



BOARD OF DIRECTORS MEETING
January 22, 2026

NOTICE

In accordance with the Texas Open Meetings Act, Texas Government Code Chapter 551, notice is hereby given to the public that the Board of Directors of the Crystal Clear Special Utility District shall hold a Board Meeting on January 22, 2026, beginning at 6:30 pm at the District offices located at 2370 FM 1979, San Marcos, Texas. The subjects to be discussed, considered, or upon which action may be taken are listed below.

AGENDA

Item 1. Open Meeting, Pledge of Allegiance and Invocation

Item 2. Board Member Items:

- a. Board Job descriptions (2026)
- b. Swearing in of Directors:
 1. Statement of Officer (Place 1, 3 & 5)
 2. Oath of Office (Place 1, 3 & 5)
- c. Consider and take possible action regarding appointment of interim director to fill board of directors' vacancy due to resignation of Louis Upton
 1. Statement of Officer (Place 7)
 2. Oath of Office (Place 7)
- d. Board, Officers and Committees:
 1. Election of Board of Officers (2026)
 2. Approval of CCSUD Committee Guidelines (2026)
 3. Appointment of Committee Chairs and Members (2026)

Item 3. Public Comments

Members of the public wishing to make a public comment during the meeting must register (a) on the sign-in sheet at the meeting site prior to the start of the meeting; and or (b) by emailing info@crystalclearsud.org prior to the meeting. If you wish to speak, please state your name. Public comment is limited to three minutes per person. Board directors will not ask questions or take action during public comments. Regarding public comments on items not on today's agenda, responses from board directors are limited to factual statements, recitation of existing District rules or policies, or requests by a director for the subject to be placed on a future agenda as required by Texas Government Code § 551.042. Public comment for items on the agenda may be made at this time or when the agenda item is taken up.

- a. Non-agenda items
- b. Agenda items

Item 4. Consent Agenda

- a. Approve Minutes October 23, 2025, Regular Board Meeting.
- b. Approve Minutes November 17, 2025, Canvass Meeting.
- c. Approve Minutes December 3, 2025, Regular Board Meeting.
- d. Approve October 2025 Financials/Investment Report.
- e. Approve November 2025 Water Loss Reports
- f. Approve January 2026 Monthly Report.
- g. Approve M&S Report/CCSUD Capital Improvement Plan

Item 5. Regular Agenda

- a. Update/Discussion/Possible Action: CCSUD FY2024-2025 Annual Audit including required Single Audit.
- b. Update/Discussion/Possible Action: Presentation of Feasibility Study Process
- c. Update/Discussion/Possible Action: Board Meetings – Audio/Video
- d. Update/Discussion/Possible Action: CRWA Board of Trustees: Resolution Appointing CCSUD Trustees.
- e. Update/Discussion/Possible Action: Administrative
 1. Employee Recognition
 2. Grievance Update



3. Winterization Project
- f. Update/Discussion/Possible Action: Resolution Authorizing Bank Signatories
- g. Update/Discussion/Possible Action: Developments:
 1. Rattler Ridge WNSSA Amendment
 2. Data Center Presentation
- h. Update/Discussion/Possible Action: Annual Water Inventory-Usage Report
- i. Update/Discussion/Possible Action: Finance/Cash Flow
- j. Update/Discussion/Possible Action: Customer Service Inspections
- k. Update/Discussion/Possible Action: CCN and Permitting
 1. Overview of District Annexation Process
- l. Update/Discussion/Possible Action: Rules and Regulations
 1. Private Fire Hydrants
 2. Easements: existing processes and proposed alternative solutions - Executive Session Recommended
- m. Update/Discussion/Possible Action: TCEQ Enforcement Action - Executive Session Recommended
- n. Update/Discussion/Possible Action: Water Rights/Water Sharing/Land Acquisition
 1. Wilcox leases – Executive Session Recommended
 2. CRWA - Wells Ranch 3 – Executive Session Recommended
- o. Update/Discussion/Possible Action: District Legal Matters - Executive Session Recommended (Tex. Gov't Code Section 551.071).

Item 6. Board Member Items

- a. Next regular meeting February 26, 2026
- b. Items for Future Agendas

Item 7. Executive Session

The Board reserves the right to go into executive session for any item on the above agenda for which the Board may seek the advice of its attorneys under Texas Government Code § 551.071, or any item on the above agenda for which an executive session is permitted by law. The Board will reconvene in open session for any appropriate action on any matter considered in executive session.

Item 8. Adjournment

POSTED ON CCSUD WEBSITE /CCSUD OFFICE January 15, 2026 @ 4:00PM CST By:



BOARD MEMBER/DIRECTOR JOB DESCRIPTION

January 2026

Authority/Responsibility:

- The Board of Directors is the legal authority for the Crystal Clear Special Utility District (CCSUD). As a member of the Board, a Director acts in a position of trust for the electorate and customers within the District CCN and is responsible for the effective governance of the organization. In the case of CCSUD, this is a position elected by the registered voters of Guadalupe, Comal and Hays Counties.

Term of Office:

- Three (3) years

Qualifications/Skills/Requirements:

- Knowledge and skills in one or more areas of Board governance: Policy, Finance, Operations, Administrations, Programs and/or Human Resources
- Commitment to the work of the organization
- Willingness to serve on at least one committee and actively participate
- Attendance at monthly Board meetings
- A time commitment of approximately five hours per month (includes Board preparation, meeting and committee meeting time)
- Be informed on the services provided by CCSUD and publicly support these services and the organization
- Prepare for and participate in the discussions and the deliberations of the Board
- Be aware and abstain from any conflict of interest

Major Duties:

- Govern CCSUD by the broad policies developed by the Board
- Establish overall long and short term goals, objectives and priorities for CCSUD
- Recommend policy to the Board
- Promote CCSUD through community networking
- Be accountable to registered voters and customers of the counties served by CCSUD for services provided and funds expended
- Monitor and evaluate the effectiveness of CCSUD through a regular review of programs and services
- Seek qualified individuals to nominate for vacant Board of Director positions
- Foster a positive working relationship with other Board members, and CCSUD staff
- Be informed about the services provided by CCSUD and publicly support these services and the organization

Review/Approval:

- The Board Administrative Committee will review the Board member/Director job description annually
- Recommended changes will be presented to the Board.



BOARD PRESIDENT JOB DESCRIPTION

January 2026

Authority/Responsibility:

- The Board of Directors is the legal authority for the Crystal Clear Special Utility District (CCSUD)
- The President of the Board is responsible to the Board for effective governance of Board Meetings

Qualifications/Skills/Requirements:

- All the qualifications/Skills/Requirements of a Board Director
- Time commitment of approximately ten hours per month
- Be informed about the services provided by CCSUD and publicly support these services and the organization

Term of Office:

- The President is elected by the Board at the January meeting each year and serves for a one- year term
- The President can be removed by majority vote of a quorum of directors at a posted Board meeting

Major Duties:

- Govern Crystal Clear Service Utility District within the policies developed by the Board
- Lead the Board in establishing overall long and short term goals, objectives and priorities for the CCSUD in meeting the needs of customers
- Signing authority on behalf of the Board for financial and legal purposes
- Report to Board on status of major programs
- Provide leadership and direction to the Board
- Arrange for the Vice President to chair meetings in the absence of the President
- With the General Manager and input from individual directors, set monthly Board meeting agendas
- With input from other Board members, provide guidance and leadership to the General Manager including an annual performance appraisal all with input from Board directors
- Ensure Board members receive agenda and minutes in a timely manner
- Recommend policy to the Board
- Be accountable for services provided and funds expended
- Monitor and evaluate the effectiveness of the CCSUD through a regular review of programs and services
- Seek qualified individuals to nominate for vacant Board of Director positions
- Foster a positive working relationship with other Board members, and the CCSUD staff

Review/Approval:

- The Board Administrative Committee will review the President's job description annually
- Recommended changes will be presented to the Board.



BOARD VICE PRESIDENT JOB DESCRIPTION

January 2026

Authority/Responsibility:

- The Board of Directors is the legal authority for the Crystal Clear Special Utility District
- The Vice President of the Board is responsible to the Board for effective governance of the board in the absence of the Board President

Qualifications/Skills/Requirements:

- All the Qualifications/Skills/Requirements of a Board Director and/or Board President
- Have a basic understanding of parliamentary procedures

Term of Office:

- *The Vice President is elected by the Board at the January meeting each year and serves for a one- year term*
- The Vice President can be removed by majority vote of a quorum of directors at a posted Board meeting

Major Duties:

- Fulfill the duties of the Board President in her/his absence
- Signing authority on behalf of the Board for financial and legal purposes
- Be informed about the services provided by CCSUD and publicly support these services and the organization
- Be aware and abstain from any conflict of interest

Review/Approval:

- The Board Administrative Committee will review the Vice President's job description annually
- Recommended changes will be presented to the Board.

BOARD MEETING 01/22/2026



BOARD SECRETARY JOB DESCRIPTION

January 2026

Authority/Responsibility:

- The Board of Directors is the legal authority for the Crystal Clear Special Utility District (CCSUD)
- The Secretary of the Board is responsible to the Board for handling the Duties of this Job Description

Qualifications/Skills/Requirements:

- All the Qualifications/Skills/Requirements of a Board Director
- Have a basic understanding of parliamentary procedures

Term of Office:

- The Secretary is elected by the Board at the January meeting each year and serves for a one- year term
- The Secretary can be removed by majority vote of a quorum of directors at a posted Board meeting

Major Duties:

- Signing authority on behalf of the Board for financial and legal purposes
- Assist, if needed, the General Manager and/or President in setting monthly Board Meeting Agendas
- Assure that accurate minutes are taken of all posted meetings of the Board and/or Board Committees
- Assure that accurate minutes are taken of all Board Committee meetings if directed by the Board
- Assure that accurate minutes are taken of all Executive Sessions of the Board
- Ensure Board members receive agenda and minutes in a timely manner
- Have knowledge of meeting Agenda and Minutes
- Understand the application of Board Executive Sessions
- Understand the Open Meetings Act and the Public Information Act
- Attest to the votes, actions, findings and or signatures of the Board of Directors, Board Officers and/or district Management Staff as required
- Understand the Administration of the CCSUD organization
- Be informed about the services provided by CCSUD and publicly support these services and the organization
- Be aware and abstain from any conflict of interest

Review/Approval

- The Board Administrative Committee will review the Secretary's job description annually
- Recommended changes will be presented to the Board.



BOARD TREASURER JOB DESCRIPTION

January 2026

Authority/Responsibility:

- The Board of Directors is the legal authority for the Crystal Clear Special Utility District
- The Treasurer of the Board is responsible to the Board for the Duties of this Job Description

Qualifications/Skills/Requirements:

- Have all the Qualifications/Skills/Requirements of a Board Director
- Have the ability to read, understand and/or interpret financial statements
- Have a basic understanding of parliamentary procedures

Term of Office:

- The Treasurer is elected by the Board at the January meeting each year and serves for a one- year term
- The Treasurer can be removed by majority vote of a quorum of directors at a posted Board meeting

Major Duties:

- Signing authority on behalf of the Board for financial and legal purposes
- Read/understand/interpret financial statements for Board members
- With assistance of staff, give insight and recommendations to the Board on the annual budget process
- Assure that the Checking, Savings, Investment and other financial accounts of CCSUD are safeguarded securely and appropriately
- Demonstrate good communication and written skills
- Ensure audited financial statements are presented to the Board on an annual basis
- Act as a resource to the Board and Board Committees on Financial matters
- Adhere to general duties outlined in the Board member job description
- Report to Board on the financial status of major programs as required
- Provide leadership and direction to the Board on Financial matters
- Be informed about the services provided by CCSUD and publicly support these services and the organization
- Be aware and abstain from any conflict of interest

Review/Approval

- The Board Administrative Committee will review the Board Treasurer job description annually
- Recommended changes will be presented to the Board.

Form 2201 - Statement of Officer (General Information)

The attached form is designed to meet minimal constitutional filing requirements pursuant to the relevant provisions. *This form and the information provided are not substitutes for the advice and services of an attorney.*

Execution and Delivery Instructions

A Statement of Officer required to be filed with the Office of the Secretary of State is considered filed once it has been received by this office.

Mail: P.O. Box 12887, Austin, Texas 78711-2887.

Overnight mail or hand deliveries: James Earl Rudder Officer Building, 1019 Brazos, Austin, Texas 78701.

Fax: (512) 463-5569.

Email: Scanned copies of the executed Statement may be sent to register@sos.texas.gov

NOTE: The Statement of Officer form, commonly referred to as the "Anti-Bribery Statement," must be executed and filed with the Office of the Secretary of State before taking the Oath of Office (Form 2204).

Commentary

Article XVI, section 1 of the Texas Constitution requires all elected or appointed state and local officers to take the official oath of office found in section 1(a) and to subscribe to the anti-bribery statement found in section 1(b) before entering upon the duties of their offices.

Elected and appointed state-level officers required to file the anti-bribery statement with the Office of the Secretary of State include members of the Legislature, the Secretary of State, and all other officers whose jurisdiction is coextensive with the boundaries of the state or who immediately belong to one of the three branches of state government. Questions about whether a particular officer is a state-level officer may be resolved by consulting relevant statutes, constitutional provisions, judicial decisions, and attorney general opinions. For more information, see Op. Tex. Att'y Gen. No. JC-0575 (2002) (determining the meaning of "state officer" as it is used in Article XVI).

Effective September 1, 2017, Senate Bill 1329, which was enacted by the 85th Legislature, Regular Session, amended chapter 602 of the Government Code to require the following judicial officers and judicial appointees to file their oath and statement of officer with the secretary of state:

Officers appointed by the supreme court, the court of criminal appeals, or the State Bar of Texas; and
Associate judges appointed under Subchapter B or C, Chapter 201, Family Code.

Local officers must retain the signed anti-bribery statement with the official records of the office. *As a general rule, city and county officials do not file their oath of office with the Secretary of State—these officials file at the local level. The Legislature amended the Texas Constitution, Article 16, Section 1, in November 2001 to no longer require local level elected officials to file with our office. **The Office of the Secretary of State does NOT file Statements or Oaths from the following persons:*** Assistant District Attorneys; City Officials, including City Clerks, City Council Members, Municipal Judges, Justices of the Peace, and Police/Peace Officers; Zoning/Planning Commission Members; County Officials, including County Clerks, County Commissioners, County Judges, County Tax Assessors, and District Clerks; and Officials of Regional Entities, such as, Appraisal Review Districts, Emergency Service Districts, and School Districts (ISD's).

Questions about this form should be directed to the Government Filings Section at (512) 463-6334 or register@sos.texas.gov

Revised 05/2020

Submit to:
SECRETARY OF STATE
Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334
512-463-5569 - Fax
Filing Fee: None



STATEMENT OF OFFICER

Statement

I, Cheryl Patterson, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.

Title of Position to Which Elected/Appointed: Director Place 1 - Crystal Clear Special Utility
District Board of Directors

Execution

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated therein are true.

Date: January 22, 2026

Signature of Officer

BOARD MEETING 01/22/2026

Form 2201 - Statement of Officer (General Information)

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Commentary

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Elected and appointed state-level officers required to file the anti-bribery statement with the Office of the Secretary of State include members of the Legislature, the Secretary of State, and all other officers whose jurisdiction is coextensive with the boundaries of the state or who immediately belong to one of the three branches of state government. Questions about whether a particular officer is a state-level officer may be resolved by consulting relevant statutes, constitutional provisions, judicial decisions, and attorney general opinions. For more information, see Op. Tex. Att'y Gen. No. JC-0575 (2002) (determining the meaning of "state officer" as it is used in Article XVI).

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Officers appointed by the supreme court, the court of criminal appeals, or the State Bar of Texas; and
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Local officers must retain the signed anti-bribery statement with the official records of the office. *As a general rule, city and county officials do not file their oath of office with the Secretary of State—these officials file at the local level. The Legislature amended the Texas Constitution, Article 16, Section 1, in November 2001 to no longer require local level elected officials to file with our office. **The Office of the Secretary of State does NOT file Statements or Oaths from the following persons:*** Assistant District Attorneys; City Officials, including City Clerks, City Council Members, Municipal Judges, Justices of the Peace, and Police/Peace Officers; Zoning/Planning Commission Members; County Officials, including County Clerks, County Commissioners, County Judges, County Tax Assessors, and District Clerks; and Officials of Regional Entities, such as, Appraisal Review Districts, Emergency Service Districts, and School Districts (ISD's).

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512-463-5569 - Fax
Filing Fee: None



STATEMENT OF OFFICER

Statement

I, Jamie Trant, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.

Title of Position to Which Elected/Appointed: Director Place 3 - Crystal Clear Special Utility
District Board of Directors

Execution

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated therein are true.

Date: January 22, 2026

Signature of Officer

BOARD MEETING 01/22/2026

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Commentary

Article XVI, section 1 of the Texas Constitution requires all elected or appointed state and local officers to take the official oath of office found in section 1(a) and to subscribe to the anti-bribery statement found in section 1(b) before entering upon the duties of their offices.

Elected and appointed state-level officers required to file the anti-bribery statement with the Office of the Secretary of State include members of the Legislature, the Secretary of State, and all other officers whose jurisdiction is coextensive with the boundaries of the state or who immediately belong to one of the three branches of state government. Questions about whether a particular officer is a state-level officer may be resolved by consulting relevant statutes, constitutional provisions, judicial decisions, and attorney general opinions. For more information, see Op. Tex. Att'y Gen. No. JC-0575 (2002) (determining the meaning of "state officer" as it is used in Article XVI).

Effective September 1, 2017, Senate Bill 1329, which was enacted by the 85th Legislature, Regular Session, amended chapter 602 of the Government Code to require the following judicial officers and judicial appointees to file their oath and statement of officer with the secretary of state:

Officers appointed by the supreme court, the court of criminal appeals, or the State Bar of Texas; and
Associate judges appointed under Subchapter B or C, Chapter 201, Family Code.

Local officers must retain the signed anti-bribery statement with the official records of the office. *As a general rule, city and county officials do not file their oath of office with the Secretary of State—these officials file at the local level. The Legislature amended the Texas Constitution, Article 16, Section 1, in November 2001 to no longer require local level elected officials to file with our office. **The Office of the Secretary of State does NOT file Statements or Oaths from the following persons:*** Assistant District Attorneys; City Officials, including City Clerks, City Council Members, Municipal Judges, Justices of the Peace, and Police/Peace Officers; Zoning/Planning Commission Members; County Officials, including County Clerks, County Commissioners, County Judges, County Tax Assessors, and District Clerks; and Officials of Regional Entities, such as, Appraisal Review Districts, Emergency Service Districts, and School Districts (ISD's).

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Revised 05/2020

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512-463-6334
512-463-5569 - Fax
Filing Fee: None



STATEMENT OF OFFICER

Statement

I, Ben Raska, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.

Title of Position to Which Elected/Appointed: Director Place 5 - Crystal Clear Special Utility
District Board of Directors

Execution

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated therein are true.

Date: January 22, 2026

Signature of Officer

BOARD MEETING 01/22/2026

Form 2204 - Oath of Office (General Information)

The attached form is designed to meet minimal constitutional filing requirements pursuant to the relevant provisions. *This form and the information provided are not substitutes for the advice and services of an attorney.*

Execution and Delivery Instructions

An Oath of Office that is required to be filed with the Office of the Secretary of State is considered filed once it has been received by this office. The Oath of Office may be administered to you by a person authorized under the provisions of Chapter 602 of the Texas Government Code. Authorized persons commonly used to administer oaths include notaries public and judges.

Mail: P.O. Box 12887, Austin, Texas 78711-2887.

Overnight mail or hand deliveries: James Earl Rudder Officer Building, 1019 Brazos, Austin, Texas 78701.

Fax: (512) 463-5569. If faxed, the original Oath should also be mailed to the appropriate address above.

Email: Scanned copies of the executed Oath may be sent to register@sos.texas.gov. If sent by email, the original Oath should also be mailed to the appropriate address above.

NOTE: Do not have the Oath of Office administered to you before executing and filing the Statement of Officer (Form 2201 – commonly referred to as the “Anti-Bribery Statement”) with the Office of the Secretary of State.

Commentary

Pursuant to art. XVI, Section 1 of the Texas Constitution, the Oath of Office *may not* be taken until a Statement of Officer (see Form 2201) has been subscribed to and, as required, filed with the Office of the Secretary of State. Additionally, gubernatorial appointees who are appointed during a legislative session *may not* execute their Oath until after confirmation by the Senate. Tex. Const. art. IV, Section 12.

Officers Required to File Oath of Office with the Secretary of State:

Gubernatorial appointees
District attorneys
Appellate and district court judges
Officers appointed by the supreme court, the court of criminal appeals, or the State Bar of Texas
Associate judges appointed under subchapter B or C, chapter 201 of the Texas Family Code
Directors of districts operating pursuant to chapter 36 or 49 of the Texas Water Code file a duplicate original of their Oath of Office within 10 days of its execution. Texas Water Code, Sections 36.055(d) and 49.055(d)

Officers Not Required to File Oath of Office with the Secretary of State:

Members of the Legislature elected to a *regular* term of office will have their Oath of Office administered in chambers on the opening day of the session and recorded in the appropriate Journal. Members elected to an *unexpired* term of office should file their Oath of Office with either the Chief Clerk of the House or the Secretary of the Senate, as appropriate.

All other persons should file their Oaths locally. Please check with the county clerk, city secretary or board/commission secretary for the proper filing location.

As a general rule, city and county officials do not file their oath of office with the Secretary of State—these officials file at the local level. The Legislature amended the Texas Constitution, Article 16, Section 1, in November 2001 to no longer require local level elected officials to file with our office.

The Office of the Secretary of State does NOT file Statements or Oaths from the following persons: Assistant District Attorneys; City Officials, including City Clerks, City Council Members, Municipal Judges, Justices of the Peace, and Police/Peace Officers; Zoning/Planning Commission Members; County Officials, including County Clerks, County Commissioners, County Judges (*except County Court of Law Judges who file with the Elections Division*), County Tax Assessors, and District Clerks; and Officials of Regional Entities, such as, Appraisal Review Districts, Emergency Service Districts, and School Districts (ISD's). Questions about whether a particular officer is a state-level officer may be resolved by consulting relevant statutes, constitutional provisions, judicial decisions, and attorney general opinions.

All state or county officers, other than the governor, lieutenant governor, and members of the legislature, who qualify for office, are commissioned by the governor. Tex. Gov't Code, Section 601.005. The Secretary of State performs ministerial duties to administer the commissions issued by the governor, including confirming that officers are qualified prior to being commissioned. Submission of this oath of office to the Office of the Secretary of State confirms an officer's qualification so that the commission may be issued.

Questions about this form should be directed to the Government Filings Section at (512) 463-6334 or register@sos.texas.gov.

Revised 9/2017

Submit to:
SECRETARY OF STATE
Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334
FAX 512-463-5569
Filing Fee: None



OATH OF OFFICE

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,
I, Cheryl Patterson, do solemnly swear (or affirm), that I will faithfully
execute the duties of the office of Director Place 1 - Crystal Clear Special Utility District Board of
Directors
the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws
of the United States and of this State, so help me God.

Signature of Officer

Certification of Person Authorized to Administer Oath

State of Texas

County of Guadalupe

Sworn to and subscribed before me on this _____ day of _____, 20____.

(Affix Notary Seal,
only if oath
administered by a
notary.)

Signature of Notary Public or
Signature of Other Person Authorized to Administer An
Oath

Printed or Typed Name

Form 2204 - Oath of Office (General Information)

The attached form is designed to meet minimal constitutional filing requirements pursuant to the relevant provisions. *This form and the information provided are not substitutes for the advice and services of an attorney.*

Execution and Delivery Instructions

An Oath of Office that is required to be filed with the Office of the Secretary of State is considered filed once it has been received by this office. The Oath of Office may be administered to you by a person authorized under the provisions of Chapter 602 of the Texas Government Code. Authorized persons commonly used to administer oaths include notaries public and judges.

Mail: P.O. Box 12887, Austin, Texas 78711-2887.

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Fax: (512) 463-5569. If faxed, the original Oath should also be mailed to the appropriate address above.

Email: Scanned copies of the executed Oath may be sent to register@sos.texas.gov. If sent by email, the original Oath should also be mailed to the appropriate address above.

NOTE: Do not have the Oath of Office administered to you before executing and filing the Statement of Officer (Form 2201 – commonly referred to as the “Anti-Bribery Statement”) with the Office of the Secretary of State.

Commentary

Pursuant to art. XVI, Section 1 of the Texas Constitution, the Oath of Office *may not* be taken until a Statement of Officer (see Form 2201) has been subscribed to and, as required, filed with the Office of the Secretary of State. Additionally, gubernatorial appointees who are appointed during a legislative session *may not* execute their Oath until after confirmation by the Senate. Tex. Const. art. IV, Section 12.

Officers Required to File Oath of Office with the Secretary of State:

Gubernatorial appointees

District attorneys

Appellate and district court judges

Officers appointed by the supreme court, the court of criminal appeals, or the State Bar of Texas

Associate judges appointed under subchapter B or C, chapter 201 of the Texas Family Code

Directors of districts operating pursuant to chapter 36 or 49 of the Texas Water Code file a duplicate original of their Oath of Office within 10 days of its execution. Texas Water Code, Sections 36.055(d) and 49.055(d)

Officers Not Required to File Oath of Office with the Secretary of State:

Members of the Legislature elected to a *regular* term of office will have their Oath of Office administered in chambers on the opening day of the session and recorded in the appropriate Journal. Members elected to an *unexpired* term of office should file their Oath of Office with either the Chief Clerk of the House or the Secretary of the Senate, as appropriate.

All other persons should file their Oaths locally. Please check with the county clerk, city secretary or board/commission secretary for the proper filing location.

As a general rule, city and county officials do not file their oath of office with the Secretary of State—these officials file at the local level. The Legislature amended the Texas Constitution, Article 16, Section 1, in November 2001 to no longer require local level elected officials to file with our office.

The Office of the Secretary of State does NOT file Statements or Oaths from the following persons: Assistant District Attorneys; City Officials, including City Clerks, City Council Members, Municipal Judges, Justices of the Peace, and Police/Peace Officers; Zoning/Planning Commission Members; County Officials, including County Clerks, County Commissioners, County Judges (*except County Court of Law Judges who file with the Elections Division*), County Tax Assessors, and District Clerks; and Officials of Regional Entities, such as, Appraisal Review Districts, Emergency Service Districts, and School Districts (ISD's). Questions about whether a particular officer is a state-level officer may be resolved by consulting relevant statutes, constitutional provisions, judicial decisions, and attorney general opinions.

All state or county officers, other than the governor, lieutenant governor, and members of the legislature, who qualify for office, are commissioned by the governor. Tex. Gov't Code, Section 601.005. The Secretary of State performs ministerial duties to administer the commissions issued by the governor, including confirming that officers are qualified prior to being commissioned. Submission of this oath of office to the Office of the Secretary of State confirms an officer's qualification so that the commission may be issued.

Questions about this form should be directed to the Government Filings Section at (512) 463-6334 or register@sos.texas.gov.

Revised 9/2017

Submit to:
SECRETARY OF STATE
Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334
FAX 512-463-5569
Filing Fee: None



OATH OF OFFICE

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,
I, Jamie Trant, do solemnly swear (or affirm), that I will faithfully
execute the duties of the office of Director Place 3 - Crystal Clear Special Utility District Board of
Directors
the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws
of the United States and of this State, so help me God.

