

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting – June 17, 2026 at 6:30 P.M.

District Office-8870 Camino Real, Umland, Texas 78640

Board Members Present:

Tracy Scheel

Rebecca Moore

Hunter Schuler

Earl “Chip” Sparks

Michael Kobin

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)

Betsy Johnson with Grable Martin PLLC (Via Teams)

Wayne Watts with HW Lochner (Via Teams)

Ronja Keyes with Plum Creek Utility/BVRT

Jaxzen Mask with Arguijo Construction (Via Teams)

Zachary Wright with NewGen Strategies (Via Teams)

Kody Molina with Guerra Underground (Via Teams)

Michael Miller (Via Teams)

Victoria R. (Via Teams)

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

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-D, E.1-E.8, F.1-F.10, G and then E.9 and E.10.

A. CALL TO ORDER. Director Scheel called the meeting to order at 6:30 P.M. The meeting was paused at 6:32 P.M. to enter the Public Hearing. The Public Hearing was adjourned at 6:57 P.M. and the board meeting resumed at 6:57 P.M.

B. ROLL CALL. Quorum of the Board was present, with Directors Scheel, Moore, Sparks, Schuler and Robin 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 May 13, 2026 Special Called Meeting.

Director Sparks made a motion to approve the Special Called meeting minutes. Director Schuler seconded the motion, and the motion passed unanimously. 5 Aye, 0 Nay.

D.2 Consider and take action to approve the minutes of the May 20, 2026 Regular Board Meeting.

Director Sparks made a motion to approve the minutes as presented. Director Schuler seconded the motion, and the motion passed unanimously. 5 Aye, 0 Nay

E. ITEMS FOR ACTION OR DISCUSSION/DIRECTION:

E.1 Discuss, consider, and take action regarding Order Approving the Independent Financial Audit of Impact Fees in Accordance with Texas Local Government Code § 395.059. Given the presentation and discussion during the public hearing, Director Sparks made a motion to adopt the Order Approving the Independent Financial Audit of Impact Fees in Accordance with Texas Local Government Code § 395.059. Director Schuler seconded the motion, and the motion passed unanimously. 5 Aye, 0 Nay

See attached Order approved by the board, with the Audit attached as Exhibit "A"

E.2 Discuss, consider, and take action to approve Proposal with NewGen Strategies & Solutions for the appraisal of County Line Special Utility District's Wastewater System. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. The board requested the executive committee meet with CLSUD's financial advisor, bond council, attorney, engineer and NewGen Strategies, to discuss our wastewater system. CLSUD would like to engage NewGen Strategies to conduct a review of the system and determine the appraised value of the system once our engineer provides an inventory of the entire system. NewGen Strategies prepared a proposal in the amount of \$25,000.00 to provide an appraisal of the wastewater system. Director Sparks feels Item E.3 below should have been before this item since we need the inventory before the appraisal can be done. Mr. Ramos said E.3 below will be tabled. Lochner needs to be provided with additional documents before they can prepare their Task Order for conducting an inventory of the system. Director Schuler made a motion to table this item until the Task Order with Lochner was ready. Director Sparks seconded the motion, and the motion passed unanimously. 5 Aye, 0 Nay

E.3 Discuss, consider, and take action to approve Task Order with Lochner for inventory of County Line Special Utility District's Existing Wastewater System. This item was tabled. The Task Order was not ready to take to the board at meeting time since Lochner needs additional documentation about the wastewater system.

E.4 Discuss, consider, and take action to approve Resolution for the Texas Water Development Board Funding Application. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. County Line Special Utility District is pursuing grant funding assistance from the Texas Water Development Board (TWDB) to support eligible water system improvement projects identified in the District's 2025 Water Master Plan that are not eligible for funding through impact fees. The proposed application requests financial assistance in an amount not to exceed \$21,000,000.00 for water system improvements throughout the District. As part of the TWDB funding application process, the Board of Directors must adopt an Application Filing and Authorized Representative Resolution authorizing the submission of the application and designating an authorized representative to execute documents and provide information necessary to complete the funding process. The proposed resolution designates Humberto Ramos, General Manager, as the District's authorized representative for purposes of preparing, submitting, and administering the application. The resolution also authorizes the District's financing team to assist with the application process, including Andrew Friedman of SAMCO Capital as Financial Advisor, Shawn Crawford of Kimley-Horn & Associates as Engineer, and Stephanie Leibe of Norton Rose Fulbright US LLP, as Bond Counsel. In addition to the resolution, the District is required to submit supporting documentation, including an Application Affidavit, Site Certificate, and Certificate of Secretary, certifying that the application was approved in accordance with Texas Open Meetings Act requirements and that the District is eligible to apply for TWDB financial assistance. Director Moore asked where the \$21,000,000.00 amount came from. Ms. Najdawi said the amount came from the 2025 water impact fee opinion of probable construction cost of non-impact fee projects which included an estimate of engineering fees, non-engineering fees and construction cost. Director Moore asked if we should increase the amount since construction costs have increased since 2025. Mr. Ramos said the application is due by July 1st and it is highly unlikely that CLSUD will even get \$21,000,000.00. He feels we should go ahead and submit the application as is and see what we get. Ms. Najdawi said due to the size of CLSUD, \$15,000,000.00 is the most that might be granted to CLSUD. Director Sparks made a motion to approve the Resolution for the Texas Water Development Board Funding Application. Director Schuler seconded the motion, and the motion passed unanimously. 5 Aye, 0 Nay

E.5 Discuss, consider, and take action to Approve Total Budgeted Costs for County Line Special Utility District Infrastructure Projects in the Bid, Design, and Construction phases for the 30-inch Bobwhite Waterline/FM 2720 Phase 3 Project. Farah Najdawi with County Line Special Utility District discussed this item. At the March 2026 board meeting, the board approved a construction budget of approximately \$1.5 million including contingency. Following approval at the April 2026 board meeting the project was advertised for bids. Sixteen (16) bids were received. The lowest bid was from Guerra Underground, LLC for approximately \$1.95 million. The bid was higher due to a significant increase in material cost, especially for the thirty-inch (30") HDPE pipe and its related components. The total construction budget, including the twenty-five percent (25%) contingency increased to about \$2.44 million. As a result, the overall project budget increased by \$548,897.86. Director Schuler asked where the \$1.5 million came from, Ms. Najdawi said it came from the estimated engineering cost before the contingency. HDPE resin prices remained relatively stable around \$0.45-\$0.50 per pound through

