

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

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

District Office-8870 Camino Real, Umland, Texas 78640

Board Members Present:

Toni Brewer

Rebecca Moore

Hunter Schuler

Robert Diaz

Earl “Chip” Sparks

Michael Kobin

Others Present:

Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C.

Jake Steen with Lloyd Gosselink Rochelle & Townsend, P.C.

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

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

Chris Ekrut with NewGen Strategies and Solutions (Via Teams)

Adam Conner with Freese and Nichols, Inc.

Wayne Watts with HW Lochner (Via Teams)

Ronja Keyes with Plum Creek Utility/BVRT

Thomas Rhodes with BVRT

Jerry Vela with Retired LLC

Angie Meza with Retired LLC

Ken Spencer

Paulina Williams with Baker Botts

Mike Schroeder with Waterstone

Anthony McCauley

Sandra McCauley

Nguyen Nguyen with HNTB

Brud Brown with KB Land Services
Matt Calihan with KB Land Services
Evan Edgecomb with KB Land Services
Christie Whitesides with Wayside Subdivision
Rosa Alvarado
Jon Czas with J24 Advisory
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
Tiffany 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. Director Brewer suspended the order of the day, and the agenda was discussed in the following order: A.-D. The meeting then adjourned into executive session to discuss items E.1, E.2, E.3, E.10, E.11 and F.9. The meeting returned to open session and a motion was made for item E.1, the other items discussed in executive session did not need action to be taken. The board then continued to discuss Items E.4-F.8., G., then I.

A. CALL TO ORDER. Director Brewer called the meeting to order at 6:30 P.M.

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

C. PUBLIC COMMENT.

Mike Schroeder with Waterstone Land Partners Ltd. gave an overview of the project he is working on called Caldwell Valley, which is a masterplan community located behind the County Line Special Utility District's office. The project consists of approximately 817 acres and will include retail space, industrial space and residential homes. They are in discussions with HEB. The project has about a seven (7) to ten (10) year build out schedule. They have already completed the water feasibility study and are working on the Non-Standard Service Agreement (NSSA). The project without an industrial user would require around 2,500 LUEs (Living Unit Equivalents) of water and with the industrial component it drops the LUEs down to somewhere around 1,200 LUEs of water. The data center project would use somewhere between 30 and 270 LUEs of water. He currently has a project not far from the County Line Office called Waterstone. It is a 7,000 home master plan community with schools, retail and twelve foot (12') wide sidewalks and has connectivity to amenities, amenity center and lakes.

Anthony McCauley lives in the Cool Springs Subdivision and wanted to voice his concerns over data centers. Feels down the line people will regret allowing data centers in the area. Mr. McCauley is concerned about the amount of water they use and the impact on property taxes.

Jerry Vela lives in Lockhart and wanted to voice his concerns over data centers. Mr. Vela is concerned about the increase in the amount of utility bills, water consumption and the environmental effects. Mr. Vela feels down the road, people will regret allowing data centers.

Tracie Crowell with County Line Special Utility District read an email and three (3) letters that were delivered to the office. A copy of the email and the three (3) letters are attached to the minutes for reference.

D. CONSENT AGENDA:

D.1 Consider and take action to approve the minutes of the June 17, 2026 Public Hearing. Director Diaz made a motion to approve the consent agenda. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay.

D.2 Consider and take action to approve the minutes of the June 17, 2026 Regular Board Meeting. Director Schuler made a motion to approve. Director Diaz 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, as necessary, concerning Amended and Restated Wholesale Wastewater Service Agreement Between Plum Creek Utility Company, LLC and County Line Special Utility District, including, but not limited to:

- a. Approval of a proposed wholesale wastewater rate increase; and**
- b. Amendments to such Agreement.**

This item was discussed in executive session. No action was taken during executive session. As soon as the meeting returned to open session, Director Sparks made a motion to conduct the actions associated with what we discussed during executive session. Director Diaz seconded the motion, and the motion passed. 4 Aye, 0 Nay. Directors Schuler and Kobin abstained. Mike Gershon with Lloyd Gosselink verified that the motion applied to Item E.1 since the other items discussed in executive session did not require action.