Signature of Officer

Certification of Person Authorized to Administer Oath

State of Texas

County of Guadalupe

Sworn to and subscribed before me on this _____ day of _____, 20____.

(Affix Notary Seal,
only if oath
administered by a
notary.)

Signature of Notary Public or
Signature of Other Person Authorized to Administer An
Oath

Printed or Typed Name

Form 2204 - Oath of Office (General Information)

The attached form is designed to meet minimal constitutional filing requirements pursuant to the relevant provisions. *This form and the information provided are not substitutes for the advice and services of an attorney.*

Execution and Delivery Instructions

An Oath of Office that is required to be filed with the Office of the Secretary of State is considered filed once it has been received by this office. The Oath of Office may be administered to you by a person authorized under the provisions of Chapter 602 of the Texas Government Code. Authorized persons commonly used to administer oaths include notaries public and judges.

Mail: P.O. Box 12887, Austin, Texas 78711-2887.

Overnight mail or hand deliveries: James Earl Rudder Officer Building, 1019 Brazos, Austin, Texas 78701.

Fax: (512) 463-5569. If faxed, the original Oath should also be mailed to the appropriate address above.

Email: Scanned copies of the executed Oath may be sent to register@sos.texas.gov. If sent by email, the original Oath should also be mailed to the appropriate address above.

NOTE: Do not have the Oath of Office administered to you before executing and filing the Statement of Officer (Form 2201 – commonly referred to as the “Anti-Bribery Statement”) with the Office of the Secretary of State.

Commentary

Pursuant to art. XVI, Section 1 of the Texas Constitution, the Oath of Office *may not* be taken until a Statement of Officer (see Form 2201) has been subscribed to and, as required, filed with the Office of the Secretary of State. Additionally, gubernatorial appointees who are appointed during a legislative session *may not* execute their Oath until after confirmation by the Senate. Tex. Const. art. IV, Section 12.

Officers Required to File Oath of Office with the Secretary of State:

Gubernatorial appointees

District attorneys

Appellate and district court judges

Officers appointed by the supreme court, the court of criminal appeals, or the State Bar of Texas

Associate judges appointed under subchapter B or C, chapter 201 of the Texas Family Code

Directors of districts operating pursuant to chapter 36 or 49 of the Texas Water Code file a duplicate original of their Oath of Office within 10 days of its execution. Texas Water Code, Sections 36.055(d) and 49.055(d)

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All other persons should file their Oaths locally. Please check with the county clerk, city secretary or board/commission secretary for the proper filing location.

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All state or county officers, other than the governor, lieutenant governor, and members of the legislature, who qualify for office, are commissioned by the governor. Tex. Gov't Code, Section 601.005. The Secretary of State performs ministerial duties to administer the commissions issued by the governor, including confirming that officers are qualified prior to being commissioned. Submission of this oath of office to the Office of the Secretary of State confirms an officer's qualification so that the commission may be issued.

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Revised 9/2017

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P O Box 12887
Austin, TX 78711-2887
512-463-6334
FAX 512-463-5569
Filing Fee: None



OATH OF OFFICE

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,
I, Ben Raska, do solemnly swear (or affirm), that I will faithfully
execute the duties of the office of Director Place 5 - Crystal Clear Special Utility District Board of
Directors
the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws
of the United States and of this State, so help me God.

Signature of Officer

Certification of Person Authorized to Administer Oath

State of Texas

County of Guadalupe

Sworn to and subscribed before me on this _____ day of _____, 20____.

(Affix Notary Seal,
only if oath
administered by a
notary.)

Signature of Notary Public or
Signature of Other Person Authorized to Administer An
Oath

Printed or Typed Name

Form 2201 - Statement of Officer (General Information)

The attached form is designed to meet minimal constitutional filing requirements pursuant to the relevant provisions. *This form and the information provided are not substitutes for the advice and services of an attorney.*

Execution and Delivery Instructions

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Mail: P.O. Box 12887, Austin, Texas 78711-2887.

Overnight mail or hand deliveries: James Earl Rudder Officer Building, 1019 Brazos, Austin, Texas 78701.

Fax: (512) 463-5569.

Email: Scanned copies of the executed Statement may be sent to register@sos.texas.gov

NOTE: The Statement of Officer form, commonly referred to as the "Anti-Bribery Statement," must be executed and filed with the Office of the Secretary of State before taking the Oath of Office (Form 2204).

Commentary

Article XVI, section 1 of the Texas Constitution requires all elected or appointed state and local officers to take the official oath of office found in section 1(a) and to subscribe to the anti-bribery statement found in section 1(b) before entering upon the duties of their offices.

Elected and appointed state-level officers required to file the anti-bribery statement with the Office of the Secretary of State include members of the Legislature, the Secretary of State, and all other officers whose jurisdiction is coextensive with the boundaries of the state or who immediately belong to one of the three branches of state government. Questions about whether a particular officer is a state-level officer may be resolved by consulting relevant statutes, constitutional provisions, judicial decisions, and attorney general opinions. For more information, see Op. Tex. Att'y Gen. No. JC-0575 (2002) (determining the meaning of "state officer" as it is used in Article XVI).

Effective September 1, 2017, Senate Bill 1329, which was enacted by the 85th Legislature, Regular Session, amended chapter 602 of the Government Code to require the following judicial officers and judicial appointees to file their oath and statement of officer with the secretary of state:

Officers appointed by the supreme court, the court of criminal appeals, or the State Bar of Texas; and
Associate judges appointed under Subchapter B or C, Chapter 201, Family Code.

Local officers must retain the signed anti-bribery statement with the official records of the office. *As a general rule, city and county officials do not file their oath of office with the Secretary of State—these officials file at the local level. The Legislature amended the Texas Constitution, Article 16, Section 1, in November 2001 to no longer require local level elected officials to file with our office. **The Office of the Secretary of State does NOT file Statements or Oaths from the following persons:*** Assistant District Attorneys; City Officials, including City Clerks, City Council Members, Municipal Judges, Justices of the Peace, and Police/Peace Officers; Zoning/Planning Commission Members; County Officials, including County Clerks, County Commissioners, County Judges, County Tax Assessors, and District Clerks; and Officials of Regional Entities, such as, Appraisal Review Districts, Emergency Service Districts, and School Districts (ISD's).

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Revised 05/2020

Submit to:
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Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334
512-463-5569 - Fax
Filing Fee: None



STATEMENT OF OFFICER

Statement

I, _____, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.

Title of Position to Which Elected/Appointed: Director Place 7 - Crystal Clear Special Utility
District Board of Directors

Execution

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated therein are true.

Date: January 22, 2026

Signature of Officer

BOARD MEETING 01/22/2026

Form 2204 - Oath of Office (General Information)

The attached form is designed to meet minimal constitutional filing requirements pursuant to the relevant provisions. *This form and the information provided are not substitutes for the advice and services of an attorney.*

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Revised 9/2017

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P O Box 12887
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512-463-6334
FAX 512-463-5569
Filing Fee: None



OATH OF OFFICE

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,
I, _____, do solemnly swear (or affirm), that I will faithfully
execute the duties of the office of Director Place 7 - Crystal Clear Special Utility District Board of
Directors
the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws
of the United States and of this State, so help me God.

Signature of Officer

Certification of Person Authorized to Administer Oath

State of Texas

County of Guadalupe

Sworn to and subscribed before me on this _____ day of _____, 20____.

(Affix Notary Seal,
only if oath
administered by a
notary.)

Signature of Notary Public or
Signature of Other Person Authorized to Administer An
Oath

Printed or Typed Name

CCSUD Committee Guidelines (2026)

Creation of any committees may be suggested by the board president or any board member at any time. Adoption of a committee and/or assignment of committee members and/or appointment of committee chairpersons may be made by the board president or suggested by any board member and such assignments are subject to a majority vote by a quorum of board directors. Generally, committees will be made up of three (3) board members including the director appointed as chairperson except for the Finance Committee which will include the four (4) board officers including the director appointed as chairperson. Directors appointed to any specific committee or as an outside representative of the board, shall serve in that capacity until such time as the board elects a new president, vice president, secretary or treasurer. Generally, such elections would normally take place each calendar year at a January board meeting.

Committee Changes for 2026: None

Motion(s):

- A. To approve the Committee Guidelines dated January 2026 replacing any/all previous Committee Guidelines; and, to approve the Charges dated January 2026 to the Finance Committee, the Strategic Planning/Rules & Regulations Committee, the Administrative Committee, and the Outside Board of Directors/Representation Appointments.

BOARD MEETING 01/22/2026

Finance Committee

Purpose: Act as a clearing house for the board on financial matters and bring committee decisions to the board that require board actions.

Committee Charge - Review all issues brought to it by board members and/or the district general manager/staff concerning: Funding of items not in approved budget; Funding of future Operational, Maintenance and/or Infrastructure Projects; Water Rates, Budget, Review of Annual Budget Proposal, Spending on items over Approved Budget levels; Auditing of Budget and/or Accounting Procedures, Budget, Auditing, Investments, Proposed Operational Loans/Mortgages/ Construction Loans and/or issuing of any District Revenue Bonds or review of same.

Committee Members shall be those Directors elected as Board Officers and their term will run concurrent with the current Board Officers.

Committee Members

- Chair: Treasurer –**
- Member: President –**
- Member: Vice President –**
- Member: Secretary –**

Strategic Planning/Rules & Regulations Committee

Purpose: Act as a clearing house for the board on the Strategic Plan, Strategic Planning Issues, CCSUD Rules & Regulations and bring committee decisions to the board that require board actions.

Committee Charge – Monitor and/or change the CCSUD Strategic Plan to enable the district general manager/staff and other board committees to act on issues, fund issues and review issues included within the plan. In addition, review all issues that are suggested by the board president, board members and/or the general manager/staff as respects: current or future functions of the district covering all operations, finances, government, any additions/deletions/interpretations and/or problems with the CCSUD Strategic Plan document. Review all issues that are suggested by the board president, board members and/or the general manager/staff as regards: any additions/deletions/interpretations and/or problems with the CCSUD Rules & Regulations document.

Committee Members

- Chair:**
- Member:**
- Member:**

Administrative Committee

Purpose: Act as a clearing house for the board on matters of related to the administrative of CCSUD such as but not limited to Human Resources, Internet, Internet Security, Computer Systems and Insurance and bring committee decisions to the board that require board actions.

Committee Charge - Review all issues that are suggested by the board president, board members and/or the general manager/staff concerning on matters related to the administrative functions of CCSUD such as but not limited to Organizational Structure, Salary, Benefits, Recruitment, Human Resource/Employee Policies, Performance Appraisal Policies and/or Insurance Programs.

Committee Members

Chair:

Member:

Member:

BOARD MEETING 01/22/2026



BOARD OF DIRECTORS BOARD MEETING MINUTES

October 23, 2025

6:32 p.m. – 9:09 p.m.

Board Meeting

Item 1. Open Meeting, Pledge of Allegiance and Invocation

Vice-President Reininger opened the board meeting at 6:32PM, determining that a quorum of the Board of Directors was present as follows:

Vice President Nick Reininger – *Present*

Secretary Robert Pooley – *Present*

Director Andrea Velasquez – *Present*

Treasurer Robert Snipes – *Present*

Director Mike Cox – *Present*

Director Joseph Benavides – *Present*

Vice President Reininger led the Pledge of Allegiance and Director Cox provided the invocation. Director Benavides announced that he was video recording the meeting.

Item 2. Public Comments

- a. Non-agenda items – *No action requested/No action taken.*
- b. Agenda Item Specific – *Citizens to be heard.*

Mr. John Muth spoke to the Board regarding communication with the customers and Board of Directors and the water loss and financial report with his concern about the waste of water.

Ms. Pam Kraft spoke to the Board regarding the open vacancy and hoping to fill the vacancy with her experience wanting to follow up.

Mr. Dennis Kime spoke to the Board regarding being thankful for the opportunity and Board candidates that came to the Kingsbury meeting.

Item 3. Consent Agenda

- a. Approve Minutes September 25, 2025, Regular Board Meeting
- b. Approve August 2025 Financials/Investment Report
- c. Approve August 2025 Water Loss Reports
- d. Approve 2025 Monthly Report

Treasurer Snipes moved to approve the Consent Agenda as presented. Secretary Pooley seconded the motion. The motion passed.

Item 4. Report on daily operations and related matters.

- a. Update/Discussion/Possible Action: Alliance Regional Water Authority (ARWA)
 1. Presentation – Mr. Graham Moore gave a presentation for 2025 Project updates and SWIFT Issuance - No action requested/No action taken.
 2. Legal Status - Executive Session Recommended (Tex. Gov't Code Section 551.071).

This item was taken up in executive session along with Items 4.a.3 and 4.h.

3. RESOLUTION NO. 23102025 - RESOLUTION APPROVING A RESOLUTION BY THE BOARD OF DIRECTORS OF THE



ALLIANCE REGIONAL WATER AUTHORITY AUTHORIZING THE ISSUANCE OF CONTRACT REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$10,350,000 FOR THE CANYON REGIONAL WATER AUTHORITY IN CONNECTION WITH THE REGIONAL WATER SUPPLY CONTRACT PROJECT; AND APPROVING OTHER RELATED MATTERS

Vice President Reininger announced that Items 4.a.2 and 4.a.3 and Item 4.h would be taken into executive session.

Vice President Reininger recessed the general session at 7:32 p.m.

Vice President Reininger opened the executive session at 7:41 p.m.

Vice President Reininger closed executive session at 8:31 p.m.

No action was taken during executive session.

Vice President Reininger re-opened the general session at 8:33 p.m.

Director Cox moved to approve Item 4.a.3: RESOLUTION APPROVING A RESOLUTION BY THE BOARD OF DIRECTORS OF THE ALLIANCE REGIONAL WATER AUTHORITY AUTHORIZING THE ISSUANCE OF CONTRACT REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$10,350,000 FOR THE CANYON REGIONAL WATER AUTHORITY IN CONNECTION WITH THE REGIONAL WATER SUPPLY CONTRACT PROJECT; AND APPROVING OTHER RELATED MATTERS. Treasurer Snipes seconded the motion. The motion passed.

- b. Update/Discussion/Possible Action: Developments
 - 1. Easements – *Attorney Shan gave a presentation regarding the purpose of an easement – Vice-President Reininger tabled to next meeting - No action requested/No action taken.*
- c. Update/Discussion/Possible Action: M&S Report/CCSUD CIPs - *No action requested/No action taken.*
- d. Update/Discussion/Possible Action: Finance - *No action requested/No action taken.*
- e. Update/Discussion/Possible Action: CCN and Permitting – *This item was moved to Executive Session.*
- f. Update/Discussion/Possible Action: Water Rights/Water Sharing/Land Acquisition - *No action requested/No action taken.*
- g. Update/Discussion/Possible Action: Administrative
 - 1. 2026 Investment Policy

Director Cox moved to approve the 2026 CCSUD Investment Policy as presented. Treasurer Snipes seconded the motion. The motion passed.

- 2. Personnel Matters – Executive Session recommended (Tex. Gov't Code Section 551.074)

Vice President Reininger announced that Item.g.2 would be taken into executive session.



Vice President Reininger recessed the general session at 8:35 p.m.

Vice President Reininger opened the executive session at 8:35 p.m.

Vice President Reininger closed executive session at 9:06 p.m.

No action was taken during executive session.

Vice President Reininger re-opened general session at 9:06 p.m.

Secretary Pooley moved to give the General Manager a 3% raise. Director Benavides seconded the motion. Treasurer Snipes opposed. Director Cox extension abstained. The motion passed.

- h. Update/Discussion/Possible Action: District Legal Matters - Executive Session Recommended (Tex. Gov't Code Section 551.071).

This item was taken up in executive session along with Items 4.a.2 and 4.a.3. See above.

Item 5. Board Member items

- a. Next regular meeting November 20, 2025 or December 4, 2025 – *Objection/Moved to December 3, 2025*
- b. Items for Future Agendas – *No action requested/No action taken*

Item 6. Executive Session

No additional items other than those summarized above were taken into executive session.

Item 7. Adjournment

Vice-President Reininger adjourned the board meeting: 9:09 p.m.

***NOTE: The Board reserves the right to retire into executive session concerning any of the items listed on this Agenda or any matter for which a closed session is permitted by law to seek the advice of its attorneys or any matters on which under Sections 551.071, 551.072, 551.074 and/or 551.076 of the Texas Open Meetings Act (Chapter 551 of the Texas Government Code).**

Board President Signature

Board Secretary Signature

Board President Printed

Board Secretary Printed

OR

**Board Designee in absence
of Board President**

**Board Designee in absence
of Board Secretary**



CANVASS MEETING MINUTES

November 17, 2025
5:34 p.m. – 5:46 p.m.
Canvass Meeting

Item 1. Open Meeting

Vice-President Reininger opened the Canvass meeting at 5:34PM, determining that a quorum of the Board of Directors was present as follows:

Vice President Nick Reininger – Present
Secretary Robert Pooley – Absent
Director Andrea Velasquez – Present

Treasurer Robert Snipes – Absent
Director Mike Cox – Absent
Director Joseph Benavides – Present

Vice-President Reininger led the Pledge of Allegiance and Director Benavides provided the invocation.

Item 2. Citizens or customers to be heard

- a. General Comments (Three minutes per person) - No action requested/No action taken
b. Agenda Item Specific (Three minutes per person) - No action requested/No action taken

Item 3. Committee/Board Member items

- a. Update/Discussion/Possible Action: Canvass the votes of the November 4, 2025, CCSUD Election and declare the winners.

Vice-President Reininger moved to accept the vote totals as:

Ben Raska 377 Cynthia Cash 318
Kelly Boesen 289 Cheryl Patterson 552
Allen Pooley 295 Jamie Trant 440
Mike Cox 351 Robert Snipes 157

And declare the three candidates with the most votes as elected. Director Velasquez seconded the motion. The motion passed.

- b. Items for future agendas - No action requested/No action taken

Item 4. Executive Session

No items were taken into executive session.

Item 5. Adjournment

Vice-President Reininger adjourned the canvass meeting: 5:46 p.m.

*NOTE: The Board reserves the right to retire into executive session concerning any of the items listed on this Agenda or any matter for which a closed session is permitted by law to seek the advice of its attorneys or any matters on which under Sections 551.071, 551.072, 551.074 and/or 551.076 of the Texas Open Meetings Act (Chapter 551 of the Texas Government Code).

POSTED ON CCSUD WEBSITE/CCSUD OFFICE November 10, 2025 @ 11:00AM CST By: Yesenia Marquez

Board President Signature

Board Secretary Signature

Board President Printed

Board Secretary Printed

OR

Board Designee in absence of Board President

Board Designee in absence of Board Secretary



BOARD OF DIRECTORS BOARD MEETING MINUTES

December 3, 2025
6:34 p.m. – 8:07 p.m.

Board Meeting

Item 1. Open Meeting, Pledge of Allegiance and Invocation

Vice-President Reininger opened the board meeting at 6:34PM, determining that a quorum of the Board of Directors was present as follows:

Vice President Nick Reininger – *Present*
Secretary Robert Pooley – *Present*
Director Andrea Velasquez – *Present*

Treasurer Robert Snipes – *Present*
Director Mike Cox – *Present*
Director Joseph Benavides – *Present*

Vice President Reininger led the Pledge of Allegiance and Director Cox provided the invocation. Director Benavides announced that he was video recording the meeting.

Item 2. Public Comments

- a. Non-agenda items – *No action requested/No action taken.*
- b. Agenda Item Specific – *Citizens to be heard.*

Ms. Cynthia Cash spoke to the Board about being more transparent about what is posted on the website and how her water bill continues to increase each month.

Ms. Abigail Lindsey spoke to the Board regarding the CCSUD water drought contingency and moving the district to stage 4 water restrictions. Following up with her concern with CloudBurst Data center concern coming on to CCSUD water.

Ms. Jennifer Lindsey spoke to the Board regarding the drought contingency plan and moving the District to stage 4 water restrictions. Also, the Data center will be coming to the area when the water runs out.

Mr. Kelly Bosen spoke to the Board regarding the stability that the board needs to have and asked that you serve the entire district.

Mr. John Muth spoke to the Board regarding the history of requesting Board items and agenda items and the process of how the agenda is made.

Ms. Si Freda spoke to the Board regarding the water crisis that is coming to central Texas. Encouraged them to deny water to corporations in the area and Data center.

Mr. Saunders Drukker spoke to the Board regarding his concerns of drought in this area and the Data centers that are going to threaten to use the water

Ms. Cynthia Cash spoke again to the Board regarding ERCOT and her time in Houston when dealing with no electricity.



Item 3. Consent Agenda

- a. Approve Minutes September 25, 2025, Regular Board Meeting
- b. Approve August 2025 Financials/Investment Report
- c. Approve August 2025 Water Loss Reports
- d. Approve 2025 Monthly Report

Vice-President Reininger pulled off item 3.c. from the Consent Agenda as part of the motion.

Director Cox requested to remove item 3.a.

Director Benavides moved to approve item 3.b. & item 3.d. as presented. Treasurer Snipes seconded the motion. The motion passed.

Director Cox requested an amendment to the minutes and make the minutes reflect that the motions were not made in Executive Session and make it in chronological order.

Director Benavides moved to approve item 3.c. as presented. Secretary Pooley seconded the motion. The motion passed.

Item 4. Report on daily operations and related matters.

- a. Update/Discussion/Possible Action: Developments
 - 1. 900 Francis Harris WNSSA Amendment

Treasurer Snipes moved to approve the WNSSA Amendment for 900 Francis Harris, allow non-substantive changes and authorize staff to execute. Secretary Pooley seconded the motion. The motion passed.

- b. Update/Discussion/Possible Action: M&S Report/CCSUD CIPs - *No action requested/No action taken.*
- c. Update/Discussion/Possible Action: Finance
 - 1. Review actuals vs budget for FY2025 - *No action requested/No action taken.*
- d. Update/Discussion/Possible Action: CCN and Permitting – *No action requested/No action taken.*
- e. Update/Discussion/Possible Action: Water Rights/Water Sharing/Land Acquisition - *No action requested/No action taken.*
- f. Update/Discussion/Possible Action: District Legal Matters - Executive Session Recommended (Tex. Gov't Code Section 551.071). - *No action requested/No action taken.*
- g. Updated/Discussion/Possible Action: Administrative
 - 1. Director Recognition

Vice-President Reininger presented a plaque to the Board Members Director Cox, Director Snipes and Director Pooley for their roll on the Board.



2. Customer Winterizing Initiative

Director Cox moved to approve Staff the use of the Release and Waiver of Liability form for the community outreach project. Secretary Pooley seconded the motion. The motion passed.

Item 5. Board Member items

- a. Next regular meeting January 22, 2026 – *No objection.*
- b. Items for Future Agendas – *Presentation on Data Centers and Annexation Process*

Item 6. Executive Session

No items were taken into executive session.

Item 7. Adjournment

Vice-President Reininger adjourned the board meeting: 8:07 p.m.

***NOTE: The Board reserves the right to retire into executive session concerning any of the items listed on this Agenda or any matter for which a closed session is permitted by law to seek the advice of its attorneys or any matters on which under Sections 551.071, 551.072, 551.074 and/or 551.076 of the Texas Open Meetings Act (Chapter 551 of the Texas Government Code).**

Board President Signature

Board Secretary Signature

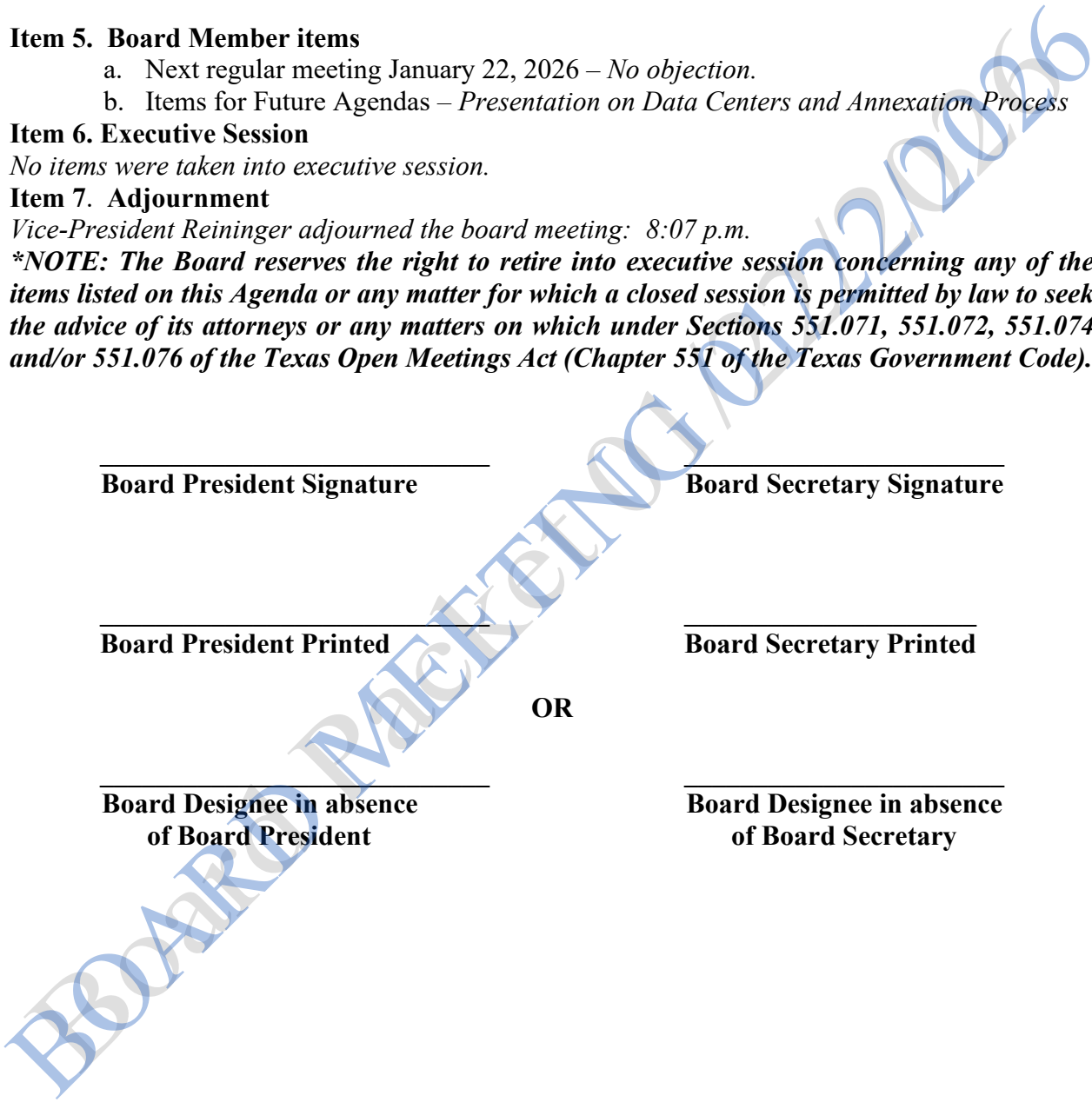
Board President Printed

Board Secretary Printed

OR

**Board Designee in absence
of Board President**

**Board Designee in absence
of Board Secretary**





**Crystal Clear Special Utility District
 Trial Balance
 Fiscal Year: 2025 - 2026
 For the Period Ending 10/31/2025**

Fund	Account Number	Account Description	Debit	Credit
	11000	11000 Cash in banks	\$122.25	
	11010	11010 Broadway-General	\$2,950,356.15	
	11081	11081 Broadway - MM Cap Improvement	\$1,648,094.47	
	11200	11200 Petty cash	\$3,273.18	
	1202009	1202009 TEXAS CLASS BOND ACCT	\$2,189,793.51	
	1202010	1202010 TEXAS CLASS GEN INV ACCT	\$595,984.11	
	1202013	1202013 TEXAS CLASS R & R INV ACCT	\$578,013.36	
	1202014	1202014 TEXAS CLASS BENV. FUND ACCT	\$33,588.03	
	1202015	1202015 TEXAS CLASS REQ DEBT SVC ACCT	\$1,190,421.85	
	1202016	1202016 TEXAS CLASS FLEET & EQUIPMENT PURCHASES	\$315,281.42	
	1202017	1202017 TEXAS CLASS CCSUD CIP	\$3,863,776.14	
	1202018	1202018 TEXAS CLASS ZORN PROJECT	\$5,127,008.39	
	1202019	1202019 TEXAS CLASS WATER ACQUISITION	\$779,301.89	
	1202020	1202020 TEXAS CLASS WATER IMPACT ACCT	\$871,899.15	
	1202021	1202021 TEXAS CLASS STORAGE RECOVERY ACCT	\$662,037.22	
	1202097	1202097 BOKF Escrow 2024	\$18,951,787.85	
	1202098	1202098 BOKF Escrow 2023	\$183,620.46	
	13000	13000 Accounts Receivable	\$1,379,288.78	
	13001	13001 A/R Cherryville	\$634,011.03	
	13003	13003 Allownace for Uncollect. Accts		\$141,740.48
	13005	13005 Unbilled Receivable	\$1,284,868.59	
	15000	15000 Prorated Company/Property/Casualty Ins.	\$11,391.51	
	1600001	1600001 Land	\$727,800.04	
	1600002	1600002 Equipment & Vehicles	\$1,584,758.42	
	1600003	1600003 Meters	\$52,483,186.52	
	1600004	1600004 Office Building	\$983,582.42	
	1600006	1600006 CCSUD Capital Projects	\$7,241,785.19	
	16990	16990 Reserve for Depreciation		\$15,097,969.38
	17500	17500 Water Rights	\$7,079,526.48	
	17600	17600 Prepaids - other	\$35,983.52	
	1800001	1800001 Eng/Env/Arch	\$10,367.02	
	1800003	1800003 ZORN EST	\$17,060.00	
	19000	19000 Deferred Outflows	\$358,925.86	
	20000	20000 *Accounts Payable	\$263.65	
	21110	21110 Accounts Payable		\$363.65
	21115	Accrued Expenses		\$1,149,889.16
	21130	21130 Retainage Payable		\$272,531.50
	2220004	2220004 USDA INTEREST		\$25,387.70
	2220005	2220005 TWDB INTEREST		\$351,294.33

