COUNTY LINE SPECIAL UTILITY DISTRICT

Meeting Minutes

Board of Directors Meeting – September 16, 2026 at 6:30 P.M.

District Office-8870 Camino Real, Uhland, 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.

Samantha Tweet with Lloyd Gosselink Rochelle & Townsend, P.C.

Wayne Watts with Egis

Betsy Johnson with Grable Martin, PLLC

Ronja Keyes with Plum Creek Utility/BVRT

Shilen Patel with Plum Creek Utility/BVRT

Justin Ivicic with Maxwell Special Utility District (Via Teams)

Shawn Crawford with Kimley-Horn (Via Teams)

A Mesa (Via Teams)

Adam Conner with Freese and Nichols (Via Teams)

John S. Carter

Susie Carter

Wendy Tristan

Kim Yeargan

Liz Honeycutt

Larry Honeycutt

Fernando Garza with Prime Data Center

Jesse Pena with Quiddity Engineering

Susan Oppie

Bonnie May Smithey with Goosehead Insurance

Joshua Martinez

Lillian Boad

Stephen Dotson with Prime Data Center

Kerry Averyt with Canyon Regional Water Authority (CRWA)

Concepcion Mendoza

Gloria Sepeda Aranda with the Wayside Community

Rosa Alvarado with the Wayside Community

Alexander Saldivar with the Pradera Community

Chris Shandor with Tract

Mitch Nelson with Tract

Shawn Evans with the Wayside Community

Benny Alvarez

Keshia Rollins-Contreras

Yoli Tobias Romo with Uhland Radio

Humberto Ramos, County Line Special Utility District Staff

France Alston, County Line Special Utility District Staff

Farah Najdawi, County Line Special Utility District Staff

Tracie Crowell, County Line Special Utility District Staff

Karina Ortega, County Line Special Utility District Staff

Tiffeny Howe, County Line Special Utility District Staff

The following represents the actions taken by the Board of Directors (Board) of the County Line Special Utility District (CLSUD). The Board of Directors convened in a meeting at the date, time and location stated above. The agenda was discussed in the following order: A., B., C., D., E.7, E.1, E.4, E.5, E.6, F.1-F.8 and E.11, E.12, E.9, E.10, E.2, E.3 and F.9 were discussed in executive session in that order.

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

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

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

Wendy Tristan, who is a Uhland resident and a member of the Uhland Economic Development Board (EDC), voiced concerns over the Powerhouse Data Center project. She is concerned about how many gallons per day they will use, where the water will come from, what will happen to the water supply during the next severe drought, how will existing homeowners and businesses be protected if the data center uses more water than projected, and who will pay for additional infrastructure required to serve the data center. As part of the community, she requested County Line Special Utility District to adopt a temporary moratorium. No high volume industrial data center water service commitments should be approved while the district is under Stage 3 or higher water restrictions. Wants the board to answer the public's questions, not approve a water service agreement until the public has seen the engineering studies, the projected water demand, reviewed the proposed contracts, require an independent analysis of the project impact of the water supply and to put enforceable limits on the amount of water the center can consume and make certain customers are protected from the financial burden and water supply risk of the project.

Susie Carter, who is a resident of Uhland, feels County Line is here to provide service to the community and not high-water users. County Line should impose a moratorium. Concerned about sending staff emails and not receiving a response. Ms. Carter said Oscar Riddle, III, is concerned about the quantity of water data centers will consume and quality of the water being discharged.

John S. Carter, who is a resident of Uhland, read a letter from Greg Abbott to the Texas Water Development Board regarding the Water Use Survey completion and penalties if not completed by major water users.

Gloria Sepeda Aranda who moved to the area from Travis County voiced her concerns about County Line not having a program for helping customers with disabilities pay their water bills.