E.2 Receive update regarding water/sewer Certificate of Convenience and Necessity (CCN) amendment/decertification proceedings at the Public Utility Commission of Texas and discussion regarding same. This item was discussed in executive session. No action needed on this item or was taken on this item.

E.3 Discussion regarding current and future development within the County Line Special Utility District (CLSUD) Certificate of Convenience and Necessity (CCN) service area. This item was discussed in executive session. No action was needed on this item or was taken on this item.

E.4 Discuss, consider, and take action to approve Task Order with Lochner for inventory of County Line Special Utility District's Existing Wastewater System. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. This item was tabled at the June 17, 2026 board meeting and is being brought back to the July board meeting. At a previous meeting, the board requested that the value of our wastewater system be determined. In order to determine that value, an inventory needs to be done. Director Sparks asked how this project will be paid for and Mr. Ramos said it is not a budgeted item and the budget will need to be amended to cover the cost. This cost can be passed along in a potential sale of the wastewater system. Director Schuler was concerned that we might spend more trying to figure out what the wastewater system is worth versus what the actual value of the system is. Director Moore instructed him to look at the balance sheet to see an estimated worth of the wastewater system. Mr. Ramos said the value is in the neighborhood of \$7 million. Director Sparks made a motion to approve the Task Order with Lochner for the Wastewater System Asset Inventory. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.5 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. This item was tabled at the June 17, 2026 board meeting to allow time to finalize the task order with Lochner. NewGen will work with Lochner in determining the appraised value of the wastewater system. Director Sparks made a motion to approve the proposal with NewGen in the amount not to exceed \$25,000.00. Director Diaz seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.6 Discuss, consider, and take action to enter into a Memorandum of Understanding (MOU) with the project partners and County Line Special Utility District for the Plum Creek Wilcox Project. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. This item was discussed with Items E.7 and E.8 below. The water supply plan done in 2025 listed two (2) possible projects, one was WaterSecure and the other was the Plum Creek Wilcox project. At the May 2026 board meeting, no action was taken to move forward with the WaterSecure project. This MOU is to move forward with the Plum Creek Wilcox project. Mr. Ramos visited with Maxwell Special Utility District and Caldwell County Municipal Number One, and they all agreed to the MOU. They all agreed to share the cost, everyone pays a third. Director Moore pointed out that the MOU states the parties will split the costs, but then paragraph seven (7) states that it's non-binding, but the task order below is just to County Line SUD for the full \$230,000.00. Mike Gershon and his team at Lloyd Gosselink will come up with revised language for paragraph seven (7). Director Sparks made a motion to approve the memorandum of understanding with the stipulation that Lloyd Gosselink, our attorney, work with Humberto to tighten up the language between the three parties cost sharing. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.7 Discuss, consider, and take action to approve Task Order with Freese and Nichols, Inc. to implement Phase 1 of Plum Creek Wilcox Project. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. This item was discussed with Item E.6 above and Item E.8 below. Director Sparks made a motion to approve the Task Order with Freese and Nichols to implement phase 1 of the Plum Creek Wilcox Project with the stipulation the MOU is signed. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.8 Discuss, consider, and take action to approve Task Order with Kelley Brown Land Services to perform acquisition of leases for the purpose of obtaining groundwater permits for the Plum Creek Wilcox Project. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. This item was discussed with Items E.6 and E.7 above. Kelley Brown will determine the area of interest and start researching the potential properties to determine ownership, how much it is, if it has been leased before or if there is anything that prohibits the lease. Director Sparks made a motion to approve the Task Order to engage Kelley Brown Land Services utilizing option two in the amount of \$12,000.00 to provide groundwater lease acquisition services in support of the Plum Creek Wilcox Project assuming the aforementioned MOU is modified and agreed upon by the parties. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.9 Discuss, consider, and take action to approve engagement of Miles & Miles of Texas to provide smoke test services for County Line Special Utility District. Tiffeny Howe with County Line Special Utility District (CLSUD) discussed this item. WWTP 1 (Wastewater Treatment Plant 1) has been experiencing a lot of grit in its system, particularly after storms. This grit damages the membranes in their plant, causing costly repairs. They believe the worst problems are coming from the Las Estancias area. CLSUD, as owners of the wastewater lines, are responsible for repair and maintenance of them. BVRT has gotten three bids for smoke testing to figure out where the leaks or uncapped lines are, that could be letting stormwater in. The bids came from Miles & Miles of Texas in the amount of \$8,237.50, LSEC Wastewater System Services in the amount of \$11,236.10, and Chief Solutions in the amount of \$13,560.00. The cost of the testing is not a budgeted item. Moving forward, money needs to be put into the sewer operations and maintenance budget. CLSUD collects \$5.00 per wastewater customer so we have some money to cover this expense. This amount does not include any possible repairs the test might find. Director Sparks made a motion to approve the Proposal to utilize Miles and Miles of Texas in the amount of \$8,237.50 for sewer smoke testing as requested by BVRT. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.10 Update regarding acquisition and litigation status including City of Kyle discussions. This item was discussed in executive session. No action was needed on this item, and no action was taken on this item.