BOARD MEETING 01/22/2026



Crystal Clear Special Utility District
Trial Balance
Fiscal Year: 2025 - 2026
For the Period Ending 10/31/2025

Fund			Debit	Credit
Account Number	Account Description			
2220006	2220006 2024 Notes Interest			\$111,283.33
22300	22300 Accrued Vacation payable			\$122,643.15
22350	22350 Accrued Wages			\$10,994.24
23000	23000 Payable to CRWA for HCPUA			\$1,640,238.07
24900	24900 Customer Deposits			\$1,579,369.88
24901	24901 Seguin Wastewater - NAVARRO RANCH			\$295,699.08
25000	25000 Notes Payable			\$1,983,955.17
2500001	2500001 CoBank Principal Loan R11254T02			\$1,510,405.53
2500002	2500002 CoBank Principal Loan R11254T03			\$1,238,019.67
2500003	2500003 CoBank Principal Loan R11254T04			\$582,835.78
2500006	2500006 TWDB Principal \$15MM Loan			\$11,400,000.00
2500007	2500007 USDA Principal \$3.2MM Loan			\$2,762,000.00
2500008	2500008 Public Loan Revenue Notes Series 2024			\$7,945,000.00
2500011	Note Payable- Scheel (EAA 312 AC -FT)			\$2,026,791.34
2500012	2500012 TWDB 2023 Bonds			\$1,875,000.00
2500013	2500013 TWDB 2024 Bonds			\$18,470,000.00
2500014	2500014 Notes 2024 Premium			\$138,998.00
25001	25001 Current Portion of Bnds/Nts(Contra Account)		\$1,978,069.17	
25400	25400 Net Pension Liability			\$553,959.00
25500	25500 Deferred Inflows Pension			\$1,816.00
30100	30100 Net Invest. in Capital Assets			\$31,024,324.00
40000	40000 Retained Earnings			\$12,464,962.54
5000001	5000001 Water Consumption Revenue			\$504,509.03
5000002	5000002 Water Base Revenue			\$431,194.85
5000003	5000003 Penalty (Late Fee) Revenue			\$18,120.76
5000004	5000004 Disconnect/Reconnect Fee Rev.			\$15,300.00
5000005	5000005 Service Fee Revenue			\$705.00
5000006	5000006 NSF Check Fee Revenue			\$450.00
5000007	5000007 Transfer Fees Revenue			\$2,250.00
5000009	5000009 WasteWater Base Revenue			\$8,966.12
5000010	5000010 WasteWater Usage Revenue			\$6,303.75
5000012	5000012 Water Connection (Impact) Fee Revenue			\$397,500.00
5000013	5000013 WasteWater Impact Fee Revenue			\$9,500.00
5000015	5000015 Water Acquisition Fee			\$484,290.00
5000103	5000103 Engineer Fees (Studies)			\$4,800.00
5000106	5000106 Meter Relocation/Install Fees			\$18,200.00
5000109	5000109 CRWA Bond Debt Service			\$93,095.08
5000110	5000110 HCPUA/Cherryville (Reimburse)			\$349,136.94
5000111	5000111 TWDB Bond Debt Service			\$98,593.72
5000112	5000112 Franchise Fee-Staples			\$472.65

BOARD MEETING 01/22/2026



**Crystal Clear Special Utility District
Trial Balance
Fiscal Year: 2025 - 2026
For the Period Ending 10/31/2025**

Fund Account Number	Account Description	Debit	Credit
5000113	5000113 Franchise Fees-Seguin		\$702.77
5000115	5000115 TCEQ Regulatory Comp. Fees		\$9,295.35
5000116	State Fee		\$4,743.23
5000117	Engineering Fees - Developer Feasibility Studies		\$19,100.00
5000122	Survey/Consultant Fees - Developer		\$11,084.00
5000201	5000201 Interest Income		\$66,550.17
5000202	5000202 Benevolence Contributions		\$956.07
5000203	5000203 R & R Funded Depreciation		\$48,987.71
5000218	5000218 - Admin Fees		\$3,600.00
5000223	5000223 - Developer Inspection Fee		\$10,000.00
8020001	8020001 Health Insurance	\$43,974.91	
8020002	8020002 Life/AD&D/LTD	\$4,969.18	
8020012	8020012 CCSUD Company & Property Ins	\$167,340.00	
8030001	8030001 CRWA Bond payments	\$53,244.68	
8035001	8035001 Engineering Fees General	\$13,834.90	
8035009	8035009 Eng. Fees (Dev. Feasibility Study)	\$19,328.30	
8035010	8035010 Eng. Fees - Cx Meter Req (Eng. Study)	\$538.75	
8035011	8035011 EASEMENT FEES	\$105.00	
8037001	8037001 Election Services	\$2,909.97	
8037005	8037005 Web-based Program/Software Usage Fees	\$1,044.00	
8037017	8037017 Consultant Fee	\$19,884.12	
8040002	8040002 Attorney Fees	\$71,677.45	
8045004	8045004 Seguin Wastewater	\$77,448.72	
8050002	8050002 Office Supplies	\$6,340.42	
8050003	8050003 Postage / Freight	\$4,482.06	
8050004	8050004 Office Equipment Maint/Purch/Lease	\$2,495.24	
8050005	8050005 Company Telephones	\$9,587.84	
8050006	8050006 Banking Fees	\$907.18	
8050007	8050007 Office Facilities Maintenance	\$3,531.56	
8050010	8050010 Annual Software Maintenance Fee	\$8,645.66	
80515	80515 Bad Debt Expense	\$18,150.00	
8060001	8060001 Pump & Motor Repair & Maint	\$1,414.30	
8060007	8060007 Plant Maintenance	\$29,040.85	
8060012	8060012 Licenses/Dues/Testing	\$496.75	
8060014	8060014 Training & Conferences	\$10,097.92	
8060016	8060016 TCEQ Annual Permit Fees	\$3,120.00	
8060017	8060017 Trash	\$2,113.46	
8060019	8060019 Chemicals	\$5,146.96	
8060020	8060020 Uniforms	\$4,265.26	
8060021	8060021 TCEQ Regulatory Comp Testing	\$5,920.25	

BOARD MEETING 01/22/2026



Crystal Clear Special Utility District
Trial Balance
Fiscal Year: 2025 - 2026
For the Period Ending 10/31/2025

Fund			Debit	Credit
Account Number	Account Description			
8060023	8060023 811 Services		\$3,264.85	
8060030	8060030 Annual Memberships/Dues		\$85.00	
8060031	8060031 CSI Credit		\$16,915.00	
8070001	8070001 Vehicle & Equipment Fuel		\$7,973.29	
8070002	8070002 Vehicle repair & maint.		\$25,391.96	
8070005	8070005 Equipment Maintenance & Repair		\$6,430.79	
8080001	8080001 Bluebonnet Electric		\$4,822.08	
8080003	8080003 New Braunfels Utilities		\$7,279.53	
8080004	8080004 GVEC utilities		\$12,340.00	
8100001	8100001 Wages - hourly		\$155,597.09	
8100002	8100002 Wages - Salary		\$45,951.09	
8100007	8100007 Retirement		\$57,454.33	
8100008	8100008 Payroll Taxes		\$15,516.50	
8150004	8150004 EAA Water Purchases		\$55,387.15	
8200002	8200002 GBRA water rights		\$12,866.67	
8200004	8200004 GCGCD		\$2,081.01	
8210001	8210001 CRWA Purch/Rights/O&M/Admin		\$259,451.66	
8210030	8210030 ARWA (HCPUA) CCSUD		\$243,407.88	
8210031	8210031 ARWA (HCPUA) Cherryville		\$116,378.98	
Grand Total			\$117,395,878.18	\$117,395,878.18

BOARD MEETING 01/22/2026

Crystal Clear Special Utility District					
Expenditure Statement:2025 - 2026					
for Accounting Period 10/31/2025					
Account Number	Account Description	Budget	Activity this Period	Expenditure YTD	Remaining Budget
Total Main Category	80200 Expense - Insurance	\$847,000.00	\$216,284.09	\$216,284.09	\$630,715.91
Total Main Category	80300 Bond Payments	\$644,500.00	\$53,244.68	\$53,244.68	\$591,255.32
Total Main Category	80301 Principal	\$1,520,900.00	\$0.00	\$0.00	\$1,520,900.00
Total Main Category	80302 Interest	\$1,620,650.00	\$0.00	\$0.00	\$1,620,650.00
Total Main Category	80350 Engineering Fees	\$532,450.00	\$33,806.95	\$33,806.95	\$498,643.05
Total Main Category	80370 Professional Fees	\$718,000.00	\$23,838.09	\$23,838.09	\$694,161.91
Total Main Category	80400 Legal and Accounting Fees	\$605,000.00	\$71,677.45	\$71,677.45	\$533,322.55
Total Main Category	80450 Fees	\$810,000.00	\$77,448.72	\$77,448.72	\$732,551.28
Total Main Category	80500 Office Expense	\$416,250.00	\$35,989.96	\$35,989.96	\$380,260.04
Total Main Category	80600 Operations & Maintenance	\$1,306,300.00	\$81,880.60	\$81,880.60	\$1,224,419.40
Total Main Category	80700 Vehicles & Mobile Equip	\$252,000.00	\$39,796.04	\$39,796.04	\$212,203.96
Total Main Category	80800 Electricity	\$198,660.00	\$24,441.61	\$24,441.61	\$174,218.39
Total Main Category	80900 Water System R & R	\$10,000.00	\$0.00	\$0.00	\$10,000.00
Total Main Category	81000 Salaries	\$3,499,970.00	\$274,519.01	\$274,519.01	\$3,225,450.99
Total Main Category	81500 Water Purchase	\$1,018,100.00	\$55,387.15	\$55,387.15	\$962,712.85
Total Main Category	82000 Water Rights	\$211,000.00	\$14,947.68	\$14,947.68	\$196,052.32
Total Main Category	82100 Regional Water Participation	\$7,914,616.00	\$619,238.52	\$619,238.52	\$7,295,377.48
Total Main Category	89000 Benevclence Fund Payouts	\$11,244.00	\$0.00	\$0.00	\$11,244.00
Grand Total		\$22,136,640.00	\$1,622,500.55	\$1,622,500.55	\$20,514,139.45

BOARD MEETING 10/27/2025

Crystal Clear Special Utility District				
Income Statement: 2025 - 2026				
For the Period Ending 10/31/2025				
Account Number	Account Description	Approp Amount	Activity this Period	Expenditure YTD
Revenues				
Total Main Category	50000 Revenue - Cx Acc. Activity	\$19,503,160.00	\$1,879,089.51	\$1,879,089.51
Total Main Category	50001 Revenue (Refund/In & Out) Rev.	\$6,030,802.00	\$609,223.74	\$609,223.74
Total Main Category	50002 Revenue - Other Income	\$1,201,823.00	\$130,093.95	\$130,093.95
Total Fund		\$26,735,785.00	\$2,618,407.20	\$2,618,407.20
Expenditures				
Total Main Category	80200 Expense - Insurance	\$847,000.00	\$216,284.09	\$216,284.09
Total Main Category	80300 Bond Payments	\$644,500.00	\$53,244.68	\$53,244.68
Total Main Category	80301 Principal	\$1,520,900.00	\$0.00	\$0.00
Total Main Category	80302 Interest	\$1,620,650.00	\$0.00	\$0.00
Total Main Category	80350 Engineering Fees	\$532,450.00	\$33,806.95	\$33,806.95
Total Main Category	80370 Professional Fees	\$718,000.00	\$23,838.09	\$23,838.09
Total Main Category	80400 Legal and Accounting Fees	\$605,000.00	\$71,677.45	\$71,677.45
Total Main Category	80450 Fees	\$810,000.00	\$77,448.72	\$77,448.72
Total Main Category	80500 Office Expense	\$416,250.00	\$35,989.96	\$35,989.96
Total Main Category	80600 Operations & Maintenance	\$1,306,300.00	\$81,880.60	\$81,880.60
Total Main Category	80700 Vehicles & Mobile Equip	\$252,000.00	\$39,796.04	\$39,796.04
Total Main Category	80800 Electricity	\$198,660.00	\$24,441.61	\$24,441.61
Total Main Category	80900 Water System R & R	\$10,000.00	\$0.00	\$0.00
Total Main Category	81000 Salaries	\$3,499,970.00	\$274,519.01	\$274,519.01
Total Main Category	81500 Water Purchase	\$1,018,100.00	\$55,387.15	\$55,387.15
Total Main Category	82000 Water Rights	\$211,000.00	\$14,947.68	\$14,947.68
Total Main Category	82100 Regional Water Participation	\$7,914,616.00	\$619,238.52	\$619,238.52
Total Main Category	89000 Benevience Fund Payouts	\$11,244.00	\$0.00	\$0.00
Total Expenditures		\$48,872,425.00	\$4,240,907.75	\$4,240,907.75
Total Fund		\$22,136,640.00	\$1,622,500.55	\$1,622,500.55
		Retained Earnings		\$12,464,962.54
		Total Revenues	\$2,618,407.20	\$2,618,407.20
		Less Total Expenditures	\$1,622,500.55	\$1,622,500.55
		Net Income	\$995,906.65	\$995,906.65
		New Retained Earnings		\$13,460,869.19

**FY 2025-2026 INVESTMENT REPORT
OCTOBER 2025**

INVESTMENT TYPE	BEGINNING BALANCE	CONTRIBUTIONS	WITHDRAWALS	INCOME EARNINGS	ENDING BALANCE	AVG. MONTH YIELD
TEXAS CLASS						
0001 GENERAL INVEST	\$ 593,824.21	\$ -	\$ -	\$ 2,159.90	\$ 595,984.11	4.28%
0002 BOND PLEDGE	\$ 2,181,857.46	\$ -	\$ -	\$ 7,936.05	\$ 2,189,793.51	4.28%
0003 REPAIR & REPLACEMENT	\$ 575,918.58	\$ -	\$ -	\$ 2,094.78	\$ 578,013.36	4.28%
0004 BENEVOLENCE	\$ 33,465.78	\$ -	\$ -	\$ 121.73	\$ 33,587.51	4.28%
0005 REQUIRED DEBT SVC	\$ 1,186,107.61	\$ -	\$ -	\$ 4,314.24	\$ 1,190,421.85	4.28%
0006 RESERVED FLEET & EQUIP	\$ 314,138.80	\$ -	\$ -	\$ 1,142.62	\$ 315,281.42	4.28%
0007 RESERVED CCSUD CIP	\$ 3,849,773.40	\$ -	\$ -	\$ 14,002.74	\$ 3,863,776.14	4.28%
0008 ZORN PROJECT	\$ 5,108,427.59	\$ -	\$ -	\$ 18,580.80	\$ 5,127,008.39	4.28%
0009 WATER ACQUISITION	\$ 776,477.62	\$ -	\$ -	\$ 2,824.27	\$ 779,301.89	4.28%
0010 WATER IMPACT ACCOUNT	\$ 868,739.30	\$ -	\$ -	\$ 3,159.85	\$ 871,899.15	4.28%
0011 STORAGE RECOVERY ACCT	\$ 659,637.93	\$ -	\$ -	\$ 2,399.29	\$ 662,037.22	4.28%
SWEEP ACCT	\$ 2,816,998.92	\$ 1,903,925.54	\$ 1,871,110.01	\$ 5,129.20	\$ 2,854,943.65	
MONEY MARKET ACCT	\$ 992,749.42	\$ 632,800.73	\$ 0.34	\$ 2,684.70	\$ 1,628,234.51	2.36%
TOTAL	\$ 19,958,116.62	\$ 2,536,726.27	\$ 1,871,110.35	\$ 66,550.17	\$ 20,690,282.71	4.12%

CAP IMP BANK ACCT - INACTIVE

Jennifer Dickerman, Investment Officer/HR/Finance Mgr.

Stephanie Haseloff, Investment Officer/Development/Project Mgr.

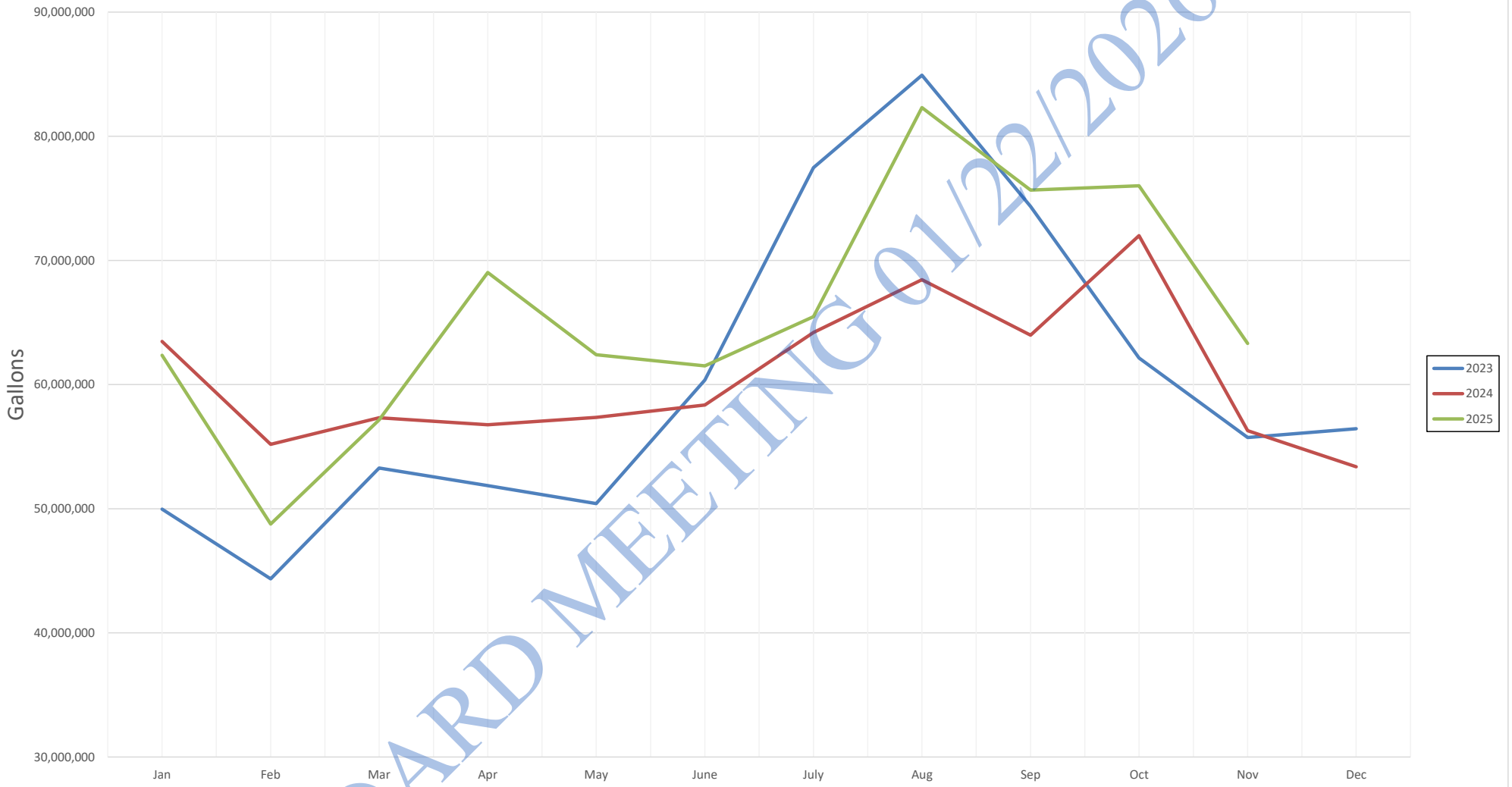
Yesenia Marquez, Investment Officer/Office Mgr.

WATER LOSS REPORT

Month	Production (Gallons)	Metered (Gallons)	LOSS				WATER CONSUMPTION Customers Billed
			Identified Loss (Gallons)	Unidentified Loss (Gallons)	Total Loss (Gallons)	Unidentified Annual Avg %	
January 2024	63,466,910	40,340,991	4,477,125	18,648,794	23,125,919	20.95%	6,326
February 2024	55,181,338	33,846,371	1,306,310	20,028,657	21,334,967	21.91%	6,362
March 2024	57,320,408	38,875,983	6,701,300	11,743,125	18,444,425	22.17%	6,386
April 2024	56,761,367	41,148,517	1,175,233	14,437,617	15,612,850	21.78%	6,418
May 2024	57,355,279	48,297,984	3,951,802	5,105,493	9,057,295	20.96%	6,415
June 2024	58,357,175	47,201,235	1,314,740	9,841,200	11,155,940	21.87%	6,454
July 2024	64,195,289	51,758,297	1,620,451	10,816,541	12,436,992	21.72%	6,500
August 2024	68,446,100	62,868,797	1,126,038	4,451,265	5,577,303	21.36%	6,558
September 2024	63,984,128	54,328,619	815,498	8,840,011	9,655,509	20.87%	6,570
October 2024	71,993,291	64,752,106	2,409,178	4,832,007	7,241,185	19.20%	6,660
November 2024	56,280,370	47,418,541	2,170,857	6,690,972	8,861,829	17.90%	6,640
December 2024	53,377,188	40,617,535	3,321,340	9,438,313	12,759,653	17.18%	6,755
January 2025	62,353,733	40,356,606	2,962,651	19,034,476	21,997,127	17.26%	6,743
February 2025	48,763,990	36,743,995	3,075,114	8,944,881	12,019,995	15.88%	6,892
March 2025	57,147,871	44,052,721	1,749,138	11,346,012	13,095,150	15.82%	6,893
April 2025	69,023,513	47,163,846	772,778	21,086,889	21,859,667	16.47%	6,954
May 2025	62,401,174	52,715,489	1,606,417	8,079,268	9,685,685	16.76%	6,941
June 2025	61,498,674	48,314,104	525,273	12,659,297	13,184,570	17.07%	7,118
July 2025	65,463,541	56,545,324	674,934	8,243,283	8,918,217	16.69%	7,136
August 2025	82,308,542	68,314,969	2,680,858	11,312,715	13,993,573	17.30%	7,165
September 2025	75,668,432	62,376,580	3,582,853	9,708,999	13,291,852	17.14%	7,131
October 2025	76,014,022	64,211,894	3,826,504	7,975,624	11,802,128	17.46%	7,125
November 2025	63,307,670	45,640,371	3,384,460	14,282,839	17,667,299	18.28%	7,229

