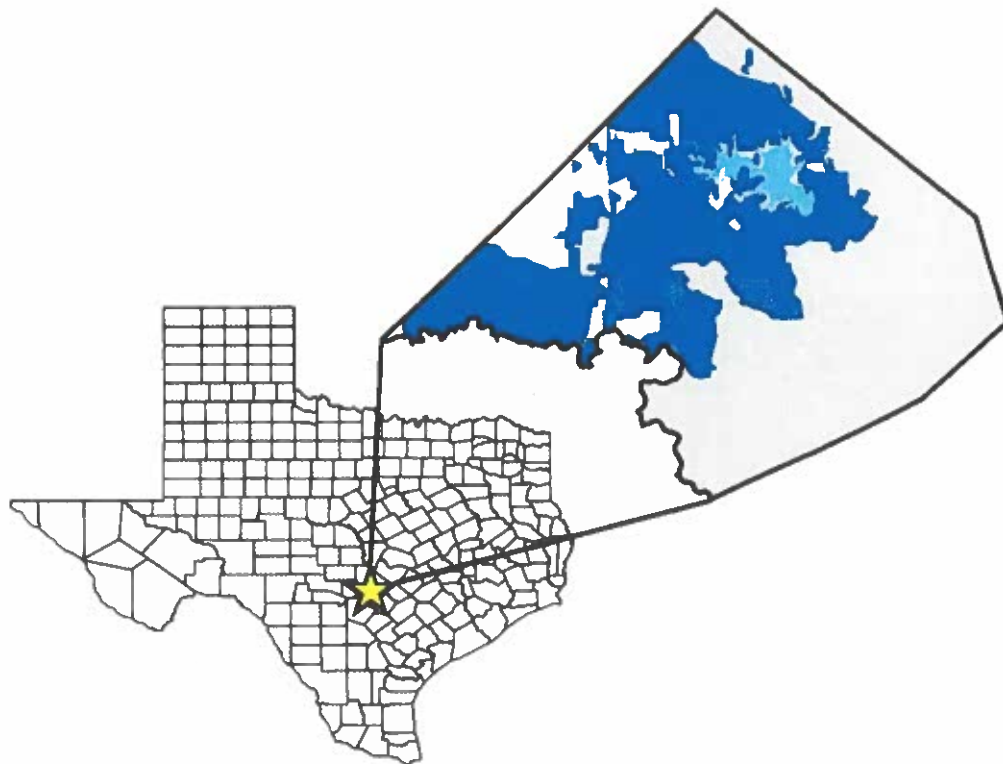


# Canyon Lake Water Service Company Water Availability Report

**April 2016**

(Rev. 2, August 2016)



**B T S  
TEXAS**

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A Veteran-Owned Small Business



**Canyon Lake Water Service Company**

**Water Availability Report**

**For**

**Comal County Commissioners Court**

**199 Main Plaza  
New Braunfels, Texas 78130**

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**April 2016**

(Rev. 2, August 2016)

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**Water Availability Report**

*for*

Comal County Commissioners Court  
199 Main Plaza  
New Braunfels, TX 78130

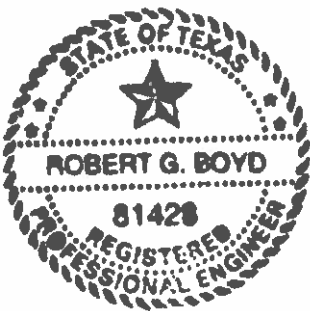
Comal County, Texas

April 2016  
(Rev. 2, August 2016)



### Acknowledgement

This report was produced under the guidance of Mr. Robert G. Boyd, P.E. by BTS of Texas, LLC.



10 AUG 2016

  
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\* Appendices re-indexed July 2016  
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## Section I: Introduction

Canyon Lake Water Service Company (CLWSC) is an investor owned water utility operating under the Public Utility Commission of Texas (PUCT) Certificate of Convenience (CCN) #10692 located in South Central Texas (Figure 1). The water system provides high quality water and exceptional customer service to an approximate population of 37,704 via 12,568 connections (approximate) in Comal County and southern Blanco County.

