



Filing Receipt

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Item Number - 5

PUC DOCKET NO. 56481

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|---------------------------------------|----------|----------------------------------|
| FORMAL COMPLAINT OF TRINITY | § | PUBLIC UTILITY COMMISSION |
| EDWARDS SPRINGS PROTECTION | § | |
| ASSOCIATION, BRENT PULLEY, AND | § | OF TEXAS |
| DEAN EICHELBERGER AGAINST | § | |
| AQUA TEXAS, INC. | § | |

FIRST AMENDED FORMAL COMPLAINT

This First Amended Complaint is filed on behalf of Trinity Edwards Springs Protection Association (“TESPA”) and its individual members, Brent Pulley and Dean Eichelberger (collectively, “Complainants”), against Aqua Texas, Inc. (“Aqua Texas”). Mr. Pulley and Mr. Eichelberger are Aqua Texas customers for water service within Certificate of Convenience and Necessity Number 11157 (“CCN 11157”). The Complainants, along with many other customers within CCN 11157 service areas of Woodcreek I, Woodcreek II, and Mountain Crest (“CCN 11157 Service Areas”) are in jeopardy of losing their water service because Aqua Texas is providing water service with an illegal water supply. In 2022 and 2023, Aqua Texas violated its permitted groundwater production limits by 90,000,000 gallons and 70,000,000 gallons, respectively, for a total of 160,000,000 gallons. The Hays Trinity Groundwater Conservation District refused to renew Aqua Texas’ permits for 2024, leaving Aqua Texas with *no* legal water supply. To make matters worse, Aqua Texas lost 55,000,000 gallons of water due to failed infrastructure, and the Aqua Texas’ unlawful pumping caused Jacob’s Well to stop flowing on multiple days.

Aqua Texas, therefore, is in violation of TEX. WATER CODE § 13.250 and Commission Rules 16 TEX. ADMIN. CODE §§ 24.205(a) and 24.227(a) because Aqua Texas’ illegal water supply is not an adequate supply of water and Aqua Texas not legally capable of providing continuous and adequate water service to its CCN 11157 customers. The Complainants filed the Formal

Complaint to seek relief to resolve this serious situation. Complainants ask the Public Utility Commission (“PUC”) to revoke and decertify Aqua Texas’ CCN 11157 and secure an alternative water supply unless and until Aqua Texas demonstrates it has a lawful and adequate water supply to service its customers in the CCN 11157 Service Areas.

BACKGROUND FACTS

1. TESPAs is a Texas non-profit corporation created to protect groundwater resources in the Texas Hill County.

2. Aqua Texas is a retail public utility¹ and holds Certificate of Convenience and Necessity Number 11157 (“CCN 11157”) which requires Aqua Texas to provide water to customers in the CCN 11157 Service Areas.²

3. TESPAs has hundreds of members, many of whom own property and depend on groundwater in Hays County, Texas, including some that reside within service areas of CCN 11157.

4. Brent Pulley is a resident in the Woodcreek Phase I, is an Aqua Texas customer for water service within CCN 11157, and is a TESPAs member.

5. Dean Eichelberger is a resident in the Woodcreek Phase II, is an Aqua Texas customer for water service within CCN 11157, and is a TESPAs member.

6. On April 9, 2024, the Commission Staff waived for good cause the requirement that this complaint against Aqua Texas be presented for informal resolution.³

¹ 16 TEX. ADMIN. CODE § 24.3(31).

² See PUC Docket No. 48769, *Application of Aqua Utilities, Inc., Aqua Development, Inc., and Aqua Texas, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Bandera, Bastrop, Bexar, Blanco, Burnet, Comal, Gillespie, Hays, Kendall, Kerr, Kimble, Live Oak, Llano, Medina, Nueces, Travis, Williamson, and Wilson Counties.*

³ Ex. 1, Commission Staff Letter Waiving Informal Complaint.

Aqua Texas' unlawful pumping is harming Jacob's Well

7. According to Texas Commission on Environmental Quality Public Water Systems data, Aqua Texas serves CCN 11157 service areas Woodcreek I, Woodcreek II, and Mountain Crest, exclusively with groundwater produced from wells in Hays County permitted by the Hays Trinity Groundwater Conservation District (the "District"). Aqua Texas' groundwater production under its permits is subject to monthly and annual curtailments during drought conditions. Aqua Texas' water wells located within the hydro-geologically sensitive area designated by the District known as the Jacob's Well Groundwater Management Zone ("JWGMZ") are subject to curtailments that are tied to reduced flow of Jacob's Well. Aqua Texas' water wells not located within the JWGMZ are subject to curtailments triggered by standards set forth in the District's Drought Production Cutback Chart.

8. Jacob's Well is an iconic natural spring that is fed by groundwater flows from the Middle Trinity Aquifer. It is an environmental and recreational epicenter of the Texas Hill Country, and it has become an engine for the local economy bringing visitors from throughout Texas and even from around the world.

9. Expert hydrogeologists have extensively studied flow at Jacob's Well. There is an undisputable connection between pumping in the Middle Trinity Aquifer and reduced flow at Jacob's Well.⁴ In recognition of this hydraulic connection, the District created the JWGMZ to protect a sustainable flow at Jacob's Well and downstream into Cypress Creek.⁵

10. In 2022, Aqua Texas willfully and flagrantly violated monthly and annual production limits for three of its groundwater permits associated with serving water under CCN

⁴ Ex. 2, Wierman Aff. at ¶3.

⁵ *Id.*

11157. On April 13, 2023, the District sent a Notice of Alleged Violation for its 2022 unauthorized pumping of nearly *90,000,000 gallons* over its permit limits.⁶

11. In 2023, Aqua Texas, again, willfully and flagrantly violated monthly and annual production limits for three of its groundwater permits associated with serving water to CCN 11157 CCN 11157 Service Areas.⁷ It is anticipated that the District will issue a Notice of Alleged Violation for its 2023 unauthorized pumping of nearly *70,000,000 gallons* over its permit limits.

12. According to USGS Gauge No. 08170990 near Jacob's Well, Jacob's Well stopped flowing in calendar years 2022 and 2023 for a total of 31 days and 203 days, respectively. According to expert hydrogeologists, Aqua Texas' unlawful pumping caused the flow to stop on some of those days.⁸

13. Aqua Texas refused to comply with District's requested remedies to address Aqua Texas' violations. The District, consequently, did renew Aqua Texas' three groundwater permits associated with CCN 11157 and those permits have now expired as of January 1, 2024. Aqua Texas continues producing groundwater without legal authority to do so.

