

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting – May 20, 2026 at 6:30 P.M.

District Office-8870 Camino Real, Uhlman, Texas 78640

Board Members Present:

Toni Brewer (Via Teams)

Tracy Scheel

Rebecca Moore

Hunter Schuler

Robert Diaz

Earl "Chip" Sparks

Others Present:

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

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

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

Adam Conner with Freese and Nichols, Inc. (Via Teams)

Betsy Johnson with Grable Martin PLLC (Via Teams)

Wayne Watts with HW Lochner (Via Teams)

Bud Wymore with Wymore Law Firm

Coy Lowden with Lowden Excavating

Ronja Keyes with Plum Creek Utility/BVRT

Michael (Via Teams)

Michael Kobin

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 out of order in the following order: A., B., D., E.1-E.2, C., E.3-E.5, E.7-E.8, F.1-F.10 and then the meeting entered executive session and E.11, E.6, E.9, E.10 and E.12 were discussed in that order.

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, Sparks, and Schuler in attendance.

C. PUBLIC COMMENT. Coy Lowden with Lowden Excavating and Bud Wymore, with Wymore Law firm, who represent Lowden Excavating gave a public comment. Mr. Wymore wants his client to be able to deposit the \$209,000.00 check that has been tendered without prejudicing anything his client may want or need to do moving forward and without them waiving any rights. Lowden Excavating doesn't seek any real disagreement. Feels this was an unfortunate circumstance and feels his client should shoulder some of the burden and County Line Special Utility District (CLSUD) should shoulder some of the burden because of the delay. They want to maintain a good working relationship moving forward, have a reasonable conversation and want this to be a positive deal. Mr. Lowden said they have been in business since 1982 and have had a good, long relationship with CLSUD and have done several projects for CLSUD. They don't want to place blame; they just want the board to allow them to deposit the check and still have the right to continue conversations. Mr. Lowden would like the board to consider the days that they were not allowed to be out there while everything was being figured out so they could proceed. Mr. Lowden stated they lost a significant amount of money on the job.

D. CONSENT AGENDA:

D.1 Consider and take action to approve the minutes of the April 15, 2026 regular Board meeting.

Director Diaz made a motion to approve the April 15, 2026 minutes. Director Sparks seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay.

E. ITEMS FOR ACTION OR DISCUSSION/DIRECTION:

E.1 Discuss, consider, and take action to qualify Directors elected at May 2, 2026 County Line Special Utility District Board Election. Mike Gershon, with Lloyd Gosselink Rochelle & Townsend, P.C. discussed this item. There was no action needed from the board on this item. This item served to recognize who was elected to the open seats. The board met on May 13, 2026, with a quorum to canvass the election returns for the May 2, 2026 election. Robert Diaz was duly elected at Place 2 and Michael Kobin was duly elected at Place 5 at the May 2, 2026 general election. Tracie Crowell with County Line Special Utility District (CLSUD) read the Statement of Officer and Oath of Office to Robert Diaz and Michael Kobin. Robert Diaz duly completed the requisite paperwork before Tracie Crowell, a notary public for the State of Texas, and was qualified to serve. Michael Kobin did not have the necessary documentation required to qualify for office, and CLSUD staff reported that they would follow up with him to complete the requisite paperwork at a later date. Mr. Gershon met with Mr. Kobin prior to the board meeting and Mr. Kobin advised he is fully eligible under the statutory requirements to serve on the board. Humberto Ramos also met with Mr. Kobin prior to the board meeting to give him some background on the district.