D. CONSENT AGENDA:

D.1 Consider and take action to approve the minutes of the August 19, 2026 Regular Board Meeting. Director Diaz made a motion to approve the minutes of the August 19, 2026 board meeting. 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, as necessary, regarding Interlocal Agreement with Hays County Related to Waterline Relocation Required as Part of the Cotton Gin Road Bond Project. Samantha Tweet with Lloyd Gosselink, Rochelle and Townsend discussed this item. This agreement will contemplate the terms and conditions under which Hays County will reimburse County Line Special Utility District's costs for new easements and relocating the waterline within such existing easements. Discussions are still ongoing regarding this agreement. No action was needed on this item, update only.

E.2 Discuss, consider, and take action regarding Public Utility Commission Docket No. 59635 – Petition for Streamlined Expedited Release by JLJS GH Investments. This item was discussed in executive session. No action was taken during executive session or in open session.

E.3 Discuss, consider, and take action regarding Amended and Restated Wholesale Wastewater Service Agreement between Plum Creek Utility Company and County Line Special Utility District. This item was discussed in executive session. No action was taken during executive session. When the meeting returned to open session, Director Scheel made a motion to approve the Amended and Restated Wholesale Wastewater Service Agreement between Plum Creek Utility Company and County Line Special Utility District as discussed in executive session. Director Schuler seconded the motion, and the motion passed. 5 Aye, 0 Nay

E.4 Presentation regarding Closed Loop Cooling Systems and Power Generation. Wayne Watts with Egis gave the presentation. Mr. Watts gave a core definition of what a data center is, primary function, operational scale and infrastructure needs. Mr. Watts also presented slides about how data centers use water which included the primary need, evaporate cooling, indirect consumption and facility hygiene; how closed-loop cooling systems work which included system design, heat transfer, water retention, efficiency, makeup water, initial fill, secondary cooling and energy tradeoff. Water from County Line could be used for the initial filling, make up supply to replenish routine operational losses over time and emergency backup. County Line plans to ensure all ratepayers maintain secure, uninterrupted access to drinking water, enforce mandatory reduction protocols for data centers during severe local water shortages, implement tiered pricing or surcharges so all users cover the true cost of infrastructure wear, protect local water tables from industrial runoff or chemical contamination risks and create data center specific water policies including clear rules for developers, long-term planning to help engineers to forecast pipe sizing, storage tank capacity and treatment plan expansions, and board consideration which will empower leadership to balance economic development with sustainable community-first resource stewardship based upon the COMPASS Research Consortium issued by the University of Texas at Austin.

Director Schuler expressed concerns over a request for 208 LUEs if the water is primary going to be used for domestic use. Mr. Watts said this particular data center has four (4) different buildings with three (3) different shifts with an estimated twenty-five (25) gallons per day allocated to each employee. Fire flow is not included in the LUE count. Fire flow is part of the calculations and part of the line sizing for the project. The data centers will not be allowed to discharge the cooling fluids into the wastewater system until it has gone through an additional pre-treatment process to remove the ethylene glycol, anti-scale agents and other chemicals.

E.5 Discuss, consider, and take action regarding Amendment to the Water CIP Task Order with Egis (formerly Lochner). Farah Najdawi with County Line Special Utility District (CLSUD) discussed this item. On September 9, 2025, CLSUD issued Task Order #7 for the Water Impact Fee Update to K Friese & Associates, LLC, with an original lump-sum fee of $97,105.00. During the February 18, 2026 board meeting, Jennifer Sullivan, P.E., with HW Lochner (Formerly K Friese & Associates and now Egis), presented an update regarding the District's Impact Fee Study process. As the project progressed, additional services were identified that were not included in the original scope of work. The proposed amendment adds extended project management, service area and land-use map revisions, CIP updates associated with the selected water supply alternative, and developer meetings and presentations. The project schedule has also been extended. The previously anticipated November 18, 2026 completion has been revised, with the amended schedule providing for the study to be finalized and available to the public by October 16, 2026, followed by a November 18, 2026 board meeting to set the public hearing, and a January 20, 2027 Public Hearing and Adoption. The $48,900.00 amendment is a lump sum amount and will be impact fee eligible. Director Moore felt the Water CIP had been tabled at a previous meeting until a water supply was chosen, Ms. Najdawi assured her it had not been. Director Scheel made a motion to approve the Amendment to the Water CIP Task Order with Egis in the amount of $48,900.00. Director Schuler seconded the motion, and the motion passed. 5 Aye, 0 Nay