14. Aqua Texas could have avoided the majority of its unauthorized pumping had it appropriately managed its infrastructure. District records establish that in 2022, Aqua Texas had line losses of approximately *55,000,000 gallons*, or *24%* of its total groundwater production under its three permits. This wasted water could have served approximately 2,200 people with water for a year, and it is a direct violation of the State and District prohibition on wasting groundwater.⁹

⁶ Ex. 3, Notice of Alleged Violation.

⁷ Ex. 4, 2023 District Production Data; *see also* Ex. 2, Wierman Aff. at ¶7.

⁸ Ex. 2, Wierman Aff. at ¶4.

⁹ TEX. WATER CODE § 36.002(b); District Rule 9.

Aqua Texas does not have access to adequate water supply for its service areas.

15. In 2018, Aqua Texas applied with the PUC to transfer CCN 11157. Aqua Texas' application represented to the PUC that CCN 11157 Service Areas had a combined 1,363 customers.¹⁰ The PUC transferred CCN 11157 to Aqua Texas after it determined that Aqua Texas was "currently serving customers and *have sufficient capacity*, therefore, the *feasibility of obtaining service from another adjacent retail public utility was not considered.*"¹¹ District data shows, however, that in 2018, Aqua Texas' groundwater wells for those same Service Areas served 2,066 connections—*over 700 more connections* than represented in the transfer application.

16. Aqua Texas' self-reported data to the District shows that in 2022, Aqua Texas' groundwater wells served a total of 2,236 connections in CCN 11157 Service Areas.¹² TCEQ's Drinking Water Watch database also shows that Aqua Texas' registered public water systems for these three areas serves 2,015 connections.¹³ This data establishes that Aqua Texas is serving nearly *50% more* connections within CCN 11157 Service Areas, than was represented in the 2018 transfer application.

17. Subdivision plats filed with Hays County indicate that Aqua Texas is *adding* more connections for service within CCN 11157 Service Areas. In complete disregard for its inadequate access to water supply, Aqua Texas is widening the gap of its water supply shortfall. It is unconscionable to allow Aqua Texas to increase its illegal pumping to serve even more customers that is compounded by its utter failure to address its substantial waste of water from unrepaired waterlines.

¹⁰ Ex. 5, Excerpt from Aqua Texas Application to Transfer CCN 11157.

¹¹ PUC Interoffice Memorandum, Docket 48769, Application of Aqua Utilities, Inc (May 29, 2019) (emphasis added).

¹² Ex. 2, Wierman Aff. at ¶6.

¹³ *Id.*

ALLEGED VIOLATIONS

18. Some TESPAs are water service customers within CCN 11157, numerous recreational users of Jacob's Well, and businesses that depend on continuous flow of Jacob's Well. These members meet the definition of an affected person under the Texas Water Code and PUC regulations.¹⁴ Thus, TESPAs may bring a PUC complaint on their behalf against Aqua Texas.¹⁵

19. When determining whether to grant a CCN, the PUC must ensure an applicant has access to an adequate supply of water or a long-term contract for purchased water from a TCEQ approved system.¹⁶

20. Aqua Texas' inability to provide water service to its service areas within CCN 11157 without breaking Texas groundwater law demonstrates that Aqua Texas is failing to comply with the PUC's core requirements that CCN holders for water service: (1) have access to adequate water supplies; and (2) possess the managerial and technical capabilities necessary to provide continuous and adequate water service. 16 TEX. ADMIN. CODE §§ 24.205 and 24.247(a); TEX. WATER CODE § 13.250.

21. Aqua Texas' legal obligations as a CCN holder do not override its legal obligations to comply with Texas groundwater law, especially when the unlawful pumping is intentional, impacts precious groundwater resources, and is exacerbated by deplorable maintenance of its waterlines.

22. In 2018, Aqua Texas either deliberately misled the PUC about the actual number of connections in the CCN 11157 CCN 11157 Service Areas, or Aqua Texas drastically underestimated the number of connections in the CCN 11157 Service Areas and failed to update

¹⁴ TEX. WATER CODE § 13.002(1); *see also* 16 TEX. ADMIN. CODE § 22.2(4).

¹⁵ 16 TEX. ADMIN. CODE § 22.242(a).

¹⁶ 16 TEX. ADMIN. CODE § 24.227(a)(1)(B).

the PUC with its drastically increasing number of connections and a demonstration of access to a necessary water supply.

23. At a minimum, Aqua Texas should not be permitted to service new customers in the CCN 11157 service area until Aqua Texas (i) repairs its leaking infrastructure and (ii) demonstrates that it has an adequate, lawful water supply.

24. In 2022 and 2023, Aqua Texas did not have the required access to an adequate water supply to provide “continuous and adequate supply of water”¹⁷ to CCN 11157 Service Areas without violating its groundwater permits. Now, in 2024, Aqua Texas does not have *any* lawful water supply to provide “continuous and adequate supply of water”¹⁸ to CCN 11157 Service Areas.

25. Aqua Texas has known since 2018 that its groundwater permits are subject to reduced production limits during drought conditions. In 2020, Aqua Texas even participated in, and voted in favor of, the creation of the JWGMZ and the associated drought curtailment limits that are based on flow at Jacob’s Well.¹⁹ Aqua Texas, therefore, has been fully aware of the limitations on its water supply, and it is not excused from complying with them.

26. During drought conditions, the PUC directs Aqua Texas to institute restrictions on its customers to ensure it maintains access to an adequate water supply.²⁰ Alternatively, Aqua Texas can obtain service sufficient to meet its obligations to provide water service on at least a wholesale basis from another consenting utility service provider.²¹ Aqua Texas appears to have done neither. Upon information and belief, Aqua Texas failed to send any notices of drought conditions to its

¹⁷ 16 TEX. ADMIN. CODE § 24.247(a).

¹⁸ 16 TEX. ADMIN. CODE § 24.247(a).

¹⁹ Ex. 2, Wierman Aff. at ¶5.

²⁰ 16 TEX. ADMIN. CODE § 24.205(c).