E.2 Discuss, consider, and take action to elect Board Officers. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. discussed this item. Mr. Gershon said per Section 3.1 of the bylaws of County Line Special Utility District (CLSUD) at the first regular meeting after a Director election and after the newly elected Directors are qualified to serve for the new term of office, the Board shall take action to elect a President, Vice President, Secretary and Financial Officer. The bylaws provide that the election shall be by one or more simple motions without a nomination process. The board can pass one (1) motion for all the officers, or they can make separate motions for each or one or more of the four officers. Director Scheel made a motion to approve the board as follows: Toni Brewer as President, Tracy Scheel as Vice President, Earl Sparks as Secretary and Hunter Schuler as Financial/Treasurer/Investment Officer. Director Brewer seconded the motion. Directors Schuler and Moore voted Nay. Director Schuler was concerned about the procedure of the vote.

E.3 Discuss, consider, and take action to approve Directors' bonds. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. stated statutory law does not burden each director with having to pay for their own bonds, County Line pays for the bonds required by statute. Mr. Gershon said a motion is needed to approve the \$10,000.00 bond for each Director that has just been elected, so you will have two (2) bonds. Director Schuler said so moved. Director Scheel seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.4 Discuss, consider, and take action on certain County Line Special Utility District committees. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. stated some districts set out a process in their bylaws, but County Line did not create a section of the bylaws to address committees. The board has the opportunity to maintain the constituency of each of the current committees as is or to reconstitute any of the committees by a simple motion. The current committees are the Benefits Committee, Executive Committee, Impact Fee Advisory Committee and the Investment Advisory Committee. The Benefits Committee is for County Line's retirement, health benefits, etc. and is currently made up of the President, Vice President, Secretary, Humberto Ramos and France Alston. Director Moore pointed out these are basically the same people that are on the Executive Committee and feels it should be switched up so the same people are not on all committees, Director Sparks seconded it. Director Moore also feels it should be made a broader committee, like an HR Committee and not just a benefits Committee. Director Moore thinks there is something in the personnel policy that if an employee had an issue, they could go to the HR Committee or the board with any concerns or complaints. Humberto Ramos thinks the personnel policy is worded if the employee has complaints against the general manager they can go to the board and the general manager deals with complaints below that and anything above that would go to the board. Mr. Gershon said Sections 1.05, 4.06 and 5.04 of the personnel policy addresses that and the directive is to the board president and does not see any reference to an HR Committee in the personnel policy. Director Schuler asked if the committees are of a certain required size and Mr. Gershon said the bylaws are silent on that other than the investment advisory committee and impact fee advisory committee are governed by statute. The statute gives the board discretion on what you want to do with the benefits committee and the executive committee, but it should be less than a quorum. Director Sparks made a motion that the board creates the benefits committee to be one officer and two non-officer board members as the standing benefit committee. The Executive Committee to stay as the President, Vice President and Secretary and the Impact Fee Advisory Committee also be an officer and two non-officer board members. Humberto Ramos stated that the Impact Fee Advisory Committee is basically an outside committee charged with looking at the impact fees and then come to

the board and make a recommendation to the full board. Director Sparks feels there should be a board member on that committee. David Klein, Mr. Gershon's law partner, stated that it's not like a committee like the Investment Committee or Benefits Committee and would need to see if anyone currently on the committee would need to be removed. Chapter 395 does put parameters on the composition of the committee, and the 2025 legislative session changed the requirement of forty percent (40%) of the members on the committee to be from the real estate development business to fifty percent (50%) of the committee members to be from the real estate development business. We would need to make sure that the statutory requirements are met. Director Sparks amended his motion so that the benefits committee be made up of three (3) members, one of which is an officer and the two others are non-officer members of the board of directors. Director Scheel seconded the motion. Director Sparks amended his motion again to be one member of the executive committee and two board members that are not members of the executive committee. Director Scheel seconded the motion. Director Schuler made a motion that the executive committee consist of the President, Vice President, Secretary and Investment Officer. Director Moore pointed out the executive committee would then be subject to the open meetings act. Director Scheel made a motion for the executive committee to be President, Vice President and Secretary. Director Schuler seconded the motion and the motion passed. Director Sparks made a motion to table the impact fee advisory committee to a future agenda. Director Scheel seconded the motion and the motion passed. Mr. Gershon recommended tabling the discussion on the investment committee unless the board wishes to leave it constituted as is and then no action would need to be taken. The board previously passed a resolution that recognizes the committee. Currently, Director Schuler, Humberto Ramos and France Alston sit on the committee. Director Scheel made a motion to keep the investment committee the same. Director Schuler seconded the motion and the motion passed. At the request of Mr. Gershon, Director Sparks made a motion to place Tracy Scheel, Rebecca Moore and Hunter Schuler on the benefits committee. Director Scheel seconded the motion and the motion passed.

