

COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting – August 19, 2026 at 6:30 P.M.

District Office-8870 Camino Real, Uhlman, Texas 78640

Board Members Present:

Toni Brewer

Tracy Scheel

Rebecca Moore

Hunter Schuler

Robert Diaz

Others Present:

Mike Gershon 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)

Wayne Watts with Egis formerly HW Lochner (Via Teams)

Betsy Johnson with Grable Martin, PLLC (Via Teams)

Ronja Keyes with Plum Creek Utility/BVRT (Via Teams)

John S. Carter

Susie Carter

Mike Schroeder with Waterstone Land Partners

Doug Donald with Powerhouse Data

Chris Shandor with Tract

Michael Miller

Humberto Ramos, County Line Special Utility District Staff

France Alston, County Line Special Utility District Staff

Farah Najdawi, County Line Special Utility District Staff

Tracie Crowell, County Line Special Utility District Staff

Karina Ortega, County Line Special Utility District Staff

Tiffeny Howe, County Line Special Utility District Staff

The following represents the actions taken by the Board of Directors (Board) of the County Line Special Utility District (CLSUD). The Board of Directors convened in a meeting at the date, time and location stated above. Items E.2, E.4, E.6 and E.9 were discussed in executive session at the end of the meeting.

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

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

C. PUBLIC COMMENT. Four (4) public comments were given.

John S. Carter, a resident of Uhland, commented on his concern about County Line Special Utility District's (CLSUD) existing water rates and water supply. Mr. Carter offered the following guiding principles for responsible and equitable water management: Limit rate increases, cost responsibility for new customers, protect residential customers, and discourage new connections.

Susie Carter, a resident of Uhland, read an Open Records Request for any agreements County Line Special Utility District (CLSUD) have made to provide water to Powerhouse/Waterstone data center projects, Requests that have been made to CLSUD for water by large water users such as data center projects, CLSUD policy for expanding water service to new users in light of the limited water available for current customers, Plans for increasing the cost of water to existing customers. Ms. Carter also expressed her concern about CLSUD's existing water rates, opposition of any future rate increases, growth should pay for itself, and concern of providing water service to large users.

Mike Schroeder with Waterstone Land Partners discussed his mixed-use project that consists of a data center, restaurants, homes and a supermarket. Mr. Schroeder said the data center will connect to a private network. It will have zero impact on electric cost because it will not be a part of the grid. It will self-generate, it's going to distribute, and will have backup. They plan to be transparent about water needs and will pay between \$10 and \$12 million dollars in impact fees. Asking for 497 LUEs (Living Unit Equivalents) of water for the supermarket, 15,000 square feet of office space, two restaurants, AI data center and a residential development. The data center has agreed to comply with all the governor's directives.

Doug Donald with Powerhouse Data said their project complies with Abbot's August 3, 2026 directives. They will not connect to the grid as they will generate their own power. If they do connect to the grid, it will be down the road when the 765-power line comes in.

D. CONSENT AGENDA:

D.1 Consider and take action to approve the minutes of the July 15, 2026 Regular Board Meeting.

Director Schuler made a motion to approve the minutes of the July 15, 2026 board meeting. Director Diaz 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, concerning Order Amending Service Policy Regarding Wastewater Rate Increase. David Klein with Lloyd Gosselink, Rochelle and Townsend discussed this item. At the County Line Special Utility District (CLSUD) regular meeting held on July 15, 2026, the Board

of Directors approved Plum Creek Utility (PCU) requested rate increase per the contract from \$75.00 per month per living unit equivalent (LUE) to \$81.50 per month per LUE. Approval of the rate did not change the \$5.00 per month per LUE amount CLSUD charges its customers. The rate increase applies to the pass-thru rate to PCU. The Order will amend our service policy on the wastewater rates, our retail wastewater rates, is to pass-thru the \$6.50 rate increase per connection, per month from \$75.00 to \$81.50. Director Scheel made a motion to approve the Order Amending CLSUD's Service Policy to increase the retail wastewater rate from \$80.00 per month per LUE to \$86.50 per month per LUE, to pass-thru the PCU rate increase, as presented. Director Diaz seconded the motion and the motion passed. 4 Aye, 0 Nay. Director Schuler abstained. Director Scheel made a second motion to approve the retail rate increase effective immediately. Director Moore seconded the motion and the motion passed. 4 Aye, 0 Nay. Director Shuler abstained.