²¹ 16 TEX. ADMIN. CODE § 24.247(b)(3).

customers in 2022. Aqua Texas then compounded the problem by failing to “promptly repair leaks” in its infrastructure.²²

27. Aqua Texas has failed to comply with PUC legal requirements for CCN holders. Complainants allege that Aqua Texas violated, and continue to violate, TEX. WATER CODE § 13.250 and Commission Rules 16 TEX. ADMIN. CODE §§ 24.205(a) and 24.227(a) because Aqua Texas does not have access to an adequate supply of water and is incapable of providing continuous and adequate water service to its CCN 11157 customers. Complainants further allege Aqua Texas violated, and continue to violate, Commission Rule 16 TEX. ADMIN. CODE § 24.205(5) because Aqua Texas has not maintained the infrastructure associated with CCN 11157 that has resulted in egregious line losses.

RELIEF REQUESTED

28. Complainants respectfully request that a hearing be held to determine whether Aqua Texas has committed violations of Commission rules, and, after such hearing, the Commission order:

- a. revocation or decertification of all or a portion of CCN 11157 and find an alternative utility to provide water service;
- b. enjoin Aqua Texas from adding additional connections in CCN 11157 service areas Woodcreek I, Woodcreek II and Mountain Crest; and/or
- c. require Aqua Texas to identify and make system improvements necessary to avoid its perpetual and extensive line losses and waste of water.

²² 16 TEX. ADMIN. CODE § 24.205(5).

Respectfully submitted,

By: /s/Adam M. Friedman

Adam M. Friedman

State Bar No. 24059783

afriedman@msmtx.com

Hailey N. Culhane

State Bar No. 24127440

hculhane@msmtx.com

McElroy, Sullivan, Miller

& Weber, LLP

P.O. Box 12127

Austin, Texas 78711

(512) 327-8111

(512) 350-2681 Fax

ATTORNEYS FOR TESPA

EXHIBIT 1

Thomas J. Gleeson
Chairman

Lori Cobos
Commissioner

Jimmy Glotfelty
Commissioner

Kathleen Jackson
Commissioner



Greg Abbott
Governor

Connie Corona
Interim Executive Director

Public Utility Commission of Texas

4/9/2024

Mr. Adam Friedman
McElroy Sullivan Miller & Weber LLP
PO Box 12127
Austin TX 78711

RE: Informal Complaint # CP2024030907

Dear Mr. Friedman:

Under the Public Utility Commission of Texas' Procedural Rule § 22.242(c)(2), Commission Staff may grant a request for waiver of informal resolution for good cause. This rule recognizes that, because Staff conducts the informal resolution process, it is in the best position to determine whether use of that process should be waived for a particular complaint. Staff hereby waives for good cause the requirement that the complaint filed on behalf of Trinity Edwards Springs Protection Association, Brent Pulley, and Dean Eichelberger against Aqua Texas, Inc. be presented for informal resolution.

Enclosed is a copy of the Formal Complaint Procedures Brochure. This information is necessary for filing a formal complaint and will assist you with completing this process. When you file your formal complaint, please include a copy of this letter. If you have any questions about this procedure, please contact Central Records at 512-936-7180.

Sincerely,

Chris Burch, Director
Consumer Protection Division

Enclosure

EXHIBIT 2

COMPLAINT OF TRINITY EDWARDS §
SPRINGS PROTECTION ASSOCIATION §
AGAINST AQUA TEXAS, INC. SEEKING §
CANCELLATION OF CERTIFICATE OF §
CONVENIENCE AND NECESSITY #11157 §
§
§
§

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF
TEXAS

AFFIDAVIT OF DOUGLAS A. WIERMAN

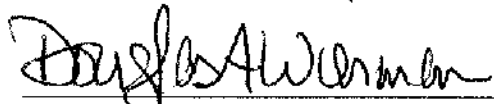
Before me, the undersigned notary public, personally appeared Douglas A. Wierman, a person whose identity is known to me. After I administered an oath, affiant testified as follows:

1. My name is Douglas A. Wierman. I am over the age of eighteen, of a sound mind, and otherwise competent to make this affidavit and verification. The facts stated in this affidavit and verification are within my personal knowledge and are true and correct.
2. I am currently employed as a hydrogeologist and have been since 1979. I have performed hydrogeologic services for national and international consultancies and as a self-employed consultant. I have participated in numerous studies and publications regarding surface water/groundwater interactions in the Hill Country Trinity Aquifer, including Jacob’s Well Spring. A true and correct copy of my resume is attached to this affidavit as Exhibit A.
3. Jacob’s Well is an iconic natural spring that is fed by flows from the Middle Trinity Aquifer. Hydrogeologists, including myself, have extensively studied flow at Jacob’s Well. There is an undisputable connection between pumping in the Middle Trinity Aquifer and reduced flow at Jacob’s Well. In recognition of this hydraulic connection, the Hays County Groundwater District (the “District”) created the JWGMZ to protect a sustainable flow at Jacob’s Well and downstream into Cypress Creek.
4. According to United States Geological Survey (“USGS”) Gauge No. 08170990 near Jacob’s Well, from January 1, 2022 through December 31, 2022, Jacob’s Well stopped flowing for a total of 31 days. According to USGS Gauge No. 08170990 near Jacob’s Well, from January 1, 2023, through December 31, 2023, Jacob’s Well stopped flowing for a total of 203 days. It is my opinion as a hydrogeologist that Aqua Texas, Inc.’s (“Aqua Texas”) unlawful pumping caused the flow to stop on some of those days.
5. In 2018, Aqua Texas represented to the PUC that CCN 11157 service areas had a combined 1,363 customers. Aqua Texas’ self-reported data to the District shows that in 2022 Aqua Texas’ groundwater wells served a total of 2,236 connections in Woodcreek I, Woodcreek II, and Mountain Crest. TCEQ’s Drinking Water Watch database also shows that Aqua Texas’ registered public water systems for these

three areas serve 2,015 connections. This data establishes that Aqua Texas is serving nearly 50% more connections within CCN 11157 service areas Woodcreek I, Woodcreek II, and Mountain Crest than was represented to the Public Utility Commission in the 2018 transfer application.

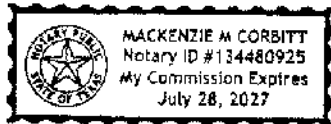
- 6. I have reviewed the District's data regarding Aqua Texas' groundwater production under its permits in 2023. In 2023, Aqua Texas again violated monthly and annual production limits for three of its groundwater permits associated with the public water systems serving water to CCN 11157 service areas. In 2023, Aqua Texas pumped nearly 70,000,000 gallons over its permit limits.