E.5 Discuss, consider, and take action to engage Freese and Nichols, Inc. to assist with interim water supply options and to amend the 2025 Water Supply Plan. This item was tabled.

E.6 Discuss, consider, and take action to execute a long-term water supply agreement with Guadalupe-Blanco River Authority (GBRA) and County Line Special Utility District. This item was discussed in executive session. Director Scheel said they are going to approve no action on this item.

E.7 Discuss, consider, and take action concerning Order Amending Service Policy Regarding Security Deposit for Non-Residential Customers. David Klein with Lloyd Gosselink Rochelle & Townsend, P.C. and Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. About two (2) months ago Chris Ekrut with NewGen did an analysis on increasing the amount of the residential security deposit from \$200.00 to \$250.00 per meter. The board elected to increase the security deposit for residential customers and to have Mr. Ekrut conduct an analysis of increasing the amount of the security deposit for non-residential customers. Mr. Ekrut's analysis determined that the security deposit should be increased from \$200.00 to \$250.00 for non-residential customers or base the security deposit on 1/6th of the estimated annual billings. If the actual billings turn out to be more than twice what the estimated amount is, then we can go back and revisit the 1/6th amount to increase to a more appropriate number. Director Schuler felt this is a solution in search of a problem or that it is revenue generation masquerading as a security deposit. Director Moore clarified that a security deposit goes right to your balance sheet and it shows up as a liability on your balance sheet. Director Schuler asked if

the deposit could be invested but Mr. Klein stated we have a public funds investment policy that must be followed and it is a conservative document that says any money you have must be fully collateralized. Some entities do earn interest on their security deposits, but the intent here is not for revenue generation but to protect CLSUD and ensure CLSUD gets the revenues they are entitled to. Director Scheel made a motion to adopt the Order Amending Service Policy regarding security deposit for non-residential customers in the charge of \$250.00 per meter. Director Schuler seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay. Director Scheel amended her motion to be effective immediately. Director Schuler seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay. Mr. Klein verified that Director Scheel's motion was to increase the security deposit to \$250.00 and not based off of 1/6th of the estimated annual billings.

E.8 Discuss, consider, and take action regarding Order Setting a Public Hearing on the Results of the Independent Financial Audit of Impact Fees in Accordance with Texas Local Government Code § 395.059. David Klein with Lloyd Gosselink Rochelle & Townsend, P.C. discussed this item. At a previous meeting the auditor was close to completing the audit but needed a little bit more time to gather additional information to complete the audit. In accordance with Chapter 395 of the Texas Local Government Code, the board needs to call and schedule a public hearing on the financial audit. Director Scheel made a motion to approve Item E.8 for June 17, 2026 at 6:30 p.m. Director Schuler seconded the motion and the motion passed unanimously. 6 Aye, 0 Nay

E.9 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, and no action was taken in executive session or when the meeting returned to open session.

E.10 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. Director Scheel made a motion to approve the Order for the lawsuit initiated by City of San Marcos in Cause No. 25-0782-CV-E as per discussed in exec. Director Sparks seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.11 Update regarding acquisition and litigation status including the City of Kyle. 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.**

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

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 that forty-six (46) connections were made in April.