E.2 Discuss, consider, and take action regarding Dale Lowden Excavating, LLC FM 2720 Gravity Wastewater Main and Water Main – Segment 2 Project Contract Liquidated Damages. This item was discussed in executive session. No action was taken during executive session. After the meeting left executive session, Director Scheel made a motion as per discussed in executive session. Director Diaz seconded the motion and the motion passed. 4 Aye, 1 Nay

E.3 Briefing on County Line Special Utility District's first-ever contested election. Mike Gershon with Lloyd Gosselink, Rochelle and Townsend discussed this item.

- Two Director seats (Places 2 and 5) were open for this year's May election.
- In January, the Board adopted an *Order of Election* and approved Election Services Contracts with Caldwell and Hays Counties.
- By the February 17th deadline, three administratively complete candidate applications were submitted, including both incumbents and one challenger.
- On February 24th, CLSUD conducted its ballot-position drawing, during which straws were drawn to determine the order in which each candidate's name would be printed on the ballot.
- In March, Lloyd Gosselink and CLSUD staff worked with both counties on ballot language and the required audit/test of electronic voting equipment and programming of ballot language in English and Spanish.
- In April, Lloyd Gosselink and Board Secretary/Election Officer Sparks coordinated to publish CLSUD's *Notice of Election* under Texas Election Code § 4.003 in the Lockhart Post-Register and Hays Free Press.
- April 20-28, early voting was conducted, during which CLSUD was required to post results in the statutorily required manner.
- On May 2nd, the regular election was conducted
- The Counties' election officials oversaw voting at the polling sites and convened to count the mail-in ballots and in-person votes.
- On May 13, 2026, CLSUD's Board met to canvass the results, and adopted a *Certificate and Order Canvassing the Election Returns for the May 2, 2026 Election*, declaring the following candidates duly elected:
 - Robert Diaz, Place 2
 - Michael Kobin, Place 5

The following is a breakdown of responsibilities:

- Board Secretary: "Election Officer" by statute, who is responsible for candidate applications, preparing official ballot, issuing notices of the election, and holding office hours during election period.
- General Manager: "Election Officer's designee" authorized by statute to serve as Election Officer's agent to accept applications, handle ballot and notice responsibilities, and hold required office hours.
- Lloyd Gosselink: Paralegal Audrey Cooper trained by Secretary of State and other coursework on running elections and handled many of the statutorily required election documents (e.g., Order of Election, Ballots, Ballot Application review, Notice of Election, Canvassing Order) and coordination and meetings with election officials at Caldwell County and Hays County, in coordination with legal counsel and CLSUD.
- CLSUD Staff: Supported Election Officer and his designee and worked with Lloyd Gosselink on all above-referenced notices, ballots, ballot applications, and Board responsibilities. Handled statutorily required posting of election results.
- Board of Directors: Responsible for briefings, review and action on orders and canvassing and certifying election results.
- County Election Teams: Responsible for hiring and training election judges and clerks, selecting and managing polling places, ensuring compliance of electronic voting systems with state law, conducting mail-in voting, and counting ballots.

The cost of the election was not a budgeted item. The following represents a preliminary summary of the costs of the election. *As of meeting time, the Caldwell County Auditor had not yet released the final invoice for the May 2026 election. The amount shown for Caldwell County is an estimate based upon Hays County's costs.

- Hays County Election Services Contract: \$5,154.79
- Caldwell County Election Services Contract: \$5,154.79 *
- Lloyd Gosselink Legal Fees and Expenses: ~\$27,821.50
- Newspaper Notices
 - Hays Free Press: \$1,388.00
 - Lockhart Post-Register: \$3,074.00

Total Costs: **\$42,593.08**

Director Scheel verified that a contested election did not mean someone contested the election, but there was more than one person running for the seats.