E.11 Discuss, consider, and take action, as necessary, regarding Interlocal Agreement with Hays County Related to Waterline Relocation Required as Part of the Cotton Gin Road Bond Project. This item was discussed in executive session. No action was taken on this item in executive session or in open session.

E.12 Discuss, consider, and take action to grant a utility easement to Bluebonnet Electric Cooperative, Inc. (BEC). Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. In 2024, the Board approved the donation of an easement to facilitate the construction of the GBRA TX130 Project, which will deliver 2,914 acre-feet (AF) of water to the District's Bobwhite Pump Station, currently under construction by Protas. As part of the project, Bluebonnet Electric Cooperative (BEC) requires a utility easement to install electric distribution facilities necessary to provide permanent electrical service to the flow meter associated with the GBRA TX130 Project and the District's future Bobwhite Pump Station and Ground Storage Tank. The proposed easement grants Bluebonnet Electric Cooperative a perpetual utility easement across approximately 2.001 acres of District property. The easement provides a 30-foot-wide easement for overhead electric facilities (15 feet on each side of the centerline) and a 20-foot-wide easement for underground electric facilities (10 feet on each side of the

centerline) for the installation, operation, maintenance, repair, replacement, and access to electric distribution facilities. Director Sparks made a motion to approve the grant of a utility easement to Bluebonnet Electric Cooperative, Inc. for the GBRA TX130 project. Director Schuler seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay

E.13 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.

Tracie Crowell with County Line Special Utility District (CLSUD) discussed this item. Additional information was provided to the entity executing the above easement. They will review the information and will follow up with us.

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 thirty-three (33) connections were made in June for a total of one-hundred-sixty-nine (169) connections this year.

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 with no reported issues and routine maintenance activities were completed.

WRRF #3 The total permitted capacity is 150,000 gallons per day and approximately 9,000 gallons per day are currently in use. Plum Creek Utility (PCU) assumed operational responsibility for the WRRF. Coordination with Texas Aqua Store (TAS) is ongoing to support the transition.

Ms. Keyes report also included a slide showing Total LUEs (Living Unit Equivalents) at full buildout, Total Committed LUEs, Total LUEs applied for, but not yet committed, Total Connected LUEs, Total LUEs committed, but not yet connected and Total active connections/accounts.