February 2026, then increased to approximately \$0.84 per pound in April 2026. The cost per pound declined slightly in May and June 2026, but not back to \$0.45 per pound. Director Schuler asked if there is an urgency to this project to see if the price could come down some more, Ms. Najdawi stated that we have commitments to developers and need to move forward with this project. Wayne Watts with HW Lochner, the engineer on this project, said they conducted an extensive search of the project records of Guerra Underground, and they have met the contract requirements as far as required experience with HDPE projects. Director Sparks made a motion to approve an increase of \$548,897.86, including contingency, to the project budget previously approved in March 2026 to accommodate the awarded construction contract amount to Guerra Underground, LLC including a not to exceed a total expense of \$2,439,609.74. Director Schuler seconded the motion, and the motion passed unanimously. 5 Aye, 0 Nay

E.6 Discuss, consider, and take action to award contract for the Bobwhite 30-inch Water Main Phase 3 Project. Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. At the March 2026 Board meeting, the Board of Directors approved the estimated project budget of approximately \$1,890,711.88 for the Bobwhite 30-inch Water Main Phase 3 Project, which is eligible for impact fee funding. To comply with both the District's Purchasing Policy and the Texas Water Code, the Board also adopted a dual-motion approach to the procurement process. Under this approach, the Board first approves the total budgeted cost of the project and authorizes the purchasing agent to solicit bids. Once the bids are received and evaluated, the Board retains responsibility for providing final approval before any contract is awarded. Subsequently, at the April 2026 Board meeting, the Board authorized staff to advertise the Bobwhite 30-inch Water Main Phase 3 Project for competitive bidding to obtain a contractor to build the waterline. On May 28, 2026, CLSUD received and opened sealed bids for the Bobwhite 30-inch Water Main Phase 3 Project. A total of sixteen (16) bids were received, ranging from \$1,949,609.74 to \$2,889,440.50. Following a review of the bid tabulations, unit prices, contractor qualifications, and references, H.W. Lochner, Inc. determined that Guerra Underground, LLC submitted the lowest responsive and responsible bid in the amount of \$1,949,609.74. This amount represents the construction contract value. Including the recommended twenty-five percent (25%) contingency, the total construction budget for the project is \$2,437,012.18. Lochner conducted reference checks and verified that Guerra Underground, LLC has successfully completed similar water main projects involving large-diameter pipelines, trenchless construction methods, and utility infrastructure installations. References consistently provided favorable feedback regarding the contractor's performance, quality of work, responsiveness, and ability to meet project requirements. Although the apparent low bid exceeded the Engineer's Estimate, the primary difference was attributed to increased market pricing for 30-inch HDPE pipe materials. Lochner determined that the bid pricing was consistent with current market conditions and comparable to pricing received from other bidders. Guerra Underground, LLC is expected to complete construction of the Bobwhite 30-Inch Water Main Phase 3 Project within approximately 180 to 270 calendar days (6 to 9 months) after receiving the Notice to Proceed. Based on its review, H.W. Lochner, Inc. recommends awarding the construction contract for the Bobwhite 30-inch Water Main Phase 3 Project to Guerra Underground, LLC. Director Sparks asked if CLSUD could use the same approach as the Department of War Department of Defense acquisition process of using a cost-plus model so we actually pay for the HDPE pipe at the prevailing rate when it is purchased. Ms. Najdawi will need to research to see if this approach is something CLSUD can do. Director Scheel asked if future contracts could have language to protect CLSUD should the cost of materials drop; the contractor would only charge CLSUD the actual cost of materials instead of what was bid at a higher cost. Director Scheel understands under this method the actual cost could increase if market price was higher than what was

originally bid, but if prices went down, CLSUD would be charged the lower amount. Director Scheel also asked if we could include this language in the current project. Wayne Watts with HW Lochner said we would need to reject all bids and rebid the project and set it up to include pricing scenarios. This could set the project back eight (8) to ten (10) weeks or so and there is no guarantee that anyone would bid the project under these scenarios and there would be additional costs to rebid the project and you need to think about what obligations you have to get this project completed. Director Shuler moved to reject all bids and rebid the project with the added provision that we pay at cost at the time of purchase for the HDPE materials. Director Kobin seconded the motion. Director Sparks and Director Moore voted Nay. Director Schuler's motion failed with a 3-2 vote. Director Sparks made a motion to approve the award of the Bobwhite 30-inch Water Main Phase 3 construction contract to Guerra Underground, LLC in the amount of \$1,949,609.74, and approve a total construction budget of \$2,437,012.18, including the recommended twenty-five percent (25%) contingency. Director Moore seconded the motion. Director Schuler and Director Kobin voted Nay. Director Sparks' motion failed with a 3-2 vote. Director Schuler changed his vote to yes and Director Sparks resaid his motion and Director Moore seconded the motion. Director Kobin voted Nay. The motion passed with a 4-1 vote.

E.7 Discuss, consider, and take action to approve Total Budgeted Costs for County Line Special Utility District Infrastructure Projects in the Bid, Design, and Construction Phases for the Plum Creek Waterline Upsizing Project. Farah Najdawi with County Line Special Utility District discussed this item. As approved by the Board in October 2025 through the 2025 Water Master Plan, the Plum Creek Road Waterline Upsizing Project was identified as a Capital Improvement Project (CIP) to support future growth, improve system reliability, and ensure compliance with TCEQ (Texas Commission on Environmental Quality) minimum pressure requirements. The project includes the design and construction of approximately 5,030 linear feet of 8-inch water main to replace an existing 2-inch water line that has experienced numerous leaks and to provide system looping for future developments. The project will provide water service capacity for several planned developments within the service area, including Cotton Gin RV Park (20 LUEs), Watermill Village (115 LUEs), and Creeks Crossing MH Park 1 (521 LUEs). As an impact fee-eligible CIP project, the waterline upsizing will enhance system redundancy, improve operational reliability, and accommodate projected future demands. CLSUD will construct approximately 5,030 linear feet of new 8-inch PVC water main along Plum Creek Road from Grist Mill Road to Mill Run Avenue. The project will include associated valves, fire hydrants, service reconnections, creek crossings, pavement restoration, and other related appurtenances. Lochner will provide engineering design services, bid phase assistance, and construction phase support for the project. The project will be implemented through the engineering design, permitting, bidding, construction, and closeout phases. Engineering services include surveying, utility and stakeholder coordination, preparation of plans and specifications, cost estimating, permitting assistance, bid support, construction administration, and record drawings. Pursuant to the Board of Directors' direction to streamline project costs, the estimated budget for the Plum Creek Project is summarized below:

Table1. Project Budget Summary

Budget Category	Cost	Contingency	Total Budget
Construction	\$ 1,909,415.00	30%	\$ 2,673,181.00
Engineering	\$ 473,962.00	21.24%	\$ 574,636.21
Non-Engineering	\$ 442,160.69	6.87%	\$ 472,525.24

The contingency has been included to account for market conditions, utility conflicts, permitting requirements, and unforeseen field conditions, resulting in a total estimated project cost of \$3,720,342.44, including engineering, land acquisition, environmental services, permitting, inspections, project management, and contingency. The project is anticipated to begin upon Notice to Proceed in June 2026, with final design completed in March 2027, bidding and contract award completed by August 2027, and construction substantially completed in April 2028, with final completion and as-built documentation completed by June 2028. Director Sparks made a motion to approve the total budgeted costs for County Line Special Utility District Infrastructure Projects in the bid, design and construction phases for the Plum Creek Waterline upsizing project. Director Moore seconded the motion, and the motion passed unanimously. 5 Aye, 0 Nay

E.8 Discuss, consider, and take action regarding SCADA upgrade communication quotes. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item since Tiffeny Howe was not able to attend the meeting. Currently, CLSUD uses a radio system and would like to go to cellular. Switching to cellular would help keep SCADA from going offline as frequently. When SCADA goes offline, everything has to be done manually. Director Sparks asked what the reoccurring cost of the cellular SIM card would be for eight (8) sites, excluding the Bob White site. France Alston said we will not know the cost until we have the actual equipment and can provide the IMEI number. Director Moore asked who the cellular provider would be, and Ms. Alston said it would be whichever cellular provider we go with. Currently we use Verizon but are trying to switch to AT&T. Director Sparks made a motion to approve the upgrade to cellular for all eight (8) of the aforementioned sites in the amount of \$23,697.00. Director Moore seconded the motion, and the motion passed unanimously. 5 Aye, 0 Nay

E.9 Update regarding acquisition and litigation status including City of Kyle discussions. This item was discussed in executive session. No action was taken during executive session or when the meeting returned to open session.

E.10 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 eighteen (18) connections were made in May for a total of one-hundred-thirty-six (136) connections for the year. The low water usage reported at the May board meeting was a meter read issue and it has been resolved. Farah Najdawi asked if future reports could include the actual number of active connections.

WRRF #1 is compliant with permit requirements and the monthly DMR report was submitted. The total permitted capacity is 300,000 gallons per day and approximately 200,000 gallons per day is currently in use. Operations remained stable and no issues were reported.

WRRF #3 has a total permitted capacity of 150,000 gallons per day and approximately 8-9,000 gallons per day is currently in use. Right now, flows are coming from Bollinger and Lantana. Plum Creek Utility/BVRT will take over this plant by the end of June.

F.2 Project(s) Management Report. Farah Najdawi with County Line Special Utility District (CLSUD) gave this report. See attached presentation for information.

F.3 Capacity Report. Humberto Ramos with County Line Special Utility District (CLSUD) reported twelve (12) LUEs were added in May towards the one-hundred-thirty-six (136) LUE goal. Current active accounts are 6,879 with 2,119 in reserve. Water demand (active + reserves in acre feet) is 2,474 and current water supply in acre feet is 3,319. 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 May. County Line's attorney continues to work on various NSSAs to send to developers. NSSAs were emailed to developers for the Kyle Wastewater Treatment Plant expansion, Hays CISD Middle School No. 7 and Spanish Trail Gas Station. The City of Kyle will take the NSSA for the Kyle Wastewater Treatment Plant Expansion to their council at their July 16, 2026 meeting. Didn't receive any new service requests or impact fee payments in May.

F.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported on this item. Director Moore had several questions regarding the financials, Ms. Alston requested Director Moore to send the questions to her in writing so she could provide the board with answers after she has had time to prepare. Director Moore requested that the questions be asked in front of the board at the meeting. Director Moore had the following questions: 1.) An explanation of the difference between the debits and credits on the balance sheet since they do not tie. Last month the amount in the developers deposit payable account on the balance sheet was \$1.6 million. This month it is a credit of \$186,195.89. If you take that as the credit and all the expenses that we paid for per developers, the developers would owe us \$1,472,000.00 if the numbers on the balance sheet were correct. 2.) Line number 10, 16036 on the balance sheet. Is that really an income account that should be on the P&L and not on the balance sheet? Ms. Alston said per the auditor (Phil), he told her to put it there. Director Moore asked if it is an income account or an asset account? Director Schuler asked about the non-impact fee construction for \$3.5 million. Director Moore and Ms. Alston said it is a utility conveyance income. Ms. Alston said it is not an income, but an asset. Director Moore said it is not an asset; it counteracts an asset; it is your credit to your asset debit. Ms. Alston is going to give January through May to our auditor again so he can go through them because the April information did not have the final 2025 audit numbers in it, but they are in this

one. Mike Gershon, the district's attorney, said an email can be sent to all the board members with a response, but the board members should not respond to all. Director Schuler liked seeing the same period from the previous year on the reports that were generated by the old system. He would like to continue to see this if possible. Ms. Alston said the new system has reports built into it and does not include a report with that information. If the board would like to continue to see that information, we would need to request the software company to generate the report. There would be a fee for them to generate the report. The board would like the report to be generated and presented at the meeting. Ms. Alston reported that we are still in line with the \$86,000.00 fund summary bottom line. We are only five (5) LUEs (Living Unit Equivalents) of making our one-hundred-thirty-six (136) LUE goal. Any LUEs after this goal will go into the operating funds. The current 2026 expense budget balance is \$11,016,965.68 and \$5,840,477.49 of the original budget has been used. The current 2026 total budget balance is \$10,871,139.41 and \$2,015,353.77 has been used. We will start having meetings regarding the 2027 fiscal year budget this month. Budget adjustments are likely to occur at the end of the fiscal year. An investment policy meeting is scheduled for July 10, 2026 at 3:00 pm. The investment policy gives guidelines for looking for investing and investments. A benefits committee meeting is scheduled for November 13, 2026 at 3:00 pm. Ms. Alston has started the process of getting insurance quotes. A financial audit RFP/RFQ (Request for Proposal/Request for Quotes) was last done in 2022 and will be done again in a year. Director Schuler asked about the water revenue budget. The budget is \$10.99 million, and the actual is \$3.96 million, so the variance is like 200% of the actual. He would like a response to this question included in the response of Director Moore's questions.