WRRF #1 is compliant with permit requirements and the monthly DMR report was submitted, and a copy was included in the board packet. The total permitted capacity is 300,000 gallons per day and approximately 200,000 gallons per day is currently in use. There was a membrane failure at 1A. While repairs were made, everything was switched over to expansion 1B. There were no requirements made by Texas Commission on Environmental Quality (TCEQ).

WRRF #3 is currently being operated by Texas Aqua Store until next month when Plum Creek Utility will take over. Approximately 8,000-9,000 gallons per day are currently in use.

F.2 Project(s) Management Report. Farah Najdawi with County Line Special Utility District (CLSUD) gave this report. Ms. Najdawi finally received a response from Texas Commission on Environmental Quality (TCEQ) that CLSUD was not considered a wholesale provider to Maxwell Special Utility District since there was no physical connection between our lines and their lines. Canyon Regional Water Authority (CRWA) was considered the wholesale provider to Maxwell SUD. Director Scheel reminded everyone that the City of Kyle is currently under transition. Brian Langley is gone and Perez is in charge. Several directors are no longer there. The bid opening for the Bobwhite Water Main Phase 3 will be May 28, 2026 at 2:00 pm at the office of County Line and the contract will be awarded at the June 17, 2026 board meeting. Director Shuler asked why some of the amounts are red, Ms. Najdawi explained the red amounts had a change in the amount and the black amounts have not had a change from the previous month. Director Moore wanted clarification on whether or not customer requests related to engineering services were being paid for by the developer deposits or from the general engineering budget. Ms. Najdawi stated County Line recently had some requests regarding replating of lots in old subdivisions, so those expenses were under general engineering expenses since they were not related to any current projects. Also see attached presentation for additional information.

F.3 Capacity Report. Humberto Ramos with County Line Special Utility District (CLSUD) reported sixty-three (63) LUEs were added in April towards the one-hundred-thirty-six (136) LUE goal. Current active accounts are 6,867 with 2,140 in reserve. Water demand (active + reserves in acre feet) is 2,477 and current water supply in acre feet is 3,319.91. 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 no Non-Standard Service Agreements (NSSAs) were signed in April. County Line's attorney is working on various NSSAs to send to developers. Received one (1) new service request in April for a project called 7-Eleven Uhland located at the corner of Hwy 21 and High Road for 2.9 LUEs (Living Unit Equivalents). Bollinger Phase 5A paid their second half of water impact fees in the amount of \$23,410.00, this phase is for the amenity center. The first half of water impact fees were received for the 700 Bunton Phase 1B and 2A project in the amount of \$1,199,762.50.

F.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported on this item. Revenue for April was \$2,556,401.42. Total expenses for April were \$967,208.79 leaving a bottom line of \$1,589,192.63. On the Operations P&L, the total revenue for April was \$1,418,378.92 (does not have impact fees in it), total expenses were \$967,205.79 and the bottom line was \$451,170.13. The auditor included three (3) changes in his audit report: 1. The implementation of Logics will happen by next month's board meeting; 2. Do a bank reconciliation to send outstanding checks to the comptroller's office. Going forward, this will be done yearly; and 3. Developer deposits. Farah Najdawi is organizing the deposits from 2024 going forward and Ms. Alston is organizing the deposits from 2024 going back. Will start working on the 2027 budget in June. Ms. Alston said either an RFP or RFQ will be done to look for auditors since Vaughan and Associates have been the auditor for CLSUD for the past four (4) years. Humberto Ramos said Vaughan and Associates is really the only firm that conducts these types of audits. May end up needing to get a different auditor within the current firm to conduct the yearly audit for CLSUD. Director Moore asked why the accumulated depreciation is the same as last year, Ms. Alston said it will be corrected by June. Director Moore also asked about the user deposit payable since it is less than what it was at this time last year and we have more connections and LUEs, Ms. Alston said this will also be corrected. Director Moore also asked what is the liability for the \$150 MasterCard and Ms. Alston said they are trying to set up the MasterCard where they could instead of paying the MasterCard and then doing an ACH and adding the transactions, they were running the actual receipts through the system so they are paid with the MasterCard so everything is already in the system so it is less of a process for Deborah so she is not trying to match up everything. Director Schuler asked what the water acquisition fees were on the Operating P&L. Ms. Alston said they are what developers pay when they sign the NSSA (Non-Standard Service Agreement). They pay a specific amount per LUE (Living Unit Equivalent). The amount was \$610.00 per LUE and now it has been increased to \$1,481.00 per LUE. Director Schuler asked why the wholesale water revenue doubled and Ms. Alston said that Maxwell Special Utility District paid their missed payment. Director Scheel asked how we were on the \$85,000.00 leeway and Ms. Alston said she would answer that question at the next meeting.