E.6 Discuss, consider, and take action to approve an amendment to the County Line Special Utility District Encroachment Policy adding Article 3, Encroachment Fees. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. County Line's current Encroachment Policy was adopted on October 16, 2023 to establish a uniform process for protecting the district's easements, right of ways, and other property interests from encroachments. The current policy does not establish fees for processing and reviewing encroachment requests. As a result, costs associated with engineering, legal, and other professional reviews are currently paid from district revenues. So far this year the district has incurred about $6,630.00 in fees from encroachment requests. The addition of Article 3 would establish fees and deposits associated with processing and reviewing encroachment requests and would ensure applicants are responsible for the actual costs incurred by the district. The amendment would establish a $350.00 non-refundable application fee and a $4,000.00 initial deposit. The district can require an additional deposit if the initial deposit is not sufficient to cover actual costs. Any unused funds will be refunded after the review is completed. Encroachment agreements will be drafted to codify the agreement, and they will be recorded in the county clerk's office. Mr. Ramos also had a presentation to aid in his discussion of the amendment. Director Scheel made a motion to approve an amendment to the County Line Special Utility District Encroachment Policy adding Article 3, Encroachment Fees. Director Schuler seconded the motion, and the motion passed. 5 Aye, 0 Nay

E.7 Discuss, consider, and take action to adopt an Order amending County Line Special Utility District's Service Policy to establish service requirements and LUE calculations for industrial customers, including, but not limited to, data center facilities. Humberto Ramos with County Line Special Utility District (CLSUD) discussed this item. Stated CLSUD has had discussions with data centers but does not have signed agreements with them. In June 2026, the Texas House Committee on Natural Resources was charged with examining data center water use and conservation, including direct and indirect water demands, regulatory and infrastructure considerations, water-efficient development practices, and policy options to optimize the state's water resources. In August 2026, Governor Abbott announced additional data center standards directing Public Utility Commission of Texas (PUCT) and Electric Reliability Council of

Texas (ERCOT) to evaluate how proposed data centers will protect Texas water resources, including identification of water sources, projected water use, water reuse procedures, and the use of water-efficient cooling technologies. The proposed amendments would further update Sections F and G, and other sections as necessary, to establish specific service requirements and a consistent methodology for evaluating water and wastewater demand and calculating Living Unit Equivalents (LUEs) for Data Center Facilities and other industrial applications.

Section F would require Data Center applicants to provide detailed information regarding facility capacity, utilization, cooling technology, Power Usage Effectiveness (PUE), Water Usage Effectiveness (WUE), cooling-system and process-water requirements, proposed water sources, and projected average and peak demands. Data Centers with on-site power generation would be required to submit separate Non-Standard Service Applications for the Data Center and power-generation facility so each can be independently evaluated for capacity, infrastructure requirements, LUEs, and applicable fees.

Section G would establish Data Centers as a specific industrial service category, provide a methodology for determining and verifying LUEs based on projected water demands, and establish Data Center cooling-system and operational requirements. These include a preference for closed-loop cooling, evaluation of direct and indirect water demands, requirements for maintenance refills and makeup water, and installation of a CLSUD-approved flow restrictor based on the approved capacity and LUE allocation.

Director Schuler requested the amendment to include the definition of a data center and method to determine if the project is actually a data center or not. Directors Moore and Scheel want language in the policy to define what low and high efficiency means. Director Moore would like language in the policy to state, when possible, re-use water needs to be utilized. Director Scheel was concerned about there could be another industry out there we are not aware of yet. Mr. Ramos said the policy could be amended to address that when the need arises. Director Scheel also wants something in the policy to keep users from going over requested LUEs and penalty if they do go over. Director Moore wants water usage to also be in gallons and not just in LUEs. Director Scheel wants something in the policy that all federal, state and county mandates must be followed prior to signing any NSSAs.