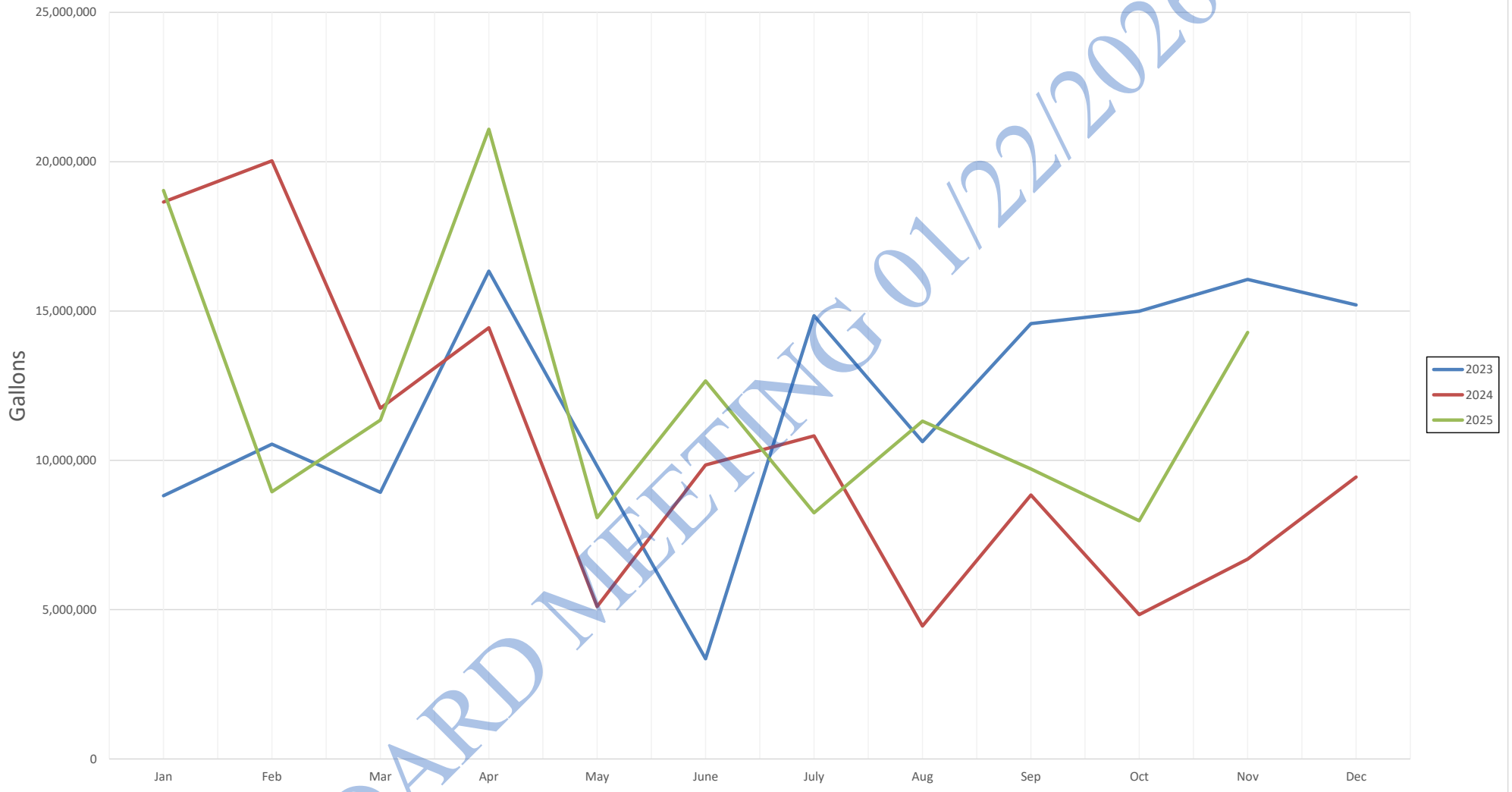
WATER LOSS REPORT

Production

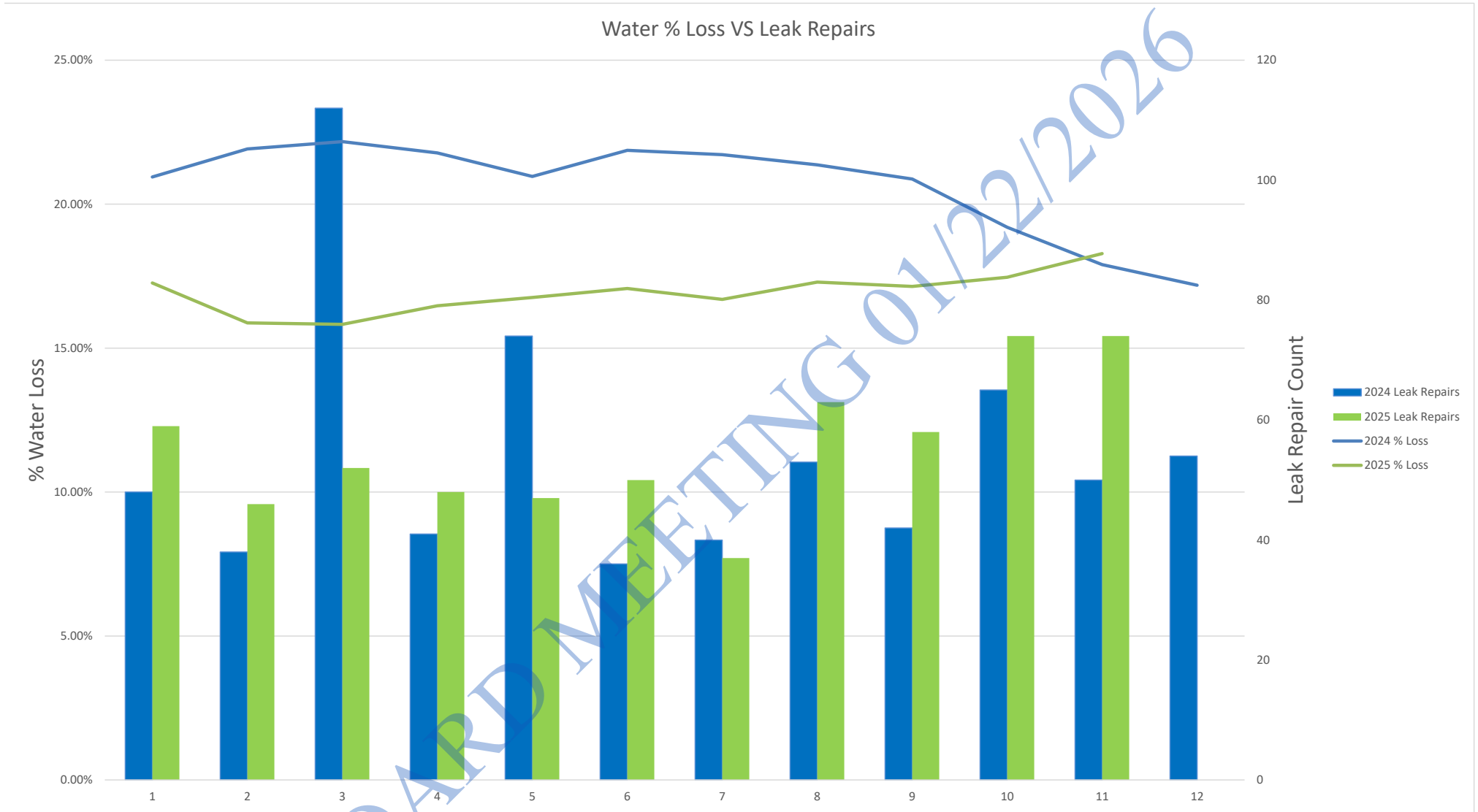


WATER LOSS REPORT

Unidentified Water Loss



WATER LOSS REPORT





January 2026

Development/Project Monthly Report

CCSUD Management continues negotiating the Non-Standard Service Agreements, Water and Wastewater, with multiple developers.

Staff continues our discussions with various potential developments.

Below please find updates on those already approved and moving through the construction process as well as CIPs:

1. Flying W: EST design has resumed.
2. Navarro Ranch Addition (450 LUEs): Legal is working to have this section added to the CCSUD CCN.
3. Kingsbury Crossings: Acquiring Rights of Entry (ROE). Survey should start once those are all acquired.
4. CIP-Old Bastrop Improvement: Working on Temporary Work Area (TWA) time extensions.
5. CIP-Swanson/Dietert RDs: Customers notified of infrastructure upgrade and easement acquisition necessity. Negotiations and acquiring ROE have begun.
6. CIP-Center Point: Customers notification of infrastructure upgrade has begun.
7. CIP-Bylerpool: Currently in title (looking for current easements and encumbrances/conflicts).
8. CIP-Kingsbury Phase II: Currently out to bid.
9. CIP-Jahns Rd: in title (looking for current easements and encumbrances/conflicts).
10. CIP: Ilka Booster Station Rehab: Survey is scheduled; however, this project will commence only after Kingsbury Phase II is online.

Several smaller scopes of WNSSAs are in negotiations.

The following developments are currently in design and/or construction with IWS (Integrated Water Services)

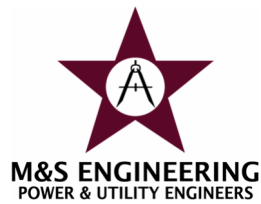
- Kyndwood: **ongoing**
- Gatehouse: **ongoing**

Staff continues planning along with M&S Engineering on Board approved CIP projects.

Please don't hesitate to ask me about these if you would like more information.

CCSUD inspectors each have several developments in different stages from wastewater plant construction, water line/appurtenance installation, and home builds.

Thank you,
Stephanie Haseloff



M&S Monthly Project Update – January 22, 2026

The following is a summary of our current projects for Crystal Clear SUD:

TWDB DFUND PROJECTS

- DFund EFR and Environmental: Ardurra continues to work on environmental clearance for this project. **The Environmental Document Form (EDF) for Herber Elevated Storage Tank (EST) and Trinity Wells have been updated to include agency coordination reports. Both EDFs were resubmitted to Texas Water Development Board (TWDB) on 1/12/26. The Offermann archaeology report is still under agency review. An updated final report was submitted 1/2/26. U.S. Army Corps of Engineers (USACE) verification letter for the Nationwide Permit (NWP) will not be issued until the archeology review is complete. The Offermann EDF will be updated and submitted once these two items are received. Ardurra is working on a Water Pollution Abatement Plan (WPAP) for the Trinity wells.** All environmental efforts must be complete before the Texas Water Development Board (TWDB) reviews and approves the Engineering Feasibility Report (EFR).
- Trinity Well Completion and Site Access: **Both sets of construction drawings are finished: 1) Well Completion; and 2) Pad Sites and Access Road Construction. Contract documents will be prepared after TWDB approves this project for bid.**
- Herber Elevated Storage Tank: Design is complete. TWDB requirements from the Environmental Document Form (EDF) and Engineering Feasibility Report (EFR) review will be added to the contract documents and construction drawings once they are received. This project will go to bid after TWDB approves the EFR and construction documents.
- Offermann Booster Station: Re-design is taking place to upsize the storage tank capacity and relocate the access driveway to the site. Further design is pending the results of the USACE and THC permits.
- Offermann Transmission Main: Design is complete. Waiting on environmental clearance and TWDB review for approval to advertise for bid.

DEVELOPMENT PROJECTS

- Zorn Elevated Storage Tank: **Construction is substantially complete. The contractor is finalizing construction and addressing punch list items. A final walkthrough will be scheduled in late January/early February.**
- Flying W Elevated Storage Tank: **This project is no longer on hold. M&S has started on design again. Design will be completed by March 2026.**
- Old Bastrop Waterline Upgrade: M&S is currently working on the permits and encroachments for the designed waterline for the following: Energy Transfer gas line encroachment, Enterprise gas line encroachment, Texaco gas line encroachment, Comal County roadway, and Texas Department of Transportation (TxDOT). **The Lower Colorado River Authority (LCRA) encroachment was received on 1/12/26.**

- Kingsbury Crossings Water Main Upgrades: This is a 7.5 mile pipeline project to serve a new development along FM 20. Survey has established right-of-way and set control points. Survey will finish once right-of-entry is obtained for every property. **Subsurface utility engineering (SUE) at the gas line crossings was completed on 1/29/25. Geotechnical borings for each of the proposed boring/drilling sections of the new water line are in the process of being scheduled.**
- FM 2623 Waterline Upgrades: On hold until developer pays for easement acquisition.
- FM 1978 Waterline Improvements: Design for this project is on hold because the development is no longer moving forward.

IN-HOUSE FUNDED PROJECTS

- Kingsbury Pipeline Phase 2: **Both Union Pacific Railroad (UPRR) and Texas Department of Transportation (TxDOT) permits are complete. This project is out to bid. Bids are due 2/10/26.**
- ARWA Transmission Main: This water line project will allow the Alliance Regional Water Authority (ARWA) water source to be delivered to the proposed Offermann Booster Station. **All three easements have been acquired. M&S is working with CCSUD and ARWA on setting the alignment. Final design will begin once the alignment is set.**
- Bylerpool Waterline Upgrade: The easement schedule is complete and CCSUD has identified those easements that need to be acquired. CCSUD is working on easement acquisition.
- Swanson/Dietert Waterline Upgrade: The easement schedule is complete and CCSUD has identified those easements that need to be acquired. The route for the new water line has been established. CCSUD is working on right-of-entry for each property. Once right-of-entry is complete, M&S will schedule survey, geotech and SUE.
- Center Point Waterline Replacement: This project will replace approximately 4,000 feet of older, leaky pipe along Center Point Road between Francis Harris Lane and Old Zorn Road. CCSUD is working on right-of-entry and easement acquisition.
- Ilka Booster Station: **This project will rehabilitate and recoat the ground storage tank, replace one pump and motor and make a few electrical upgrades to support the new pump. Survey was scheduled for 1/19/26. M&S is waiting on survey data to start design.**





Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

Communication with Those Charged with Governance

January 9, 2026

To the Board of Directors
Crystal Clear Special Utility District

We have audited the basic financial statements of Crystal Clear Special Utility District for the year ended September 30, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 3, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Crystal Clear Special Utility District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and others in our firm, as appropriate, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Crystal Clear Special Utility District is included in Note A to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2025 except for the following:

As required, the District implemented GASB Statement 101 during the year. This statement changes the liability recorded for accrued compensated absences of employees from only those amounts paid on termination to also include amounts that are more likely than not to be taken as time off. This means that the liability has expanded from vacation to a portion of sick leave. This increased the liability about \$57,000 which was all recorded in 2025. A portion of that related to prior periods, but it was deemed not significant enough to adjust prior year balances. So, all of the increase is reported as an expense in 2025.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

1. Useful lives of depreciable assets
2. Allowance for uncollectible receivables
3. Pension assumptions such as mortality rate and investment return

We evaluated the key factors and assumptions used to develop the estimate and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There most sensitive disclosure affecting Crystal Clear Special Utility District's financial statements related to the Texas County and District Retirement System and litigation.

Significant Difficulties Encountered during the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole. Management has corrected all such misstatements except for the potential impacts on the prior year related to the GASB 101 implementation mentioned previously in this letter.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We assisted management with reconciling to the prior audited figures, recording revenue accruals, recording year end payables, reconciling debt balances and recording depreciation.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Crystal Clear Special Utility District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management in a separate letter dated January 9, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Crystal Clear Special Utility District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Crystal Clear Special Utility District's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing Crystal Clear Special Utility District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially consistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

During our audit, we noted the following matter to bring to your attention that is an opportunity for improvement:

Volume of Adjusting Entries

As a part of the annual audit process, we assist management in recording certain technical entries related to accruals. This is typical for an entity the size of the District. However, the entries for 2025 were more significant than they needed to be which makes the annual financial report significantly different than the internal financial statements during the year. A few of the entries could have been reduced by changes in accounting practices such as:

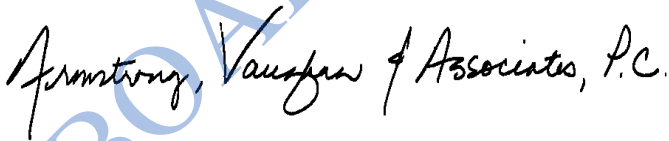
1. Ensure the year end entries are posted in Logics.
2. Record the bond escrow cash balance in Logics and reconcile them on a monthly basis.
3. Change the payroll journal entry to not use the payroll liabilities account (22000) and instead post those against health insurance (8020001).
4. Post monthly payments to Seguin for wastewater collections to the liability where the collections are posted (24901) rather than the expense account (8045004).
5. Post debt principal payments to the liability accounts (25000-2500013) and interest to the expense accounts (8030201-8030208) rather than the whole payment to the liability accounts.

Making these changes internally would reduce the volume and size of year end adjustments and improve financial reporting during the year.

Management's Response: We have now entered all the year end entries and have implemented all the recommended accounting changes for fiscal year 2026.

This information is intended solely for the information and use of the Board of Directors and management of Crystal Clear Special Utility District and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Armstrong, Vaughan & Associates, P.C.

January 9, 2026

**Crystal Clear Special Utility District
Audit Highlights
September 30, 2025**

OVERVIEW

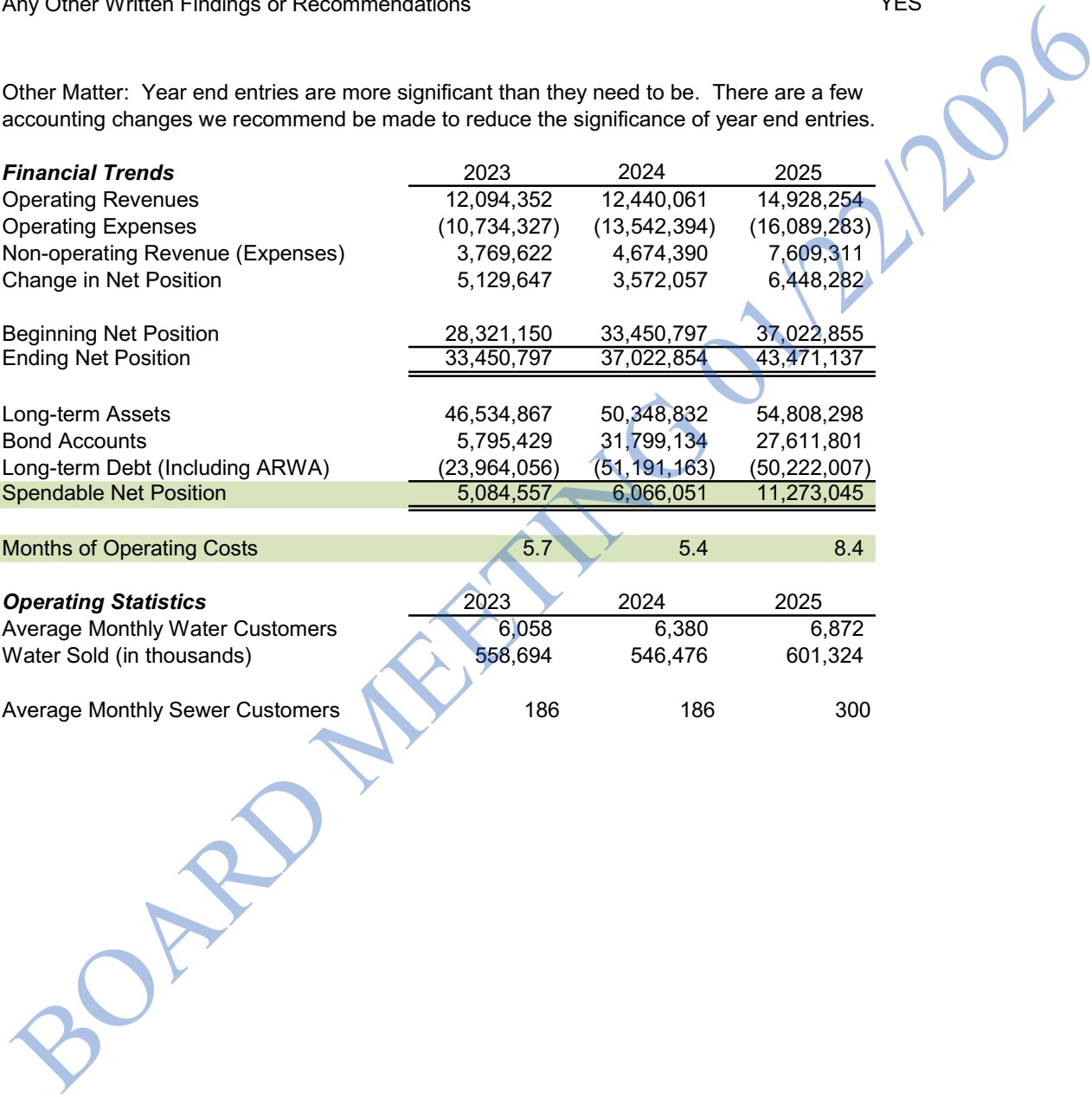
Clean Opinion (means we agree annual report is accurate)	YES
Material or Significant Findings	NO
Any Other Written Findings or Recommendations	YES

Other Matter: Year end entries are more significant than they need to be. There are a few accounting changes we recommend be made to reduce the significance of year end entries.

Financial Trends	2023	2024	2025
Operating Revenues	12,094,352	12,440,061	14,928,254
Operating Expenses	(10,734,327)	(13,542,394)	(16,089,283)
Non-operating Revenue (Expenses)	3,769,622	4,674,390	7,609,311
Change in Net Position	5,129,647	3,572,057	6,448,282
Beginning Net Position	28,321,150	33,450,797	37,022,855
Ending Net Position	33,450,797	37,022,854	43,471,137
Long-term Assets	46,534,867	50,348,832	54,808,298
Bond Accounts	5,795,429	31,799,134	27,611,801
Long-term Debt (Including ARWA)	(23,964,056)	(51,191,163)	(50,222,007)
Spendable Net Position	5,084,557	6,066,051	11,273,045

Months of Operating Costs	5.7	5.4	8.4
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Operating Statistics	2023	2024	2025
Average Monthly Water Customers	6,058	6,380	6,872
Water Sold (in thousands)	558,694	546,476	601,324
Average Monthly Sewer Customers	186	186	300





ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

BOARD MEETING 01/22/2026

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS :

COUNTY OF HAYS :

I, _____, of Crystal Clear Special Utility District hereby swear, or affirm, that the District named above has reviewed and approved, at a meeting of the District's Board of Trustees on the ____ day of _____, _____, its annual audit report of the fiscal period ended September 30, 2025, and that copies of the annual audit report have been filed in the District's office located at 2370 FM 1979, San Marcos, TX 78666.

This annual filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of the Texas Water Code Section 49.194.

Date: _____, _____ By: _____
(Signature of District Official)

(Typed Name & Title of District Representative)

Sworn to and subscribed to before me this ____ day of _____, _____.

(Signature of Notary)

Commission expires on _____, _____
Notary Public in the State of Texas



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Crystal Clear Special Utility District
San Marcos, TX

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Crystal Clear Special Utility District, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Crystal Clear Special Utility District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Crystal Clear Special Utility District, as of September 30, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Crystal Clear Special Utility District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Crystal Clear Special Utility District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Crystal Clear Special Utility District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule and schedules of changes in pension liability and related employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

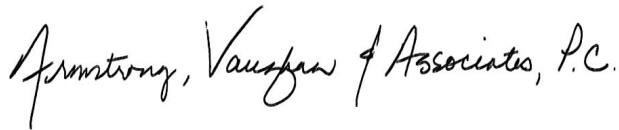
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crystal Clear Special Utility District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality and the schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2026 on our consideration of Crystal Clear Special Utility District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crystal Clear Special Utility District's internal control over financial reporting and compliance.



Armstrong, Vaughan & Associates, P.C.
January 9, 2026

BOARD MEETING 01/22/2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Crystal Clear Special Utility District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended September 30, 2025. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position was \$43.5 million at September 30, 2025, an increase of \$6.4 million. The increase was the result of significant connection fees collected from new developments in the area and increased billing rates.
- During the year, the District's operating revenues were \$1.2 million less than the \$16.1 million in operating expenses.
- No new debts were issued in fiscal year 2024-2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), *the basic financial statements, required supplementary information*, and *supplementary information required by the Texas Commission on Environmental Quality*. The basic financial statements consist of the following statements:

- The *Statement of Net Position* shows the financial standing of the District as of the end of the year, including all assets and liabilities.
- The *Statement of Revenues, Expenses and Changes in Net Position* provides information about the activity of the District during the fiscal year. It reports revenues when incurred, regardless of when they are received, and expenses when incurred, regardless of when they are paid.
- The *Statement of Cash Flows* reports the sources and uses of cash during the fiscal year.

The financial statements also include notes that explain a few of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The final section of supplementary information provides even more information required by TCEQ.

FINANCIAL ANALYSIS OF THE DISTRICT

Net position—the difference between the District's assets and liabilities—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

The District's combined net position was \$43.4 million at September 30, 2025. Of this amount, \$31.0 million was invested in capital assets, leaving an unrestricted net position of \$9.6 million. (See Table A-1).

Table A-1
District's Net Position

	2025	2024	Percentage Change
<i>Assets:</i>			
Cash and Investments	\$ 11,478,115	\$ 7,955,405	44%
Other Current Assets	3,241,854	2,755,824	18%
Other Assets	27,611,801	31,990,674	-14%
Capital Assets (Net)	<u>54,808,298</u>	<u>50,348,832</u>	9%
<i>Total Assets</i>	<u>97,140,068</u>	<u>93,050,735</u>	4%
<i>Deferred Outflows</i>	<u>358,926</u>	<u>135,645</u>	165%
<i>Liabilities:</i>			
Current	7,416,455	8,126,317	-9%
Long Term	<u>46,603,700</u>	<u>48,035,390</u>	-3%
<i>Total Liabilities</i>	<u>54,020,155</u>	<u>56,161,707</u>	-4%
<i>Deferred Inflows</i>	<u>7,702</u>	<u>1,816</u>	324%
<i>Net Position:</i>			
Net Investment in Capital Assets	31,024,324	26,442,116	17%
Restricted	2,841,934	3,208,193	-11%
Unrestricted	<u>9,604,879</u>	<u>7,372,548</u>	30%
<i>Total Net Position</i>	<u>\$ 43,471,137</u>	<u>\$ 37,022,857</u>	17%

The District's total operating revenues were \$14.9 million, an increase of 20% over the prior year. The increase is the result of increased rates but also significant growth in the customer base. The operating expenses were \$16.1 million, an increase of 19% over the prior year. Of this increase, 6% was for wholesale water purchases and 9% was personnel related. The pension matching ratio was increased from 100% to 200% in 2025. Non-operating revenues increased with new connection and installation fees for new service. (See Table A-2)

Table A-2
Changes in District Net Position

	2025	2024	Percentage Change
Operating Revenues	\$ 14,928,254	\$ 12,440,061	20%
Operating Expenses	<u>(16,089,284)</u>	<u>(13,542,394)</u>	19%
Operating Income (Loss)	(1,161,030)	(1,102,333)	5%
Non-operating Income (Expense)	<u>7,609,310</u>	<u>4,674,390</u>	63%
Change in Net Position	6,448,280	3,572,057	81%
Net Position at Beginning of Year	<u>37,022,857</u>	<u>33,450,800</u>	
Net Position at End of Year	<u>\$ 43,471,137</u>	<u>\$ 37,022,857</u>	

BUDGETARY HIGHLIGHTS

District revenues exceeded expectations in the budget by \$637 thousand as growth in customers increased. Operating expenses were \$1.28 million under budget, leading to budgetary operating income to be \$1.9 million better than anticipated. Capital spending was slower than anticipated in the budget. These differences led to a net budgetary gain of \$976 thousand, compared to a budgeted loss of \$28.6 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2025, the District had invested \$69.9 million in a broad range of capital assets, including land, buildings, equipment, treatment plants, and distribution systems. Significant additions in 2025 include ongoing engineering and construction for the Texas Water Development Board projects. (See Table A-3.) More detailed information about the District's capital assets is presented in the notes to the financial statements.

Table A-3
District's Capital Assets

	2025	2024	Percentage Change
Land	\$ 727,800	\$ 727,800	0%
Water Rights	7,079,526	7,079,526	0%
Building and Improvements	983,582	983,582	0%
Plant and Distribution System	52,483,187	44,481,903	18%
Machinery and Equipment	1,463,785	1,207,148	21%
Construction in Progress	7,168,386	9,056,360	-21%
Totals at Historical Cost	<u>69,906,266</u>	<u>63,536,319</u>	<u>10%</u>
Total Accumulated Depreciation	(15,097,968)	(13,187,487)	14%
Net Capital Assets	<u>\$ 54,808,298</u>	<u>\$ 50,348,832</u>	<u>9%</u>

Long-Term Debt

At year-end, the District had \$47.9 million in principal outstanding on bonded debt and notes. No new debt was issued during the year. More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-4
District's Long Term Debt

	2025	2024	Percentage Change
Bonds Payable	\$ 42,452,000	\$ 43,217,000	-2%
Notes Payable	5,436,812	6,197,910	-12%
Total Long-Term Debt	<u>\$ 47,888,812</u>	<u>\$ 49,414,910</u>	<u>-3%</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2026 budget contemplates continued expenditures from the Texas Water Development Board Bonds for the Capital Improvement Plan. Rates for water and wastewater consumption will increase approximately 10% in November to keep up with increasing operating costs. Rapid development in the area continues to put demands on the District's system. The District is working with developers to collect fees sufficient to offset the cost of the needed expansion.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District at 2370 FM 1979, San Marcos, TX 78666.