F.6 Customer Service Quarterly Report. Karina Ortega with County Line Special Utility District (CLSUD) reported in the month of May they had six-hundred-eight (608) calls, one-hundred-sixty-nine (169) front counter walk-ins, sixty-four (64) new applications for service, two-hundred-thirty-four (234) front counter payments, ninety-nine (99) disconnect forms, nine (9) automatic draft setups, eleven (11) payment plans, eight (8) changes to accounts and two (2) concerns. 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. Fifty-two (52) refund checks were issued in the month of April totaling \$8,223.19 and forty-seven (47) refunds checks were issued in the month of May totaling \$7,605.66. The month of May had sixty-three (63) delinquent customers.

DELINQUENT PROCEDURES		
Step	Timing	What it means
Bill Mailed	Around the 28 th of each month	District sends bills out
Payment Due	When Received	Pay as soon as you get your bill
Past Due	About 15 days after the bill date	Past due if not paid by the due date
Late Penalty	After the past-due date	Penalty may apply under Section G
Final Notice	After past due, possible after a 1-day grace period	District may send a final notice before disconnection
Final Payment Period	10 days from mailing of final notice	You have 10 more days to pay
Possible Disconnection	After the final notice period	Service may be disconnected if still unpaid

County Line can help customers with delinquent bills by referring them to financial assistance programs with Hays County Veteran Hope 4 Hays County, Texas Utility Help, Southside Community Center, and for Kyle residents, they can contact Maria with the Catholic Church in Kyle.

F.7 Production & Operation(s) Report. Humberto Ramos with County Line Special Utility District (CLSUD) gave this report since Tiffeny Howe was on vacation and not able to attend the meeting. The technicians continue to get the required experience and continue to study for the test to become a license operator. One (1) operator took his test but did not pass.

LEAKS REPAIRED

		GALLONS
7-May	Summer Sun Cove*	15,345
12-May	Sheep Trail Drive	33,228
15-May	Lumber Lane	6,912
25-May	N Plum Creek Rd	466
Total Leaks		55,951
FLUSHING		6,500
TOTAL		62,451

*Boil Water Notice (BWN) issued: Start date 5/8, Rescind Date 5/12

2026	CRWA 1058 AF			SAN MARCOS 1680 AF			EAA 291.418 AF CLSUD (241.086) AF			ARWA 500 AF SM (413.644) 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	291,309	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.	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	10,102,000	323,000	503,000	18,908,000	609,935	1,139,000	8,966,000	289,226	451,000	3,475,000	112,097	136,000
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	153.564	904.436
CLSUD (Well #1 Edwards)	AF	76.212	40% reduction 45.727	82.500	-36.773
CLSUD (Well #2 Edwards)	AF	215.206	40% reduction 129.123	53.224	75.899
SAN MARCOS EDWARDS	AF	500	40% reduction 300	36.773	263.227
ARWA	AF	219	NO REDUCTION	67.751	151.249
SAN MARCOS	AF	1680	NO REDUCTION	264.676	1,415.324
			TOTAL =	658.488	2,773.362

2026 EAA CRITICAL PERIOD REDUCTIONS
SAN ANTONIO POOL

STAGE	%	DAYS IN STAGE	START	END
4	40%	118	1/1/2026	4/25/2026
3	35%	34	4/26/2026	6/1/2026

2025 EAA CRITICAL PERIOD REDUCTIONS SAN ANTONIO POOL				
STAGE	%	DAYS IN STAGE	START	END
STAGE 4	40%	142	1/1/2025	5/22/2025
STAGE 5	44%	6	5/23/2025	5/28/2025
STAGE 4	40%	11	5/29/2025	6/9/2025
STAGE 3	35%	64	6/9/2025	8/11/2025
STAGE 4	40%	34	8/12/2025	9/14/2025
STAGE 3	35%	3	9/15/2025	9/17/2025
STAGE 4	40%	105	9/18/2025	12/31/2025
YTD	39.16%	365		

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)
- LG is working with Hays County attorney to finalize reimbursement of Cotton Gin relocation line from Hays County.
- Working with Chris Ekrut (New Gen) France and staff to monitor 2026 FY Budget and expected growth. Will start working on 2027 FY Budget

City of Uhland Meeting(s)

- Attended City Council Meeting – June 4
 - Alex Saldivar placed in Place 1 vacancy by City Council –due to (Guadalupe Garza elected as Mayor creating the vacancy in Place 1)
 - Mayor Pro Tem – Mary LaPoint (Place 4)
- Will meet with the City Administrator next week.

City of San Marcos

- On May 22nd met with Interim Utilities Director -Rober Goode as Tyler Hyorth Director of Utilities for San Marcos resigned and Tyler's second of command also resigned. Discussed 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. Mr. Goode will set up a meeting with Assistant City Manager Joe Pantalio to discuss it further.

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.
 - Another street project has been added
- City of Kyle filed on February 2nd, condemnation of easements on Leahman Rd. CLSUD received was informed on February 17th regarding Cause No. 26-0130-C and 26-0130-C#2.
- Have a meeting with the City of Kyle in two (2) weeks to address customers that CLSUD provides water too, but City of Kyle provides wastewater.

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 coming forthcoming.
- On June 4th BVRT PCU submitted a short version of the Reuse Agreement for the purpose of expediting use of construction water; Instructed LG to complete the Draft Reuse Agreement instead as short version has CLSUD waving government immunity.

- Met with Shilen Patel on June 17th to discuss the rate adjustment, amendments to the contract, WRRF #2 and the reuse agreement.

Caldwell County Flood Mitigation Plan

- No update.

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

- No update.

Update on CRWA, ARWA, GBRA and NRA

Update on Hays Caldwell Water Treatment Plant -CRWA

- At CRWA BOT meeting on June 8th, discussion and action were taken to approve leasing of a 3rd trailer (\$40,000.00/month) with the condition that any excess funds from FY 2025 and FY 2026 will be used to offset the first-year annual payment. Third trailer is needed to meet contractual obligations as the existing Koch membranes are failing. CLSUD representatives requested a plan be completed to lay out the plan for the trailers and path forward. Based on this CRWA will need to pay approximately \$36,000.00 not covered from the leftover revenue.