Director Schuler asked how much of this expense was due to the fact this was a new occurrence and how much of this expense will occur again next year. Mr. Ramos feels the expense will be about the same. CLSUD does not have staff trained to handle election matters and the office of Lloyd Gosselink does.

No action was required on this item; this item was a briefing only.

E.4 Presentation regarding Non-Standard Service Agreements (NSSAs). This presentation was given in executive session. No action was needed or taken on this item.

E.5 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. David Klein with Lloyd Gosselink, Rochelle and Townsend discussed this item. Legal and engineering discussions are happening on both sides. The draft agreement is almost completed, but the project still has more engineering work to be clarified. No action needed at this time, update only.

E.6 Discuss, consider, and take action regarding Public Utility Commission Docket No. 59635 - Petition for Streamlined Expedited Release by JLI GH Investments. This item was discussed in executive session. No action was needed or taken on this item.

E.7 Discussion regarding County Line Special Utility District's Investment Committee/Banking Services. France Alston with County Line Special Utility District (CLSUD) discussed this item.

CLSUD has been receiving banking services from First Lockhart National Bank in Lockhart, Texas for more than 50 years. It is common practice in the industry to review banking services on a frequent basis to ensure the utility is receiving adequate and sound banking services. On July 20, 2026, the Investment Committee, consisting of Director Hunter Schuler and CLSUD staff Humberto Ramos and France Alston met. The purpose of this meeting was to obtain a better understanding of CLSUD's investment policy. From this arose the need for CLSUD to start looking at other banking institutions to determine if CLSUD is getting proper service from First Lockhart National Bank. It was recommended that the committee meet with Broadway Bank as they are currently providing services to Maxwell SUD. Therefore, a meeting was scheduled for August 13, 2026, to allow First Lockhart National Bank and Broadway Bank to inform the committee on the services each provides. On August 13, 2026, a meeting was held, which only Broadway Bank attended. From this meeting two key points arose: Sweeping of Accounts (A sweep account is a specialized bank or brokerage account designed to automatically move idle cash to interest-earning accounts or investments at the end of each business day. The primary goal is to ensure that money not actively used in your main account is working to generate returns rather than sitting idle) and Collateralization of deposits (collateralizing bank deposits means using a deposit-such as a savings account, term deposit, or corporate cash balance - as a pledged collateral to secure a loan, allowing lends to offer lower interest rates and higher approval likelihood because the deposit is liquid and easily enforceable). Because First Lockhart National Bank did not attend, the committee will schedule another meeting to accommodate them and allow them to provide an update to the banking services they provide. As per the Texas Water Code statute, our Board, by resolution, "shall designate one or more banks or savings associations with the state to serve as the depository for funds of the District. The Board shall not be required to advertise or solicit bids in selecting its depositories." Therefore, no RFP's or RFQ's are required. At a future Board meeting the investment Committee may provide the Board with a recommendation on banking services. Director Schuler stated that the committee has more work to do. He would like to hear from other banks. Broadway Bank gave a presentation on investment services and feels the board should look into this further. Director Schuler is working on redlining the current investment policy and would like our attorneys and committee members to review. Mr. Ramos will visit with other water utilities to see who they use for banking services and will compile a list to present at a future meeting. No action needed on this item.

E.8 Discuss, consider, and take action, as necessary, regarding Interlocal Agreement with Caldwell County Related to the William Pettus (CR 238) project. Betsy Johnson with Grable Martin, PLLC discussed this item. Currently working on the Interlocal Agreement. An easement template will also need to be drafted to attach to the Interlocal Agreement. No action taken on this item.

E.9 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.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 tabled.

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 (30) connections were made in July for a total of one-hundred ninety-nine (199) connections this year. Plants are compliant with permit requirements, and the monthly DMR report was submitted.

WRRF #1 The total permitted capacity is 300,000 gallons per day and approximately 210,000 gallons per day is currently in use. A smoke test in the Las Estancias subdivision was conducted and areas with defects are being addressed. All routine maintenance tasks were completed as scheduled and operations were stable throughout the month.