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

F.3 Capacity Report. Humberto Ramos with County Line Special Utility District (CLSUD) reported eighteen (18) LUEs were added in June towards the one-hundred-thirty-six (136) year active LUE goal. The addition of the eighteen (18) LUEs in June caused CLSUD to exceed the active one-hundred-thirty-six (136) year goal by thirteen (13) LUEs. Current active accounts are 6,879 with 2,101 in reserve. Water demand (active + reserves in acre feet) is 2,474 and current water supply in acre feet is 3,319. Mr. Ramos is meeting with the City of San Marcos regarding extending our leases with them. Our current leases with San Marcos expire the end of December.

F.4 NSSA Tracking Report. Tracie Crowell with County Line Special Utility District (CLSUD) reported one (1) Non-Standard Service Agreement (NSSA) was signed in June for the Spanish Trail Gas Station Project which consists of three (3) LUEs (Living Unit Equivalents). County Line's attorney is working on various NSSAs to send to developers. Received two (2) new service requests in June. Iglesia Evangelica Ciudad En

Lo Alto located on High Road for three (3) LUEs, and Bollinger Phases 5B and 6 located on FM 2720 for one-hundred-twenty-nine (129) LUEs. No Impact Fees were paid in June. The NSSA for the Kyle Wastewater Treatment Plant Expansion will be on the Kyle City Councils July 21, 2026 agenda and the NSSA for the Hays Middle School No. 7 is on hold; they are not ready to execute it yet.

F.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported on this item. Director Moore asked what the accrued expense of \$1.6 million is on the balance sheet. Ms. Alston was not sure and said she would look into it and let the board know. Ms. Alston is also still working on cleaning up the developer deposits with Logics and our auditor. On the income statement, Director Moore asked if PCU was double paid last month or will be double paid this month. Ms. Alston will look into it and let the board know. On the income statement, the revenue for June was \$1,419,840.87. Total expenses were \$904,922.55 and the net income was \$514,918.32.

F.6 Production & Operation(s) Report. Tiffeny Howe with County Line Special Utility District (CLSUD) reported two (2) classes have been completed and two (2) operators took their class C test. CLSUD tanks were inspected; we are waiting for a list of any repairs that will need to be made or recommended.

LEAKS REPAIRED			GALLONS
2-Jun	Creekside Trail		8,315
10-Jun	Grist Mill Road		41,437
12-Jun	Camino Real		1,328
22-Jun	Camino Real		3,454
24-Jun	Grist Mill Road*		3,454
Total Leaks			49,673
FLUSHING			180,025
TOTAL			229,698

*Boil Water Notice (BWN) issued: Start date 6/24, Rescind Date 6/26

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2026	CRWA 1058 AF			SAN MARCOS 1680 AF			EAA 291.418 AF CLSUD (241.086) AF 500 AF SM (413.644) AF			ARWA 219 AF		
DATE	TOTAL MONTHLY PRODUCTION GALLONS	PRODUCTION DAILY AVERAGE GALLONS	PRODUCTION PEAK DAY MG GALLONS	TOTAL MONTHLY PRODUCTION GALLONS	PRODUCTION DAILY AVERAGE GALLONS	PRODUCTION PEAK DAY GALLONS	TOTAL MONTHLY PRODUCTION GALLONS	PRODUCTION DAILY AVERAGE GALLONS	PRODUCTION PEAK DAY GALLONS	TOTAL MONTHLY PRODUCTION GALLONS	PRODUCTION DAILY AVERAGE GALLONS	PRODUCTION PEAK DAY GALLONS
JAN.	9,030,309	291,300	349,964	17,070,000	569,000	746,000	9,090,591	293,245	372,122	4,529,981	150,999	185,083
FEB.	8,569,881	306,067	450,000	15,787,000	563,821	879,000	7,862,784	280,814	493,990	4,079,655	145,702	193,881
MAR.	10,804,893	348,545	446,090	18,354,000	592,065	664,000	9,429,476	304,177	359,088	5,078,388	163,819	196,162
APR.	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.	14,263,000	475,433	751,000	17,494,000	583,133	845,000	7,447,161	248,239	455,000	3,756,000	125,200	202,000
JUL.												
AUG.												
SEPT.												
OCT.												
NOV.												
DEC.												
YTD	64,390,907	355,284	549,514	105,130,000	583,642	839,833	51,672,846	285,266	416,895	25,685,898	142,786	202,000