F.6 Customer Service Quarterly Report. Karina Ortega with County Line Special Utility District (CLSUD) reported in the month of April they had four hundred-eighty (480) calls, one-hundred-thirty-six (136) front counter walk-ins, forty-eight (48) new applications for service, one-hundred-eighty-five (185) front counter payments, twelve (12) disconnect forms, eight (8) automatic draft setups and four (4) who wanted to set up a payment plan. The work order slide showed completed work orders for turn-ons, turn-offs, leaks, meter change outs and any other miscellaneous items the technicians needed to address. This information is used to track front counter activities and see if there are any unusual amounts of certain types of work orders. The check refund slide shows the monthly total amounts of checks along with the number of checks issued. These refunds are for customers who are moving out, and the balance of their security deposit is being refunded or refunds of deposits contractors paid for the temporary use of

construction meters. The revenue of delinquent customers slide shows the amounts collected for the \$15.00 fee assessed to customer accounts that have not paid their bills by the due date and the \$40.00 disconnect fee assessed to customer accounts who are two (2) months past due on their bills. The slide also shows the total amount of customers for each fee. The revenue classification usage slide gave a breakdown of the number of connections and gallons of water used for single family residential, multi-family residential, industrial, commercial, institutional and construction meters. High volume user slide showed the ten (10) top users every month from January-April. Director Sparks asked what the concern column was and Ms. Ortega customers who had concerns regarding pressure, bills, etc. Director Schuler would like to see the delinquencies and high-volume users every month. Director Moore would like to see the number of cutoff notices sent to customers versus the actual number of customers who have their water turned off.

F.7 Production & Operation(s) Report. Tiffeny Howe with County Line Special Utility District (CLSUD) reported that the operations department has been very busy repairing leaks due to the recent rain events and the soil shifting. One (1) boil water notice was issued on April 20, 2026 and was rescinded April 22, 2026 due to having to shut down the pipe and cut it apart to repair it. Water samples were taken and tested, and the results were submitted to TCEQ (Texas Commission on Environmental Quality). A pest service company came out to treat for the rodents and snakes coming out due to the warmer weather and a company came out and disinfected the office due to the rodents. Ms. Howe has been visiting with our SCADA service provider Alterman to figure out the communication interruptions they have been noticing. One cause could be County Line uses radio communications rather than cellular communications. Nineteen (19) meters were installed in the month of April. Sixteen (16) construction meters are currently connected to the system. These meters are being monitored to ensure they are not putting too much of a strain on the system. Humberto Ramos feels it is beneficial to start exploring how we use reuse water for construction water. Operator training is still ongoing, one (1) operator registered for a class, one (1) operator started a class and one (1) has scheduled a test. A few operators attended an excavation safety day.