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 contractors is ongoing to support the transition.

Ms. Keyes thanked the board and Mr. Klein for approving Item E.1 above.

F.2 Project(s) Management Report. Farah Najdawi with County Line Special Utility District (CLSUD) gave this report. See attached presentation. Director Moore asked why the Water and Wastewater CIP is behind schedule. Ms. Najdawi said it was due to waiting for a decision from PCU regarding WRRF #2 and a decision on interim water supplies.

F.3 Capacity Report. Humberto Ramos with County Line Special Utility District (CLSUD) reported twenty-three (23) LUEs were added in July towards the one-hundred-thirty-six (136) year active LUE goal. As of this month, active LUEs totaled two-hundred-thirty-four (234), exceeding the annual targeted goal by ninety-eight (98) LUEs. All revenue generated from LUEs past the goal will be deposited into the general fund. Current active accounts are 6,982 with 2,248 in reserve. Water demand (active + reserves in acre feet) is 2,538 and current water supply in acre feet is 3,320 based on a 40% reduction of EAA. The total CRWA (Canyon Regional Water Authority) water allocation is 1,308 AF (Acre Feet). After deducting 250 AF allocated to Maxwell Special Utility District and applying the 10.5% reduction, the district's net available CRWA surface water supply is 946.91 AF. The contract for the 250 AF allocated to Maxwell Special Utility District will expire at the end of this year and the allocated water will come back to CLSUD.

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 July for the City of Kyle Wastewater Treatment Plant Expansion Project which consists of eight (8) LUEs (Living Unit Equivalents). County Line's attorney is working on various NSSAs to send to developers. No new service requests were received in July. Impact fees in the amount of \$35,115.00 were collected for the Wayside Phase 2 project. Impact fees for this project are collected when meters are set.

F.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported on this item. On the income statement, the revenue for July was \$1,114,608.13. Total expenses were \$1,642,893.79 and the net income was a negative \$528,285.66. For the year, net income is \$2,682,368.50 in the positive. Ms. Alston is still working on the developer deposits. Two (2) months of payments were made to Plum Creek Utility (PCU), going forward, payment will be made monthly. The payment to GBRA (Guadalupe Blanco River Authority) increased this month as per the contract. The second piece of the bond payment was made. Director Moore said if we are making bond payments to the bond council, that should be reducing our liability. Ms. Alston said our auditor reviewed the financial statements but will have the auditor take another look.

F.6 Customer Service Report. Karina Ortega with County Line Special Utility District (CLSUD) reported on this item. So far this year, July has had the highest number of calls (716) and walk-in customers (310). Work order activity remained consistent throughout the reporting period. The largest categories continue to be move-outs, service activations, reconnects, and extensions. July recorded the highest number of move out turn offs and service activations. Delinquent account management continues to generate revenue through lock meter fees and late payment fees. Customers receive a one-time \$15.00 late fee per billing cycle on unpaid balances. Customers are notified of delinquent balances by mailed notices, email notifications, and automated phone calls. Single family residential accounts represent the largest customer class for CLSUD. Large residential communities, irrigation accounts, schools and development related customers continue to account for a significant portion of overall water demand. Staff of CLSUD successfully completed a CPR, AED and choking class given by Red Heart CPR.