SOURCE	UNIT	PERMITTED WITHOUT REDUCTION	REDUCED TO	USED TOTAL	REMAIN
CRWA	AF	1308	1058	197.336	860.664
CLSUD (Well #1 Edwards)	AF	76.212	40% reduction 45.727	94.766	-49.039
CLSUD (Well #2 Edwards)	AF	215.206	40% reduction 129.123	63.812	65.311
SAN MARCOS EDWARDS	AF	500	40% reduction 300	49.039	250.961
ARWA	AF	219	NO REDUCTION	79.278	139.722
SAN MARCOS	AF	1680	NO REDUCTION	318.363	1,361.637
			TOTAL =	802.594	2,629.256

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

General Manager Report

- Continue working with various developers within CLSUD CEN.
- 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 (NewGen) France and staff to monitor 2026 FY Budget and expected growth. Will start working on 2027 FY Budget.
- Met with Caldwell County Data Center Action Committee -July 7th

City of Uhland Meeting(s)

- Attended City Council Meeting – Jul 1st
 - Authorized consent letter for inclusion of properties within its corporate boundaries in CLSUD sewer CEN
 - Mayor ProTem – Mary LaPoint resigned; Matthew Esposito Place 5 seated
- Provided the City of Uhland 4th of July celebration with five cases of bottled water
- City Administrator Hayden Brodowsky resigned

City of San Marcos

- Meeting on July 15th with Interim Utilities Director -Rober Goode Assistant City Manager Joe Pantalion to further discuss leasing of water.

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
- Met with City of Kyle staff regarding:
 - City of Kyle requested that CLSUD assists Kyle with entering into an agreement that allows CLSUD to cut off water service to its water customer, who have failed to pay City of Kyle for its sewer service. Next meeting is scheduled at the end of the month. Director Schuler would like to see the customers who receive wastewater from the City of Kyle and water from CLSUD be switched to the City of Kyle water service. The City of Kyle charges these customers a flat wastewater rate instead of an average.
 - CLSUD requested two parcels within its CCN that were previously transferred be returned to CLSUD. One parcel is 104.24 acres transferred in 2009 and the other is 640 acres transferred in 2015.
 - CLSUD requested again the need for better coordination on all projects associated with CLSUD to avoid delays and condemnation proceedings.
- Attended City of Kyle Council Meeting on July 2nd. Of interest was the city's new AMI system SMART portal. AMI is a two-way, fixed-network system that uses smart meters and communication networks to collect, transmit, and analyze utility consumption data – such as electricity, water, or gas- in real time. It enables remote meter reading, leak/outage detection, demand response, and improved billing accuracy.

BVRT

- BVRT submitted a Sewer Rate adjustment in April to take effect in 2026 as per our Agreement. At the January 22nd CLSUD Board meeting the Board denied the submitted rate adjustment. On January 23rd, GM spoke with Shilen Patel, CEO, regarding CLSUD denial of the rate adjustment. On February 25, 2026, BVRT submitted a letter in response to the CLSUD denial for a rate adjustment. This letter is an effort to provide justification for a revised rate calculation for the wholesale services. CLSUD staff met on March 12th to discuss proposed justifications.
- Met with Shilen Patel on March 2nd to discuss WRRF #2 and the Draft Reuse Agreement, and Gristmill Utility.
- On March 3rd received a letter regarding increased rate for Wholesale Wastewater Rate for Former Gristmill Utility Customers. This results in CLSUD owing \$10,364.52.
- Met on April 7th with Shilen Patel, BVRT staff and BVRT consultant and CLSUD and Chris Ekrut (NewGen.) 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.
- 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.
- Rate Adjustment request will be discussed at this Board meeting.