Item 9 General Business

- A. Discuss, consider, and take possible action on Resolution 26-06-003 approving the execution of an agreement with Pall Corporation to lease an additional mobile membrane unit. *This item was approved as described above.*
- C. Discuss, consider, and take possible action on Resolution 26-06-005 ratifying the General Manager's approval of Change Orders 3 and 4 associated with the Hays Caldwell Phase I Project. *Change order 3 was for lightning protection of the ground storage tank cost is \$23,085.61. Change order 4 was for road improvements at the facility for a cost of \$36,597.50. This action was approved as it's a ratification and the GM at CRWA has the latitude due to CRWA policy to make change orders that are limited in cost.*

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 June 5, 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 vertical. GST tank is complete and waiting for water for hydro test. All remote sites have had concrete slab poured for flowmeter buildings. Eastern Pipeline has all the pipe in the ground and appurtenances are being built out. Contractor tied in on June 4, 2026 to Lockhart plant and will begin pushing water for hydro test soon. The Northern Pipeline is ~19% constructed with about fifty percent (50%) of the boring complete. The Eastern Route crews will move to work and complete the Northern Route in the next few weeks after completing eastern route.

GBRA is working with the City of Lockhart to obtain the cost for the leasing of its water. Recall the City of Lockhart has available 2,000 af of water available of which GBRA would like to disperse through leasing equal amounts to participants (CLSUD, Maxwell SUD, Goforth SUD and BVRT PCU) of GBRA TX 130.

Below is an update on the permit status with GCUWCD. *(No change from last month.)*

- 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 (NewGen) 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 requested the WaterSecure Agreement to be executed at the end of May 2026. On May 20th CLSUD took no action on the agreement.

On June 4, 2026, met with GBRA management to provide overview as to concerns CLSUD has with project. From this meeting we learned GBRA did not receive SWIFT funding for 2026 and at the time of this report no entity has signed up for WaterSecure. In addition, GBRA management stated they might consider changing some aspects of the agreement.

Alliance Regional Water Authority (ARWA) BOT- Next Board meeting will be June 24th. Discussion will be mainly on the CMAR (Construction Manager at Risk) cost model for the WTP expansion. On June 18th, ARWA will be hosting a workshop at Green Valley to discuss the process and the proposed increased cost above the Engineer's cost estimate.

NRA (Nueces River Authority) Harbor Island Desal Project- POC for NRA, Travis Pruski resigned his position. CLSUD sent over its first payment of \$136,881.58 for water reservation in the project. Next payment in the amount of \$136,881.58 will be due in March 2027. I

reached out to John Chislom of NRA who will be the new POC for NRA. I have worked with John in the past while he was employed at the San Antonio River Authority.

Region L – Next meeting will be August 6th. Discussion will be on filling various vacancies for Agriculture, Small Business, and Water Utilities. Plan is due in 2031.

F.9 President's Report. Director Brewer was not able to attend the meeting, so the president's report was not given.

F.10 General Counsel's Report. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. reported in open session the lawsuit with San Marcos has been dismissed. The remainder of his report was given in executive session.

G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS. The board requested that a presentation be given on data centers before any Non-Standard Service Agreements (NSSAs) are executed. Director Schuler wanted an answer about contracts for upcoming projects to have a bid amount for the actual cost of materials.

H. EXECUTIVE SESSION. The meeting entered executive session at 9:06 pm 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) to discuss E.9, 551.072 (deliberations about real property) to discuss E.10, or as otherwise authorized by law. Executive session ended at 9:34 pm and returned to open session.

I. ADJOURNMENT. Director Sparks made a motion to adjourn the meeting. Director Schuler seconded the motion, and the motion passed unanimously. 5 Aye, 0 Nay. Meeting was adjourned at 9:34 p.m.



Date 7/15/26

Toni Brewer
County Line SUD, Board President

COUNTY LINE SPECIAL UTILITY DISTRICT

**ORDER APPROVING THE INDEPENDENT FINANCIAL AUDIT OF IMPACT FEES
IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE § 395.059**

THE STATE OF TEXAS §
 §
COUNTIES OF HAYS AND §
CALDWELL §

The Board of Directors ("**Board**") of County Line Special Utility District (the "**District**") met in regular session, open to the public, on June 17, 2026, at 6:30 p.m., at the County Line Special Utility District office located at 8870 Camino Real, Uhlard, Texas 78640, an official meeting place within the boundaries of the District; whereupon the roll was called of the members of the Board of Directors, to wit:

Toni Brewer	President
Tracy Scheel	Vice President
Earl Sparks	Secretary
Rebecca Moore	Director
Hunter Schuler	Director
Robert Diaz	Director
Michael Kobin	Director

All members of the Board were present except Director(s) Brewer and Diaz, thus constituting a quorum of the Board. Among other business conducted by the Board, Director Scheel introduced the Order set out below, Director Sparks moved its adoption, and Director Schuler seconded such motion. After full discussion and the question being put to the Board, said motion was carried by the following vote:

"Aye" 5; "No" 0.

The Order thus adopted is as follows:

WHEREAS, the District desires to consider and potentially make amendments to its water and wastewater impact fees at a future date;

WHEREAS, the District has engaged an independent auditor to conduct an independent financial audit of the District's existing impact fees in accordance with Texas Local Government Code § 395.059(b)-(c) (the "**Audit**");

WHEREAS, the District held a public hearing on the results of the Audit in accordance with Texas Local Government Code § 395.059(d) on June 17, 2026; and

WHEREAS, the Board desires to approve the Audit.

**NOW THEREFORE, IT IS ORDERED BY THE BOARD OF DIRECTORS OF
COUNTY LINE SPECIAL UTILITY DISTRICT AS FOLLOWS:**

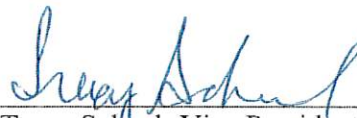
Section 1: The above-listed recitals are true and correct and incorporated herein for all purposes.

Section 2: The Audit attached hereto as **Exhibit A** is approved by the Board.

Section 3: The Secretary of the Board is hereby directed to file a copy of this Order in the official records of the District.

Section 4: The District's General Manager and General Counsel are authorized to take all actions necessary to carry out the purposes of this Order and to otherwise comply with applicable Texas laws and regulations, including, but not limited to, Chapter 395 of the Texas Local Government Code.

PASSED AND APPROVED on the 17th day of June, 2026.