Further Affiant sayeth not.



Douglas A. Wierman

Sworn to and subscribed before me Mackenzie Corbitt on March 22nd, 2024.





Notary Public, State of Texas

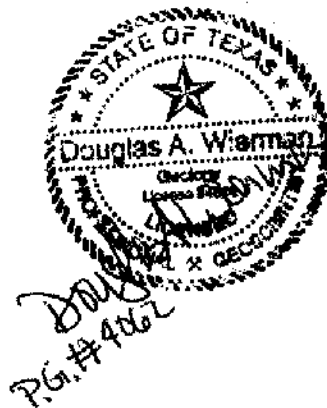


EXHIBIT A

Douglas A. Wierman, P.G.

PROFESSIONAL LICENSE State of Texas Professional Geoscientist P.G. #4062

EXPERIENCE **Blue Creek Consulting, LLC**, Founded 2016,
Sole Proprietor providing hydrogeologic consulting services, primarily relating to Texas Hill Country groundwater and surface water sustainability issues. Litigation Support. Texas Board of Professional Geosciences Firm (Firm No. 50541)

Meadows Center for Water and the Environment, Texas State University, San Marcos, TX

2014 – Present – Research Fellow

Research on groundwater-surface water interactions in Texas Hill Country watersheds including Onion Creek, Blanco River, Little Blanco River, Pedernales River, Little Cypress Creek (Krause Springs), Cypress Creek (Wimberley), Cypress Creek (Blanco County) and the Guadalupe River. Technical committee lead for the conceptual model of surface water/groundwater interactions in Hays County including Onion Creek (Blanco River Aquifer Assessment Tool). Numerical model under development.

Environmental Resources Management, Inc. - Austin, TX

1998-2016 - Senior Consultant

Performed water sustainability studies for major oil and gas companies, investigations and remediation of former industrial sites and environmental due diligence.

RMT, Inc., - Chicago, IL & Austin, TX

1992-1997 - Regional President, Corporate Vice President

Had profit and loss responsibility of the Gulf Coast Region and California for over 250 staff in seven offices in four distinct businesses including environmental consulting and engineering, geotechnical drilling and laboratory, air emissions testing and fugitive air testing.

Warzyn, Inc., - Madison, WI, Minneapolis, MN & Chicago, IL

1978-1992 Division Director, Project Director

Division director of national environmental assessment practice, solid waste landfill siting and remediation, litigation support and expert testimony.

EDUCATION M.S. Geological Sciences - University of Wisconsin - Milwaukee (1979) MS Thesis – Hydrogeology of the Cedarburg Bog, Ozaukee County, WI

B.S. Geology - University of Wisconsin - Madison (1976)

COMMUNITY SERVICE Hays Trinity Groundwater Conservation District Board Member, served as Vice President and Board President, 2004 – 2010

Former Austin Geological Society Treasurer

Cypress Creek Watershed Protection Plan – Technical Advisor

BSEACD Water Conservation Groundwater Stewardship Award - 2011

Douglas A. Wierman
129 Waving Muhly Drive, San Marcos, TX 78666
512-826-2729
dawierman@aol.com

SELECTED
PUBLICATIONS

Hunt, B. B., B. A. Smith, M. Gary, D. A. Wierman, A. S. Broun, Wierman, D.A., Watson, J. and Johns, David 2017, Surface-water and Groundwater Interactions in the Blanco River and Onion Creek Watersheds: Implications for the Trinity and Edwards Aquifers of Central Texas. Volume LVII, Issue Number 5, Bulletin of the South Texas Geological Society

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Wierman, D.A., 2014, How Much Water is in the Hill Country?, Meadows Center for Water and the Environment, Texas State University

Wierman, D. A., Broun, A. S., Hunt, B. B., 2010, Hydrogeologic Atlas of the Hill Country Trinity Aquifer, Blanco, Hays, and Travis Counties, Central Texas. Hays Trinity Groundwater Conservation District, United States.

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Hunt, B. B., B. A. Smith A. Andrews, A. S. Broun, D. A. Wierman and M.O. Gary, 2015, Relay Ramp Structures and Their Influence on Groundwater Flow in the Edwards and Trinity Aquifers. 14th Annual Sinkhole Conference, National Cave and Karst Research Institute

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Smith, B.A, B. B. Hunt, A. Andrews, J.A Watson, A. S. Broun, D. A. Wierman and M.O. Gary, 2014, Surface Water-Groundwater Interactions along the Blanco River of Central TX, USA, Environmental Earth Sciences

Watson, J. A., B. B. Hunt, M. O., Gary, D. A. Wierman, B. A. Smith, 2014, Potentiometric Surface Investigation of the Middle Trinity Aquifer in Western Hays County, Texas, BSEACD Report of Investigations 2014-1002

Hunt, B. B., C. Norris, M. Gary, D. A. Wierman, A. S. Broun, and B. A. Smith, 2013, Pleasant Valley Spring: A Newly Documented Karst Spring of the Texas Hill Country Trinity Aquifer, The Geological Society of America (GSA) South-Central Section-47th Annual Meeting.

Meadows Center for Water and the Environment, 2015, How Much Water is in the Hill Country? Conservation Strategies, Management Approached and Action Plan, Meadows Center for Water and the Environment, Texas State University, San Marcos, TX.

Wuellner, W.W.; Wierman, D.A. and Koch, H.A., 1987, Effect of Landfill Leachate on the Permeability of Clay Soils ,Association of Engineering Geologists/International Association of Engineering Geology 28th Annual Meeting

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PUBLICATIONS

(con't)

Montgomery, R.J., Wierman, D.A. 1985, Downhole Geophysical Methods for Determining the Internal Structure of a Large Landfill, Association of Engineering Geologists/International Association of Engineering Geology 28th Annual Meeting

Wierman, D.A., Walker, J., Butler, W., Zapetello, S., and Warren, E., 2017. Occurrence of Flowing Water and Water Quality during Base Flow Conditions in the Pedernales River Basin, Meadows Center for Water and the Environment, Texas State University, San Marcos, TX.

Wierman, D.A., 2017. Determining the Source of Base Flow to the Pedernales River in Northern Blanco, Hays, and Travis Counties. Meadows Center for Water and the Environment, Texas State University, San Marcos, TX.

