with about 30% of the boring complete.

Below is update on the permit status with GCUWCD.

- GBRA filed a lawsuit in Caldwell County against the Gonzales County Underground Water District challenging the district's denial of GBRA's permit amendments
- Procedural motions in the lawsuit are scheduled for March 2026
- A trial on the merits has been scheduled for August 2026

GBRA Water Secure Supply Project- On February 16th, GBRA forwarded a revised agreement with a new debt schedule. This agreement along with debt schedule was forward to Freese Nichols, LG and Chris Ekrut (New Generation) to review. GBRA will be submitting a SWIFT application and will require interested participants to sign the agreement by 3rd quarter of this year. GBRA is requesting the WaterSecure Agreement that will need to be executed at the end of May.

Alliance Regional Water Authority (ARWA) BOT- Next Board meeting will be April 22. Discussion will center around cost and financing options to the additional expansion costs of $57M. CRWA portion will be $23M of which CLSUD will be responsible for 10.325% of these costs. If this moves forward CLSUD's portion of the initial interest-only payment would be about $65,000 and would be due in August 2027, the share of the following annual principal & interest payment would be $143,000.

Region L – Next meeting is May 7th. Currently two vacancies exist for agricultural representation.

Mr. Ramos will add an item to his report regarding the Nueces River Authority (NRA) to next month's report. This month Mr. Ramos reported that a letter was sent by the Chief Operating Officer to the General

Manager regarding him not reporting things correctly, this will affect the decision made by the City of Corpus Christi. The General Manager reported they had more water sales than was told so the City of Corpus Christi gave $3 million. Corpus Christi is pushing back and now the governor is involved in getting this resolved. The NRA is meeting to investigate the allegations being made as to the lack of data provided to the City of Corpus Christi.

F.8 President's Report. Director Brewer reminded the board that anytime our consultants are contacted, County Line will be charged for their time. President Brewer thinks it would be better to contact herself, Humberto Ramos or the executive committee with questions or concerns first.

F.9 General Counsel's Report. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. reported after the March board meeting wherein the Lowden contract was discussed in executive session, he sent a letter to Lowden advising how the amount owed was being calculated. The amount owed consisted of the final balance, less liquidated damages and cited all the contractual provisions. The check has not been cashed yet, but he did receive a voicemail message from a lawyer stating they are representing Lowden. Mr. Gershon will work with the executive committee and Mr. Ramos as he receives additional communication from Lowden and/or their attorney. The overall original contract price was about $3.5 million, increased by about $200,000.00 for four (4) change orders that were approved by the board. Liquidated damages were calculated at $750.00 per day or about $126,000.00 for the 168-day delay. Audrey, one of his colleagues, has been working with him on the upcoming County Line board of directors' election. Notices were posted in the newspapers and on the district's website as required by statute. Early voting starts April 20, 2026. The daily tallies are required to be posted on the district's website during early voting. The board is mandated to reconvene by May 13, 2026, with a quorum regarding the election results. The board decided to hold a Special Meeting on May 13, 2026, at 6:30 p.m. to canvass the vote. Mr. Gershon and Audrey will work with County Line on preparing an Agenda and any other documents for the meeting. Mr. Gershon said the head of his litigation practice group received a call from the attorney for the City of San Marcos and City Manager asking if Lloyd Gosselink would represent the city in a lease dispute. The dispute regards Dixie Cream Donuts which is owned by the sitting county judge. They requested Joe De La Fuente, who is the chair of their litigation practice, to handle the case. There is a temporary injunction hearing scheduled for April 23, 2026. There is no legal conflict per se, but there are work relationship issues. Director Scheel and Humberto Ramos do not see a conflict because you separate the attorneys and you separate the past.

G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS. There were no board member items, and no items were requested to be added to future agendas.

H. EXECUTIVE SESSION. The meeting entered executive session at 8:30 p.m. and 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), 551.072 (deliberations about real property). Item E.3 above was discussed under Texas Government Codes 551.071 and 551.072 and Item E.10 and Item E.11 were discussed under Texas Government Code 551.071. Executive Session ended at 9:22 p.m. and the meeting returned to open session. No action was taken during executive session.

I. ADJOURNMENT. Director Diaz made a motion to adjourn the meeting. Director Scheel seconded the motion, and the motion passed unanimously. 7 Aye, 0 Nay. Meeting was adjourned at 9:27 p.m.