Update on CRWA, ARWA, GBRA and NRA

Update on Hays Caldwell Water Treatment Plant -CRWA

- Attended CRWA Budget meeting held on June 7, 2026. Current total CLSUD proposed budget to CRWA is \$3,272,991.59 to treat CLSUD contract amount of 1308 af. Hays Caldwell WTP repairs/replacement include the following for a total cost of \$2.1M:
 - Intake Repair - \$1,000,000
 - New Intake Pump - \$100,000
 - Plumbing for Mobile Units - \$300,000
 - SCADA/Electric for Mobile Units -\$250,000
 - VFDs (2) -\$150,000
 - 3rd Pump Max Engineering -\$300,000
 - Chemical Tank Replacement -\$80,000

Item 9 General Business

- A. Discuss and consider the proposed comprehensive plan for improvements at the Hays Caldwell Water WTP. *Meeting will take place July 13th; update will be given during CLSUD Board meeting on July 15th.*
- D. Discuss, consider, and take possible action on Resolution 26-07-007 approving the execution of an agreement with Bluebonnet Electric Cooperative for the installation of electrical distribution facilities necessary to support the ozone installation at the Hays Caldwell WTP. *Meeting will take place July 13th; update will be given during CLSUD Board meeting on July 15th*

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 July 2, 2026, following is the update to the GBRA components of the project: Booster Pump Station (BPS) continues with construction. BPS Building roof is going on this week. GST is complete and waiting for water for hydro test. All remote sites have concrete slab poured for flowmeter buildings. Flowmeter buildings at Lockhart and BPS have above ground piping plumbed. Eastern pipeline has all pipe in the ground and has passed hydrostatic testing and disinfection. Northern pipeline is 20% constructed with about 50% of the boring complete. The Eastern Route crews have moved over to the North Route to increase production.

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. CLSUD is awaiting an agreement which may come in August.

Below is 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 forward to Freese and 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 has requested the WaterSecure Agreement to be executed at the end of May 2026. On May 20th CLSUD took no action on the agreement.

On July 7, 2026, GBRA sent out a new debt schedule. Forwarded to Chris Ekrut.

Alliance Regional Water Authority (ARWA) BOT- Next Board meeting will be August 6th. ARWA Board will consider approval of the Guaranteed Maximum Prices (GMPs) associated with CMAR and expansion project.

NRA (Nueces River Authority) Harbor Island Desal Project— NRA will be creating a "New Water for South Texas Stakeholder Advisory Committee" to assist with project development and improve communications with stakeholders. The committee will comprise of one member from each entity holding a reservation for treated water from the project. I forwarded my name as the CLSUD representative.

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

F.9 General Counsel's Report. Mike Gershon with Lloyd Gosselink Rochelle & Townsend, P.C. gave his report during executive session. No action was taken on anything Mr. Gershon reported.

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

H. EXECUTIVE SESSION. Director Sparks read the following: County Line Special Utility District reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.087 (deliberations regarding economic development negotiations), or as otherwise authorized by law. The meeting entered executive session at 6:48 p.m. and left executive session at 8:26 p.m. and returned to open session. No action was taken during executive session. When the meeting returned to open session, Director Sparks made a motion to conduct the actions associated with what we discussed during executive session. Director Diaz seconded the motion, and the motion passed. 4 Aye, 0 Nay and Directors Schuler and Kobin abstained.

Mike Gershon with Lloyd Gosselink verified that the motion applied to Item E.1 since the other items discussed in executive session did not require action.

I. ADJOURNMENT. Director Diaz made a motion to adjourn the meeting. Director Sparks seconded the motion, and the motion passed unanimously. 6 Aye, 0 Nay. Meeting was adjourned at 9:32 p.m.