Wierman, D.A., Walker, J., and Moreno, J., 2017. PFSP Spring Dye Trace Project, Pedernales Falls Spring,. Meadows Center for Water and the Environment, Texas State University, San Marcos, TX.

Watson, J.A., Broun, A.S., Hunt, B.B., and Wierman, D.A., 2018. Geologic Mapping of the Upper Glen Rose Unit 3 in the Onion Creek Basin. Gulf Coast Association of Geological Sciences, GCAGS Journal, v. 7 (2018), p. 107–120.

Gary, M.O., Hunt, B.B., Smith, B.A., Watson, J.A., and Wierman, D.A., 2019, Evaluation for the Development of a Jacob's Well Groundwater Management Zone Hays County, Texas. Technical Report prepared for the Hays Trinity Groundwater Conservation District, Hays County, Texas. Meadows Center for Water and the Environment, Texas State University at San Marcos, TX. Report: 2019-05. July 2019. 58 p.

Wierman, D.A., Walker, J. and Moreno, J., 2019. How Much Water is in the Guadalupe? Preliminary Data Analysis and Gap Analysis. Meadows Center for Water and the Environment, Texas State University at San Marcos, TX.

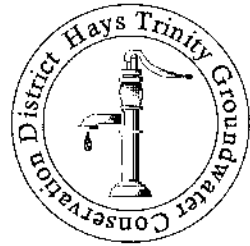
Smith, B.A., B.B. Hunt, D.A. Wierman, and M.O. Gary, 2018, Groundwater Flow Systems of Multiple Karst Aquifers of Central Texas. In I.D. Sasowsky, M.J. Byle, and L. Land (Eds). Proceedings of the 15th Multidisciplinary Conference on Sinkholes and the Engineering and Environmental Impacts of Karst and the 3rd Appalachian Karst Symposium, National Cave and Karst Research Institute (NCKRI) Symposium 6, p 17-29.

Hunt, B. B., A. S. Broun, D. A. Wierman, D. A. Johns, and B. A. Smith, 2016, Surface-water and groundwater interactions along Onion Creek, Central Texas: Gulf Coast Association of Geological Societies Transactions, v. 66, p. 261–282.

EXHIBIT 3

April 13, 2023

Mr. Brent Reeh
Aqua Texas, Inc.
1106 Clayton Lane 400W
Austin TX 78723



Re: Notice of Alleged Violation (NOAV) –Exceeding Operating Permit Production Limit

Dear Mr. Reeh:

The HTGCD District office has reviewed your quarterly reporting for 2022. Your systems, Woodcreek Phase 1 Well 12, Woodcreek Phase II, and Mountain Crest are in violation of exceeding the annual drought-adjusted permitted amounts. Because the JWGMZ individual drought curtailment charts were effective March 1, 2022, the calculations for the latter two systems are based on data from March through December 2022. The JWGMZ monthly baseline production amounts were averaged in accordance with Rule 15.2.1, which serves to reduce overages.

District Rule Penalty Schedule 10.1.3 (H):

Failure to comply with the terms and conditions of the User Drought Contingency Plan, the Water Conservation Plan, or the Drought Production Cutback Chart: up to \$500.00 plus \$5.00 per 1,000 gallons in excess of the annual drought cutback reduction total.

Report Summary 10.1.3 (H): Woodcreek Phase 1 Well 12

Operating Permit Drought-Adjusted Limit: 39,538,109 gallons
Actual production: 77,176,600 gallons
Overage: 37,638,491 gallons

Penalty Calculation:

$(37,638,000/1,000)\$5 + \$500 = \text{Amount Owed to HTGCD} = \$188,690.00$

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Report Summary 10.1.3 (H): Woodcreek Phase II

Operating Permit Drought-Adjusted Limit: 55,450,515 gallons
Actual production: 103,114,300 gallons
Overage: 47,663,785 gallons

Penalty Calculation:

$(47,663,000/1,000)\$5 + \$500 = \text{Amount Owed to HTGCD} = \$238,815.00$

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Report Summary 10.1.3 (H): Mountain Crest

Operating Permit Drought-Adjusted Limit: 6,614,684 gallons
Actual production: 10,756,400 gallons
Overage: 4,141,716 gallons

Penalty Calculation:

$(4,141,000/1,000)\$5 + \$500 = \text{Amount Owed to HTGCD} = \$21,205.00$

Total Penalties all systems: \$448,710.

Payment Due Date: May 8, 2023

Continued next page ~

STAFF & BOARD

Charlie Flatten
General Manager

Laura Thomas
Assistant General Manager

Radu Boghici, P.G.
Hydrogeologist

Keaton Hoelscher
Geo-Technician

District 1
David Smith
Treasurer/Secretary

District 2
Bruce Moulton
Vice President

District 3
Carlos Torres-Verdin

District 4
Linda Kaye Rogers
President

District 5
Armond "Doc" Jones



If repairs or improvements to your water system were made in 2022 or other conservation measures were made (e.g., rainwater harvesting, beneficial reuse, etc.), and you can provide copies of paid invoices as evidence, HTGCD may consider deducting reasonable costs from the NOAV amount. **Please email information to gm@haysgroundwater.com or payment of penalty amount by the due date stated above to HTGCD, PO Box 1648, Dripping Springs, TX 78620**

You may contest the *facts* of this NOAV by mailing a formal contested case letter by certified mail to the District's PO Box. The deadline for HTGCD to accept your letter is **May 8, 2023**. You or your representative shall present your contested case and supporting evidence to the HTGCD Board of Directors during a June public hearing. Please note that by statute, staff may not process any permit renewals or operating permit amendments if you have outstanding or unresolved compliance issues.

Please contact our office as soon as possible with any questions concerning this matter. I can be reached at the phone number below or by email at gm@haysgroundwater.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Charlie Flatten". The signature is fluid and cursive, with a long horizontal stroke at the end.