Tracy Scheel, Vice President
Board of Directors

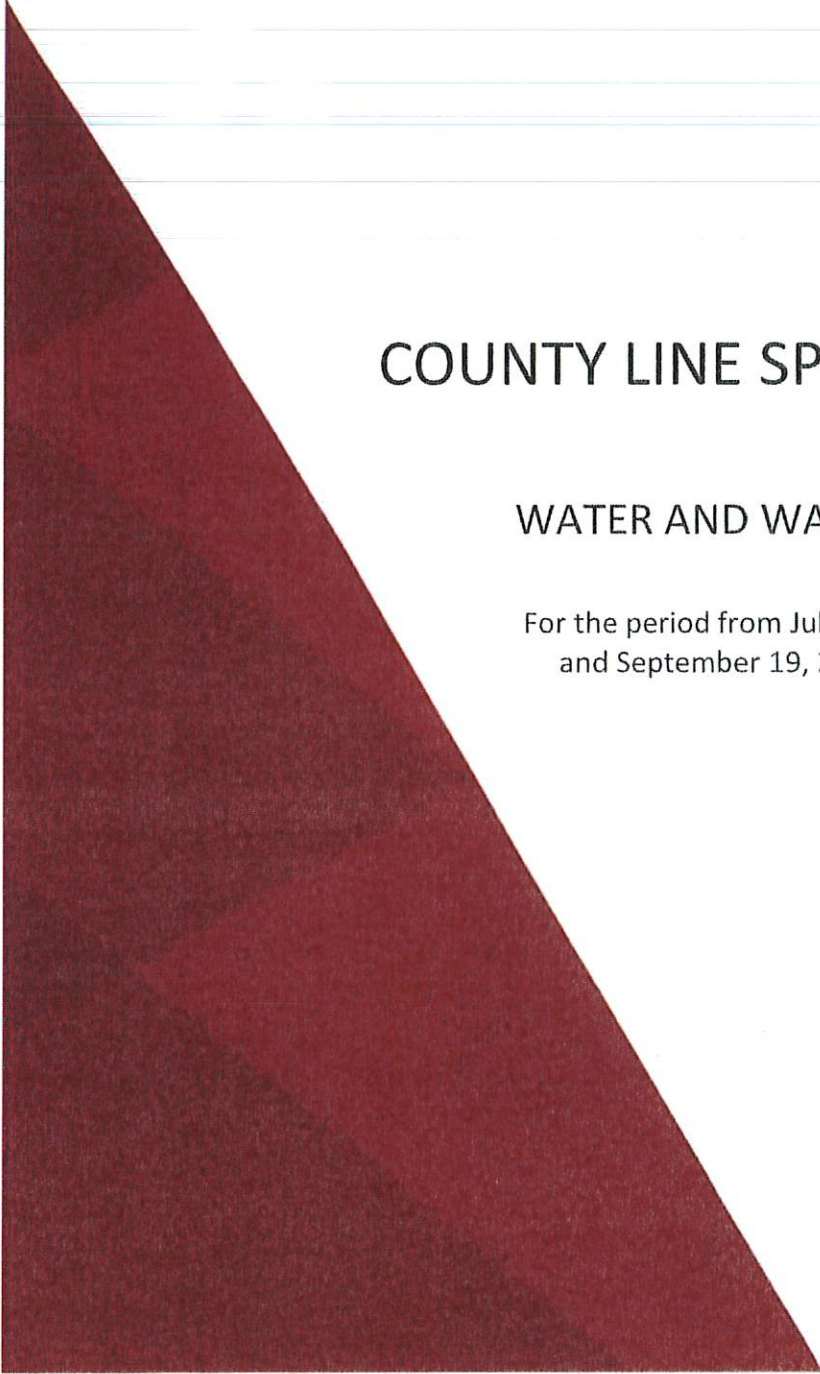
ATTEST:



Earl Sparks, Secretary
Board of Directors

Exhibit A

Independent Financial Audit



COUNTY LINE SPECIAL UTILITY DISTRICT

WATER AND WASTEWATER IMPACT FEES REPORT

For the period from July 20, 2022 through September 30, 2025 (Water)
and September 19, 2023 through September 30, 2025 (Wastewater)



CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**

COUNTY LINE SPECIAL UTILITY DISTRICT

TABLE OF CONTENTS

For the period July 20, 2022 through September 30, 2025 (Water)
For the period September 19, 2023 through September 30, 2025 (Wastewater)

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
SCHEDULES:	
IMPACT FEES COLLECTED	3
INTEREST EARNED	4
PROPOSED CAPITAL IMPROVEMENTS NOT CONSTRUCTED-CURRENT STATUS	5
UNSPENT IMPACT FEES	6
IMPACT FEE	7
ALLOCATION OF IMPACT FEES	8
WAIVED IMPACT FEES	9
REQUESTED REFUNDS	10
REFUNDS	11
ERRORS OR OMISSIONS OF CREDITS IN IMPACT FEE CALCULATION	12

INDEPENDENT AUDITOR'S REPORT

County Line Special Utility District
8870 Camino Real
Uhland, Texas 78640

Report on the Audit of the Schedules of Impact Fees

Opinion

We have audited the following Schedules of Impact Fees (the Schedules), and provided a detailed accounting of them as required by the Texas Local Government Code Section 395.059 for County Line Special Utility District for the period from July 20, 2022 through September 30, 2025 (water impact fees) and from September 19, 2023 through September 30, 2025 (wastewater impact fees).

- Impact Fees Collected
- Interest Earned
- Proposed Capital Improvements Not Constructed
- Unspent Impact Fees Collected
- Impact Fees
- Allocation of Impact Fees
- Waived Impact Fees
- Requested Refunds
- Refunds
- Errors or Omissions of Credits in Impact Fee Calculation

In our opinion, the accompanying Schedules above present fairly, in all material respects, the required information as requested by the Texas Local Government Code Section 395.059 for the period from July 20, 2022 through September 30, 2025 (water impact fees) and from September 19, 2023 through September 30, 2025 (wastewater impact fees).

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedules* section of our report. We are required to be independent of County Line Special Utility District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We also have not, and are not, during the 12 months preceding the commencement of the audit under contract to provide any other service to County Line Special Utility District. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of the Schedules in accordance with Section 395.059 of the Texas Local Government Code and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the Schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the Schedules.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County Line Special Utility District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedules.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about County Line Special Utility District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction on Use

Our report is intended solely for the information and use of County Line Special Utility District and their Capital Improvement Advisory Committee and is not intended to be and should not be used by anyone other than these specified parties.