Director Schuler moved to amend the proposal to define an industrial customer class for data centers, impose a one-year moratorium for the same and adopt as amended. Director Moore seconded the motion. Director Brewer stated the motion has nothing to do with Item E.7. Director Schuler requested each board member state their position on the motion. Director Diaz-Nay, Director Moore-Aye, Director Brewer-Nay, Director Scheel-Nay and Director Schuler-Aye. Motion did not pass since four (4) directors did not vote yes.

A citizen in attendance made comment she has obtained signatures from citizens of Uhland to pass a temporary moratorium. Legal counsel for CLSUD said this is something the board elected not to move forward with by not passing Director Schuler's previous motion to impose a one-year moratorium. Legal counsel advised that by approving a moratorium, the district would be subject to legal challenges. Legal counsel feels this is something to be discussed at a later meeting when the agenda language is clearer.

Director Scheel made a motion to adopt the Order amending County Line Special Utility District's Service Policy to establish service requirements and LUE calculations for industrial customers, including, but not limited to, data center facilities with the modifications discussed to be effective September 17, 2026. Director Diaz seconded the motion, and the motion passed. 4 Aye, 0 Nay and Director Schuler abstained.

E.8 Discuss, consider, and take action regarding executing a leasing agreement for office copier and printers. Karina Ortega with County Line Special Utility District (CLSUD) discussed this item. CLSUD currently uses three (3) printers. One hallway printer handles the majority of the office's printing and copier needs and is covered under a lease agreement with Dex Imaging. The other two smaller desktop printers are owned and maintained by the district and are located upfront in the customer service office. The current Dex Imaging lease expires in January 2027. Quotes were received from Dex Imaging, UBEO and Ty Cahoon. Staff recommend signing a lease with UBEO for a forty-eight (48) month agreement at $475.00 per month and includes service, maintenance, parts, toner, and monitoring software for all three (3) machines. Director Moore wants to make sure the new copier, and printers are supported by CLSUD's current IT Support provider HCS. Director Scheel made a motion to execute a leasing agreement for the office copier and printers with UBEO. Directors Schuler and Diaz seconded the motion, and the motion passed. 5 Aye, 0 Nay

E.9 Discuss, consider, and take action to amend 2024 Interlocal Agreement between City of San Marcos and County Line Special Utility District for Edwards Aquifer Water. This item was discussed in executive session. No action was taken during executive session. When the meeting returned to open session, Director Scheel made a motion to table this item. Director Schuler seconded the motion, and the motion passed. 5 Aye, 0 Nay

E.10 Discuss, consider, and take action to amend 2024 Amended Water Supply Agreement for surface water from City of San Marcos. This item was discussed in executive session. No action was taken during executive session. When the meeting returned to open session, Director Scheel made a motion to table this item. Director Schuler seconded the motion, and the motion passed. 5 Aye, 0 Nay

E.11 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. When the meeting returned to open session, Director Scheel made a motion to table this item. Director Schuler seconded the motion, and the motion passed. 5 Aye, 0 Nay

E.12 Discuss, consider, and take action authorizing the acquisition of the following easements and property in support of the District's water pipeline infrastructure projects.

A. **Cotton Gin Road Easements:**
    a. **Tract 2C.**

This item was discussed in executive session. No action was taken during executive session. When the meeting returned to open session, Director Scheel made a motion to table this item. Director Schuler seconded the motion, and the motion passed. 5 Aye, 0 Nay

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 twenty (20) connections were made in August for a total of two-hundred-nineteen (219) connections this year. Operations were stable throughout the month, and all routine maintenance tasks were completed as scheduled.

WRRF #1 The total permitted capacity is 300,000 gallons per day and approximately 210,000 gallons per day is currently in use.