Toni Brewer Date 7/8/26

Toni Brewer
County Line SUD, Board President

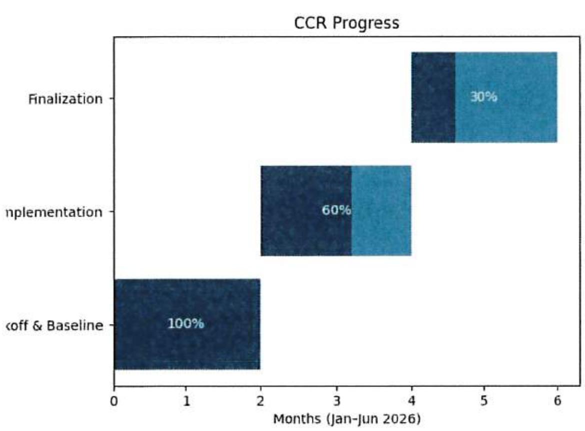
Project(s) Management Report

Farah Najdawi

April 15, 2026

TCEQ Reports Summery

January 1, 2026-May 1, 2026



TTHM| HAA5

Monitoring Period Begin Date	Monitoring Period End Date	Sampling Point	Summary Type	Locational Running Annual Average
4/1/2026	6/30/2026	Brooks Well	TTHM with MCL 80 ug/L	5 ug/L
			HAA5 with MCL 60 ug/L	2 ug/L
			TTHM with MCL 80 ug/L	23 ug/L
			HAA5 with MCL 60 ug/L	23 ug/L
		21 HW Booster Station	TTHM with MCL 80 ug/L	50 ug/L
			HAA5 with MCL 60 ug/L	13 ug/L
		HR Bosster Station	TTHM with MCL 80 ug/L	0 ug/L
			HAA5 with MCL 60 ug/L	0 ug/L
1/1/2026	3/31/2026	Brooks Well	TTHM with MCL 80 ug/L	43 ug/L
			HAA5 with MCL 60 ug/L	14 ug/L
			TTHM with MCL 80 ug/L	21 ug/L
			HAA5 with MCL 60 ug/L	15 ug/L
		21 HW Booster Station	TTHM with MCL 80 ug/L	53 ug/L
			HAA5 with MCL 60 ug/L	17 ug/L
		HR Bosster Station	TTHM with MCL 80 ug/L	0 ug/L
			HAA5 with MCL 60 ug/L	0 ug/L

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

CLSUD Plans Budget Tracking

Project name	Start	Finish	Project Staus	Assign to	% Complete	Scope Status	Schedule Status	Cost Type	Engineering Fees
Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP)	17-Nov-25	1-Dec-26	Ongoing	KH	23%	On Scope	On track	Budget	$ 149,200.00
								Spent	$ 34,110.00
								Remaining	$ 115,090.00
Water CIP | Impact fees study	15-Dec-26	21-Oct-26	Ongoing	Lochner	38%	On Scope	On track	Budget	$ 97,105.00
								Spent	$ 8,951.25
								Remaining	$ 88.153.75
Wastewater CIP	8-Apr-25	21-Oct-26	Ongoing	Lochner	73.14%	On Scope	On track	Budget	$ 128,575.00
								Spent	$ 99,951.75
								Remaining	$ 28,623.25
Emergency Preparedness plan (EPP)	18-Feb-25	1-Dec-26	Ongoing	Lochner	7.6%	On Scope	On track	Budget	$ 34,670.00
								Spent	$ 2,636.25
								Remaining	$ 32, 033.75

Relocation Projects Budget Tracking

Project name	Start	Finish	Project Staus	Assign to	% Complete *	Scope Status	Schedule Status	Cost Type	Engineering Fees
City of Kyle-Kyle PWK and Lehman Rd	12-May-25	TBD	Ongoing	Lochner	0%	On Scope	Delay | Pending City response	Budget Spent Remaining	$ /hr $ 7,117.45
City of Kyle–Bunton Creek Road	17-Jan-25	TBD	Ongoing	Lochner	0%	On Scope	Delay | Pending City response	Budget Spent Remaining	$ /hr $ 19,127.50
Caldwell County- Rocky Road Realignment at SH21	30-Oct-25	TBD	Ongoing	KH	0%	On Scope	On track| Pending County meeting	Budget Spent Remaining	$ /hr $ -
Caldwell County- FM2720 Realignment at Gristmill Road	30-Oct-25	TBD	Ongoing	KH	0%	On Scope	On track| Pending County meeting	Budget Spent Remaining	$ /hr $ -