LEAKS REPAIRED		GALLONS
8-Apr	Farmers Rd - electric company hit pipe	95,147
20-Apr	S. Plum Creek Rd * - rock	20,920
21-Apr	Camino Real - curb stop connection blew off	5,244
24-Apr	Frogmore Lp - cracked poly line	12,214
Total Leaks		133,525
FLUSHING		33,450
TOTAL		166,975

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	348,543	446,090	18,354,000	592,065	664,000	9,429,476	304,177	359,088	5,078,388	163,819	196,162
APR.	11,620,824	387,361	797,032	17,517,000	583,900	766,000	8,876,833	295,894	370,167	4,766,874	158,896	201,050
MAY												
JUN.												
JUL.												
AUG.												
SEPT.												
OCT.												
NOV.												
DEC.												
YTD	40,025,907	333,318	510,772	68,728,000	577,197	763,750	35,259,685	293,533	398,842	18,454,898	154,854	201,050

SOURCE	UNIT	PERMITTED WITHOUT REDUCTION	REDUCED TO	USED TOTAL	REMAIN
CRWA	AF	1308	1058	122.835	935.165
CLSUD (Well #1 Edwards)	AF	76.212	40% reduction 45.727	65.925	-20.198
CLSUD (Well #2 Edwards)	AF	215.206	40% reduction 129.123	42.283	86.84
SAN MARCOS EDWARDS	AF	500	40% reduction 300	23.744	276.256
ARWA	AF	219	NO REDUCTION	57.087	161.913
SAN MARCOS	AF	1680	NO REDUCTION	210.918	1,469.082
			TOTAL =	522.792	2,909.058

F.8 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).
- Received email from Hays County attorney to meet to discuss request for reimbursement of Cotton Gin relocation line from Hays County.
- Working with Chris Ekrut (NewGen) France and staff to monitor 2026 FY Budget and expected growth. Will start working on 2027 FY Budget.
- Attended Hays County Water Planning Public Meeting Open House hosted by Hays County Commissioner Debbie Gonzales Ingalsbe on April 29th. Director Scheel also attended the meeting.

City of Umland Meeting(s)

- Met with new City Administrator (Hayden Brodowsky) on May 4 discussed need for Uhland's consent of CLSUD CCN application (two tracts in Uhland jurisdiction) to PUC; detention pond for possible new building; possible partnership for existing 7-acre land for joint use for buildings; developments; and resignation of mayor, council member and attorney.
- Attended:
 - Canvass Election – May 11; elected were Guadalupe Garza, Mark Garonzik; Seraiah Pineda.
 - City Council – May 11 (Guadalupe Garza elected as Mayor creating vacancy in Place 1; Matthew Esposito placed on council to fill vacancy in Place 5.

City of San Marcos

- Tyler Hyorth Director of Utilities for San Marcos resigned. Will have a meeting on May 15th with City of San Marcos to discuss moving 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. Plans to meet with Paul Kite.

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.
- Betsy Johnson will discuss City of Kyle condemnation update in Executive Session.

BVRT

- BVRT submitted a Sewer Rate adjustment in April to take effect in 2026 yr 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.
- Met with Shilen Patel on May 12th; discussed BVRT rate adjustment request; WRRF#2 options -proposed option is that BVRT build the conveyance to WRRF#3 at cost of \$10M instead of building WRRF#2 at a cost of \$20-30M. More information will be forthcoming.

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 CRWA BOT meeting on May 11th, it was noted that Meeting held on April 13, 2026, at 5 punched list items were completed, 18 punch list items contractor waiting to complete or seek approval from CRWA for completion.

CRWA BOT -Meeting held on May 11, 2026. GM (Kerry Avert) was not present:

Item 9 Reports

Under Discussion, the point of the CRWA requiring its entities to determine how much water they want next year so the CRWA FY2027 Budget could be determined. I asked the question was asked if CRWA can produced all its contracted amount from Hays Caldwell Water Treatment Plant. The response was no. Therefore, a meeting will be held soon to determine Pall trailers.

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 May 1, 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 CMU continues installation. GST tank has gone vertical and is finishing up the bar wrap. Work is ongoing at all 5 delivery points with most flow meter buildings slabs poured already. Eastern Pipeline is ~95% constructed with only the UPRR bore started this week. The Northern Pipeline is ~14% constructed with about 50% 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 forwarded 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. CLSUD will discuss and possibly take action during the May 20, 2026 meeting.