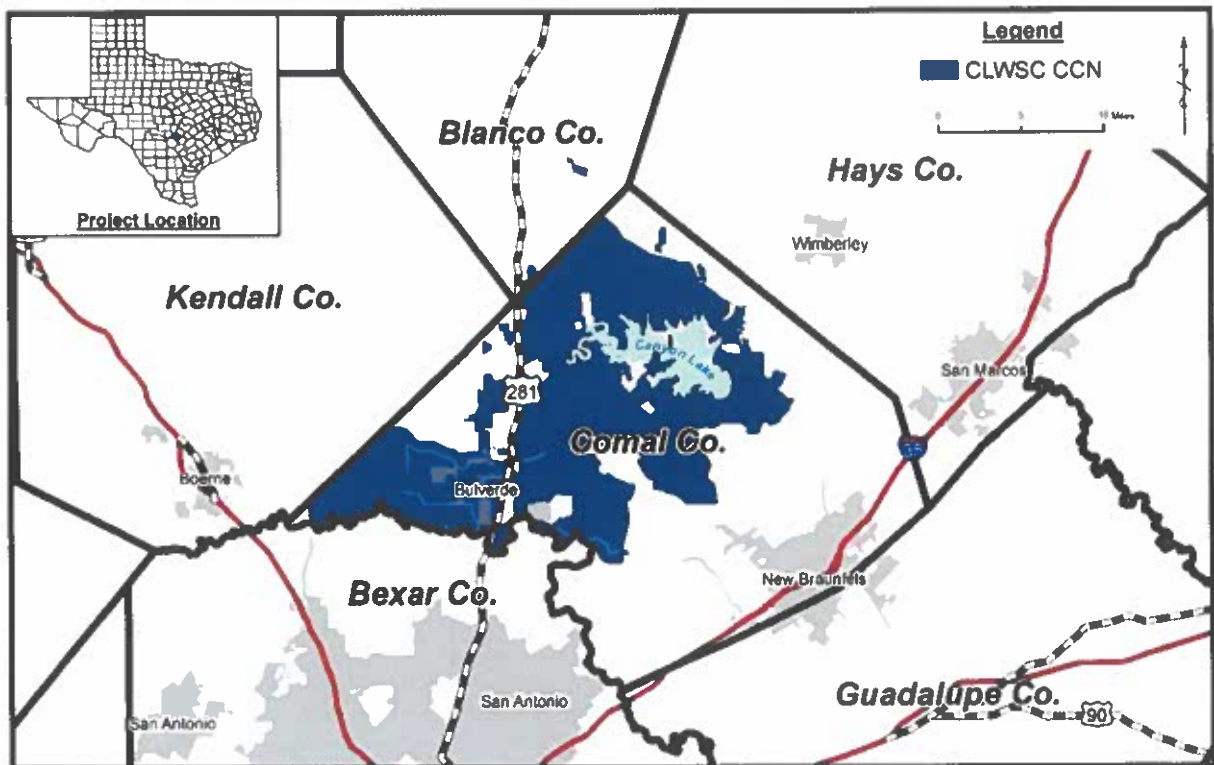


Figure 1: Location map

### I.1. Purpose

With the goal of describing the relationship between existing and future water supplies, this update to the 2013 Water Availability Report presents CLWSC's strong ability to provide a diverse water supply to match projected demands. This update is designed to promote collaborative planning between CLWSC and local jurisdictions, and in turn, assist Comal County in making decisions related to water supply and proposed developments for the next 20 years.

Water availability reports are written in response to Comal County Subdivision Rules and Regulations; which require water retailers with a 1,000 or more connections to demonstrate their ability to meet current demands and support 20-year projected growth.

### I.2. Background

The original Canyon Lake Water Service Company became an operating entity in 1994 as a member-owned non-profit water utility, consolidating 46 separate groundwater systems. In 2006, CLWSC



was purchased by SJWTX, Inc., a subsidiary of SJW Corporation (SJWC), a utility holding company with operations in California and Texas.

SJWC is one of the largest privately owned water companies in the United States, providing service to nearly one million residents of Santa Clara and Santa Cruz Counties in Northern California since it was established in 1866.

According to the latest U.S. Census Bureau statistics, Comal County was the 9th fastest growing county in the United States in 2013-2014. Annual population growth for this period is reported as 4%. Situated between Austin and San Antonio, the Canyon Lake community continues to attract new residents. This growth has resulted in the new construction of housing, schools, parks, and a variety of businesses and service industries.

In 2001, CLWSC's Water Availability Report was approved and accepted by the Comal County Commissioner's Court. CLWSC drafted updates in 2004, 2007, 2009 and 2013 which were each subsequently approved by the Comal County Commissioner's Court. Since the 2013 report, CLWSC has acquired the former Rebecca Creek MUD water system. This system had previously been a wholesale customer of CLWSC, and is now incorporated into the Canyon Lake Shores system. This 2016 report updates the population and demand forecasts and describes how CLWSC will meet future water demands within their service area.

### I.3. Climate

The Canyon Lake area experiences a humid climate with an average of approximately 32 inches of rain annually. Daily average temperatures between 1981 and 2010 ranged from the mid-60s to mid-90s (°F) in spring and summer and from the low-40s to low-60s (°F) in winter. Table 1 provides the average high and low monthly temperatures in addition to average monthly precipitation.