F.7 Production & Operation(s) Report. Tiffeny Howe with County Line Special Utility District (CLSUD) reported a boil water notice was issued on July 16, 2026, and rescinded on July 20, 2026. Smoke testing was performed in Las Estancias II. Thirty (30) leaks were found, mostly caps on sewer cleanouts. CLSUD will work with customers to resolve the issue. Leak detection was performed in the western portion of CLSUD's CCN (Certificate of Convenience and Necessity). Five (5) possible leaks were found along with two (2) inoperable meters. Operations will work to resolve these issues. Attended the TCEQ (Texas Commission on Environmental Quality) Public Drinking Water conference. Ms. Howe also reported on AMI Smart Meters. AMI Smart Meters allows customers to view their usage in real time, customer service and operations can investigate leaks with more data; the meter communicates with towers instead of drive-by readings. CLSUD currently has 2,606 AMI Smart Meters installed and still has 3,655 meters to replace with AMI Smart Meters. Since CLSUD has not installed the coms on the elevated storage tanks, the meters are being read by driving by. Director Moore commented that CLSUD recently changed SCADA to cellular because the radio frequency was not working; what is the difference between the towers that would allow the AMI meters to communicate when SCADA was having difficulty communicating. Ms. Howe stated SCADA was searching for a radio frequency with low traffic while the AMI meters would be assigned their own radio frequency. Practice tests were ordered to help the technicians study for their license test.

LEAKS REPAIRED			GALLONS
15-Jul	Camino Real		372,315
20-Jul	New Bridge Drive		2,100
22-Jul	Creekside Villa Drive		100
27-Jul	Cotton Gin Road		225
28-Jul	Bonanza Street		31,200
29-Jul	Ewald Drive		250,000
30-Jul	Misty Drive		50
30-Jul	Old Spanish Trail		7,800
LEAKS TOTAL			663,790
FLUSHING			94,740
TOTAL			758,530

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.	9,030,000	291,290	349,964	17,631,000	568,742	746,000	9,091,000	293,258	372,000	4,677,000	152,452	185,000
FEB.	8,570,000	306,071	450,000	15,787,000	563,821	879,000	7,862,000	280,786	494,000	4,160,000	148,571	199,000
MAR.	10,805,000	348,548	446,090	18,354,000	592,065	664,000	9,428,000	304,129	359,000	5,078,000	163,806	196,000
APR.	10,102,000	336,733	797,032	17,517,000	583,900	766,000	8,877,000	295,900	370,000	4,767,000	158,900	201,000
MAY	10,013,000	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	8,447,000	248,233	455,000	3,756,000	125,200	202,000
JUL.	16,923,000	545,903	744,000	20,832,000	672,000	776,000	8,311,000	268,097	375,000	4,000,000	129,032	203,000
AUG.												
SEPT.												
OCT.												
NOV.												
DEC.												
YTD	79,706,000	375,283	797,032	128,523,000	596,228	1,139,000	59,982,000	282,804	494,000	29,833,000	140,803	203,000

SOURCE	UNIT	PERMITTED WITHOUT REDUCTION	REDUCED TO	USED TOTAL	REMAIN
CRWA	AF	1308	1058	249.271	808.729
CLSUD (Well #1 Edwards)	AF	76.212	40% reduction max. 47.512	109.331	-61.819
CLSUD (Well #2 Edwards)	AF	215.206	40% reduction max. 133.251	74.753	58.498
SAN MARCOS EDWARDS	AF	500	40% reduction max. 311.712	61.819	249.894
ARWA	AF	219	NO REDUCTION	91.523	127.477
SAN MARCOS	AF	1680	NO REDUCTION	382.294	1,297.571
			TOTAL =	658.488	2,481.263

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 (NewGen) France and staff to monitor 2026 FY Budget and expected growth. Will start working on 2027 FY Budget.
- Engaged Chris Ekrut to develop an inverted conservation rate for industrial users.

City of Uhland Meeting(s)

- Attended City Council Meeting virtual Aug. 5th. Since Aug 5th departure of City Administrator of Hayden Brodowsky, the City has hired a temporary City Administrator through a professional consultant.

City of San Marcos

- Reached out to Interim Utilities Director - Robert Goode Assistant City Manager Joe Pantalion on Aug. 3rd and 5th regarding discussions on leasing of water.
- The CLSUD board wants to make sure there are contingencies if the City of San Marcos does not approve extending the leases.