Alliance Regional Water Authority (ARWA) BOT- Next Board meeting will be May 27th at San Marcos Activity Center. Meeting will be elections of officers & committee appointments; updates on TWDB funding and general expansion updates.

Region L – Meeting was held on May 7th. Discussion was centered around administrative issues and vacancies as the planning effort is beginning for the 2031 Region L plan.

F.9 President's Report. Director Brewer requested that Humberto Ramos discuss the Executive Committee meeting held on May 1, 2026 to discuss County Line's continued business in wastewater. NewGen, SAMCO, Norton Rose Fulbright, Wayne Watts with Lochner and Lloyd Gosselink Rochelle & Townsend along with County Line staff attended the meeting. Plum Creek Utility (PCU) has first right of refusal to purchase; other people are interested in purchasing if PCU does not exercise their right to purchase. An evaluation of the system will need to be done by NewGen. SAMCO attended the meeting as County Line's bond advisor and Norton Rose Fulbright attended the meeting as County Line's bond attorney. Lochner will need to do an inventory of County Line's system.

F.10 General Counsel's Report. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. gave his report during executive session.

G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS. No board member items or future agenda items were given.

H. EXECUTIVE SESSION. Meeting entered executive session at 8:46 pm. 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) for Items E.6, E.9, E.10, E.11 and any other matters brought up; 551.072 (deliberations about real property) for Item E.12, or as otherwise authorized by law. Meeting left executive session and returned to open session at 10:16 p.m. No action was taken during executive session.

I. ADJOURNMENT. Director Sparks made a motion to adjourn the meeting. Director Moore seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay. Meeting was adjourned at 10:17 p.m.



Toni Brewer
County Line SUD, Board President

Date 7/8/26

Project(s) Management Report

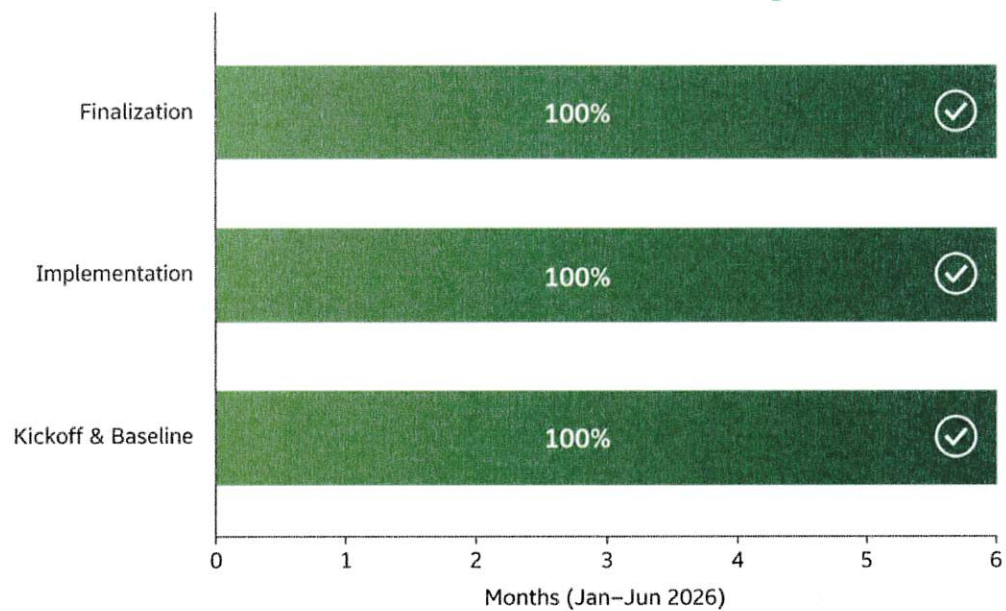
Farah Najdawi
May 20, 2026

TCEQ Reports Summery

January 1, 2026-May 1, 2026

CCR Progress

✓ All tasks completed



CLSUD Plans Budget Tracking

Project name	Start	Finish	Project Status	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	11.85%	On Scope	On track	Budget	\$ 34,670.00
								Spent	\$ 4,109.00
								Remaining	\$ 32,033.75