Table 1: Climate Data

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Avg. Max Temp (°F)	62.9	66.9	73.5	80.5	87	92.3	94.6	96	90.3	82.2	72.2	64
Avg. Min Temp (°F)	40.7	44.2	50.8	58.1	66.8	72.6	74.6	74.7	69.1	60.1	50.1	41.7
Avg. Precipitation (in)	1.76	1.79	2.31	2.10	4.01	4.14	2.74	2.09	3.03	4.11	2.28	1.91
Note: Data from the National Oceanic and Atmospheric Administration (NOAA) San Antonio International Airport station; Normals for the period of 1981-2010.												

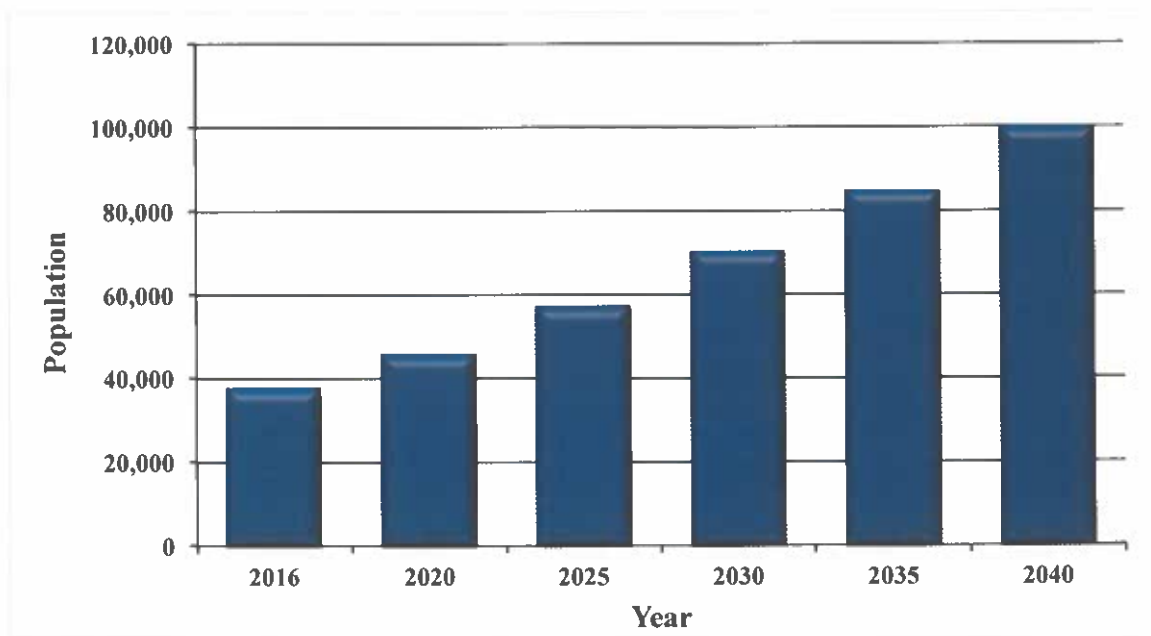
## Section II: Demand

### II.1. Service Area and Population

The CLWSC service area covers approximately 244 square miles over much of northern and western Comal County, and a small area within southern Blanco County. Table 2 provides population projections for the CLWSC service area over an approximate twenty year period from 2016 to 2040. The initial population estimate for the year 2016 was based upon existing CLWSC records for number of meters in December 2015 assuming 3 persons per meter. Projections for the years 2020 through 2040 are based upon actual growth within the system over the period 2013-2015, as well as the backlog of platted new subdivisions planned for development in the service area and service contracts currently in negotiation. An additional allowance was added for the 2030-2040 projections for future development of large tracts of land within our expected future service area that could reasonably be assumed to undergo development within the next 20 years. Excluded from our projection is development of land that is restricted from development, such as Guadalupe State Park.