Charlie Flatten

EXHIBIT 4

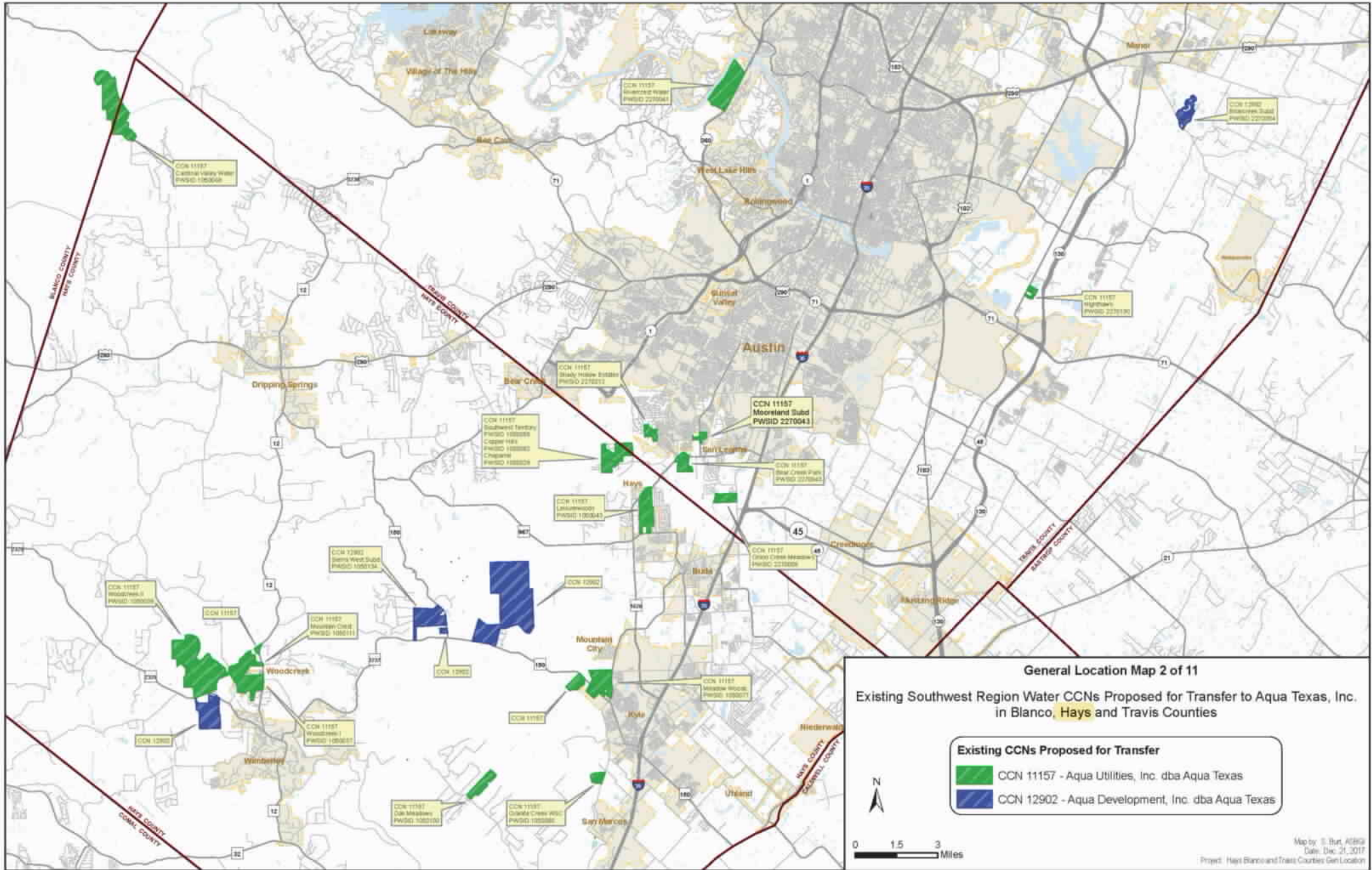
From HTGCD

| JWGMZ YTD NOAV SUMMARY (2023) | | | | | | | | | | | | | | |
|-------------------------------------|-----------|------------|------------|------------|-----------|-----------|-----------|------------|------------|-----------|-----------|-----------|-------------|----------------------------|
| Permittee | January | February | March | April | May | June | July | August | September | October | November | December | Totals | Continuous Drought Allowed |
| Mountain Crest / Aqua Texas | | | | | | | | | | | | | | |
| - Production (gal) | 560,600 | 549,700 | 589,100 | 646,800 | 1,170,300 | 1,331,300 | 1,145,300 | 944,100 | 1,369,700 | 756,300 | 539,300 | 714,900 | 10,317,400 | |
| - Allotted (gal) | 451,001 | 526,168 | 526,168 | 526,168 | 601,335 | 751,669 | 902,002 | 902,002 | 751,669 | 601,335 | 526,168 | 451,001 | 7,516,686 | |
| - Overage (gal) | 109,599 | 23,532 | 62,932 | 120,632 | 568,965 | 579,631 | 243,298 | 42,098 | 618,031 | 154,965 | 13,132 | 263,899 | 2,800,714 | |
| - Overage % of Allotted | 24.30% | 4.47% | 11.96% | 22.93% | 94.62% | 77.11% | 26.97% | 4.67% | 82.22% | 25.77% | 2.50% | 58.51% | | |
| - Line Loss (gal) | 24,900 | 0 | 46,100 | 144,200 | 564,900 | 718,500 | 468,500 | 18,700 | 88,300 | 21,000 | | | 2,095,100 | |
| - Line Loss (%) | 4.44% | 0.00% | 7.83% | 22.29% | 48.27% | 53.97% | 40.91% | 1.98% | 6.45% | 2.78% | | | | |
| - Line Loss % of Allotted | 5.52% | - | 8.76% | 27.41% | 93.94% | 95.59% | 51.94% | 2.07% | 11.75% | 3.49% | | | | |
| - Report Submitted | On Time | On Time | Late | On Time | On Time | On Time | Late | Late | Late | Late | Late | On Time | | |
| - Penalty | \$ 545 | \$ 115 | \$ 310 | \$ 600 | \$ 2,840 | \$ 2,895 | \$ 1,215 | \$ 210 | \$ 3,090 | \$ 770 | \$ 65 | \$ 1,315 | \$ 13,970 | \$ 15,310 |
| Wimberley Springs Partners | | | | | | | | | | | | | | |
| - Production (gal) | 293,900 | 482,900 | 502,900 | 251,500 | 638,400 | 638,400 | 334,800 | 783,000 | 232,700 | 457,000 | 947,000 | 539,000 | 6,101,500 | |
| - Allotted (gal) | 558,611 | 558,611 | 558,611 | 558,611 | 558,611 | 559,282 | 559,282 | 559,282 | 559,282 | 558,611 | 558,611 | 558,611 | 6,706,016 | |
| - Overage (gal) | 0 | 0 | 0 | 0 | 79,789 | 79,118 | 0 | 223,718 | 0 | 0 | 388,389 | 0 | 771,014 | |
| - Overage % of Allotted | | | | | 14.28% | 14.15% | | 40.00% | | | 69.53% | | | |
| - Report Submitted | Late | Late | Late | Late | On Time | On Time | Late | Late | Late | Late | Late | Late | | |
| - Penalty | \$ | \$ | \$ | \$ | \$ 395 | \$ 395 | \$ | \$ 1,115 | \$ | \$ | \$ 1,940 | \$ | \$ 3,845 | |
| Woodcreek Phase I (Well #11) | | | | | | | | | | | | | | |
| - Production (gal) | 2,437,000 | 2,417,000 | 2,946,000 | 5,764,500 | 3,209,400 | 2,568,800 | 4,029,000 | 6,181,000 | 2,496,000 | 2,131,000 | 2,727,000 | 2,208,000 | 39,114,700 | |