Date 8/19/20

Toni Brewer
County Line SUD, Board President

New contact message from clsud.com

From County Line Special Utility District <customerservice@clsud.com>

Date Wed 7/15/2026 10:21 AM

To Customer Service <customerservice@clsud.com>

Name

Helen Carter — 121 Grist Mill Rd

Email

helensuecarter@yahoo.com

Comments

Please share this with the County Line Board of Directors, Management, and Staff

As your long-time customers, we are strongly opposed to expansion of the water service to large users like Data Centers because they are water hogs and often exceed their requested and approved amount of water used, causing shortages for the community.

Also, it is time for County Line to make all new users pay enough for their water to not only hold down the cost of water for the community, but to reduce the cost.

Growth is supposed to pay for itself, but in the past it has not.

H.S. Carter

July 15, 2026

Please read this to and share this with the County Line Board of Directors, Management, and Staff:

As your long-time customers, we are strongly opposed to expansion of water service to large users like Data Centers because they are notoriously water hogs and often exceed their requested/approved amount of water used, causing problems for the whole community.

Also, it is time for County Line SUD to make all new users pay enough for their water to not only hold down the cost of water for the community, but to reduce the cost of water for all.

Growth is supposed to pay for itself, but in the past it has not at CLSUD. This is unfair and poor practice. It makes growth very unpopular.

It is unjust to require your existing customers to pay more water when we are not the ones benefiting from the growth—but the developers are making their money and causing hardship for existing customers.

Please reject the requests for water from the Data Centers as they have a history of not living by their word and have driven up utility costs in areas where they have located.

MAKE GROWTH PAY FOR ITSELF AND PLEASE RESPOND TO THIS REQUEST.

Sincerely,

H.S. Carter

121 Grist Mill Rd.,

Kyle, Texas 78640

512-256-5479



JOHN S. CARTER
121 GRIST MILL RD.
KYLE, TX 78640

July 21, 2026

Board of Directors
County Line SUD
8870 Camino Real
Uhland, TX 78640

Re: Water Rates

Dear Members of the Board,

As the Board considers future water rates and system expansion, I encourage you to adopt a guiding principle: **existing customers should not bear the costs of adding new customers or expanding service.**

the developments or commercial entities creating the new demand the costs of extending water lines, increasing system capacity, and securing additional water supplies must be paid for by these new users — not by existing ratepayers who receive no additional benefit from those expansions.

This principle applies equally to residential developments and to large commercial or industrial users, such as data centers. Such facilities place substantial demands on finite water resources and often require significant infrastructure investment. They should pay the full cost of the additional capacity they require, including any necessary expansion of water sources and distribution facilities.

Because large water users compete with existing customers for increasingly scarce water supplies, they should not receive any subsidy from current ratepayers. On the contrary, the rates and fees charged to these users should fully reflect the long-term costs they impose on the system.

Public concern regarding water availability continues to grow throughout Central Texas. As new water supplies become more difficult and expensive to obtain, the district has an obligation to protect the interests of its existing customers. Board decisions should reflect that priority by ensuring that growth pays for growth.

Thank you for your consideration of these comments and for your service to the residents of County Line SUD.

Sincerely,


John S. Carter

county line water SUD

→ To the board of directors

As long-term customers, we believe it only makes sense for each citizen to pay their own way through utilities and taxes. We believe paying for others utilities is unfair and is unjust. While some people get free water, others will have to pay extra because some people are too lazy to get a job to pay their way through life. As the prices go up, you should be fully aware that the citizens and customers will not be happy with your choices. I don't want to waste my money on something I won't even get to use. Instead of paying for others bad choices that money could go to something that would benefit themselves instead of paying for something that would barely impact themselves in a positive way. Please don't provide water to data centers because they will just hog water!