BOARD MEETING 01/22/2026

BASIC FINANCIAL STATEMENTS

The basic financial statements include:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

BOARD MEETING 01/22/2026

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 11,478,115
Accounts Receivable (net of allowances)	3,194,479
Prepaid Expense	47,375
<i>Total Current Assets</i>	14,719,969

Other Assets:

Restricted Cash for Construction	24,243,836
Restricted Cash for Debt Service	1,186,108
Restricted Cash for Debt Reserve	2,181,857
<i>Total Other Assets</i>	27,611,801

Capital Assets (net)

54,808,298

TOTAL ASSETS

97,140,068

DEFERRED OUTFLOWS OF RESOURCES

Deferred Pension Related Outflows	358,926
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LIABILITIES

Current Liabilities:

Accounts Payable	1,569,960
Accrued Wages	10,994
Customer Deposits	1,568,520
Accrued Interest, Payable from Restricted Assets	526,031
Accrued Compensated Absences	122,643
Payable to Canyon Regional Water Authority	1,640,238
Bonds and Notes Payable - Current Portion	1,978,069
<i>Total Current Liabilities</i>	7,416,455

Long-term Liabilities:

Bonds and Notes Payable - Net of Current Portion	46,049,741
Net Pension Liability	553,959
<i>Total Long-term Liabilities</i>	46,603,700
TOTAL LIABILITIES	54,020,155

DEFERRED INFLOWS OF RESOURCES

Deferred Pension Related Inflows	7,702
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NET POSITION

Net Investment in Capital Assets	31,024,324
Restricted:	
Debt Service and Debt Reserve	2,841,934
Unrestricted	9,604,879
TOTAL NET POSITION	\$ 43,471,137

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

OPERATING REVENUES

Water Sales	\$ 13,103,575
Wastewater Charges	150,526
Other Charges	<u>1,674,153</u>
TOTAL OPERATING REVENUES	<u><u>14,928,254</u></u>

OPERATING EXPENSES

Water Purchase	6,725,527
Personnel	4,126,324
Depreciation	1,960,351
Operations and Maintenance	832,015
Professional Fees	1,614,638
Admin Expenses	297,643
Vehicles and Equipment	207,373
Utilities	172,306
Insurance	153,107
TOTAL OPERATING EXPENSES	<u><u>16,089,284</u></u>

OPERATING INCOME (LOSS)	<u><u>(1,161,030)</u></u>
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NON-OPERATING REVENUES (EXPENSES)

Interest Income	1,565,428
Impact, Acquisition and Installation Fees	7,525,877
Gain on Sale of Assets	7,000
Interest Expense	<u>(1,488,995)</u>
TOTAL NON-OPERATING REVENUES	<u><u>7,609,310</u></u>

CHANGE IN NET POSITION	6,448,280
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Net Position at Beginning of Year	<u><u>37,022,857</u></u>
Net Position at End of Year	<u><u>\$ 43,471,137</u></u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Cash Flows from Operating Activities

Cash Received from Customers		\$ 14,672,598
Cash Payments to Suppliers for Goods and Services		(11,316,284)
Cash Payments to Employees for Services		<u>(3,577,181)</u>
Net Cash Provided (Used) by Operating Activities		<u>(220,867)</u>

Cash Flows from Capital and Related Financing Activities

Principal Payments on Bonds and Notes Payable		(1,533,653)
Impact and Installation Fees		7,525,877
Interest Paid		(1,588,592)
Purchase of Property, Plant and Equipment		<u>(6,419,817)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities		<u>(2,016,185)</u>

Cash Flows from Investing Activities

Interest and Investment Income		1,565,428
Sale of Property and Equipment		<u>7,000</u>
Net Cash Provided (Used) by Investing Activities		<u>1,572,428</u>

Net Increase (Decrease) in Cash and Cash Equivalents (664,624)

Beginning Cash and Cash Equivalents

Unrestricted	7,955,405	
Restricted	<u>31,799,135</u>	<u>39,754,540</u>

Ending Cash and Cash Equivalents

Unrestricted	11,478,115	
Restricted	<u>27,611,801</u>	<u>\$ 39,089,916</u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

**Reconciliation of Operating Income to Net Cash Provided (Used)
by Operating Activities**

Operating Income (Loss)	\$ (1,161,030)
Adjustments to Reconcile Income from Operations to Net Cash	
Provided by Operating Activities:	
Depreciation	1,960,351
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable, net	(479,856)
(Increase) Decrease in Prepaid Expenses	(6,174)
(Increase) Decrease in Deferred Pension Related Outflows	(223,281)
Increase (Decrease) in Accounts Payable	(1,126,501)
Increase (Decrease) in Customer Deposits	224,200
Increase (Decrease) in Accrued Wages	(36,017)
Increase (Decrease) in Accrued Compensated Absences	57,057
Increase (Decrease) in Payable to Canyon Regional Water Authority	(181,000)
Increase (Decrease) in Net Pension Liability/Asset	745,498
Increase (Decrease) in Deferred Pension Related Inflows	5,886
Net Cash Provided (Used) by Operating Activities	\$ (220,867)

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crystal Clear Special Utility District (the “District”) was created pursuant to Texas Senate Bill 116, 83rd Legislature, R.S. (2013), further codified in Texas Special District Local Laws Code Chapter 7206, enacted under the authority granted to the Texas Legislature in Texas Constitution article XVI Section 59. Prior to that date the District operated as a Water Supply Corporation. The District was organized to furnish potable water and wastewater utility services. The District is managed by a Board of Directors consisting of seven members elected by voters residing in the District’s boundaries. The District serves customers in Hays, Comal and Guadalupe counties.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below:

1. REPORTING ENTITY

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, “The Financial Reporting Entity” and GASB Statement 39 “Determining Whether Certain Organizations are Component Units”. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The District has no component units.

2. ENTERPRISE FUND

The District is an enterprise fund. Enterprise funds are proprietary funds used to account for business-type activities provided to the general public or other governmental entities. The activities are financed by charges to customers and the measurement of financial activity focuses on net income similar to the private sector. Revenues are recognized when earned, and expenses are recognized when incurred.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Revenues are classified as *operating* and *non-operating*. Operating revenues include charges to customers for water and wastewater services. Non-operating revenues include customer charges for capital expansion and interest income.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. CASH AND INVESTMENTS

State statutes authorize the District to invest in (a) obligations of the United States or its agencies, and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) – (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments are stated at fair value (plus accrued interest) except for money market, certificates of deposit, local government investment pools, and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost (or net asset value in the case of local government investment pools), which approximates fair value.

The District considers cash and cash equivalents to be amounts in checking accounts, savings accounts, money market accounts, and local government investment pools.

5. ACCOUNTS RECEIVABLE

Customers are billed monthly for services and recorded as revenue in the period of the service. Often bills are issued in subsequent months for water consumption in the previous month. Revenue earned in a previous period is recorded as an unbilled receivable at the end of each period. Accounts receivable consists of amounts due from customers for services rendered and is presented net of an allowance for doubtful accounts based on management's estimate.

6. INVENTORY

Inventory consists of pipe, fittings, pumps and meters. Inventory is reported at the lower of cost or market based on the first in-first out method.

7. PREPAID EXPENSES

Expenses paid during the year that have a benefit beyond the current fiscal year are recorded on the balance sheet as prepaid expenses.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, water rights, and water plant and distribution systems, are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Interest has been capitalized during the construction periods on water plant and distribution systems. Purchases in excess of \$5,000 with a useful life in excess of one year are capitalized and depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 to 50 years
Equipment	3 to 10 years
Water Plants and Distribution Systems	20 to 50 years

9. DEFERRED INFLOWS AND OUTFLOWS

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

10. CUSTOMER DEPOSITS

Upon the creation of a new account, customers make a deposit toward their final bill. The amount is recorded as customer deposits liability on the Statement of Net Position.

11. LONG-TERM OBLIGATIONS

Bonds, notes and capital leases are recorded as liabilities on the statement of net position. Bond issue costs and premiums are expensed in the period they are incurred. Bonds payable are reported net of the applicable bond premium or discount. Interest costs are expensed during the construction period.

12. COMPENSATED ABSENCES

Employees accrue vacation and sick leave benefits over their career. Unused vacation leave is paid on termination but sick leave is not. A liability is recorded in these financial statements for the estimated amount of accrued leave that is more likely than not to be paid out or taken as leave in the future. Management uses the first in first out flows assumption to calculate the liability.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When expenses qualify for restricted and unrestricted resources, the District's policy is to use restricted resources first.

14. PENSION

The net pension liability (asset), deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS), and additions to and deductions from TCDRS' fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. BUDGET

An operating budget is adopted each fiscal year for the District. The budget is adopted on a cash basis of accounting internally and converted to accrual basis for financial reporting. Additional budgetary information is provided in the required supplementary information.

16. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B -- CASH AND INVESTMENTS

1. Cash and Cash Equivalents

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledge securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. At September 30, 2025, the District's bank deposits were covered by a combination of federal deposit insurance and pledged securities. All of the District's deposits were fully collateralized.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE B -- CASH AND INVESTMENTS (CONTINUED)

2. Investments

As of September 30, 2025, the District's investments consisted of Texas Class local government investment pools presented at net asset value. The Texas Class pool maintains a AAAM rating and a stable net asset value of \$1.00 per share. Texas Class is a 2a7-like pool which is not registered with the Securities and Exchange Commission as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Therefore, the Texas Class is reported at \$1 per share, which approximates fair value and is included in cash and cash equivalents. The amount invested in Texas Class at September 30, 2025 is \$16,148,369.

NOTE C -- RESTRICTED CASH AND EQUIVALENTS

Restricted cash consists of a debt service and loan reserve related to the United States Department of Agriculture (USDA) Series 2015 Revenue Bonds and the three Texas Water Development Board (TWDB) Bond series. The District is required to make monthly transfers to these accounts up to certain limits and may only spend the balances on debt service or USDA/TWDB approved activities.

In addition, the proceeds of the 2023 and 2024A bonds are held in escrow for construction and are released only upon approval by the TWDB.

NOTE D -- ACCOUNTS RECEIVABLE

District receivables as of September 30, 2025, consisted of the following:

Customer Balances	\$ 1,417,340
Unbilled Services Rendered	1,284,869
Bulk Water Agreement	634,010
Allowance for Uncollectible Accounts	<u>(141,740)</u>
Total Accounts Receivable (net)	<u>\$ 3,194,479</u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE E -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

	Balances at 10/1/2024	Additions	Transfers/ Disposals	Balances at 9/30/2025
Land	\$ 727,800	\$ -	\$ -	\$ 727,800
Water Rights	7,079,526	-	-	7,079,526
Building and Improvements	983,582	-	-	983,582
Plant and Distribution System	44,481,903	495,000	7,506,284	52,483,187
Machinery and Equipment	1,207,148	369,833	(113,196)	1,463,785
Construction in Progress	9,056,360	5,554,984	(7,442,958)	7,168,386
	<u>63,536,319</u>	<u>6,419,817</u>	<u>(49,870)</u>	<u>69,906,266</u>
<i>Less Accumulated Depreciation</i>				
Building and Improvements	(400,341)	(24,916)	-	(425,257)
Plant and Distribution System	(11,842,398)	(1,816,206)	-	(13,658,604)
Machinery and Equipment	(944,748)	(119,229)	49,870	(1,014,107)
	<u>(13,187,487)</u>	<u>(1,960,351)</u>	<u>49,870</u>	<u>(15,097,968)</u>
Capital Assets, Net	<u>\$ 50,348,832</u>	<u>\$ 4,459,466</u>	<u>\$ -</u>	<u>\$ 54,808,298</u>

Land, Water Rights and Construction in Progress are not depreciated.

NOTE F -- LONG-TERM DEBT

The District's long-term debt activity as of and for the year ending September 30, 2025 is as follows:

	Balance Outstanding 10/1/2024	Additions	Retirements	Balance Outstanding 9/30/2025
Bonds Payable, Series				
Notes and Bonds	\$ 49,561,463	\$ -	\$ (1,533,653)	\$ 48,027,810
Net Pension Liability (Asset)	(191,539)	1,163,079	(417,581)	553,959
Compensated Absences	65,586	57,057	-	122,643
Totals	<u>\$ 49,435,510</u>	<u>\$ 1,220,136</u>	<u>\$ (1,951,234)</u>	<u>\$ 48,704,412</u>

The change in compensated absences is a net figure.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE G -- BONDS AND NOTES PAYABLE

CoBank Notes

The District signed promissory notes with CoBank to refinance existing notes in 2015. The CoBank notes bear interest at 4.1-4.4% and require quarterly payments of interest and principal until maturity on April 20, 2036. The notes require the District to maintain debt service coverage and debt to capitalization ratios to which the District has complied.

Promissory Notes

The District signed promissory notes to purchase water rights from landowners in 2020 for \$4,516,898. The notes require monthly payments of \$40,000 until maturity at January 10, 2030. The notes bear interest at an effective rate of 1.23%.

Bonds Payable

Combination Water and Sewer System Revenue Refunding Bonds, Series 2015 were issued by the District in July 2016 to pay off short term borrowings for construction of system improvements. The bonds were purchased at closing by the United States Department of Agriculture. The bonds bear interest at 2.75% and mature serially through December 1, 2055.

Combination Water and Sewer System Revenue Bonds, Series 2017 were issued by the District in November 2017 to fund system improvements. The bonds were placed with the Texas Water Development Board. The bonds bear interest at rates ranging from 0.02% to 2.33% and mature serially through December 1, 2043.

Combination Water and Sewer System Revenue Bonds, Series 2023 were issued by the District in November 2023 to fund system improvements. The bonds were placed with the Texas Water Development Board. The bonds bear interest at rates ranging from 2.6% to 3.49% and mature serially through December 1, 2043.

Combination Water and Sewer System Revenue Notes, Series 2024 were issued by the District in March 2024 to fund system improvements. The bonds were sold to the public and bear interest at rates ranging from 4% to 5.5%. The bonds mature serially through December 1, 2048.

Combination Water and Sewer System Revenue Bonds, Series 2024A were issued by the District in August 2024 to fund system improvements. The bonds were placed with the Texas Water Development Board. The bonds bear interest at rates ranging from 3.21% to 4.82% and mature serially through December 1, 2053.

The bonds require debt service and reserve accounts to which the District has complied.

All privately placed debts contain no subjective acceleration clauses, events of default with finance-related consequences, or termination events with finance-related consequences.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE G -- BONDS AND NOTES PAYABLE (CONTINUED)

The District's bond and note activity as of and for the year ending September 30, 2025 is as follows:

Bonds Payable, Series	Balance Outstanding 10/1/2024	Additions	Retirements	Balance Outstanding 9/30/2025	Due Within One Year
<i>Private Placements:</i>					
CoBank Notes	\$ 3,718,894	\$ -	\$ (308,873)	\$ 3,410,021	\$ 319,112
Promissory Notes	2,479,016	-	(452,225)	2,026,791	457,957
Revenue Bonds, Series 2015	2,817,000	-	(55,000)	2,762,000	56,000
Revenue Bonds, Series 2017	11,930,000	-	(530,000)	11,400,000	535,000
Revenue Bonds, Series 2023	1,950,000	-	(75,000)	1,875,000	75,000
Revenue Bonds, Series 2024A	18,470,000	-	-	18,470,000	355,000
<i>Public Offering:</i>					
Revenue Notes, Series 2024	8,050,000	-	(105,000)	7,945,000	180,000
Unamortized Premiums	146,553	-	(7,555)	138,998	-
Totals	\$ 49,561,463	\$ -	\$ (1,533,653)	\$ 48,027,810	\$ 1,978,069

The annual requirements to amortize all outstanding privately-placed debt as of September 30, 2025, including interest payments, are as follows:

Year End September 30,	Private Placements Direct Borrowings		Public Offerings		Total
	Principal Payments	Interest Payments	Principal Payments	Interest Payments	
2026	\$ 1,798,069	\$ 1,319,353	\$ 180,000	\$ 333,850	\$ 3,631,272
2027	1,836,476	1,275,132	190,000	323,675	3,625,283
2028	1,885,308	1,229,636	200,000	312,950	3,627,894
2029	1,918,576	1,182,109	215,000	301,538	3,617,223
2030	1,651,555	1,134,123	225,000	289,438	3,300,116
2031-2035	7,542,115	5,001,287	1,325,000	1,244,526	15,112,928
2036-2040	7,214,713	3,860,597	1,660,000	913,400	13,648,710
2041-2045	6,497,000	2,683,389	2,030,000	545,400	11,755,789
2046-2050	4,716,000	1,642,172	1,920,000	137,376	8,415,548
2051-2055	4,752,000	470,578	-	-	5,222,578
2056	132,000	1,820	-	-	133,820
Total	\$ 39,943,812	\$ 19,800,196	\$ 7,945,000	\$ 4,402,153	\$ 72,091,161

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE H -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

Plan Description

The District participates as one of 890 plans in the nontraditional, defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the state of Texas and administered in accordance with the TCDRS Act as an agent multiple-employer retirement system for County and District employees in the State of Texas. The Board of Trustees of TCDRS is responsible for the administration and management of the system. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years of service equals 80 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan. Members who withdraw their personal contributions in a partial lump sum are entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the District within the actuarial constraints imposed by the TCDRS Act so the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Contributions

The District has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. The District contributed the actuarially determined rates of 3.83% and 13.57% for the calendar years of 2024 and 2025, respectively.

The contribution rate payable by the employee members is 7% and the District matches 1 to 1 as adopted by the governing body of the District. In January, 2025, the matching rate increased from 1 to 1 to 2 to 1. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2025

NOTE H -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Continued)

Benefits Provided

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the District-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2024
Inactive Employees Receiving Benefits	4
Inactive Employees	28
Active Employees	31
	63

Net Pension Liability

The District's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	14.5 years (based on contribution rate calculated in 12/31/24 valuation)
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retiree Table for females, both projected with 100% of the MP-2021 Ultimate Scale after 2010.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2025

NOTE H -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Continued)

The long-term expected rate of return on pension plan investments is 7.50%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return (Geometric)</u>
US Equities	13.00%	5.35%
Global Equities	4.00%	5.15%
International Equities - Developed	6.00%	4.75%
International Equities - Emerging	0.00%	4.75%
Investment-Grade Bonds	3.00%	2.55%
Strategic Credit	9.00%	3.70%
Direct Lending	16.00%	6.85%
Distressed Debt	4.00%	6.80%
REIT Equities	2.00%	3.95%
Master Limited Partnerships (MLPs)	2.00%	4.95%
Commodities	2.00%	1.00%
Private Real Estate Partnerships	6.00%	5.75%
Private Equity	25.00%	8.15%
Hedge Funds	6.00%	3.60%
Cash Equivalents	2.00%	1.10%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2025

NOTE H -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Continued)

The following presents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.60%) or 1-percentage point higher (8.60%) than the current rate:

	Discount Rate 6.60%	Discount Rate 7.60%	Discount Rate 8.60%
Net Pension Liability (Asset)	\$ 1,130,058	\$ 553,959	\$ 106,125

Changes in Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2024:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2023	\$ 1,365,630	\$ 1,557,169	\$ (191,539)
Changes for the year:			
Service Cost	178,789	-	178,789
Interest on total pension liability	116,779	-	116,779
Change of Benefit Terms	788,123	-	788,123
Economic/Demographic gains or losses	78,322	-	78,322
Changes of Assumptions	-	-	-
Refund of Contributions	-	-	-
Benefit Payments	(15,994)	(15,994)	-
Administrative Expense	-	(1,066)	1,066
Member Contributions	-	155,916	(155,916)
Net Investment Income	-	163,498	(163,498)
Employer Contributions	-	85,308	(85,308)
Other	-	12,859	(12,859)
Net Changes	1,146,019	400,521	745,498
Balance at December 31, 2024	\$ 2,511,649	\$ 1,957,690	\$ 553,959

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained at www.tcdrs.com.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2025

NOTE H -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the District recognized pension expense of \$818,646. Also as of September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Outflows of of Resources	Deferred Inflows Inflows of of Resources
Differences between Expected and Actual Economic Experience	\$ 83,864	\$ 699
Changes in Actuarial Assumptions	8,825	209
Differences Between Projected and Actual Investment Earnings	-	6,794
Contributions Subsequent to the Measurement Date	266,237	-
	<u>\$ 358,926</u>	<u>\$ 7,702</u>

Deferred outflows of resources in the amount of \$266,237 result from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,	
2025	\$ 29,886
2026	35,751
2027	380
2028	5,918
2029	13,052
Thereafter	-
	<u>\$ 84,987</u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2025

NOTE I -- JOINT VENTURE – CANYON REGIONAL WATER AUTHORITY

The District is a member entity of Canyon Regional Water Authority (CRWA) through a regional taxable water supply contract dated August 1, 1998. CRWA was created to purchase, own, hold, lease and otherwise acquire sources of potable water; build, operate and maintain facilities for the treatment and transportation of water; sell potable water to local governments, water supply corporations and other persons in Texas; to protect, preserve and restore the purity and sanitary condition of water in the area. The participating entities, of which there are 13, are contractually obligated to fund a pro-rata portion of CRWA’s operating, debt service and project costs. The District has pledged its system revenues to fund its share of CRWA costs and debts (approximately 7%). For the fiscal year ended September 30, 2025, CRWA reported assets of \$190 million and liabilities of \$94 million, including bonds payable of \$87 million. Annual required funding payments are recorded as water purchases.

In addition, CRWA is a member of Alliance Regional Water Authority under a similar arrangement. In 2014, the District agreed to reimburse CRWA for 53.52% of CRWA’s share of Alliance in exchange for the future water developed by Alliance. The agreement required the District to fund the annual requirements in addition to the past costs incurred by CRWA in relation to the Alliance project. The District makes regular contributions for annual funding, and in 2025 the District began making payments on the prior costs, which are recognized as a liability on the Statement of Net Position in the amount of \$1,640,238. The District is responsible for approximately 16% of Alliance’s budget and debt. For the fiscal year ended September 30, 2024 (the most recent year available), Alliance reported assets of \$515 million and liabilities of \$337 million, including bonds payable of \$305 million. Annual required funding payments are recorded as water purchases.

Furthermore, the District entered into a reservation agreement with a development neighboring the District’s CCN. The reservation agreement reserves 20.19% of the District’s 53.52% of the Alliance responsibility and benefits. The development is billed monthly their share of the costs resulting from the Alliance project as a reservation fee.

NOTE J -- COMMITMENTS

As of September 30, 2025, the District had the following commitments related to construction projects:

	Total Commitment	Expended to Date	Estimated Remaining
Construction	\$ 5,450,630	\$ 5,131,040	\$ 319,590
Engineering	921,665	747,411	174,254
	\$ 6,372,295	\$ 5,878,451	\$ 493,844

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE K -- LITIGATION

The District is a participant of Canyon Regional Water Authority (CRWA). Management is aware of disagreements between participants and management of CRWA that may result in litigation. The disagreements revolve around contract disputes and the amount of water delivered to participants. While the District may not be a direct party on any litigation, it may be responsible for funding a share of the costs if decided adversely to CRWA. Legal counsel cannot predict any outcome or estimate any financial impact at this time. However, the potential direct, negative effects to the District are not expected to be significant to these financial statements.

The District is subject to several requests for decertifications from the District's CCN. The District is vigorously defending against these decertifications. If the District is not successful in stopping the decertifications, no immediate significant impact is expected to these financial statements. However, the District would lose future, potential revenue from these areas that could be significant.

BOARD MEETING 01/22/2025

REQUIRED SUPPLEMENTARY INFORMATION

BOARD MEETING 01/22/2026

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budget Amounts</u>		Actual Amounts (Budgetary Basis)	Variance With Final Budget- Positive (Negative)
	Original	Final		
Operating Revenues:				
Water Sales	\$ 12,204,101	\$ 12,204,101	\$ 13,103,575	\$ 899,474
Wastewater Charges	129,000	129,000	150,526	21,526
Other Charges	1,958,329	1,958,329	1,674,153	(284,176)
Total Operating Revenues	<u>14,291,430</u>	<u>14,291,430</u>	<u>14,928,254</u>	<u>636,824</u>
Operating Expenses:				
Water Purchase	7,567,004	7,657,004	6,725,527	931,477
Personnel	3,896,203	3,896,203	3,598,221	297,982
Operations and Maintenance	1,127,750	1,127,750	832,015	295,735
Professional Fees	1,299,750	1,299,750	1,614,638	(314,888)
Admin Expenses	335,500	335,500	297,643	37,857
Vehicles and Equipment	247,000	247,000	207,373	39,627
Utilities	169,400	169,400	172,306	(2,906)
Insurance	143,750	143,750	153,107	(9,357)
Total Operating Expenses	<u>14,786,357</u>	<u>14,876,357</u>	<u>13,600,830</u>	<u>1,275,527</u>
Operating Income (Loss)	<u>(494,927)</u>	<u>(584,927)</u>	<u>1,327,424</u>	<u>1,912,351</u>
Non-Operating Revenues (Expenses):				
Interest Income	150,000	150,000	1,565,428	1,415,428
Capital, Impact and Installation Fees	7,399,909	7,399,909	7,525,877	125,968
Capital Purchases	(32,083,084)	(31,993,084)	(6,419,817)	25,573,267
Principal & Interest on Long-Term Debt	(3,571,802)	(3,571,802)	(3,022,648)	549,154
Non-Operating Revenues	<u>(28,104,977)</u>	<u>(28,014,977)</u>	<u>(351,160)</u>	<u>27,663,817</u>
Budgetary Net Income	<u><u>\$(28,599,904)</u></u>	<u><u>\$(28,599,904)</u></u>	<u><u>\$ 976,264</u></u>	<u><u>\$ 29,576,168</u></u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 NOTES TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

The budget is prepared on a cash basis of accounting. The annually adopted budget is not a legally binding document, but is used as a planning tool. The District does not use encumbrance accounting.

The following schedule reconciles the budgetary basis to generally accepted accounting principles.