*	Assume each phase (DBB) represents equal weight
(yellow)	Costs are budgeted under Professional Services for 2025 and 2026 based on hourly rates.
(pink)	2025 spending

CLSUD Projects Budget Tracking

Project name	Start	Finish	Project Staus	Assign to	% Complete *	Scope Status	Schedule Status	Cost Type	Engineering	Non-Engineering	Construction	Total cost
Bobwhite Pump Station (PS) and Ground Storage Tank (GST)	8/29/2026	8/30/2027	Ongoing Construction	Prota |Lochner	68%	On Scope	On track	Budget	$ 660,368.00	$ 599,090.00	$ 8,550,000.00	$ 9,809,458.00
								Spent	**$ 579,966.41**	$ 59,150.00	**$ 749,217.50**	**$ 1,388,333.9**
								Remaining	**$ 80,401.59**	$ 539,940.00	**$ 7,800,782.50**	**$ $8,421,124.**
30" Bobwhite Water Main | FM2720 Water Main (Phase 3)	11/20/2024	12/30/2026	Bid Phase	Lochner	33%	Changed	On track	Budget	$ 400,518.00	$ 196,597.52	$ 1,890,711.88	$ 2,487,827.40
								Spent	**$ 326,809.10**	**$ 21,048.23**	$ -	**$ 347,857.33**
								Remaining	**$ 49,262.65**	$ 178,597.52	$ 1,890,711.88	**$ 2,118,572.**
Cotton Gin RD Ph 2 Water Relocation	9/16/2024	12/10/2026	Ongoing Design	Lochner	33%	On Scope	On track	Budget	$ 353,205.00	$ 184,627.75	$ 1,983,640.18	$ 2,521,472.93
								Spent	$ 259,971.50	**$ 95,067.52**	$ -	**$ 355,039.02**
								Remaining	$ 93,233.50	$ 90,210.23	$ 1,983,640.18	**$ 2,166,433.9**
16" Misty Lane and 20" Farmers RD	1/22/2026	4/22/2028	Ongoing Design	KH	3%	On Scope	On track	Budget	$ 1,441,700.00	$ 2,164,938.67	$ 9,086,203.00	$13,774,833.27
								Spent	**$ 47,690.00**	$ -	$ -	$ -
								Remaining	**$ 1,394,010.00**	$ 2,164,938.67	$ 9,086,203.00	**$12,645,151.**
FM 2720 Wastewater & Water Main (Phase 2)	1/31/2024	3/4/2026	Ongoing Construction	Lowden | SWE	100%	Modified | Four change orders approved to date.	Delay | 157 Days	Budget	$ 591,840.00	$ 320,662.58	$ 3,706,713.46	$ 4,619,216.04
								Spent	$ 654,283.68	**$ 302,503.48**	$ 3,354,155.04	**$ 4,310,942.2**
								Remaining	$ -	$ 19,970.00	$ 352,558.42	**$ 308,273.84**

	Assume each phase (DBB) represents equal weight
	Construction cost includes a 25% contract-approved allowance for future change orders.
	Geotech. Testing $3000
	Construction cost includes a 25% contract-approved allowance for future change orders.
	Pending Hays County Approval
	TR1 and TR2 ESMT are currently under negotiation.
	OPCC includes a 10% contingency.
	OPCC includes a 30% contingency and 30 % on Non construction cost

Construction Activities- Bobwhite PS & GST

3-4-2026 to 4-1-2026

Figure 1: Select fill compaction at the pump station building.

Figure 2: Generator pad

Figure 3: Permanent fencing.

Figure 4: GST excavation

Contract Time Summary	Value
Date of Notice to Proceed	1-27-2026
Original days to Substantial Completion	548
Original Completion date	7-29-2027
Approved time extension in days	0
Current Completion date	7-29-2027
Current days to Completion	484
Days charged to date	64

CLSUD GES Projects Budget Tracking

Project name	Start	Finish	Project Staus	Assign to	% Complete *	Scope Status	Schedule Status	Cost Type	Engineering Fees
General Engineerig Service (GES)	1-Jan-26	31-Dec-26	Ongoing	Lochner	17.44%	On Scope	On track	Budget	$ 200,000.00
								Spent	$ 34,880.00
								Remaining	$ 165,120.00
General Engineering Service (GES)	1-Jan-26	31-Dec-26	Ongoing	KH	32.5%	On Scope	On track	Budget	$ 200,000.00
								Spent	$ 65,013.90
								Remaining	$ 134,986.10

: Percent of budget used

Question