Relocation Projects Budget Tracking

Project name	Start	Finish	Project Status	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	\$ /hr
								Spent	\$ 7,117.45
								Remaining	
City of Kyle-Bunton Creek Road	17-Jan-25	TBD	Ongoing	Lochner	0%	On Scope	Delay Pending City response	Budget	\$ /hr
								Spent	\$ 19,127.50
								Remaining	
Caldwell County- Rocky Road Realignment at SH21	30-Oct-25	TBD	Ongoing	KH	0%	On Scope	On track Pending County meeting	Budget	\$ /hr
								Spent	\$ -
								Remaining	
Caldwell County- FM2720 Realignment at Gristmill Road	30-Oct-25	TBD	Ongoing	KH	0%	On Scope	On track Pending County meeting	Budget	\$ /hr
								Spent	\$ -
								Remaining	

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

CLSUD Projects Budget Tracking

Project name	Start	Finish	Project Status	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	\$ 594,679.87	\$ 73,389.85	\$ 1,066,600.46	\$ 1,388,333.9
								Remaining	\$ 65,688.13	\$ 525,700.15	\$ 7,483,399.54	\$ 8,074,787.8
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	\$ 2,118,572.0
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	6.38%	On Scope	On track	Budget	\$ 1,441,700.00	\$ 2,164,938.67	\$ 9,086,203.00	\$12,692,841.67
								Spent	\$ 85,990.00	\$ -	\$ -	\$ -
								Remaining	\$ 1,355,710.00	\$ 2,164,938.67	\$ 9,086,203.00	\$12,606,851.6
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	\$ 3,356,322.54	\$ 4,520,109.7
								Remaining	\$ -	\$ 19,970.00	\$ 143,390.92	\$ 163,360.92

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

4-1-2026 to 5-1-2026

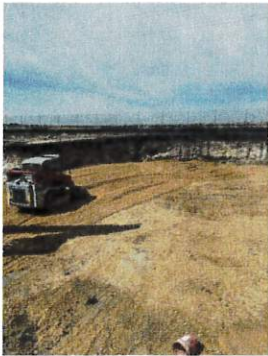


Figure 1: Began select fill installation for the GST foundation at EL. 582.00

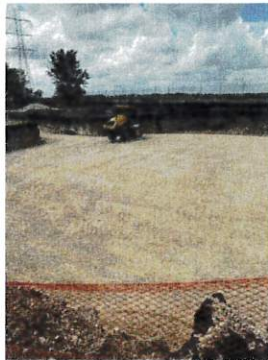


Figure 2: Compacting lift #1 of the GST select fill material.



Figure 3: Compacting lift #9 of the GST select fill material.

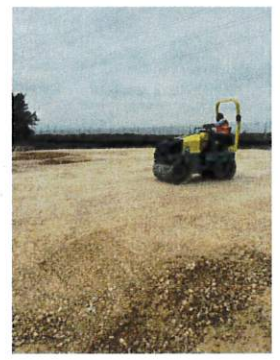


Figure 4: Compacting lift #18 of the GST select fill material.

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	450
Days Charged to Date	98

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	20.13%	On Scope	On track	Budget	\$ 200,000.00
								Spent	\$ 40,260.00
								Remaining	\$ 159,740.00
General Engineering Service (GES)	1-Jan-26	31-Dec-26	Ongoing	KH	41.31%	On Scope	On track	Budget	\$ 200,000.00
								Spent	\$ 82,621.40
								Remaining	\$ 117,378.60

*

Percent of budget used

Includes CLSUD TWDB FUNDING APPLICATION

Question