Net Income (Budgetary Basis)	\$ 976,264
Bond Principal Payments	1,533,653
Capital Purchases	6,419,817
Gain on Sale of Property/Equipment	7,000
Change in Pension Liability for Increased Matching Ratio	(528,103)
Depreciation	<u>(1,960,351)</u>
Change in Net Position (GAAP Basis)	<u><u>\$ 6,448,280</u></u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
FOR THE NINE PLAN (CALENDAR) YEARS

	Total Pension Liability								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Service Cost	\$ 51,116	\$ 81,798	\$ 86,710	\$ 123,711	\$ 158,386	\$ 202,735	\$ 171,090	\$ 181,659	\$ 178,789
Interest (on the Total Pension Liability)	2,030	10,608	16,376	28,758	46,210	66,917	81,880	98,194	116,779
Changes of Benefit Terms	-	-	-	-	-	5,111	-	-	788,123
Difference between Expected and Actual Experience	44	(9,839)	32,719	37,023	15,018	(3,499)	12,419	758	78,322
Change of Assumptions	-	(83)	-	-	52,960	(1,041)	-	-	-
Benefit Payments, Including Refunds of									
Employee Contributions	-	(8,217)	(24,475)	(15,225)	(1,929)	(12,112)	(72,384)	(49,796)	(15,994)
Net Change in Total Pension Liability	53,190	74,267	111,330	174,267	270,645	258,111	193,005	230,815	1,146,019
Total Pension Liability - Beginning	-	53,190	127,457	238,787	413,054	683,699	941,810	1,134,815	1,365,630
Total Pension Liability - Ending	\$ 53,190	\$ 127,457	\$ 238,787	\$ 413,054	\$ 683,699	\$ 941,810	\$ 1,134,815	\$ 1,365,630	\$ 2,511,649
	Plan Fiduciary Net Position								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contributions - Employer	\$ 17,706	\$ 32,415	\$ 45,759	\$ 113,104	\$ 129,487	\$ 123,901	\$ 65,151	\$ 70,373	\$ 85,308
Contributions - Employee	32,109	58,016	82,279	64,636	129,487	123,901	121,615	134,228	155,916
Net Investment Income	-	8,704	(1,498)	40,473	47,605	195,665	(80,397)	139,504	163,498
Benefit Payments, Including Refunds of									
Employee Contributions	-	(8,217)	(24,475)	(15,225)	(1,929)	(12,112)	(72,384)	(49,796)	(15,994)
Administrative Expense	-	(95)	(199)	(347)	(562)	(652)	(736)	(813)	(1,066)
Other	754	1,101	3,101	5,627	7,651	6,889	17,113	8,252	12,859
Net Change in Plan Fiduciary Net Position	50,569	91,924	104,967	208,268	311,739	437,592	50,362	301,748	400,521
Plan Fiduciary Net Position - Beginning	-	50,569	142,493	247,460	455,728	767,467	1,205,059	1,255,421	1,557,169
Plan Fiduciary Net Position - Ending	\$ 50,569	\$ 142,493	\$ 247,460	\$ 455,728	\$ 767,467	\$ 1,205,059	\$ 1,255,421	\$ 1,557,169	\$ 1,957,690
Net Pension Liability (Asset) - Ending	\$ 2,621	\$ (15,036)	\$ (8,673)	\$ (42,674)	\$ (83,768)	\$ (263,249)	\$ (120,606)	\$ (191,539)	\$ 553,959
Plan Fiduciary Net Position as a									
Percentage of Total Pension Liability	95.07%	111.80%	103.63%	110.33%	112.25%	127.95%	110.63%	114.03%	77.94%
Covered Payroll	\$ 458,699	\$ 828,805	\$ 1,175,420	\$ 1,615,767	\$ 1,849,808	\$ 1,770,017	\$ 1,737,364	\$ 1,917,537	\$ 2,227,373
Net Pension Liability as a Percentage of Covered Payroll	0.57%	-1.81%	-0.74%	-2.64%	-4.53%	-14.87%	-6.94%	-9.99%	24.87%

The District began participating in the plan in 2016. Information will be accumulated until ten years are presented.

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions As Percent of Payroll
2025	\$ 290,542	\$ 290,542	-	\$ 2,596,559	11.19%
2024	82,105	82,105	-	2,167,761	3.79%
2023	68,178	68,178	-	1,846,714	3.69%
2022	55,490	77,187	(21,697)	1,675,221	4.61%
2021	49,740	131,100	(81,360)	1,872,864	7.00%
2020	56,085	114,509	(58,424)	1,831,356	6.25%
2019	55,134	55,134	-	1,384,658	3.98%
2018	41,861	41,923	(62)	1,077,933	3.89%
2017	29,934	29,934	-	775,492	3.86%
2016	11,039	11,039	-	285,984	3.86%

Valuation Timing:

Actuarially determined contribution rates are calculated as of December 31, one year prior to the end of the fiscal year in which the contributions are reported.

Notes to Schedule:

Changes in Assumptions
 2015: New inflation, mortality and other assumptions
 2017: New mortality assumptions
 2019: New inflation, mortality and other assumptions
 2022: New investment return and inflation assumptions were reflected

Changes in Plan Provisions
 2017: New annuity purchase rates

SUPPLEMENTARY INFORMATION

The following Supplementary Information is required to be included as additional information by the Texas Commission on Environmental Quality (TCEQ).

BOARD MEETING 01/22/2026

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
TSI-1. SERVICES AND RATES
FISCAL YEAR ENDING SEPTEMBER 30, 2025

1. Services Provided by the District during the Fiscal Year:

- | | | |
|--|---|-------------------------------------|
| <input checked="" type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input type="checkbox"/> Participates in joint venture, regional system, and/or wastewater service (other than emergency interconnect) | | |
| <input type="checkbox"/> Other (specify): _____ | | |

2. Retail Service Providers

Retail Rates for a 5/8" Meter				Rate per 1,000	Usage
	Minimum Charge	Minimum Usage	Flat Rate	Gallons Over Minimum	Level
Water	\$ 88.15	N/A	No	\$ 6.67	0 to 5,000
				\$ 7.34	5,000 to 10,000
				\$ 8.73	10,000 to 20,000
				\$ 11.79	20,000 to 50,000
				\$ 15.07	50,000 to 70,000
				\$ 15.72	Over 70,000
Wastewater	\$ 38.94	N/A	No	\$ 3.08	0 to 5,000
				\$ 3.38	Over 5,000
Surcharge	\$ -			\$ -	

District employs winter averaging for wastewater usage? No

Total Charges per 10,000 gallons usage:

Water	\$ 158.20
Wastewater	\$ 71.24

Water and Wastewater Retail Connections

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	0	0	1.0	0
<=3/4"	7,203	7,203	1.0	7,203
1"	40	40	2.5	100
1 1/2"	7	7	5.0	35
2"	23	23	8.0	184
3"	29	29	15.0	435
4"	2	2	25.0	50
6"	7	7	50.0	350
8"	0	0	80.0	0
10"	0	0	115.0	0
Total Water	7,311	7,311		8,357
Total Wastewater	433	433	1.0	433

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 TSI-1. SERVICES AND RATES (CONTINUED)
 FISCAL YEAR ENDING SEPTEMBER 30, 2025

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system	761,450,119		Water Accountability Ratio: (Gallons billed/Gallons pumped)
Gallons billed to customers:	601,323,857		79%

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby Fees? Yes No

If yes, Date of the most recent Commission Order: _____

Does the District have Operation and Maintenance standby fees? Yes No

If yes, Date of the most recent Commission Order: _____

5. Location of District:

Counties in which the District is located: Guadalupe, Comal, Hays

Is the District located entirely within one county? Yes No

Is the District located within a city? Entirely Partly Not at all

Cities in which the District is located: San Marcos, Seguin, New Braunfels

Is the District located within a city's extra territorial jurisdiction (ETJ)?
 Entirely Partly Not at all

ETJs in which the District is located: San Marcos, Seguin, New Braunfels

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom? _____

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 TSI-2. ENTERPRISE FUND EXPENSES
 FISCAL YEAR ENDING SEPTEMBER 30, 2025

Personnel Expenditures (including benefits)		\$	4,126,324
Professional Fees:			
Legal			898,664
Engineering			629,151
Accounting and Audit			18,025
Other			68,798
Water and Transmission Costs			6,725,527
Utilities			172,306
Repairs and Maintenance			1,039,388
Administrative Expenses			450,750
Depreciation and Amortization			1,960,351
Interest			<u>1,488,995</u>
Total Expenses		\$	<u>17,578,279</u>
Total number of persons employed by the District	Full-Time		<u>33</u>
	Part-Time		<u>0</u>

The following sections have been omitted since they do not pertain to this entity:

- TSI-3. Temporary Investments
- TSI-4. Taxes Levied and Receivable

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

Combination Water and Sewer Revenue Refunding Bonds, Series 2015

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2026	\$ 56,000	\$ 75,187	\$ 131,187
2027	58,000	73,620	131,620
2028	60,000	72,192	132,192
2029	61,000	70,334	131,334
2030	63,000	68,629	131,629
2031	65,000	66,869	131,869
2032	67,000	65,229	132,229
2033	69,000	63,184	132,184
2034	71,000	61,259	132,259
2035	73,000	59,279	132,279
2036	75,000	57,398	132,398
2037	77,000	55,154	132,154
2038	79,000	53,009	132,009
2039	82,000	50,796	132,796
2040	84,000	48,643	132,643
2041	86,000	46,176	132,176
2042	89,000	43,770	132,770
2043	91,000	41,295	132,295
2044	94,000	38,854	132,854
2045	97,000	36,125	133,125
2046	100,000	33,416	133,416
2047	102,000	30,639	132,639
2048	105,000	27,865	132,865
2049	108,000	24,864	132,864
2050	111,000	21,853	132,853
2051	115,000	18,746	133,746
2052	118,000	15,580	133,580
2053	121,000	12,256	133,256
2054	125,000	8,873	133,873
2055	128,000	5,395	133,395
2056	132,000	1,820	133,820
	<u>\$ 2,762,000</u>	<u>\$ 1,348,309</u>	<u>\$ 4,110,309</u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2025

Combination Water and Sewer System Revenue Bonds, Series 2017

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2026	\$ 535,000	\$ 224,261	\$ 759,261
2027	545,000	216,940	761,940
2028	555,000	208,714	763,714
2029	560,000	199,681	759,681
2030	575,000	189,917	764,917
2031	585,000	179,504	764,504
2032	595,000	168,499	763,499
2033	605,000	156,887	761,887
2034	620,000	144,604	764,604
2035	630,000	131,728	761,728
2036	645,000	118,339	763,339
2037	660,000	104,374	764,374
2038	675,000	89,821	764,821
2039	690,000	74,737	764,737
2040	705,000	59,147	764,147
2041	725,000	42,951	767,951
2042	740,000	26,139	766,139
2043	755,000	8,796	763,796
	<u>\$ 11,400,000</u>	<u>\$ 2,345,039</u>	<u>\$ 13,745,039</u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2025

Combination Water and Sewer System Revenue Bonds
 Series 2023

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2026	\$ 75,000	\$ 56,733	\$ 131,733
2027	75,000	54,757	129,757
2028	80,000	52,742	132,742
2029	80,000	50,658	130,658
2030	85,000	48,484	133,484
2031	85,000	46,181	131,181
2032	90,000	43,752	133,752
2033	90,000	41,218	131,218
2034	95,000	38,567	133,567
2035	95,000	35,769	130,769
2036	100,000	32,799	132,799
2037	105,000	29,580	134,580
2038	105,000	26,184	131,184
2039	110,000	22,619	132,619
2040	115,000	18,838	133,838
2041	115,000	14,945	129,945
2042	120,000	10,932	130,932
2043	125,000	6,706	131,706
2044	130,000	2,269	132,269
	<u>\$ 1,875,000</u>	<u>\$ 633,733</u>	<u>\$ 2,508,733</u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2025

Combination Water and Sewer System Revenue Notes,
 Series 2024

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2026	\$ 180,000	\$ 333,850	\$ 513,850
2027	190,000	323,675	513,675
2028	200,000	312,950	512,950
2029	215,000	301,538	516,538
2030	225,000	289,438	514,438
2031	235,000	276,788	511,788
2032	250,000	263,450	513,450
2033	265,000	249,288	514,288
2034	280,000	234,300	514,300
2035	295,000	220,700	515,700
2036	305,000	208,700	513,700
2037	320,000	196,200	516,200
2038	330,000	183,200	513,200
2039	345,000	169,700	514,700
2040	360,000	155,600	515,600
2041	375,000	140,900	515,900
2042	390,000	125,600	515,600
2043	405,000	109,700	514,700
2044	420,000	93,200	513,200
2045	440,000	76,000	516,000
2046	455,000	59,238	514,238
2047	470,000	43,050	513,050
2048	490,000	26,250	516,250
2049	505,000	8,838	513,838
	<u>\$ 7,945,000</u>	<u>\$ 4,402,153</u>	<u>\$ 12,347,153</u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2025

Combination Water and Sewer System Revenue Notes,
 Series 2024A

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2026	\$ 355,000	\$ 784,534	\$ 1,139,534
2027	365,000	772,046	1,137,046
2028	380,000	759,665	1,139,665
2029	390,000	747,153	1,137,153
2030	405,000	734,314	1,139,314
2031	420,000	721,032	1,141,032
2032	430,000	707,347	1,137,347
2033	445,000	693,149	1,138,149
2034	460,000	678,305	1,138,305
2035	475,000	662,308	1,137,308
2036	495,000	644,668	1,139,668
2037	515,000	625,291	1,140,291
2038	535,000	604,285	1,139,285
2039	555,000	581,797	1,136,797
2040	580,000	557,613	1,137,613
2041	605,000	531,686	1,136,686
2042	635,000	504,059	1,139,059
2043	665,000	474,642	1,139,642
2044	695,000	443,390	1,138,390
2045	730,000	410,657	1,140,657
2046	760,000	376,609	1,136,609
2047	800,000	340,765	1,140,765
2048	835,000	302,870	1,137,870
2049	875,000	262,852	1,137,852
2050	920,000	220,439	1,140,439
2051	965,000	175,622	1,140,622
2052	1,010,000	128,466	1,138,466
2053	1,060,000	78,889	1,138,889
2054	1,110,000	26,751	1,136,751
	<u>\$ 18,470,000</u>	<u>\$ 14,551,204</u>	<u>\$ 33,021,204</u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2025

Fiscal Year Ending September 30,	Annual Requirements for all Series		
	Principal Due Each Year	Interest Due Each Year	Total
2026	\$ 1,201,000	\$ 1,474,565	\$ 2,675,565
2027	1,233,000	1,441,038	2,674,038
2028	1,275,000	1,406,263	2,681,263
2029	1,306,000	1,369,364	2,675,364
2030	1,353,000	1,330,782	2,683,782
2031	1,390,000	1,290,374	2,680,374
2032	1,432,000	1,248,277	2,680,277
2033	1,474,000	1,203,726	2,677,726
2034	1,526,000	1,157,035	2,683,035
2035	1,568,000	1,109,784	2,677,784
2036	1,620,000	1,061,904	2,681,904
2037	1,677,000	1,010,599	2,687,599
2038	1,724,000	956,499	2,680,499
2039	1,782,000	899,649	2,681,649
2040	1,844,000	839,841	2,683,841
2041	1,906,000	776,658	2,682,658
2042	1,974,000	710,500	2,684,500
2043	2,041,000	641,139	2,682,139
2044	1,339,000	577,713	1,916,713
2045	1,267,000	522,782	1,789,782
2046	1,315,000	469,263	1,784,263
2047	1,372,000	414,454	1,786,454
2048	1,430,000	356,985	1,786,985
2049	1,488,000	296,554	1,784,554
2050	1,031,000	242,292	1,273,292
2051	1,080,000	194,368	1,274,368
2052	1,128,000	144,046	1,272,046
2053	1,181,000	91,145	1,272,145
2054	1,235,000	35,624	1,270,624
2055	128,000	5,395	133,395
2056	132,000	1,820	133,820
	<u>\$ 42,452,000</u>	<u>\$ 23,280,438</u>	<u>\$ 65,732,438</u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
TSI-6. CHANGES IN LONG-TERM BONDED DEBT
FISCAL YEAR ENDING SEPTEMBER 30, 2025

	USDA Series 2015	TWDB Series 2017	TWDB Series 2023	TWDB Series 2024	TWDB Series 2024A	Total
Interest Rate	2.75%	0.02-2.33%	2.6-3.49%	4.0-5.5%	3.21-4.82%	
Dates Interest Payable	Jun 1; Dec 1	Jun 1; Dec 1	Jun 1; Dec 1	Jun 1; Dec 1	Jun 1; Dec 1	
Maturity Dates	12/1/2055	12/1/2042	12/1/2043	12/1/2048	12/1/2053	
Beginning Bonds Outstanding	\$ 2,817,000	\$ 11,930,000	\$ 1,950,000	\$ 8,050,000	\$ 18,470,000	\$ 43,217,000
Bonds Sold During the Year	-	-	-	-	-	-
Bonds Retired During the Year	(55,000)	(530,000)	(75,000)	(105,000)	-	(765,000)
Ending Bonds Outstanding	<u>\$ 2,762,000</u>	<u>\$ 11,400,000</u>	<u>\$ 1,875,000</u>	<u>\$ 7,945,000</u>	<u>\$ 18,470,000</u>	<u>\$ 42,452,000</u>
Interest Paid During the Year	<u>\$ 76,680</u>	<u>\$ 230,547</u>	<u>\$ 58,766</u>	<u>\$ 427,831</u>	<u>\$ 609,615</u>	<u>\$ 1,403,439</u>
Paying Agent's Name	USDA	BOKF, NA	BOKF, NA	BOKF, NA	BOKF, NA	
City	Seguin, TX	Dallas, TX	Dallas, TX	Dallas, TX	Dallas, TX	
<i>Bond Authority</i>						
Amount Authorized by						
The Board of Directors	\$ 3,200,000	\$ 15,000,000	\$ 1,950,000	\$ 8,050,000	\$ 18,470,000	\$ 46,670,000
Amount Issued	<u>3,200,000</u>	<u>15,000,000</u>	<u>1,950,000</u>	<u>8,050,000</u>	<u>18,470,000</u>	<u>46,670,000</u>
Remaining to be Issued	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service Cash and Investments as of September 30						<u>\$ 1,186,108</u>
Average Annual Debt Service						<u>\$ 2,120,401</u>

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FISCAL YEAR ENDING SEPTEMBER 30, 2025

						Percent of Total Revenues				
	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
Operating Revenues:										
Water Sales	\$8,170,634	\$9,152,688	\$10,847,113	\$11,164,087	\$13,103,575	93.6%	93.1%	94.6%	89.7%	87.8%
Wastewater Charges	97,993	126,481	135,125	132,124	150,526	1.1%	1.3%	1.2%	1.1%	1.0%
Other Charges	459,598	551,926	483,332	1,143,850	1,674,153	5.3%	5.6%	4.2%	9.2%	11.2%
Total Operating Revenues	8,728,225	9,831,095	11,465,570	12,440,061	14,928,254	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Expenses:										
Water Purchase	3,291,729	3,963,504	4,635,473	5,903,712	6,725,527	37.7%	40.3%	40.4%	47.5%	45.1%
Personnel	2,293,954	2,136,762	2,448,881	2,808,669	4,126,324	26.3%	21.7%	21.4%	22.6%	27.6%
Depreciation	1,014,626	1,146,470	1,244,222	1,739,355	1,960,351	11.6%	11.7%	10.9%	14.0%	13.1%
Operations and Maintenance	574,209	1,023,278	878,225	785,483	832,015	6.6%	10.4%	7.7%	6.3%	5.6%
Professional Fees	716,651	1,332,923	800,908	1,487,204	1,614,638	8.2%	13.6%	7.0%	12.0%	10.8%
Admin Expenses	213,037	238,809	257,766	364,380	297,643	2.4%	2.4%	2.2%	2.9%	2.0%
Vehicles and Equipment	199,521	185,381	225,208	180,498	207,373	2.3%	1.9%	2.0%	1.5%	1.4%
Utilities	135,864	133,827	142,864	152,822	172,306	1.6%	1.4%	1.2%	1.2%	1.2%
Insurance	70,089	88,955	100,780	120,271	153,107	0.8%	0.9%	0.9%	1.0%	1.0%
Total Operating Expenses	8,509,680	10,249,909	10,734,327	13,542,394	16,089,284	97.5%	104.3%	93.6%	108.9%	107.8%
Operating Income (Loss)	218,545	(418,814)	731,243	(1,102,333)	(1,161,030)	2.5%	-4.3%	6.4%	-8.9%	-7.8%
Non-Operating Revenues (Expenses):										
Interest Income	2,414	24,406	409,047	744,527	1,565,428	0.0%	0.2%	3.6%	6.0%	10.5%
Capital, Reservation and Installation Fees	2,440,601	7,032,432	4,333,698	5,694,599	7,525,877	28.0%	71.5%	37.8%	45.8%	50.4%
Gain on the Sale of Property/Equipment	1,022,019	-	-	-	7,000	11.7%	0.0%	0.0%	0.0%	0.0%
Other Revenues	-	-	200,116	4,061	-	0.0%	0.0%	1.7%	0.0%	0.0%
Debt Issuance Costs	-	-	-	(762,389)	-	0.0%	0.0%	0.0%	-6.1%	0.0%
Interest Expense	(602,456)	(581,826)	(544,453)	(1,006,408)	(1,488,995)	-6.9%	-5.9%	-4.7%	-8.1%	-10.0%
Total Non-Operating Revenues (Expenses)	2,862,578	6,475,012	4,398,408	4,674,390	7,609,310	32.8%	65.9%	38.4%	37.6%	51.0%
Change in Net Position	\$3,081,123	\$6,056,198	\$ 5,129,651	\$ 3,572,057	\$ 6,448,280	35.3%	61.6%	44.7%	28.7%	43.2%

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
TSI-8. BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
FISCAL YEAR ENDING SEPTEMBER 30, 2025

Complete Entity Mailing Address: 2370 FM 1979, San Marcos, TX 78666

Entity Business Telephone Number: 830-372-1031

Submission Date of the most recent Registration Form: May 2021

Limit of Fees of Office that a Trustee may receive during a fiscal year: \$7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid* 9/30/25	Expense Reimbursements 9/30/25	Title at Year End
Board of Trustees:				
Mike Cox	1/11-12/25	---	---	Director
Joseph Benavides	1/25-12/27	---	---	Director
Allen Pooley	4/20-12/25	---	---	Secretary
Nick Reininger	12/21-12/27	---	---	Vice President
Robert Snipes	1/23-12/25	---	---	Treasurer
Andrea Velasquez	1/24-12/26	---	---	Director
Vacant	5/22-7/25	---	---	President
Administrative Personnel:				
Regina Franke	8/15/2016	\$ 139,536	\$ -	General Manager
Consultants:				
M&S Engineering		\$ 1,294,419		Engineer
Terrill & Waldrop		\$ 749,589		Attorney
Garver LLC		\$ 196,185		Engineer
Texas Land & Right of Way Company		\$ 180,400		ROW Agent
Freese and Nichols		\$ 126,627		Engineer
Ardurra Group, Inc.		\$ 43,354		Engineer
Willdan Financial Services		\$ 25,468		Rate Consultant
Armstrong, Vaughan & Associates, P.C.		\$ 18,025		Auditor

*Fees of Office are the amounts actually paid to a director during the District's fiscal year.

COMPLIANCE SECTION

BOARD MEETING 01/22/2026



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Crystal Clear Special Utility District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Crystal Clear Special Utility District as of September 30, 2025 and for the year then ended, and the related notes to the financial statements, which collectively comprise Crystal Clear Special Utility District's basic financial statements, and have issued our report thereon dated January 9, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crystal Clear Special Utility District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crystal Clear Special Utility District's internal control. Accordingly, we do not express an opinion on the effectiveness of Crystal Clear Special Utility District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crystal Clear Special Utility District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of Crystal Clear Special Utility District in a separate letter dated January 9, 2026.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

January 9, 2026

BOARD MEETING 01/09/2026



INDEPENDENT AUDITOR'S REPORT

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

Board of Directors
Crystal Clear Special Utility District
San Marcos, TX

Report on Compliance for Each Major Federal Program

We have audited Crystal Clear Special Utility District's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025. Crystal Clear Special Utility District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Crystal Clear Special Utility District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Crystal Clear Special Utility District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Crystal Clear Special Utility District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Crystal Clear Special Utility District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Crystal Clear Special Utility District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Crystal Clear Special Utility District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Crystal Clear Special Utility District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Crystal Clear Special Utility District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Crystal Clear Special Utility District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

January 9, 2026

BOARD MEETING 01/22/2026

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Any material weaknesses identified? Yes No

Any significant deficiencies identified? Yes No

Noncompliance material to financial Statements noted? Yes No

2. Federal Awards

Internal control over major programs:

Any material weaknesses identified? Yes No

Any significant deficiencies identified? Yes No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and type B Programs: \$1,000,000

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

D. Prior Audit Findings

NONE

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S ENVIRONMENTAL PROTECTION AGENCY			
<i>Passed through Texas Water Development Board</i>			
Drinking Water State Revolving Funds	66.468	L1001697	\$ 1,039,056
	Total		<u>\$ 1,039,056</u>

BOARD MEETING 01/22/2026

CRYSTAL CLEAR SPECIAL UTILITY DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal grant funds are considered to be expended as purchases are made under the provisions of the grant, and accordingly, may be in advance of the reimbursements received.

The Drinking Water State Revolving Funds program is a loan through the Texas Water Development Board and not from the Federal government. Thus, the loan amount is not reported on the face of the Schedule of Federal Expenditures and federal expenditures are recorded when expenses are incurred, not when advances from loan proceeds are made.

The District has not elected to use the 10% de minimis indirect cost rate as allowed by Uniform Guidance.