| - Allotted (gal) | 1,609,622 | 1,877,892 | 1,877,892 | 1,877,892 | 2,146,163 | 2,682,703 | 3,219,244 | 3,219,244 | 2,682,703 | 2,146,163 | 1,877,892 | 1,609,622 | 26,827,032 | |
| - Overage (gal) | 827,378 | 539,108 | 1,068,108 | 3,886,608 | 1,063,237 | 0 | 809,756 | 2,961,756 | 0 | 0 | 849,108 | 598,378 | 12,603,437 | |
| - Overage % of Allotted | 51.40% | 28.71% | 56.88% | 206.97% | 49.54% | | 25.15% | 92.00% | | | 45.22% | 37.18% | | |
| - Line Loss (gal) | 0 | 0 | 0 | 1,080,500 | 359,200 | 397,300 | 0 | 0 | 0 | 0 | 0 | 0 | 1,837,000 | |
| - Line Loss (%) | 0.00% | 0.00% | 0.00% | 18.74% | 11.19% | 15.47% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | |
| - Line Loss % of Allotted | | | | 57.54% | 16.74% | 14.81% | | | | | | | | |
| - Report Submitted | On Time | On Time | Late | On Time | On Time | On Time | Late | Late | Late | Late | Late | On Time | | |
| - Penalty | \$ 4,135 | \$ 2,695 | \$ 5,340 | \$ 19,430 | \$ 5,315 | \$ | \$ 4,045 | \$ 14,805 | \$ | \$ | \$ 4,245 | \$ 2,990 | \$ 63,000 | \$ 62,075 |
| Woodcreek Phase II | | | | | | | | | | | | | | |
| - Production (gal) | 9,120,300 | 10,572,400 | 10,629,000 | 10,661,100 | 8,759,900 | 9,113,300 | 9,113,300 | 10,743,500 | 12,109,500 | 9,302,500 | 8,757,400 | 8,290,600 | 117,172,800 | |
| - Allotted (gal) | 3,780,717 | 4,410,836 | 4,410,836 | 4,410,836 | 5,040,956 | 6,301,195 | 7,561,434 | 7,561,434 | 6,301,195 | 5,040,956 | 4,410,836 | 3,780,717 | 63,011,948 | |
| - Overage (gal) | 5,339,583 | 6,161,564 | 6,218,164 | 6,250,264 | 3,718,944 | 2,812,105 | 1,551,866 | 3,182,066 | 5,808,305 | 4,261,544 | 4,346,564 | 4,509,883 | 54,160,852 | |
| - Overage % of Allotted | 141.23% | 139.69% | 140.97% | 141.70% | 73.77% | 44.63% | 20.52% | 42.08% | 92.18% | 84.54% | 98.54% | 119.29% | | |
| - Line Loss (gal) | 3,263,800 | 3,939,100 | 4,413,400 | 3,997,200 | 2,918,500 | 2,755,600 | 2,782,900 | 3,013,100 | 2,882,100 | 2,901,600 | 2,868,000 | 3,197,700 | 38,933,000 | |
| - Line Loss (%) | 35.79% | 37.26% | 41.52% | 37.49% | 33.32% | 30.24% | 30.54% | 28.05% | 23.80% | 31.19% | 32.75% | 38.57% | | |
| - Line Loss % of Allotted | 86.33% | 89.31% | 100.06% | 90.62% | 57.90% | 43.73% | 36.80% | 39.85% | 45.74% | 57.56% | 65.02% | 84.58% | | |
| - Report Submitted | Late | Late | Late | On Time | On Time | On Time | Late | Late | Late | Late | Late | On Time | | |
| - Penalty | \$ 26,695 | \$ 30,805 | \$ 31,090 | \$ 31,250 | \$ 18,590 | \$ 14,060 | \$ 7,755 | \$ 15,910 | \$ 29,040 | \$ 21,305 | \$ 21,730 | \$ 22,545 | \$ 270,775 | \$ 270,780 |

Handwritten bracket on the left side of the table, spanning from the 'Wimberley Springs Partners' section down to the 'Woodcreek Phase II' section.

Handwritten note: "Dickson Golf Course" written across the top of the 'Wimberley Springs Partners' section.