- Sincerely, a good citizen: Alexandria Avera
lexI*



Project(s) Management Report

Farah Najdawi
July 15, 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	\$ 5,438.75
								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
City of Kyle-Bunton Creek Road	17-Jan-25	TBD	Ongoing	Lochner	20	On Scope	Delay Pending City response	Budget	\$ /hr
								Spent	\$ 24,767.50
Caldwell County- Rocky Road Realignment at SH21	30-Oct-25	TBD	Ongoing	KH	0%	On Scope	On track Pending County meeting	Budget	\$ /hr
								Spent	\$ -
Caldwell County- FM2720 Realignment at Gristmill Road	30-Oct-25	TBD	Ongoing	KH	0%	On Scope	On track Pending County meeting	Budget	\$ /hr
								Spent	\$ -
Hays County Bunton Ln	26-Jun-26	TBD	Ongoing	Lochner	0%	On Scope	On track	Budget	\$ /hr
								Spent	\$ -

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

CLSUD Projects Budget Tracking

Project name	Start	Finish	Project Status	Assign to	% Complete ^a	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	Delay	Budget	\$ 660,368.00	\$ 599,090.00	\$ 8,550,000.00	\$ 9,809,458.00
								Spent	\$ 605,089.64	\$ 138,328.20	\$ 1,169,881.29	\$ 1,913,299.13
								Remaining	\$ 55,278.36	\$ 460,761.80	\$ 7,380,118.71	\$ 7,896,158.87
40" Bobwhite Water Main 42720 Water Main (Phase 3)	11/20/2024	12/30/2026	Bid Phase	Lochner	33%	Changed	On track	Budget	\$ 400,518.00	\$ 196,597.52	\$ 2,437,012.18	\$ 2,487,827.40
								Spent	\$ 341,344.85	\$ 43,520.30	\$ -	\$ 384,865.15
								Remaining	\$ 59,173.15	\$ 153,077.22	\$ 1,890,711.88	\$ 2,102,962.25
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	\$ 268,404.50	\$ 95,692.52	\$ -	\$ 364,097.02
								Remaining	\$ 93,233.50	\$ 90,210.23	\$ 1,983,640.18	\$ 2,157,375.91
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	\$ 12,692,841.67
								Spent	\$ 181,660.50	\$ -	\$ -	\$ 181,660.50
								Remaining	\$ 1,260,039.50	\$ 2,164,938.67	\$ 9,086,203.00	\$ 12,511,181.17
42720 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

TR1 and TR2 ESMT are currently under negotiation.

OPCC includes a 10% contingency.

OPCC includes a 30% contingency and 30 % on Non construction cost

The delivery date for the pump cans has been delayed. It was originally scheduled for delivery on June 25, but the updated expected delivery date is September 8.

Construction Activities- Bobwhite PS & GST

6-1-2026 to 7-1-2026



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	391
Days Charged to Date	157

CLSUD GES Projects Budget Tracking

Project name	Start	Finish	Project Status	Assign to	% Complete *	Scope Status	Schedule Status	Cost Type	Engineering Fees
General Engineering Service (GES)	1-Jan-26	31-Dec-26	Ongoing	Lochner	29.72%	On Scope	On track	Budget	\$ 200,000.00
								Spent	\$ 59,449.40
								Remaining	\$ 140,550.60
General Engineering Service (GES)	1-Jan-26	31-Dec-26	Ongoing	KH	60.85%	On Scope	On track	Budget	\$ 200,000.00
								Spent	\$ 121,691.23
								Remaining	\$ 78,308.77
General Engineering Service (GES)	1-Jan-26	31-Dec-26	Ongoing	SWE and Others	3%	On Scope	On track	Budget	\$ 100,000.00
								Spent	\$ 3,260.00
								Remaining	\$ 96,740.00

*	Percent of budget used
	Includes CLSUD TWDB FUNDING APPLICATION

Question