BOARD MEETING 01/22/2026



BOARD MEETING 01/22/2026



**Meter
Requests and
Feasibility
Studies**

**January 2026
Board Meeting**

BOARD MEETING 01/22/2026

Standard Service Request vs. Non-Standard Service Request

Standard Service Request

- Single residential or commercial LUE (5/8" meter)
- Does not include fire flow
- Line capacities and system pressures



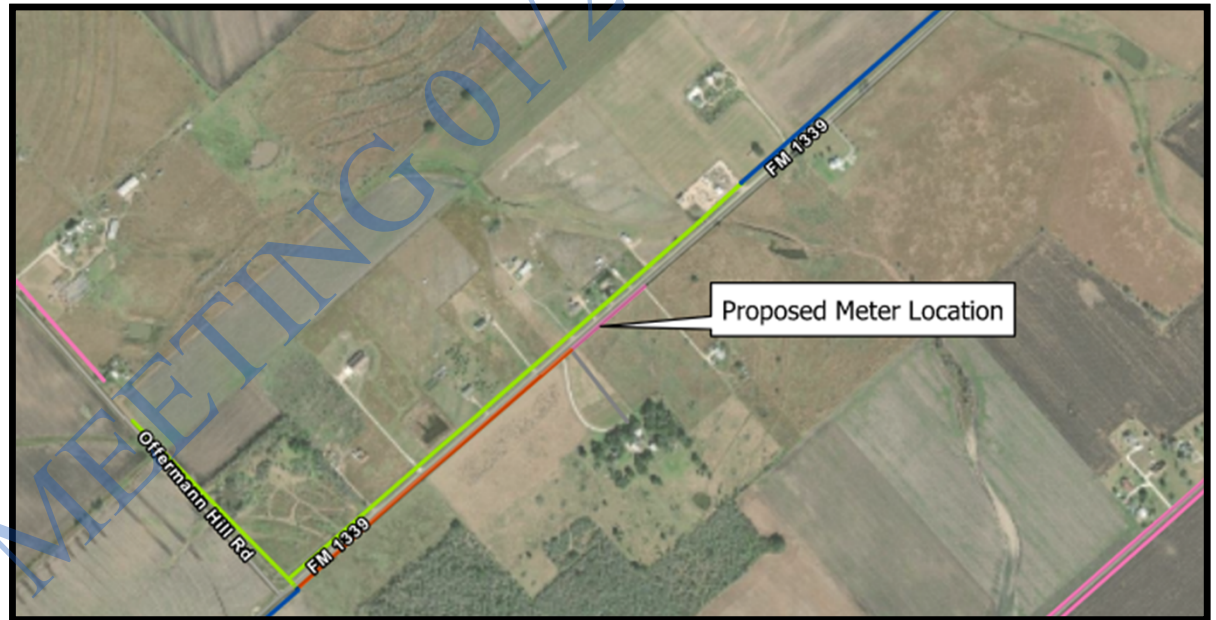
Non-Standard Service Request

- Commercial development request that is usually for multiple LUEs
- May include fire flow
- Water modeling/Hydraulic calculations



Standard Service Request

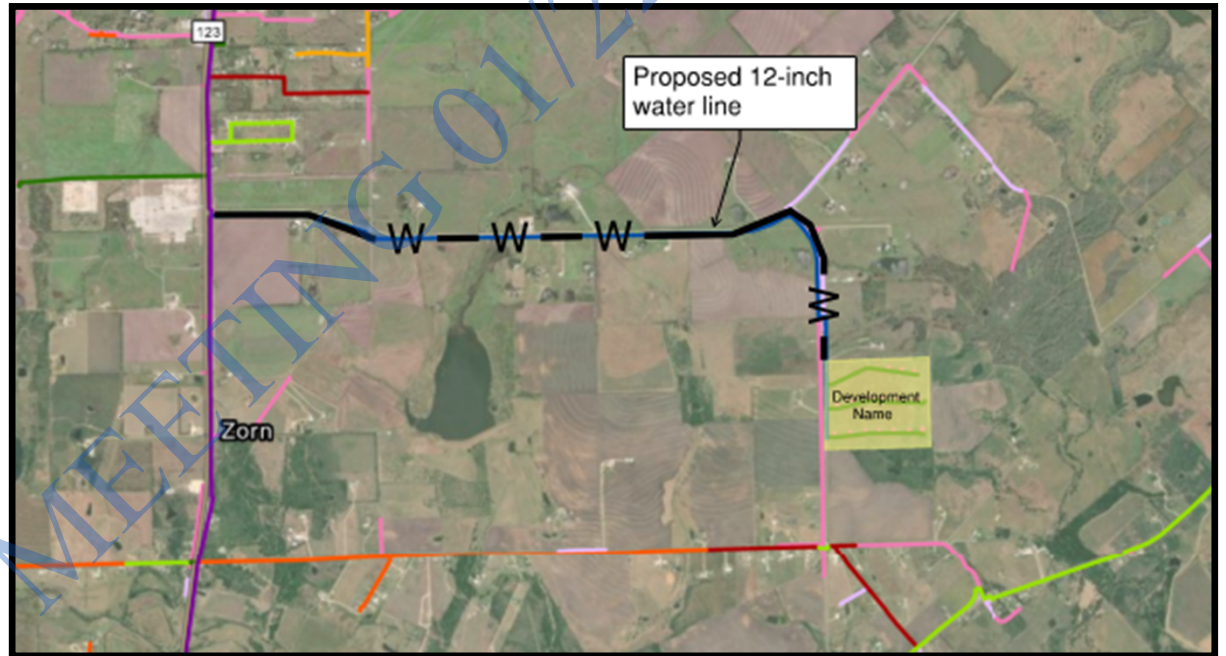
- Service Availability Request form and a map of requested meter location are received.
- M&S reviews location, pressures, and surrounding infrastructure to determine if there is available capacity for the additional meter.
- A summary of findings, recommendations, and a map of the requested meter location are provided to CCSUD.



Non-Standard Service Request

Steps

- Application
- Modeling/Hydraulic Calculations
- Results and Notes
- Summary and Findings



Water Feasibility Study Service Application



Water Feasibility Study Service Application

Please Print: _____ Date of Application: _____

Name of Proposed Development: _____

Name of Applicant(s)*: _____

Service Location*: _____

Mailing Address*: _____

Phone No*: _____ Mobile No: _____

Email*: _____

Engineer*(required): _____ Phone No*: _____

Note*: Feasibility study fees are estimated and additional fees may be necessary to complete the work. If encountered, the engineer will notify Crystal Clear SUD and we will invoice the customer. Work on the project may cease until proper payment is received. Crystal Clear SUD must be notified if the project engineer changes, and emailed updated contact information at that time.

Please provide legal description of property as listed in deed records, filed plat, or another acceptable instrument. Please provide or attach acreage, vicinity, physical location, approved plat, etc.*: _____

Check Type of Service (check all that apply)*:

- Subdivision/Development
- Commercial/Industrial Park
- Fire Suppression Line/ Fire Hydrant
- Apartment (Multi-Family Units)
- Irrigation
- Other: _____
- Mobile Home Park
- RV Park

Is the property located within a City Limits*? Yes, City? _____ No

Is the property located within an ETJ of a City*? Yes, City? _____ No

What County is the property located within*? _____

Will the development require fire flow*? Yes, _____ gpm for _____ hours No

***If yes, the developer is required to get in contact with the fire Marshall to derive fire flow demand needed specific to the development building. The developer will be required to submit a letter of correspondence from the fire Marshall confirming that fire flow demand, to CCSUD.**

If fire flow is needed is the developer willing to let CCSUD construct, operate, and maintain an elevated storage tank on the developer's property? Yes No

On Site Septic Facility (OSSF) Yes No *If no, what are your plans for Wastewater? _____

*** If wastewater is required for the development a separate wastewater study/fee will need to be submitted, this study is for WATER only.**

Residential

*Maximum number of proposed lots or apartment units: _____

*Demand calculations (Please provide/attach the completed LUE calculator and Fixture unit calculator when applicable):

*Maximum number of LUEs (Must match the number listed in the completed LUE calculator): _____

Date domestic potable water service requested to begin: _____

Additional water meters for non-residential use? Yes No

- Irrigation Meters: _____ inch How Many? _____
- Amenity Center Meters: _____ inch How Many? _____

- Other, list what it will be used for, and size of meter needed: _____ inch. How Many? _____

Commercial/Industrial

Additional water meters? Yes No

- Irrigation Meters: _____ inch How Many? _____
- Other, list what it will be used for, and size of meter needed: _____ inch. How Many? _____

*Demand calculations (Please provide/attach the completed LUE calculator and Fixture unit calculator when applicable):

*Maximum number of LUEs (Must match the number listed in the completed LUE calculator): _____

Please provide phasing schedule below or specify N/A if one is not available. _____

Phase Number	Number of LUEs	Construction Start Date
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

***Please note that if any irrigation meters are requested, CCSUD requires to have a separate standard 5/8 meter for that intended use only, per our Rules and Regulations.**

Print Name _____ Sign Name _____

Title _____ Date _____

Do not write below this line-OFFICE USE ONLY

Date Application Returned: _____ Date Paid: _____
Feasibility Analysis Fee: _____ CSR: _____

Checklist of Application Requirements:

Residential	Commercial
<input type="checkbox"/> Location Information (Map, City, ETJ, County)	<input type="checkbox"/> Location Information (Map, City, ETJ, County)
<input type="checkbox"/> Number of Lots and meter information	<input type="checkbox"/> Meter Information
<input type="checkbox"/> Phasing (if applicable)	<input type="checkbox"/> Fire Flow Information
<input type="checkbox"/> Fire Flow Information	<input type="checkbox"/> Complete CCSUD LUE Calculator Excel
<input type="checkbox"/> Complete CCSUD LUE Calculator Excel	

Comments: _____



Water Feasibility Study Service Application

Please Print:

Date of Application: _____

Name of Proposed Development: _____

Name of Applicant(s)*: _____

Service Location*: _____

Mailing Address*: _____

Phone No*: _____ Mobile No: _____

Email*: _____

Engineer*(required): _____ Phone No*: _____

Note*: Feasibility study fees are estimated and additional fees may be necessary to complete the work. If encountered, the engineer will notify Crystal Clear SUD and we will invoice the customer. Work on the project may cease until proper payment is received. Crystal Clear SUD must be notified if the project engineer changes, and emailed updated contact information at that time.

Please provide legal description of property as listed in deed records, filed plat, or another acceptable instrument. Please provide or attach acreage, vicinity, physical location, approved plat, etc.*: _____

Check Type of Service (check all that apply) *:

- | | | |
|--|---|---|
| <input type="checkbox"/> Subdivision/ Development | <input type="checkbox"/> Apartment (Multi-Family Units) | <input type="checkbox"/> Mobile Home Park |
| <input type="checkbox"/> Commercial/ Industrial Park | <input type="checkbox"/> Irrigation | <input type="checkbox"/> RV Park |
| <input type="checkbox"/> Fire Suppression Line/ Fire Hydrant | <input type="checkbox"/> Other _____ | |

Is the property located within a City Limits*? Yes, City? _____ No

Is the property located within an ETJ of a City*? Yes, City? _____ No

What County is the property located within*? _____

Will the development require fire flow*? Yes, _____ gpm for _____ hours No

***If yes, the developer is required to get in contact with the fire Marshall to derive fire flow demand needed specific to the development/building. The developer will be required to submit a letter of correspondence from the fire Marshall confirming that fire flow demand, to CCSUD.**

If fire flow is needed is the developer willing to let CCSUD construct, operate, and maintain an elevated storage tank on the developer's property? Yes No

On Site Septic Facility (OSSF) Yes No *If no, what are your plans for Wastewater? _____

*** If wastewater is required for the development a separate wastewater study/fee will need to be submitted, this study is for WATER only.**

Residential

*Maximum number of proposed lots or apartment units: _____

*Demand calculations (Please provide/attach the completed LUE calculator and Fixture unit calculator when applicable):

*Maximum number of LUEs (Must match the number listed in the completed LUE calculator): _____

Date domestic potable water service requested to begin: _____

Additional water meters for non-residential use? Yes No

▪ Irrigation Meters: _____ inch How Many? _____

▪ Amenity Center Meters: _____ inch How Many? _____

- Other, list what it will be used for, and size of meter needed: _____, _____ inch. How Many? _____

Commercial/ Industrial

Additional water meters? Yes No

- Irrigation Meters: _____ inch How Many? _____
- Other, list what it will be used for, and size of meter needed: _____, _____ inch. How Many? _____

*Demand calculations (Please provide/attach the completed LUE calculator and Fixture unit calculator when applicable):

*Maximum number of LUEs (Must match the number listed in the completed LUE calculator): _____

Please provide phasing schedule below or specify N/A if one is not available. _____

Phase Number	Number of LUEs	Construction Start Date
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

***Please note that if any irrigation meters are requested, CCSUD requires to have a separate standard 5/8 meter for that intended use only, per our Rules and Regulations.**

Print Name _____ Sign Name _____

Title _____ Date _____

Do not write below this line-OFFICE USE ONLY

Date Application Returned: _____

Date Paid: _____

Feasibility Analysis Fee: _____

CSR: _____

Checklist of Application Requirements:

Residential	Commercial
<input type="checkbox"/> Location Information (Map, City, ETJ, County)	<input type="checkbox"/> Location Information (Map, City, ETJ, County)
<input type="checkbox"/> Number of Lots and meter information	<input type="checkbox"/> Meter Information
<input type="checkbox"/> Phasing (if applicable)	<input type="checkbox"/> Fire Flow Information
<input type="checkbox"/> Fire Flow Information	<input type="checkbox"/> Complete CCSUD LUE Calculator Excel
<input type="checkbox"/> Complete CCSUD LUE Calculator Excel	

Comments: _____

Water Feasibility Study Service Application

Items we
check
for...

Will the development require fire flow*? Yes, _____gpm for _____hours No

***If yes, the developer is required to get in contact with the fire Marshall to derive fire flow demand needed specific to the development/building. The developer will be required to submit a letter of correspondence from the fire Marshall confirming that fire flow demand, to CCSUD.**

Commercial/ Industrial

Additional water meters? Yes No

- Irrigation Meters: _____ inch How Many? _____
- Other, list what it will be used for, and size of meter needed: _____, _____ inch. How Many? _____

*Demand calculations (Please provide/attach the completed LUE calculator and Fixture unit calculator when applicable):

*Maximum number of LUEs (Must match the number listed in the completed LUE calculator): _____

Please provide phasing schedule below or specify N/A if one is not available. _____

Fire flow
matches fire
marshal
requirement

Phasing
matches total
requested LUE
count

Phase Number	Number of LUEs	Construction Start Date
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

*Please note that if any irrigation meters are requested, CCSUD requires to have a separate standard 5/8 meter for that intended use only, per our Rules and Regulations.

LUE Calculator

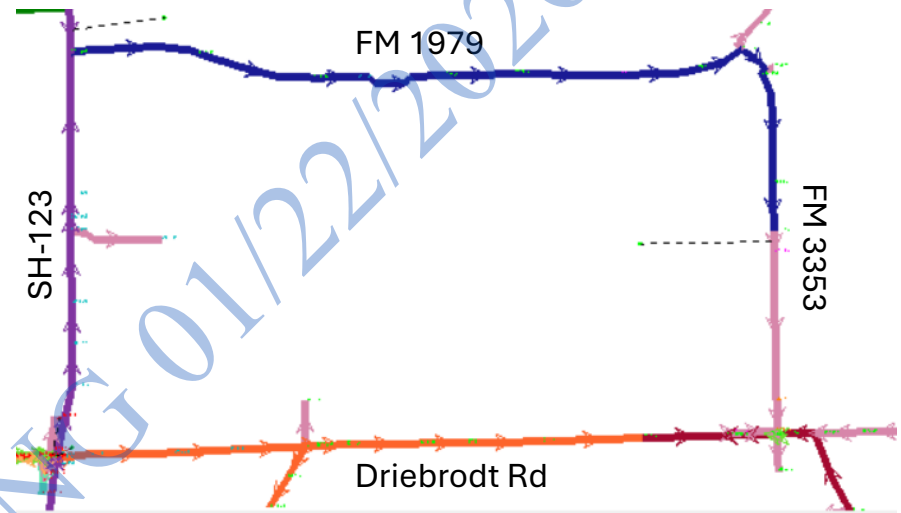
Completed by
Developer's Engineer

Compare with information provided by the developer

Development/ Project Name:					
Project Address:					
Date:					
				300 gal/day=	1 LUE
Development Classification	Description	Unit Evaluated	Size in Square Feet	Quantity	LUEs
Residential					
	Single Family (1 LUE/1 Unit)	Houses		79.0	79.0
Multi-Family					
	Apartment Complex (1 LUE/1 Unit)	Units			0.0
	Duplex/Townhomes/Condominiums (1 LUE/1 Unit)	Units			0.0
	Mobile Dwelling (1 LUE/1 Lot/1 Pad)	Units			0.0
	RV park (1 LUE/8 Lots/8 Pads)	Units			0.0
Schools					
	Elementary (5 gal/student/day)	No. Students			0.0
	Middle (8 gal/student/day)	No. Students			0.0
	High (10 gal/student/day)	No. Students			0.0
	Other (15 gal/student/day)	No. Students			0.0
Hotel/Medical Facilities					
	Hotel Rooms With Kitchenette (150 gal/room/day)	No. Rooms			0.0
	Hotel Rooms Without Kitchenette (100 gal/room/day)	No. Rooms			0.0
	Motel (50 gal/room/day)	No. Rooms			0.0
	Hospital (250 gal/bed/day)	No. Beds			0.0
	Nursing Home (150 gal/bed/day)	No. Beds			0.0
Commercial/ Industrial¹					
	Restaurant (20 gal/seat/day)	No. Seats			0.0
	Cafeteria (20 gal/seat/day)	No. Seats			0.0
	Fast Food (10 gal/seat/day)	No. Seats			0.0
	Car Wash (1.5 LUEs/Bay)	No. Bays			0.0
	Laundry Mat (200 gal/machine/day)	No. Machines			0.0
	Swimming Pool (1 LUE/25 Persons)	No. People			0.0
Fixture Unit Calculator Total LUEs ²		From Calculator			0.0
				Total=	79.0

Modeling/Hydraulic Calculations

- Current conditions are evaluated.
- If current conditions do not support the development, then upgrade scenarios are determined for each iteration
- Upgrades are progressively modeled and refined until the system achieves the required TCEQ capacity and pressure throughout the pressure zone



Results and Notes: Scenario Development

1. Check maximum number of connections allowed by TCEQ. If upgrade is required, look for the path of least resistance and move to Step 2.
2. Start with minimum 4-inch upgrade for studies with no fire flow and minimum 6-inch upgrade for studies with fire flow.
3. If pressures are below allowable threshold (TCEQ), evaluate the next typical pipe size (4", 6", 8", 12", 16").
4. Keep increasing pipe size until minimum pressures are met
5. Check the route proposed to see if this is the best route and size to be beneficial to the developer and keep the system in compliance.

Results and Notes

Sample Notes

79 LUEs * .23 gpm = 18.17 gpm

1,000 gpm for 2-hour Fire Flow

Guadalupe County

Capacity

Proposed LUEs	79
Acre Feet	26.55
gpm	48
Elevated Storage	15,800

Solution

- The hydraulic calculations, study, and cost estimate are based on a 12-inch waterline from the existing 16-inch on SH-123 along FM 1979 and ending at the development. Please keep in mind this waterline route is subject to change based on other developments, and phasing of developments in the vicinity.

Infrastructure Required	Y/N	By When	Location
Booster Pumps	Y	2 nd Phase	Booster Station 1
Elevated Storage	Y	Fire Flow	CCSUD EST
Water Main Upgrades	Y	First Connection	12-inch from SH 123 to the development

Results from the water model are summarized in a notes sheet, including:

- Capacities required by TCEQ
- Infrastructure required to supply the Non-Standard Service Request
- Average demand flows for the development
- Preliminary map of water main upgrades

Summary and Findings

Feasibility Study – January 8, 2026
Development Name #2025-100 (79 LUEs + Fire Flow)

Location of Development

M&S Engineering has reviewed the non-standard service request for the NAME Development and has analyzed the feasibility of connecting to the existing infrastructure of the Crystal Clear Special Utility District (CCSUD) water system. The property is located approximately 2,000 feet north of the intersection of Dreibrodt Road and FM 3353 in Guadalupe County. Based on the information provided, the developer requests an analysis of the system's capacity to provide domestic service for 79 living unit equivalents (LUEs) and fire flow at a rate of 1,000 gallons per minute for a duration of 2 hours. This equates to an average daily demand of 23,700 gallons under CCSUD's adopted water distribution design criteria. A map illustration of the proposed development and surrounding infrastructure is provided in Attachment 1: Development Name Feasibility Study Map.

Average Daily Demand Calculation

Requested LUEs and Fire Flow

A system capacity analysis was performed to evaluate the requirements of the non-standard service request. At full build-out, this non-standard service will require infrastructure improvements to maintain CCSUD's system capacity at the minimum capacity requirements for public water supply systems imposed by the Texas Commission on Environmental Quality (TCEQ). The TCEQ minimum capacity requirements are shown in Table 1 below. Therefore, the domestic component of the non-standard service will require 15,800 gallons of elevated storage and 48 gpm of pumping capacity to be added to the CCSUD water system. The total cost for TCEQ-imposed infrastructure capacity (Extra-system) improvements is \$2,405 per LUE. This amount is subject to change annually based on actual construction, land acquisition, and engineering costs associated with recent projects of similar scope and size within the CCSUD service area.

Capacity Requirements

Table 1. TCEQ Imposed Infrastructure Capacity Summary

Improvement Required	Quantity Per LUE
Extra-System Pump Capacity	0.6 gpm
Extra-System Elevated Storage	200 gallons

Summary and Findings (Continued)

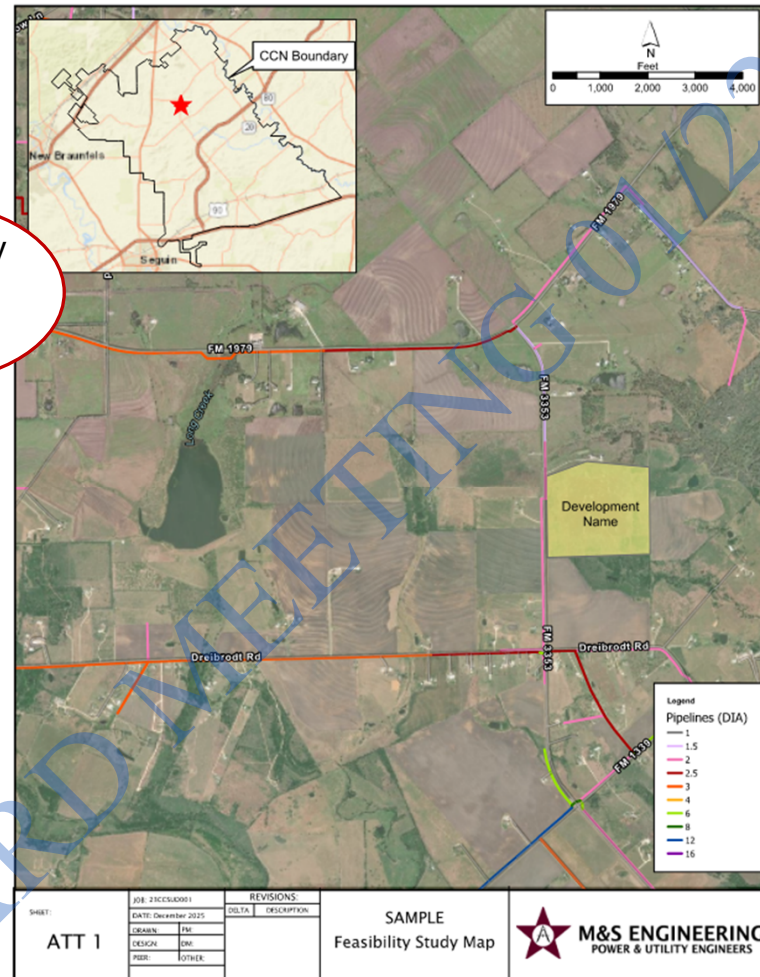
Estimated costs for water main upgrades


In addition to the required improvements to meet TCEQ minimum capacity requirements, the requested non-standard service including fire flow will also require improvements to the CCSUD distribution system. An off-site water line extension to connect the development to the existing system will be required. At the time of this study, the estimated cost for construction and engineering of the water line extension is \$2,176,000. This cost is based on the route that maintains system compliance at the time of the request for non-standard service and currently satisfies the request for non-standard service. However, this is an estimate reflecting the current CCSUD distribution system and is subject to change due to frequent system changes and CCSUD's entry into non-standard service agreements with other developers. The final route and cost estimate will be provided when the phasing and development master plan are final.



Map Attachment

Feasibility Study Map



SHEET: ATT 1	JOB: 21CESA0001	REVISIONS	SAMPLE Feasibility Study Map	 M&S ENGINEERING POWER & UTILITY ENGINEERS
	DATE: December 2025	DATE DESCRIPTION		
	DESIGN: []			
	PROJ: OTHER			

Final Deliverables to CCSUD

Standard Service

- Summary of Findings
- Meter Location Map
- Notes for the study

Non-Standard Service

- Non-Standard Service Request Feasibility Study
- Feasibility Study Location Map
- Notes for the study
- Preliminary Route Map



RESOLUTION OF THE GOVERNING BODY OF

Crystal Clear Special Utility District

APPOINTING TO CANYON REGIONAL WATER
AUTHORITY ONE MEMBER TO THE BOARD OF
TRUSTEES FOR A TWO-YEAR TERM OF OFFICE.

ADOPTED January 22, 2026

RESOLVED, that the Governing Body of **Crystal Clear Special Utility District** has appointed:

_____ to serve as
their representative to the Board of Trustees of Canyon Regional Water Authority.

RESOLVED. FURTHER, that the above-named representative is authorized to represent, and act on behalf of, in the best interest of above said entity in the process of maintaining and conducting the business of the Canyon Regional Water Authority, and to cast its vote on all issues related to the Canyon Regional Water Authority.

* * * * *

CERTIFICATE OF SECRETARY

I, _____ do hereby certify that I am the Secretary of the above said entity and that the above and foregoing is a true, full and correct copy of the resolution duly adopted by the Members of the Governing Body of the above said entity at its meeting held on **January 22, 2026**, and entered into the Minutes of said entity; that the meeting was duly and regularly held in accordance with the Bylaws and or laws governing the said entity; and that such resolution has not been rescinded or modified.

To certify which, witness my hand and seal of said entity this day January 22, 2026.

Secretary

SEAL

RESOLUTION OF THE GOVERNING BODY OF

Crystal Clear Special Utility District

APPOINTING TO CANYON REGIONAL WATER
AUTHORITY ONE MEMBER TO THE BOARD OF
TRUSTEES FOR A TWO-YEAR TERM OF OFFICE.

ADOPTED January 22, 2026

RESOLVED, that the Governing Body of **Crystal Clear Special Utility District** has appointed:

_____ to serve as
their representative to the Board of Trustees of Canyon Regional Water Authority.

RESOLVED. FURTHER, that the above-named representative is authorized to represent, and act on behalf of, in the best interest of above said entity in the process of maintaining and conducting the business of the Canyon Regional Water Authority, and to cast its vote on all issues related to the Canyon Regional Water Authority.

* * * * *

CERTIFICATE OF SECRETARY

I, _____ do hereby certify that I am the Secretary of the above said entity and that the above and foregoing is a true, full and correct copy of the resolution duly adopted by the Members of the Governing Body of the above said entity at its meeting held on **January 22, 2026**, and entered into the Minutes of said entity; that the meeting was duly and regularly held in accordance with the Bylaws and or laws governing the said entity; and that such resolution has not been rescinded or modified.

To certify which, witness my hand and seal of said entity this day January 22, 2026.

Secretary

SEAL



2025-2026 CCSUD Winterization Project Report

Crystal Clear Special Utility District offers winterization assistance to eligible elderly or disabled customers to help prevent frozen pipes and service interruptions. This program is a pilot initiative and is currently limited to applicants residing in a designated service area.

CCSUD sent a notice to 323 customers on Dec 22 regarding the Initiative.

As of 1/12/26, 3 Customers have participated in the initiative and received winterization assistance. Attached are photos of work performed.

CCSUD looks to submit another notice to the same 323 customers the week of 1/12/2026 in an effort to increase participation.





BOARD MEETING 02/2/2026



BOARD MEETING 02/2/2026



BOARD MEETING 12/2/2026



MEETING 01/22/2016

Resolution of the Governing Body of

Crystal Clear Special Utility District

Authorizing
ADOPTED January 22, 2026

RESOLVED, that the Governing Body of the **Crystal Clear Special Utility District (the District)** has authorized the following persons to sign checks on behalf of the District.

Board Members:

_____, President
_____, Vice President
_____, Secretary
_____, Treasurer

Staff:

Mr. Michael Saldana, Assistant General Manager
Ms. Stephanie Olson-Haseloff, Development/Project Manager
Ms. Jennifer Dickerman, HR/Finance Manager
Ms. Yesenia Marquez, Office Manager
Mr. Brad Johnson, Operations Manager

RESOLVED. FURTHER, that the above-named representatives are authorized to sign checks on behalf of, and in the best interest of the above-named entity in the process of maintaining and conducting of business.

* * * * *

CERTIFICATE OF TREASURER

I, _____, do hereby certify that I am the Treasurer of the above named entity and that the above and foregoing is a true, full and correct copy of a resolution duly adopted by the Governing Body of the above named entity at its meeting held on January 22, 2026, and entered into the Minutes of the above named entity, that the meeting was duly and regularly held in accordance with the Bylaws of and or laws governing the above named entity; and that such resolution has not been rescinded or modified.

To certify which, witness my hand and seal of said above named entity this 22nd day of January 2026.