WRRF #3 The total permitted capacity is 150,000 gallons per day and approximately 9,000 gallons per day are currently in use.

Ms. Keyes introduced Shilen Patel, the president of BVRT.

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 sixteen (16) LUEs (living unit equivalents) were added in August towards the one-hundred-thirty-six (136) year active LUE goal. As of this month, active LUEs totaled two-hundred fifty (250), exceeding the annual targeted goal by one-hundred fourteen (114) LUEs. All revenue generated from LUEs past the goal will be deposited into the general fund. Based upon average use (0.3 acre feet/LUE based on 0.17 gallon per minute/LUE). Current active accounts are 6,998 with 2,233 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 leaving potentially 2,840 LUEs that could be assigned to projects. Based upon maximum use (0.5 acre feet/LUE based on 0.3 gallon per minute/LUE). Current active accounts are 6,998 with 2,233 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 leaving potentially 1,562 LUEs that could be assigned to projects.

F.4 NSSA Tracking Report. Tracie Crowell with County Line Special Utility District (CLSUD) reported no Non-Standard Service Agreements (NSSAs) were signed in August. County Line's attorney is working on various NSSAs to send to developers. One (1) new service request was received in August for a proposed Dollar General located on FM 2720 for an estimated seven (7) LUEs (Living Unit Equivalents). Impact fees in the amount of $93,640.00 were collected for the Kyle Wastewater Treatment Plant Expansion Project.

F.5 Financial Report. France Alston with County Line Special Utility District (CLSUD) reported on this item. On the income statement, the revenue for August was $1,394,207.09. Total expenses were $893,548.41 and the net income was $500,658.68. On the balance statement, principal is taken out of the liability of the bond payment, but interest is still accrued. Ms. Alston is still working on developer deposits. There will be two (2) payments to Plum Creek Utility in September. Director Moore pointed out Ms. Alston's report did not include the tower lease. Director Moore also questioned professional fees for water and for legal. Ms. Alston said they have been recoded/re-categorized. Director Moore asked if non-impact fee construction should be capitalized. Ms. Alston said she would find out.

F.6 Production & Operation(s) Report. Tiffeny Howe with County Line Special Utility District (CLSUD) reported CLSUD has produced about 20 million gallons more water this year compared to last year at this time. The CLSUD operators have addressed thirteen (13) of the thirty (30) issues found during the smoke test done in the Las Estancias neighborhood. Currently, the fiscal year 2026 budget does not include wastewater repairs and maintenance. To date, expenses include lift station / wet well cleaning in the amount of $1,223.07; generator test in the amount of $876.83; smoke testing in the amount of $8,237.50; and wastewater line repair in the estimated amount of $2,450.00. Next year's budget will include line items for wastewater repairs/maintenance. A class "C" operator was hired and will be starting this week. CLSUD will now have two (2) class "C" operators. The other operators are still working towards obtaining their license.

LEAKS REPAIRED		GALLONS
3-Aug	Frogmore Loop	200
6-Aug	High Road	37,035
7-Aug	FM 150	100
11-Aug	S. Plum Creek Road	490
19-Aug	Mission Lane	197,737
23-Aug	Misty Drive	222,211
16-27 Aug	5 Minor Leaks: Plum Creek Rd, FM 2720 Myrtle, Frogmore, Gristmill	250
LEAKS TOTAL		453,023
FLUSHING		18,825
TOTAL UNMETERED LOSS		471,848

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.	19,068,000	615,097	754,000	21,765,000	702,097	872,000	9,813,000	316,548	746,000	5,217,000	168,290	282,000
SEPT.												
OCT.												
NOV.												
DEC.												
YTD	98,774,000	405,259	797,032	148,288,000	609,228	1,139,000	70,795,000	287,022	746,000	35,130,000	144,794	282,000