EXHIBIT 5



CCN 11157
 Capital Valley Water
 PWSID 182646

CCN 11157
 Woodland Hill
 PWSID 227043

CCN 12902
 Brentwood Subd
 PWSID 227044

CCN 11157
 Highgate
 PWSID 227039

CCN 11157
 Steady House 2188th
 PWSID 227032

CCN 11157
 Moorland Subd
 PWSID 227043

CCN 11157
 Bear Creek Park
 PWSID 227043

CCN 11157
 Sideward Territory
 PWSID 182638

CCN 11157
 Mountain View
 PWSID 182643

CCN 11157
 Grand Creek Meadows
 PWSID 227039

CCN 12902
 Berry West Subd
 PWSID 182634

CCN 11157
 Woodcreek
 PWSID 182636

CCN 11157

CCN 11157
 Mountain Creek
 PWSID 182611

CCN 12902

CCN 12902

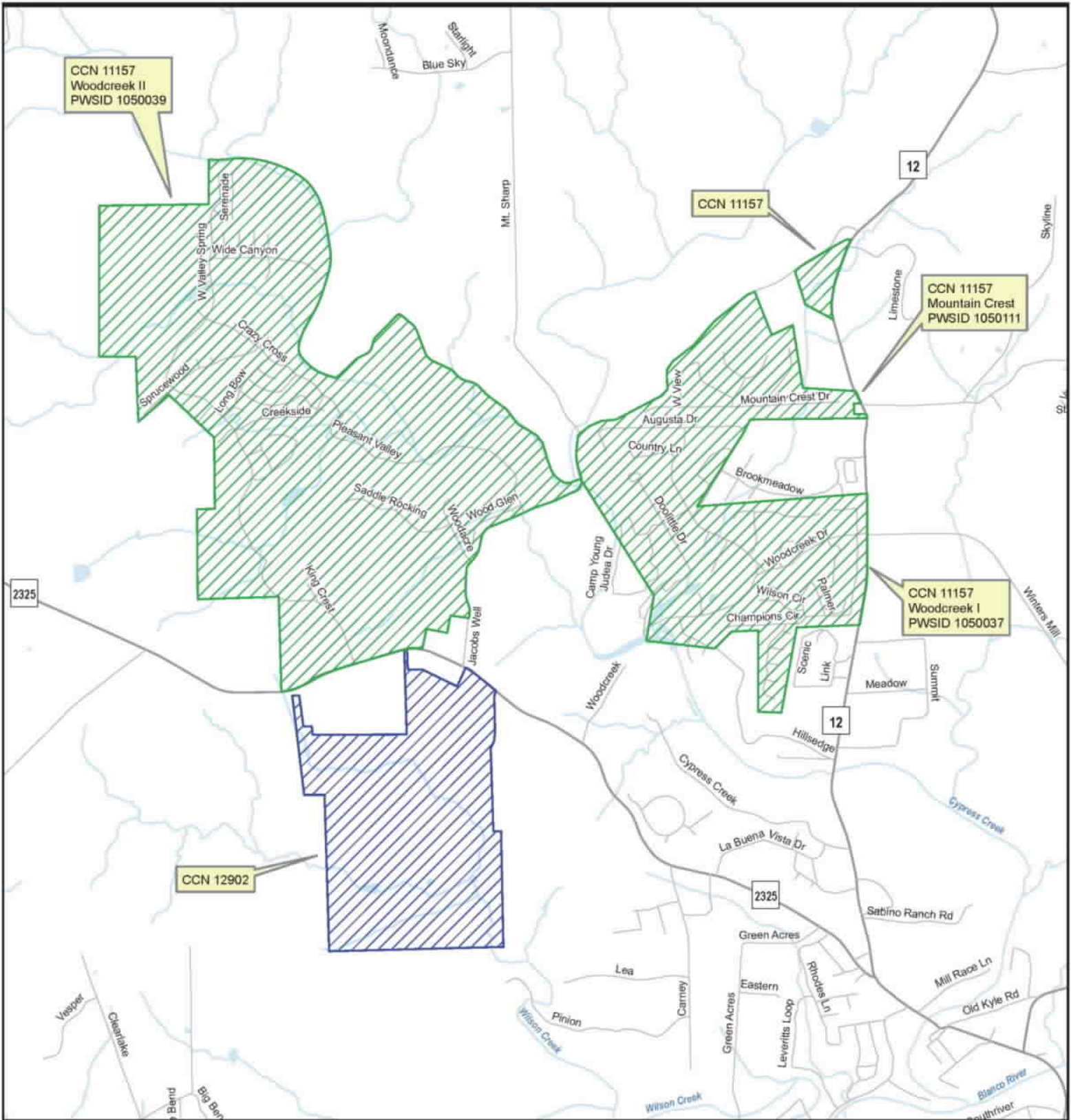
CCN 11157
 Meadow Ridge
 PWSID 182621

CCN 11157
 Woodcreek
 PWSID 182637

CCN 12902

CCN 11157
 Oak Meadows
 PWSID 182630

CCN 11157
 Grand Creek Hill
 PWSID 182636



Large Scale Map - 9 of 47

Existing Southwest Region Water CCNs Proposed for Transfer to Aqua Texas, Inc.
in Hays County

-  CCN 11157 - Aqua Utilities, Inc. dba Aqua Texas
-  CCN 12902 - Aqua Development, Inc. dba Aqua Texas



0 1,500 3,000
Feet

Water Systems/CCNs Descriptions

Meadow Woods- CCN 11157- PWSID 1050077

The area subject to this transaction is located within approximately 2 miles northwest of downtown Kyle, Texas, and is generally located on the north by 1390' north of Crystal Meadows Dr.; on the east by FM 2770; on the south by 1600' south of FM 150; and on the west by .93 mile west of FM 2770.

The total area being requested includes approximately 452 acres and serves 520 current customers.

Mountain Crest- CCN 11157- PWSID 1050111

Woodcreek I-CCN 11157- PWSID 1050037

Woodcreek II- CCN 11157- PWSID 1050039

The area subject to this transaction is located within approximately 2 miles northwest of downtown Wimberley, Texas, and is generally located on the north by Cypress Creek & Jacobs Well Rd.; on the east by RR 12; on the south by FM 2325; and on the west by 210' west of Chevenne St.

The total area being requested includes approximately 2,195 acres and serves 1,363 current customers.

Oak Meadows- CCN 11157- PWSID 1050100

The area subject to this transaction is located within approximately 6 miles north/northwest of downtown San Marcos, Texas, and is generally located on the north by 1.3 miles north of Hilliard Rd.; on the east by 800' east of Oak Meadows; on the south by Hilliard Rd; and on the west by 770' west of Oak Meadows.

The total area being requested includes approximately 210 acres and serves 304 current customers.

Sierra West Subdivision- CCN 12902- PWSID 1050134

The area subject to this transaction is located within approximately 8.1 miles west/northwest of downtown Kyle, Texas, and is generally located on the north by 1.2 miles north of FM 3237; on the east by FM 150; on the south by FM 3237; and on the west by .65 mile east of Rolling Oaks.

The total area being requested includes approximately 480 acres and serves 158 current customers.

CCN 12902- No PWS

The area subject to this transaction is located within approximately 8 miles north/northwest of downtown Kyle, Texas, and is generally located on the north by 1800' north of FM 3237; on the east by FM 150; on the south by 880' north of FM 3237; and on the west by 1460' west of FM 150.