Treasurer

SEAL



FIRST AMENDMENT TO NON-STANDARD SERVICE AGREEMENT

THIS FIRST AMENDMENT TO NON-STANDARD SERVICE AGREEMENT ("First Amendment") is made and entered into by and between Rattler Ridge, L.P., a Texas limited partnership, f/k/a Rattler Ridge, LLC, hereinafter referred to as "Applicant/Assignee", and Crystal Clear Special Utility District, hereinafter referred to as "District" (collectively, the "Parties") for the purpose of amending that certain Non-standard Service Agreement (NSSA) for retail water service to that certain 421.924 acres of land located at 3835 FM 1978 and 307 Henk Lane, San Marcos, Texas 78666 in Guadalupe County, Texas, more particularly known as the "Property" as described on Attachment A to that certain NSSA dated and effective November 10, 2023 (the "NSSA" or "Original Agreement").

WHEREAS, Applicant/Assignee and the District entered into that certain Non-Standard Service Agreement dated effective November 10, 2023 ("NSSA" or "Original Agreement") for the District to provide non-standard water service to the Property (as defined in the Original Agreement) upon the terms and conditions set forth in the Original Agreement); and,

WHEREAS, at the time of entering the Original Agreement, Applicant/Assignee was under contract with a builder who was going to buy Applicant/Assignee's lots and provided the Parties the Phasing Schedule and Pricing Schedule attached to the Original Agreement; and,


WHEREAS, through no fault of either Party, the builder canceled the contract it had with Applicant's/Assignee, which has caused the delay of the development of the Property and a delay in the need for non-standard water service from the District; and,

WHEREAS, the Applicant/Assignee and District have agreed to enter into this First Amendment to modify the deadlines and payments required of Applicant/Assignee under the Original Agreement due to this delay.

NOW THEREFORE LET IT BE KNOWN BY THESE PRESENTS: THAT for and in consideration of the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Applicant/Assignee and the District hereby agree as follows:

1. Attachment D "Phasing Schedule" and Attachment F "Payment Schedule" that were attached to the Original Agreement are hereby replaced in their respective entities with Attachment D "Phasing Schedule" and Attachment F "Payment Schedule" that are attached hereto and incorporated herein by reference for all purposes.
2. As of the date of this First Amendment, Applicant/Assignee has paid in full the water acquisition fees, the buy-in pump capacity fees, the water storage fees, and the connection

District Initials


 Applicant/Assignee Initials



fees for 120 LUEs and the District agrees that those 120 LUEs run with the Property and are fully owned by the Applicant/Assignee and that no any additional funds are owed from Applicant/Assignee for the District to provide non-standard water service for those 120 LUEs regardless of whether the N SSA expires or is terminated by either Party.

- 3. Except as modified herein, the Original Agreement remains in full force and effect and unchanged.

IN WITNESS WHEREOF, each of the Parties has caused this First Amendment to the Rattler Ridge N SSA to be executed by its duly authorized representatives.

Crystal Clear Special Utility District (CCSUD/The District)

Applicant/Assignee Rattler Ridge, L.P. f/k/a Rattler Ridge, LLC

CCSUD Assistant General Manager
Michael A. Saldaña

DocuSigned by:
Clint Jones
2B8C6B18C62B44A...

Authorized Representative
Clint Jones, President, Regal LLC
Its General Partner

Date: _____

Date: 1/14/2026

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District Initials

DS
(CJ)
Applicant/Assignee Initials



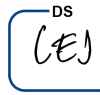
Attachment D – Phasing Schedule

Phase(s)	LUEs for Phase(s)	Date Phasing due to begin
1	*120	2025
2	*60	2026
3	*120	2027
4	*120	2028
5	*120	2029
6	*153	2030
7	*150	2031
8	*150	2032
9	*150	2033
10	*150	2034
11	*150	2035
12	*220	2036
13	*206	2037

***The District shall not be responsible for providing any additional LUEs for any of phase of the project beyond the number of LUEs set forth in Attachment D – Phasing Schedule; however, if the Applicant/Assignee requests in any given phase additional LUEs than originally projected, the District will use its best efforts to provide more LUEs. Any requested changes to the phasing schedule must be requested in writing and may require a Board approved amendment to this WWNSSA.**

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District Initials



 Applicant/Assignee Initials



Attachment F – Payment Schedule

Item/Fee	Amount	Due Date no later than
Initial payment to be applied to the Ph 1 acquisition fee due 9/15/2024	\$50,000	90 days of Board Approval (Paid)
Ph 1 acquisition fee 120 LUEs	\$312,000 (less \$50,000) =\$262,000	September 15, 2024 (Paid)
Buy-in pump capacity 120 LUEs	\$98,400	(Paid)
Buy-in storage 120 LUEs	\$138,000	(Paid)
Connection Fee 120 LUEs	\$300,000	December 15, 2025 (Paid)
Ph 2 acquisition fee 60 LUEs	\$156,000	September 15, 2026
Buy-in pump capacity 60 LUEs	\$49,200	
Buy-in storage 60 LUEs	\$69,000	
Ph 3 acquisition fee 120 LUEs	\$312,000	September 15, 2027
Buy-in pump capacity 120 LUEs	\$98,400	
Buy-in storage 120 LUEs	\$138,000	
Ph 4 acquisition fee 120 LUEs	\$312,000	September 15, 2028
Buy-in pump capacity 120 LUEs	\$98,400	
Buy-in storage 120 LUEs	\$138,000	
Ph 5 acquisition fee 120 LUEs	\$312,000	September 15, 2029
Buy-in pump capacity 120 LUEs	\$98,400	
Buy-in storage 120 LUEs	\$138,000	
Ph 6 acquisition fee *153 LUEs	\$397,800	September 15, 2030
Buy-in pump capacity 153 LUEs	\$125,460	
Buy-in storage 153 LUEs	\$175,950	
Ph 7 acquisition fee and buy-in pump capacity and storage fees 150 LUEs	LUE X current amount at time of invoice	September 15, 2031
Ph 8 acquisition fee and buy-in pump capacity and storage fees 150 LUEs	LUE X current amount at time of invoice	September 15, 2032
Ph 9 acquisition fee and buy-in pump capacity and storage fees 150 LUEs	LUE X current amount at time of invoice	September 15, 2033

District Initials


 Applicant/Assignee Initials




Ph 10 acquisition fee and buy-in pump capacity and storage fees 150 LUEs	LUE X current amount at time of invoice	September 15, 2034
Ph 11 acquisition fee and buy-in pump capacity and storage fees 150 LUEs	LUE X current amount at time of invoice	September 15, 2035
Ph 12 acquisition fee and buy-in pump capacity and storage fees 220 LUEs	LUE X current amount at time of invoice	September 15, 2036
Ph 13 acquisition fee and buy-in pump capacity and storage fees 206 LUEs	LUE X current amount at time of invoice	September 15, 2037
Inspection fee	Initial \$10,000	Within 30 days of platting and replenished when account reaches \$2,500
Connection fee, install fee, deposit, admin fee	current amount at time of request	At meter set request

***Completes the 693 LUEs.**

BOARD MEETING 01/22/2026

District Initials


 Applicant/Assignee Initials

PURCHASED WATER (GAL)				
Month	Hays Caldwell (500 Acre-Ft)	CRWA Lake Dunlap (1,292.39 Acre-Ft)	ARWA (1,172 Acre-Ft) Phase 1B	Springs Hill
January	12,995,700	27,934,000	5,405,700	
February	7,307,300	18,359,000	9,788,197	1,007,000
March	6,520,900	25,877,000	6,110,335	
April	11,374,100	26,212,000	2,328,315	
May	11,980,100	27,648,000	2,171,540	357,000
June	13,296,200	26,792,000	879,590	
July	11,285,900	31,178,000	914,000	
August	16,455,000	31,818,000	5,693,917	
September	14,013,700	24,337,000	8,256,787	4,445,500
October	10,079,000	33,980,000	4,207,796	542,500
November	7,063,800	28,237,000	6,102,310	
December	6,694,100	29,591,000	4,019,590	
YEAR TOTAL	129,065,800	331,963,000	55,878,077	6,352,000
ACRE-FT	396.09	1,018.76	171.48	19.49

Ground Water Self Pumped (GAL)				
Month	Nelson Well 1 (864 Acre-Ft)	Nelson Well 2 (1,187 Acre-Ft)	Total Groundwater	Acre-Ft
January	4,175,113	11,843,220	16,018,333	49
February	4,973,930	7,328,563	12,302,493	38
March	9,172,836	9,466,800	18,639,636	57
April	9,900,448	19,208,650	29,109,098	89
May	10,599,226	9,645,308	20,244,534	62
June	10,446,667	10,084,217	20,530,884	63
July	10,623,691	11,461,950	22,085,641	68
August	11,380,400	16,961,225	28,341,625	87
September	10,180,920	14,434,525	24,615,445	76
October	9,153,176	18,051,550	27,204,726	83
November	8,236,560	13,668,000	21,904,560	67
December	11,269,963	9,485,071	20,755,034	64
TOTALS	110,112,930	151,639,079	261,752,009	803
Acre-Ft	337.92	465.36		

Starting cash on hand	\$20,008,117	Cash Minimum										End Date	Sep 2026	
		Balance Alert												
		Starting Date		Oct 2025		Balance Alert		\$2,000,000		% of Year				8%
ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	
	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Total	FY2025 Budget
Cash on hand (beginning of month)	\$20,008,117	\$20,665,508	\$21,380,017	\$19,921,970	\$20,209,967	\$20,414,559	\$20,619,150	\$20,608,005	\$20,712,597	\$20,703,288	\$21,342,117	\$22,004,290		
Revenue														
CX ACCT ACTIVITY	\$1,879,090	\$1,694,053	\$1,591,828	\$1,300,000	\$1,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$1,600,000	\$1,650,000	\$1,557,581	\$1,759,363	\$17,231,915	\$19,503,160
REFUNDABLE-IN&OUT	\$609,224	\$271,927	\$218,306	\$631,038	\$631,038	\$631,038	\$631,038	\$631,038	\$631,038	\$631,038	\$631,038	\$631,038	\$6,778,802	\$6,778,802
OTHER INCOME	\$130,094	\$130,794	\$112,384	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$1,183,272	\$1,201,823
TWDB REIMBURSEMENT													\$0	
CAPITAL PROJECTS REIMBURSEMENT													\$0	
Total Cash Revenue	\$2,618,407	\$2,096,774	\$1,922,518	\$2,021,038	\$1,821,038	\$1,821,038	\$1,721,038	\$1,721,038	\$2,321,038	\$2,371,038	\$2,278,620	\$2,480,401	\$25,193,988	\$27,483,785
Total Cash Available	\$22,626,524	\$22,762,282	\$23,302,535	\$21,943,008	\$22,031,005	\$22,235,597	\$22,340,189	\$22,329,043	\$23,033,635	\$23,074,327	\$23,620,737	\$24,484,692	\$25,193,988	\$27,483,785
O&M Expenses														
INSURANCE	\$216,284	\$57,338	\$57,338	\$57,338	\$57,338	\$57,338	\$57,338	\$57,338	\$57,338	\$57,338	\$57,338	\$57,338	\$847,000	\$847,000
CRWA BOND PAYMENT	\$53,245	\$53,633	\$53,633	\$53,633	\$53,633	\$53,633	\$53,633	\$53,633	\$53,633	\$53,633	\$53,633	\$53,633	\$643,208	\$644,500
NOTES PAYABLE	\$78,760	\$0	\$1,126,000	\$79,404	\$0	\$0	\$80,205	\$0	\$0	\$80,710	\$0	\$0	\$1,445,079	\$1,520,900
INTEREST ON LOANS	\$64,446	\$0	\$734,500	\$37,190	\$0	\$0	\$35,532	\$0	\$713,900	\$35,053	\$0	\$0	\$1,620,621	\$1,620,650
REQUIRED BOND COVENANTS	\$222,221	\$222,221	\$222,221	\$222,221	\$222,221	\$222,221	\$222,221	\$222,221	\$222,221	\$222,221	\$222,221	\$222,221	\$2,666,655	\$2,666,655
ENGINEERING FEES	\$33,807	\$41,454	\$45,718	\$45,718	\$45,718	\$45,718	\$45,718	\$45,718	\$45,718	\$45,718	\$45,718	\$45,718	\$532,441	\$532,450
PROFESSIONAL SERVICES	\$23,838	\$18,547	\$60,000	\$68,401	\$68,401	\$68,401	\$68,401	\$68,401	\$68,401	\$68,401	\$68,401	\$68,401	\$717,994	\$718,000
LEGAL & FINANCIAL	\$71,677	\$48,856	\$48,446	\$48,446	\$48,446	\$48,446	\$48,446	\$48,446	\$48,446	\$48,446	\$48,446	\$48,446	\$604,994	\$605,000
STATE FEE & FRANCHISE FEES	\$77,449	\$53,897	\$67,865	\$67,865	\$67,865	\$67,865	\$67,865	\$67,865	\$67,865	\$67,865	\$67,865	\$67,865	\$809,996	\$810,000
OFFICE EXPENSES	\$35,990	\$11,476	\$36,878	\$36,878	\$36,878	\$36,878	\$36,878	\$36,878	\$36,878	\$36,878	\$36,878	\$36,878	\$416,246	\$416,250
OPERATIONAL EXPENSES	\$81,881	\$80,096	\$114,432	\$114,432	\$114,432	\$114,432	\$114,432	\$114,432	\$114,432	\$114,432	\$114,432	\$114,432	\$1,306,297	\$1,306,300
VEHICLES & EQUIPMENT	\$39,796	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$248,796	\$252,000
ELECTRICITY	\$24,442	\$15,838	\$15,838	\$15,838	\$15,838	\$15,838	\$15,838	\$15,838	\$15,838	\$15,838	\$15,838	\$15,838	\$198,660	\$198,660
WATER SYSTEM R&R	\$0	\$0	\$5,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$6,000	\$10,000
PAYROLL	\$274,519	\$275,000	\$300,000	\$294,000	\$294,000	\$294,000	\$294,000	\$294,000	\$294,000	\$294,000	\$294,000	\$294,000	\$3,495,519	\$3,499,970
WATER PURCHASES	\$55,387	\$55,387	\$55,387	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$94,000	\$1,012,161	\$1,018,100
WATER RIGHTS	\$14,948	\$14,948	\$14,948	\$18,110	\$18,110	\$18,110	\$18,110	\$18,110	\$18,110	\$18,110	\$18,110	\$18,110	\$207,837	\$211,000
REGIONAL WATER PARTICIPATION	\$619,239	\$471,966	\$624,146	\$681,850	\$681,850	\$681,850	\$681,850	\$681,850	\$681,850	\$681,850	\$681,850	\$681,850	\$7,852,003	\$7,914,616
BENEVOLENCE FUND CONTRIBUTIONS	\$937	\$937	\$937	\$937	\$937	\$937	\$937	\$937	\$937	\$937	\$937	\$937	\$11,244	\$11,244
Subtotal	\$1,766,644	\$1,218,373	\$3,380,566	\$1,733,041	\$1,616,447	\$1,616,447	\$1,732,184	\$1,616,447	\$2,330,347	\$1,732,209	\$1,616,447	\$1,616,947	\$21,964,852	\$22,136,640
Capital Items														
CCSUD FUNDED	\$194,372	\$163,892											\$358,264	\$3,113,372
TWDB FUNDED - OFFERMAN/TRINITY/HERBER	\$10,367												\$10,367	\$17,966,366
BAIRD FUNDED - ZORN PROJECT	\$17,060	\$165,751											\$182,811	\$3,499,781
Total Cash Paid Out	\$1,961,016	\$1,382,265	\$3,380,566	\$1,733,041	\$1,616,447	\$1,616,447	\$1,732,184	\$1,616,447	\$2,330,347	\$1,732,209	\$1,616,447	\$1,616,947	\$551,442	\$24,579,519
Cash on hand (end of month)	\$20,665,508	\$21,380,017	\$19,921,970	\$20,209,967	\$20,414,559	\$20,619,150	\$20,608,005	\$20,712,597	\$20,703,288	\$21,342,117	\$22,004,290	\$22,867,745		

SHORT TERM AGREEMENT FOR WATER RESERVATION AND PROJECT DEVELOPMENT PARTICIPATION [BRACKISH CARRIZO-WILCOX PROJECT]

THIS SHORT TERM AGREEMENT FOR WATER RESERVATION AND PROJECT DEVELOPMENT PARTICIPATION – BRACKISH CARRIZO-WILCOX PROJECT (this “**Participation Agreement**”) is made and entered into by and between the CANYON REGIONAL WATER AUTHORITY (“**CRWA**”), and _____ (the “**Participant**”). In this Participation Agreement, CRWA and Participant are sometimes individually referred to as a “**Party**” and collectively as the “**Parties.**” The effective date (“**Effective Date**”) of this Participation Agreement shall be the date it is last executed by a Party.

RECITALS

WHEREAS, CRWA is a regional water authority created under and essential to accomplish the purposes of Article XVI, Section 59 of the Constitution of the State of Texas, and operating pursuant to Chapter 670, Acts of the 71st Legislature, Regular Session, 1989, as amended (the “**CRWA Act**”); and

WHEREAS, CRWA is empowered to purchase, own, hold, lease, and otherwise acquire sources of a potable water supply; to build, operate, and maintain facilities for the treatment and transportation of water; to sell potable water to local governments, water supply corporations, and other persons in the State of Texas; and to protect, preserve, and restore the purity and sanitary condition of water; and

WHEREAS, in furtherance of the CRWA Act and its statutory purpose, CRWA desires to develop and operate the first phase of a brackish groundwater supply project in Gonzales and/or Guadalupe county/ies, Texas which is anticipated to yield a total additional annual supply of 9,500 acre feet (referred to herein as the “**Project**”); and

WHEREAS, CRWA reserves the right, but not the obligation, to develop future phases of the Project which may provide for additional supplies and shall be governed by separate writings; and

WHEREAS, it is anticipated that the Project will be developed and delivered under a Public-Private Partnership (“**P3 Arrangement**”) whereby one or more private sector partner(s) will participate in various aspects of designing, financing, constructing and/or operating the Project; and

WHEREAS, Participant desires to, in the future, contract with CRWA for the reservation and/or purchase of potable water resulting from CRWA’s production and treatment of brackish groundwater at a to-be-constructed brackish groundwater treatment and desalination plant and related facilities (collectively

the “**Proposed Plant**”); and

WHEREAS, Participant desires to first acquire an option to contract with CRWA for the future reservation and/or purchase and delivery of a defined quantity of potable water for Participant’s future use in accordance with the Certificate(s) of Convenience and Necessity issued, or to-be-issued, to Participant.

NOW, THEREFORE, in consideration of the mutual covenants and agreements and strictly subject to the terms and conditions contained herein, the Parties agree as follows:

ARTICLE 1.

1.1 For a period of one (1) year commencing on the Effective Date, and terminating one (1) year thereafter unless otherwise terminated or extended in accordance with Section 1.7 hereof (the “**Term**”), CRWA grants to Participant an option to contract for the reservation and/or purchase of up to _____ acre-feet per year (the “**Desired Quantity**”) of potable water resulting from CRWA’s production and treatment of brackish groundwater at the Proposed Plant.

1.2 Participant specifically acknowledges that this Participation Agreement does not grant Participant any right or option to purchase any portion of any water right or facility owned by CRWA now or into the future, does not operate as a conveyance of any interest in any permit or leasehold of CRWA, and does not provide any right or option to purchase capacity in the Proposed Plant or any future conveyance infrastructure. Rather, this Participation Agreement involves and provides only the option to, in the future, contract with CRWA for reservation and purchase of potable water supply. Terms and conditions for the reservation, purchase and delivery of potable water, including but not limited to transportation, will be negotiated in a separate water supply agreement.

1.3 Participant specifically acknowledges that CRWA reserves the right to seek amendment by the applicable regulatory authority of any groundwater production or transportation permit(s) or other water right held, or which in the future may be held, by CRWA as deemed necessary by CRWA.

1.4 Participant specifically acknowledges that the future availability and timing of potable water for reservation and/or purchase from the Proposed Plant is not guaranteed and is wholly dependent upon factors outside of CRWA’s dominion and control, including but not limited to regulatory permitting, securing financing, acquiring land and water rights and the timely and competent performance of third-party contracted work.

1.5 By entering into this Participation Agreement, Participant warrants that it has exercised its due diligence in determining the viability and legality of obtaining a future water supply from CRWA from the Proposed Plant. Participant acknowledges that the Project is in the conceptual stage and is subject to cancellation, redetermination, and revision in scope, timing, cost, water source and participation. Accordingly, CRWA makes no representation, covenant or guarantee

that the Project or any component thereof will be constructed or that payment of the sums described herein will result in development of a water supply project suitable to meet Participant's requirements for a firm supply.

1.6 The Parties agree that the Participant's Desired Quantity set forth in Section 1.1 shall represent the amount of potable water Participant shall be entitled to subsequently contract with CRWA to reserve and/or purchase from the Proposed Plant if Participant exercises the option authorized herein; provided, however, that the Desired Quantity stated herein may be increased or decreased in any subsequent renewal or extension of this Participation Agreement with mutual agreement between both Parties.

1.7 The Parties agree that one of the following must occur prior to expiration of the Term hereof as stated in Section 1.1:

- (1) This Participation Agreement may be renewed and extended for an additional one (1) year term upon the express written agreement of the Parties and conditioned upon the payment of an additional Participation Fee at the then-prevailing rate at the time of the renewal; or
- (2) Participant may exercise its option by entering into a water supply contract with CRWA that identifies reservation and/or deliverable quantities at such rates and upon such terms and conditions as may be adopted in future and therein provided.

The Parties agree that if neither of the events described above occur prior to expiration of the Term, then this Participation Agreement shall automatically terminate at 12:00 AM on the first anniversary of the Effective Date and following such termination the Parties shall have no further obligations to one another under this Participation Agreement.

ARTICLE 2.

2.1 In consideration of the grant by CRWA of an option for Participant to subsequently reserve and/or purchase the Desired Quantity as provided in Section 1.1, Participant unconditionally agrees to pay CRWA the total amount of \$_____ (the "**Participation Fee**"), calculated as \$184.39 per acre-foot multiplied by the Desired Quantity. The Participation Fee will be paid by Participant to CRWA in a twelve (12) equal monthly installments, with each payment due within thirty (30) days following receipt of a written invoice or statement from CRWA. Participant acknowledges that the Participation Fee is intended offset CRWA's cost of securing and maintaining water rights sufficient to obtain authorizations from applicable groundwater conservation district(s) for production and transportation of groundwater to support the Project. Accordingly, the Participation Fee shall be non-refundable to Participant and shall not apply against the purchase price of any water purchased by Participant in the future or against any other amounts due from

Participant hereunder.

2.2 In addition to the Participation Fee and as further consideration for CRWA's grant of the aforementioned option to Participant, Participant agrees to from time-to-time during the Term hereof remit to CRWA payments equal to twenty-five percent (25%) of the actual cost of services performed by third party professionals (collectively the "**Consultants**") in furtherance of developing the P3 Arrangement, CRWA's feasibility evaluation, and other pre-construction costs associated with developing and obtaining required permitting for the Project. It is agreed that the Consultants will be selected on the basis of unanimous assent of Participant, CRWA and all other participants in the Project, but shall exclusively contract with and report to CRWA. To the extent that applicable law requires that the Consultants, or any of them, be selected through formalized public procurement processes then in such event CRWA agrees that Participant, together with the other participants in the Project, shall be entitled to appoint one (1) representative to the committee charged with selecting such Consultant(s).

2.3 At regular intervals during the Term of this Participation Agreement, but no more frequently than once every ninety (90) days, CRWA will deliver to Participant invoices or statements requesting payment for Participant's share of the Consultants' costs. Participant agrees to pay (each payment an "**Option Payment**" and collectively the "**Option Payments**") CRWA all invoiced amounts within thirty (30) days following receipt of each invoice.

2.4 Participant acknowledges that all payments made pursuant to this Participation Agreement, however characterized, are solely for purposes of securing Participant's option for future reservation and/or purchase of potable water from Proposed Plant, and that CRWA has the sole discretion and right to use and apply such payments or any portions thereof to finance analysis, evaluation and pre-construction development of the Project to include acquisition of groundwater rights by lease of purchase, for payment of groundwater lease royalties, and for other costs ancillary to the Project.

2.5 In the event that Participant defaults on its obligation to pay in full when due the Participation Fee or any Option Payment and fails to cure such default within five (5) business days following written notice from CRWA, then CRWA may terminate this Participation Agreement.

2.6 Participant may terminate this Participation Agreement upon ninety (90) days written notice to CRWA.

2.7 Notwithstanding termination of this Participation Agreement by any Party or expiration of the Term hereof, Participant shall never be entitled to a refund of any sum paid to CRWA hereunder and shall further remain liable to CRWA for all portions of the Participation Fee and any Option Payment which became due prior to expiration or the effective date of termination, as the case may be.

ARTICLE 3.

3.1 The execution of this Participation Agreement has been duly authorized by CRWA and Participant pursuant to proper notices and procedures and each Party warrants and represents to the other that it is duly authorized to execute this Participation Agreement upon the terms set forth herein.

3.2 This Participation Agreement may not be assigned by Participant without CRWA's consent to same in writing, which such consent CRWA may in its reasonable discretion withhold.

3.3 The Parties agree that this Participation Agreement shall not be construed in favor or against either Party on the basis that the Party did or did not draft this Contract.

3.4 This Participation Agreement shall be for the sole and exclusive benefit of the Parties hereto and shall not be construed to confer any rights upon any third party.

3.5 No modifications to or rescission of this Participation Agreement may be made except by a written document signed by CRWA's and Participant's authorized representatives.

3.6 This Participation Agreement is by and between CRWA and Participant and is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association as between CRWA and Participant nor between Participant and any officer, employee, contractor, or representative of CRWA.

3.7 Any notice, request or other communication under this Participation Agreement shall be given in writing and shall be deemed to have been given by either party to the other party at the addresses shown below upon any of the following dates:

- (a) The date of notice by electronic mail, which is confirmed promptly in writing;
- (b) Three (3) business days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;
- (c) The date of actual receipt thereof by such other party if not given pursuant to (a) or (b) above.

The address for notice for each of the Parties shall be as follows:

TO CRWA:

850 Lakeside Pass
New Braunfels, TX 78130
Email: kaveryt@crwa.com

TO PARTICIPANT:

Email: _____

or the latest address specified by such other Party in writing.

3.8 In the event that any provision of this Participation Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions of this Participation Agreement.

3.9. Venue for any disputes arising out of this Participation Agreement shall lie exclusively in Guadalupe County, Texas. The prevailing party in any litigation commenced for the enforcement or interpretation of this Participation Agreement shall be entitled to recover costs and reasonable attorney's fees from each non-prevailing party.

3.10 Each signatory to this Participation Agreement agrees, warrants, and represents that such person is authorized by the Party associated with such signature to execute this Participation Agreement.

[Signature Page follows]

BOARD MEETING 01/22/2026

SIGNED IN DUPLICATE ORIGINALS this _____ day of _____, 2025.

CRWA:
Canyon Regional Water Authority

By: _____
Name: Kerry Averyt, P.E.
Title: General Manager

ATTEST:

Ted Gibbs
Secretary, Board of Directors
(SEAL)

PARTICIPANT:
_____ Special Utility District

By: _____
Name:
Title:

ATTEST:

Name:
Title:

BOARD MEETING 01/22/2026