ABIP, PC

San Antonio,
June 17, 2026

COUNTY LINE SPECIAL UTILITY DISTRICT

IMPACT FEES COLLECTED

For the period from July 20, 2022 through September 30, 2025 (Water)
For the period September 19, 2023 through September 30, 2025 (Wastewater)

Below is a detailed accounting of the amount of funds collected from the impact fee imposed by County Line Special Utility District for the period from July 20, 2022 through September 30, 2025 (water) and from September 19, 2023 through September 30, 2025 (wastewater).

Water Impact Fees

July 20, 2022 - September 30, 2025

July 20, 2022 - December 31, 2022	\$ 661,557.50
January 1, 2023 - December 31, 2023	11,145,250.00
January 1, 2024 - December 31, 2024	11,183,150.00
January 1, 2025 - September 30, 2025	550,135.00
	<u>\$ 23,540,092.50</u>

Wastewater Fees

September 19, 2023 - September 30, 2025

September 19, 2023 - December 31, 2023	\$ 757,500.00
January 1, 2024 - December 31, 2024	1,972,500.00
January 1, 2025 - September 30, 2025	77,500.00
	<u>\$ 2,807,500.00</u>

Procedure:

We obtained from the District agreements related to collections of water and wastewater impact fees and compared the amount of impact fees in the various agreements to the general ledger posting and to the deposit on the bank statement.

Results:

No exceptions noted.

COUNTY LINE SPECIAL UTILITY DISTRICT

INTEREST EARNED

For the period from July 20, 2022 through September 30, 2025 (Water)
For the period September 19, 2023 through September 30, 2025 (Wastewater)

Below is a detailed accounting of the interest accumulated on impact fee funds imposed by County Line Special Utility District in accordance with Section 395.025 of the Texas Local Government Code, for the period from July 20, 2022 through September 30, 2025.

Water Impact Fees	Total
<u>July 20, 2022 - September 30, 2025</u>	<u>Interest Earned</u>
July 20, 2022 - December 31, 2022	\$ 142,970.82
January 1, 2023 - December 31, 2023	687,846.22
January 1, 2024 - December 31, 2024	1,079,911.30
January 1, 2025 - September 30, 2025	826,914.74
	<u>\$ 2,737,643.08</u>

Procedure:

We obtained, from the District, monthly LOGIC statements to verify posting of interest to the general ledger.

Results:

We noted that all interest was maintained in the LOGIC account, however, we noted during our procedures that impact fees were being deposited in the District's operating account instead of the LOGIC investment account, causing a loss of interest income. Deposits were transferred at no specific time. In addition, there was no tracking of the separate water and wastewater deposits. In addition there was no tracking of the separate water and wastewater deposits due to deficiencies in prior accounting practices.

According to the Texas Local Government Code Section 395.024: "The order, ordinance, or resolution levying an impact fee must provide that all funds collected through the adoption in the interest-bearing accounts clearly identifying the category of capital improvements or facility expansions within the service area for which the fee was adopted."

COUNTY LINE SPECIAL UTILITY DISTRICT

PROPOSED CAPITAL IMPROVEMENTS NOT CONSTRUCTED-CURRENT STATUS

For the period from July 20, 2022 through September 30, 2025 (Water)
For the period September 19, 2023 through September 30, 2025 (Wastewater)

Below is a detailed accounting of the current status of proposed capital improvements or facility expansions intended to be financed from impact fees during the period from July 20, 2022 through September 30, 2025 (water) and September 19, 2023 through September 30, 2025 (wastewater), in accordance with Section 395.059(c)(3) of the Texas Local Government Code.

Water Impact Fees

July 20, 2022 - September 30, 2025

Project Name	Proposed Fiscal Year	Estimated Total Cost	Completed?	Notes
Gristmill Road Water Line	2022	\$ 1,651,680.00	Yes	
FM 2720 Water Main	2024	6,449,750.00	Phase 1 - complete	Phase 2 - completed March 2026; Phase 3 - under bid phase
FM 2720 Booster Site	2024	2,965,000.00	Ongoing	Under construction - to be completed by 2027
High Road GST	2024	605,000.00	Ongoing	Completed October 2025
ARWA/GBRA Water Sources	2024/2025	37,024,000.00	Ongoing	Debt service for contract revenue bonds
		<u>\$ 48,695,430.00</u>		

Wastewater Fees

September 19, 2023 - September 30, 2025

Project Name	Proposed Fiscal Year	Estimated Total Cost	Completed?	Notes
Las Estancias Force Main	2023	\$ 546,547.50	Yes	
State Highway 21 Gravity Main - 12" and 15"	2023	1,473,106.95	Yes	
Downtown Umland Lift Station	2023	1,357,170.00	Yes	
Downtown Umland Force Main	2023	638,462.44	Yes	
Gristmill South Gravity Main - 15" and 18"	2023	1,193,788.00	Yes	
Porter Creek Gravity Main	2023	2,503,068.38	Yes	
Porter Creek Lift Station and Force Main	2023	3,474,133.58	Yes	
Commercial Area Wastewater	2024	2,100,849.11	No	Project cancelled
FM 150 Gravity Main	2025	2,699,022.16	No	Future CIP project
Clear Fork Gravity Main	2026	1,672,391.62	No	Future CIP project
Misty Lane Wastewater Oversizing	2024	1,147,808.76	No	Future CIP project
FM 2720 Gravity Main	2024	7,887,315.87	Ongoing	Under construction - completed March 2026
		<u>\$ 26,693,664.37</u>		

Procedures:

We reviewed the Capital Improvement Plans for water and wastewater to determine the status of each project and to ensure compliance with Texas Local Government Code Section 395.059 regarding the 10-year expenditure or refund requirement.

Results: There have been no fees collected which have reached the ten-year required expense/refund date.

COUNTY LINE SPECIAL UTILITY DISTRICT

UNSPENT IMPACT FEES

For the period from July 20, 2022 through September 30, 2025 (Water)
For the period September 19, 2023 through September 30, 2025 (Wastewater)

Below is a detailed accounting of unspent impact fee funds for the period July 20, 2022 through September 30, 2025 (water) and September 19, 2023 through September 30, 2025 (wastewater), in accordance with Section 395.059(c)(4) of the Texas Local Government Code.