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

- Update to past meeting (June 25th) with City of Kyle staff regarding:
 - City of Kyle requested that CLSUD assist Kyle with entering into an agreement that allows CLSUD to cut off water service to its wastewater customer, who have failed to pay City of Kyle for its sewer service. Next meeting is scheduled at the end of the month. *No Update as of Aug. 12th*
 - 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. *No Update as of Aug. 12th*
 - CLSUD requested again the need for better coordination on all projects associated with CLSUD to avoid delays and condemnation proceedings. *No Update as of Aug. 12th*
- Will attend City of Kyle Council Meeting on Aug 13th. Of interest will be the discussion on rates for water and wastewater customers.

BVRT

- BVRT submitted a Sewer Rate adjustment in April to take into effect in 2026 as per our Agreement. At the January 22nd CLSUD Board meeting the Board denied the submitted rate adjustment. On January 23rd, GM spoke with Shilen Patel, CEO, regarding CLSUD denial of the rate adjustment. On February 25, 2026, BVRT submitted a letter in response to the CLSUD denial for a rate adjustment. This letter is an effort to provide justification for a revised rate calculation for the wholesale services. CLSUD staff will meet 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 waiving government immunity.
- CLSUD Board approved on July 15th moving forward with Rate Adjustment with amending the Wholesale agreement with BVRT and addressing the pending issues; methodology for rate adjustment; resolving construction of WRRF #2; and resolving the reuse water.
- On August 11th, after many attempts to contact CEO of BVRT PCU, GM of CLSUD sent a letter. Mr. Patel called Mr. Ramos on August 19, 2026, and discussed the items of concern in the letter.
- The board requested an update on the appraisal/inventory of the wastewater system.

Update on CRWA, ARWA, GBRA and NRA

Update on Hays Caldwell Water Treatment Plant -CRWA

- Attended CRWA Budget meeting held on June 7, 2026, and July 28th. Based on these two meetings (CRWA Budget Committee meetings) and one meeting with the GMs of Hays Caldwell WTP the Intake Repair was reduced from previously \$1,000,000 to \$200,000. Therefore, the Hays Caldwell WTP repairs/replacement include the following for a total cost of:
 - Intake Repair - ~~\$1,000,000~~-\$200,000
 - 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
 - Total \$1,380,000.00

CRWA BOT held on Aug. 10th

Item 8 General Business

- A. Discuss and consider the proposed comprehensive plan for improvements at the Hays Caldwell Water WTP. *Item was tabled.*
- D. Discuss, consider, and take possible action on Resolution 26-08-004 ratifying the action of the General Manager in approving Change Order Nos.5,6, and 7 associated with the Hays Caldwell WTP Improvements Project. *CLSUD Board approved resolution based on this*
 - Change Order 5: *This is for the addition of underslab drains for the ozone building slab. The drains were not included in the bid plans. Cost of \$22,593.12.*
 - Change Order 6: *This is for rerouting the chlorine line due to conflicts with the mobile membrane units and associated infrastructure. The design engineer approved the reroute but stated in their RFI response that the change was not eligible for additional compensation. CRWA disagrees with this opinion because the mobile units and infrastructure were not shown on the bid plans, making this a differing site condition. That is why the Change Order was approved despite the engineer's declaration that it was not eligible. Cost of \$8,509.71.*
 - Change Order 7: *This is for a revised transformer pad design to accommodate electrical infrastructure installed by Bluebonnet. The revisions were made by Bluebonnet after construction had begun and were not included in the bid plans. Cost of \$4,138.06*
- F. Discuss, consider, and take possible action on Resolution 26-08-006 approving the CRWA Fiscal Year Budget. *CRWA FY 2027 Budget was approved. CRWA FY 2027 Budget is*

\$55,023,714.92. Hays Caldwell portion of the CRWA Fiscal Year 2027 Budget is \$6,519,762.40 of which CLSUD portion is \$2,829,214.51.

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 Aug 7, 2026, following is the update to the GBRA components of the project: Booster Pump Station (BPS) continues with construction. All buildings are up with the exception of the chlorine building. All remote sites are poured, and above ground piping has commenced at Goforth. Eastern pipeline is complete with the exception of punch list items and is awaiting tie into the BPS Building. Northern Pipeline is 38% constructed with still about 50% of boring operations complete.