SOURCE	UNIT	PERMITTED WITHOUT REDUCTION	REDUCED TO	USED TOTAL	REMAIN
CRWA	AF	1308	1058	307.789	750.211
CLSUD (Well #1 Edwards)	AF	76.212	40% reduction max. 48.264	128.505	-80.241
CLSUD (Well #2 Edwards)	AF	215.206	40% reduction max. 134.754	85.694	49.060
SAN MARCOS EDWARDS	AF	500	40% reduction max. 291.712	80.241	211.471
ARWA	AF	219	NO REDUCTION	107.533	111.467
SAN MARCOS	AF	1680	NO REDUCTION	449.088	1289.223
			TOTAL =	1158.850	1432.746

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

General Manager Report

- Continue working with various developers within CLSUD CCN.
- Regional meetings (see below)
- Working with Chris Ekrut (NewGen) France and staff to monitor 2026 FY Budget and expected growth. Initial Budget for 2027 FY Budget was sent to NewGen for discussion.
- Executive Committee to review budget after Chris Ekrut approves the budget. Once approved by the Executive Committee and Chris Ekrut, two (2) public meetings are to be held to discuss the budget before the board adopts the budget.
- Possibly connect the office to wastewater next year.
- Requested Tiffeny Howe to have the contractor that previously looked at the building to come back and re-evaluate the building.

City of Uhland Meeting(s)

- The City Council Meeting was held on September 10th to hire a new City Administrator.

City of San Marcos

- Discussed a draft leasing agreement in executive session.

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.
- Coordinating with ARWA and Kyle on possible re-routing of pipelines.

- No update to the City of Kyle request from CLSUD assisting 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.
- Attended the City Council meeting on September 10th. Of interest was the discussion of water supply and water supply options to include ARWA, NRA and GBRA.

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 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 waving 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.

Update on CRWA, ARWA, GBRA, Plum Creek Brackish Water and NRA

CRWA BOT to be held on September 14th (at the time of this submittal CRWA had not posted its agenda.

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. Pump building exterior is complete, and ll remote sites have above

ground piping installed. Pumps arrived onsite last week. Eastern Pipeline is complete and awaiting tie into the BPS. Northern Pipeline is 41% constructed with still about 56% of boring operations complete.

GBRA notified CLSUD on September 2nd that the City of Lockhart does not have extra water to lease. Recall the City of Lockhart through GBRA claimed they had 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 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
- The Caldwell County District Court will accept proposed orders and associated briefings in September 2026. The Court will then decide whether the District violated the law in denying GBRA's permit amendment applications. If GBRA wins in any respect, we expect the District to appeal.

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- Next Board meeting is September 23rd. ARWA will consider renewal of consultants contracts and also reviewing Water Supply Phase 2 Options in Executive Session. October Graham Moore (Executive Director) ARWA will be seeking approval from CLSUD Board on CMAR/SWIFT funding.

Plum Creek Brackish Water Project- Leasing agent (KB) is completing scope of work for Phase I (title search) and will come back with estimated cost for leasing efforts. FNI activities include: continue to monitor and be engaged with the developments of the groundwater districts, and GMA -13 process; began work on the aquifer characterization study and will provide a draft report by September 25th; meet and coordinate with KB on a biweekly effort and monitoring the upcoming SWIFT application process. Next Board meeting will bring reimbursement resolution for the project.

NRA (Nueces River Authority) Harbor Island Desal Project–This project is a public private partnership with IDE Technologies. IDE Technologies (founded in 1965) is an Israeli water desalination and water treatment company that develops and operates desalination and water-treatment plants for municipal and industrial clients worldwide. IDE Technologies is currently constructing the desal plant. NRA will hold its first stakeholder meeting on October 16th. Stakeholders are representatives from the various utilities wishing to participate in the Harbor Island Desal Project (New Water for Texas). NRA recently received $7M grant and is looking to solidify additional grants from the State through recent $1B funding process. Initial flow of water to the Corpus Christi area will be by 2029. Water withing our region should receive water by 2032.

Region L – Next meeting will be November 5th. Pre-planning meeting, schedule and address population and demand numbers that will be coming out in January 2027. Also, discussion on filling any remaining vacancies. 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 in executive session. No action was required or taken on anything Mr. Gershon reported.

G. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS.

Director Schuler requested an RFP process be done for banking services. Director Scheel seconded the motion, and the motion passed. 5 Aye, 0 Nay

Director Moore requested the Reuse Agreement be added to the agenda. Director Scheel seconded the motion, and the motion passed. 5 Aye, 0 Nay

H. EXECUTIVE SESSION. 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.3, E.9, and E.11 above, 551.072 (deliberations about real property) to discuss Items E.10 and E.12 above. The meeting entered executive session at 8:58 p.m. The meeting returned to open session at 10:07 p.m. No action was taken 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 10:08 p.m.

Date 10/21/26

Toni Brewer
County Line SUD, Board President

Project(s) Management Report

Farah Najdawi

September 16, 2026

CLSUD Plans Budget Tracking

Project name	Start	Finish	Project Staus	Assign to	% Complete	Scope Status	Schedule Status	Cost Type	Engineering Fees
Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP)	17-Nov-25	1-Dec-26	Ongoing	KH	**60.64%**	On Scope	On track	**Budget**	$ 149,200.00
								Spent	**$ 90,480.00**
								Remaining	**$ 58,720.00**
Water CIP | Impact fees study	15-Dec-26	**20-Jan-27**	Ongoing	Lochner| Egis	80%	On Scope	**Delay**	**Budget**	$ 97,105.00
								Spent	$ 38,395.00
								Remaining	$ 58,710.00
Wastewater CIP	8-Apr-25	21-Oct-26	Ongoing	Lochner| Egis	73.14%	On Scope	**Delay**	**Budget**	$ 128,575.00
								Spent	$ 99,951.75
								Remaining	$ 28,623.25
Emergency Preparedness plan (EPP)	18-Feb-25	1-Dec-26	Ongoing	Lochner| Egis	11.85%	On Scope	On track	**Budget**	$ 34,670.00
								Spent	$ 5,438.75
								Remaining	$ 32, 033.75
Wastewater System Assets Inventory	3-Aug-26	17-Mar-27	Ongoing	Lochner| Egis	2%	On Scope	On track	**Budget**	$ 78,780.00
								Spent	$ -
								Remaining	$ 78,780.00

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| Egis	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| Egis	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	$ -
Caldwell County- William Pettus (CR 238)	2025	2027	Ongoing| Design Phase	Lochner| Egis	1%	On Scope	On track| Pending County	Budget	$ /hr
								Spent	$ 350.0
Hays County Bunton Ln	26-Jun-26	TBD	Ongoing	Lochner| Egis	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 *	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	$ 141,927.85	$ 1,289,359.76	$ 2,052,420.08
								Remaining	$ 39,235.53	$ 457,162.15	$ 7,260,640.24	$ 7,757,037.92
30" Bobwhite Water Main	FM2720 Water Main (Phase 3)	11/20/2024	12/30/2026	Bid Phase	Egis	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	Egis	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	$ 391,485.00	$ 8,670.00	$ -	$ 400,155.00
								Remaining	$ 1,050,215.00	$ 2,156,268.67	$ 9,086,203.00	$ 12,292,686.67
Plum Creek Water Line Upsize Project	6/25/2026	08/25/2028	Ongoing Design	Egis	1%	On Scope	On track	Budget	$ 574,636.21	$ 472,525.24	$ 2,673,181.00	$ 3,720,342.45
								Spent	$ 2,389.20	$ -	$ -	$ 2,389.20
								Remaining	$ 572,247.01	$ 472,525.24	$ 2,673,181.00	$ 3,717,953.25

*	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

8-1-2026 to 9-1-2026

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	**331**
Days Charged to Date	**217**



Figure 1: Valve delivery

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	$ 100,000.0
								Spent	$ 4,440.0
								Remaining	$ 95,560.00

* Percent of budget used

Includes CLSUD TWDB FUNDING APPLICATION

Question