Water Impact Fees					
July 20, 2022 - September 30, 2025					
Fiscal Year	Beginning Balance	Fees Collected	Fees Spent	Interest Earned	Unspent Ending Balance
July 20, 2022 - December 31, 2022	\$ 3,132,422.29 *	\$ 661,557.50	\$ 558,580.36	\$ 142,970.82	\$ 3,378,370.25
January 1, 2023 - December 31, 2023	3,378,370.25	11,145,250.00	829,360.14	687,846.22	14,382,106.33
January 1, 2024 - December 31, 2024	14,382,106.33	11,183,150.00	3,648,896.89	1,079,911.30	22,996,270.74
January 1, 2025 - September 30, 2025	22,996,270.74	550,135.00	2,597,043.91	826,914.74	21,776,276.57
		<u>\$ 23,540,092.50</u>	<u>\$ 7,633,881.30</u>	<u>\$ 2,737,643.08</u>	

Wastewater Fees					
September 19, 2023 - September 30, 2025					
Fiscal Year	Beginning Balance	Fees Collected	Fees Spent	Interest Earned	Unspent Ending Balance
September 19, 2023 - December 31, 2023	\$ - **	\$ 757,500.00	\$ 50,569.51	\$ -	\$ 706,930.49
January 1, 2024 - December 31, 2024	706,930.49	1,972,500.00	2,197,933.14	-	481,497.35
January 1, 2025 - September 30, 2025	481,497.35	77,500.00	558,997.35	-	-
		<u>\$ 2,807,500.00</u>	<u>\$ 2,807,500.00</u>	<u>\$ -</u>	

* obtained from the 12/31/2021 audited financial statements.

** obtained from the 12/31/2022 audited financial statements.

Procedures:

We obtained a detailed list of expenses by projects and compared the list to supporting documentation, (i.e., an invoice, canceled check), confirmed that it was an allowable expenditure per Section 395.012, and that the project was included in the Capital Improvement Plans.

Results:

No exceptions noted.

COUNTY LINE SPECIAL UTILITY DISTRICT

IMPACT FEE

For the period from July 20, 2022 through September 30, 2025 (Water)
For the period September 19, 2023 through September 30, 2025 (Wastewater)

Below is a timetable of impact fees imposed by County Line Special Utility District, in accordance with Section 395.059(c)(5) of the Texas Local Government Code.

<u>Category</u>	<u>Amount of Fee</u>
Water	\$11,705/LUE
Wastewater	\$2,500/LUE

COUNTY LINE SPECIAL UTILITY DISTRICT

ALLOCATION OF IMPACT FEES

For the period from July 20, 2022 through September 30, 2025 (Water)
For the period September 19, 2023 through September 30, 2025 (Wastewater)

Procedure:

We reviewed the timing of impact fee collections and expenses to ensure compliance with Texas Local Government Code Section 395.059 and verified that impact fee expenses corresponded to projects identified in the adopted Capital Improvement Plans without exception. All expenses tested were allowable under Texas Local Government Code Section 395.012.

Results:

No exceptions noted.

COUNTY LINE SPECIAL UTILITY DISTRICT

WAIVED IMPACT FEES

For the period from July 20, 2022 through September 30, 2025 (Water)
For the period September 19, 2023 through September 30, 2025 (Wastewater)

There were no waivers noted during the period from July 20, 2022 through September 30, 2025 (water) and from September 19, 2023 through September 30, 2025 (wastewater). Confirmed with District management.

COUNTY LINE SPECIAL UTILITY DISTRICT

REQUESTED REFUNDS

For the period from July 20, 2022 through September 30, 2025 (Water)
For the period September 19, 2023 through September 30, 2025 (Wastewater)

This schedule includes all requests for impact fee refunds submitted under Texas Local Government Code §395.025 during the period. Refunds are recorded in the order requested and processed in accordance with statutory requirements. During the period from July 20, 2022 through September 30, 2025 (water) and from September 19, 2023 through September 30, 2025 (wastewater) there were no outstanding requested refunds.

COUNTY LINE SPECIAL-UTILITY DISTRICT

REFUNDS

For the period from July 20, 2022 through September 30, 2025 (Water)

This schedule includes all impact fees refunded under Texas Local Government Code §395.025 during the period by fee type. Amounts reported reflect cash payments actually disbursed to developers and do not include pending refund requests. During the period from July 20, 2022 through September 30, 2025 (water) there was one paid refund.

<u>Refund Date</u>	<u>Recipient</u>	<u>Fee Type</u>	<u>Amount</u>	<u>Note</u>
9/15/2025	Stingray Enterprises	Water	\$11,705	Decided not to do project

COUNTY LINE SPECIAL UTILITY DISTRICT

ERRORS OR OMISSIONS OF CREDITS IN IMPACT FEE CALCULATION

For the period from July 20, 2022 through September 30, 2025 (Water)

For the period September 19, 2023 through September 30, 2025 (Wastewater)

There were no identified errors or omissions of credits in impact fee calculations noted that would require reporting in compliance under Texas Local Government Code.

Project(s) Management Report

Farah Najdawi
June 17, 2026

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	35.60%	On Scope	On track	Budget	\$ 149,200.00
								Spent	\$ 53,110.00
								Remaining	\$ 96,090.00
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 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	\$ /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	\$ 138,328.20	\$ 1,152,828.79	\$ 1,885,836.8
								Remaining	\$ 65,688.13	\$ 460,761.80	\$ 7,397,171.21	\$ 7,923,621.1
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	8.92%	On Scope	On track	Budget	\$ 1,441,700.00	\$ 2,164,938.67	\$ 9,086,203.00	\$ 12,692,841.6
								Spent	\$ 120,300.00	\$ -	\$ -	\$ 120,300.00
								Remaining	\$ 1,321,400.00	\$ 2,164,938.67	\$ 9,086,203.00	\$ 12,572,541.6
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	\$ 4,520,109.70
								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

TRL 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

5-1-2026 to 6-1-2026



Figure 1: Transformer pad foundation.



Figure 2: GBRA delivery point entrance.



Figure 3: GBRA delivery point entrance.



Figure 4: Relocating yard piping at UG-03 per RFI005A.

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	421
Days Charged to Date	127

CLSUD GES Projects Budget Tracking

Project name	Start	Finish	Project Staus	Assign to	% Complete *	Scope Status	Schedule Status	Cost Type	Engineering Fees
General Engineerrig 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	46.50%	On Scope	On track	Budget	\$ 200,000.00
								Spent	\$ 92,993.90
								Remaining	\$ 107,006.10

*

Percent of budget used

Includes CLSUD TWDB FUNDING APPLICATION

Question