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 met with a GBRA representative on Aug 5th and the representative assured CLSUD that an agreement will be forthcoming.

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 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.

Alliance Regional Water Authority (ARWA) BOT- August 6th ARWA Board approved of the Guaranteed Maximum Prices (GMPs) associated with CMAR and expansion project with Executive Director instructed to negotiate the price. Next meeting will be Aug. 26th. In October Graham Moore (Executive Director) ARWA will be seeking approval from CLSUD Board on CMAR/SWIFT funding.

NRA (Nueces River Authority) Harbor Island Desal Project- NRA will hold a Board meeting on August 14th that will have various items related to the Harbor Island Desal Project. Staff will monitor the Board meeting. Governor Abbott is asking the Texas Water Development Board to give the NRA \$7 million dollars to get this project moving.

Region L – Next meeting will be August 27th. 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 reported that the Executive Committee met and received presentations from representatives of the three (3) data center projects. The committee continues to gather information and will provide a report at a future meeting. Director Scheel along with the other board members would like to see a presentation on closed-loop cooling systems.

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

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

H. EXECUTIVE SESSION. The meeting entered executive session at 8:07 pm. Director Scheel read the following: County Line Special Utility District reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (consultation with attorney), to discuss items E.2, E.4, E.6, E.9 and F.10 above. The meeting left executive session at 9:16 pm and returned to open session. No action was taken on any item during executive session.

I. ADJOURNMENT. Director Diaz 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 9:19 p.m.

A handwritten signature in dark ink, appearing to read 'Toni B', is written over a horizontal line.

Toni Brewer

County Line SUD, Board President

Date 9/16/26

Project(s) Management Report

Farah Najdawi
Aug 19, 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	53.18%	On Scope	On track	Budget	\$ 149,200.00
								Spent	\$ 79,350.00
								Remaining	\$ 69,850.00
Water CIP Impact fees study	15-Dec-26	18-Nov-26	Ongoing	Lochner	40%	On Scope	On track	Budget	\$ 97,105.00
								Spent	\$ 38,395.00
								Remaining	\$ 58,710.00
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	\$ 28,067.50
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	\$ 621,132.47	\$ 140,387.85	\$ 1,169,881.29	\$ 1,931,401.61
								Remaining	\$ 39,235.53	\$ 458,702.15	\$ 7,380,118.71	\$ 7,878,056.39
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	\$ -	\$ 390,239.40
								Remaining	\$ 53,798.90	\$ 153,077.22	\$ 1,890,711.88	\$ 2,097,588.00
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	\$ 96,217.52	\$ -	\$ 364,622.02
								Remaining	\$ 93,233.50	\$ 88,410.23	\$ 1,983,640.18	\$ 2,156,850.91
16" Misty Lane and 20" Farmers RD	1/22/2026	4/22/2028	Ongoing Design	KH	20.55%	On Scope: 60% Delivered	On track	Budget	\$ 1,441,700.00	\$ 2,164,938.67	\$ 9,086,203.00	\$ 12,692,841.67
								Spent	\$ 276,977.50	\$ 8,670.00	\$ -	\$ 285,647.50
								Remaining	\$ 1,164,722.50	\$ 2,156,268.67	\$ 9,086,203.00	\$ 12,407,194.17
4 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

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

7-1-2026 to 8-1-2026



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	359
Days Charged to Date	189

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	35.05%	On Scope	On track	Budget	\$ 200,000.00
								Spent	\$ 78,103.15
								Remaining	\$ 121,896.85
General Engineering Service (GES)	1-Jan-26	31-Dec-26	Ongoing	KH	63.75%	On Scope	On track	Budget	\$ 200,000.00
								Spent	\$ 127,508.73
								Remaining	\$ 72,491.27
General Engineering Service (GES)	1-Jan-26	31-Dec-26	Ongoing	SWE and Others	4%	On Scope	On track	Budget	\$ 100,000.00
								Spent	\$ 4,320.00
								Remaining	\$ 95,680.00

*	Percent of budget used
	Includes CLSUD TWDB FUNDING APPLICATION

Question