**Table 2: CLWSC Population Projections (2016 - 2040)**

Year	2016	2020	2025	2030	2035	2040
<b>CLWSC Service Area Population Projection</b>	37,704	45,655	57,167	70,224	84,620	99,535
<b>Annual Growth Rate</b>		4.9%	4.6%	4.2%	3.8%	3.3%



The 2013 Water Availability Report utilized population projections from the 2012 Region L Regional Water Plan (2012 Water Plan). The 2012 Water Plan identified three water user groups which contribute to the population of the CLWSC service area: CLWSC, BMWD (in Comal County) and a portion of the City of Bulverde. The projection of populations for these areas in the 2012 Water Plan were

reasonable for the service area, therefore, those projections were incorporated into the 2013 Water Availability Report. The population projections in the 2016 Region L Regional Water Plan (2016 Water Plan), however do not appear to present an accurate representation of current or anticipated population in the CLWSC service area for the following reasons:

- The 2016 Water Plan provide population projections for CLWSC and Bulverde, but does not provide an indication of where the former BMWD populations in Comal County have been re-allocated.
- The 2016 Water Plan total projected population for CLWSC combined with the entire City of Bulverde for 2020 is less than the current (2016) population of the whole CLWSC service area, including only a portion of Bulverde.
- The rate of growth presented in the 2016 Water Plan is 3% per year between 2020 and 2040, whereas the overall projected rate of growth for the same period is estimated by CLWSC to be 4.0%.

Beginning with lower populations than actual, and proceeding with projections based upon a rate of growth less than anticipated would result in significantly reduced projected future populations and demands. While any long term population projection is fraught with uncertainty and can be debatable, as a utility the consequences of underestimating demand are far greater than the consequences of overestimating demand. Underestimating demand could result in severe water supply shortages due to a lack of adequate supplies. Alternatively, preparing for projected demand in excess of what actually materializes within 20 years simply ensures that we prepare for growth that will eventually come over a longer time frame. Therefore, CLWSC choose to project a more conservative picture of future demands within its service area by utilizing its own population projections than those of the latest Region L Water Plan.

## II.2. Current and Future Water Use

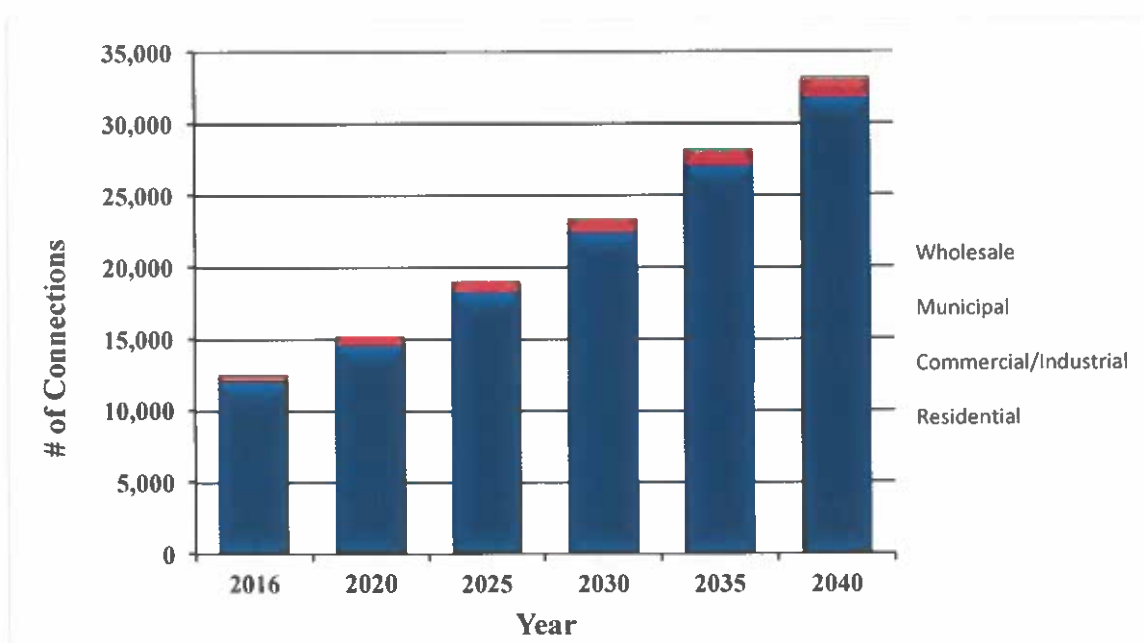
CLWSC provides water utility services to residential, commercial, municipal and other customers which include churches/religious organizations, and hospitals. The majority of connections are residential totaling approximately 12,568 as of December 2015. Table 3 provides the number and type of connections within the CLWSC system in addition to the projected number of connections for the period of time between 2016 - 2040.

CLWSC forecasts that future growth in connections will be proportional to population increases and that development will follow historical trends between the various types of connections. According to CLWSC staff, wholesale will most likely not increase. Table 3 presents projected connection counts for CLWSC for the period from 2016 to 2040. The number of connections for the CLWSC service area were estimated based upon the population projections listed in Table 2. This estimate was based upon the assumption that there are 3 persons per connection. By the year 2040 it is estimated that CLWSC will serve 33,178 connections.



**Table 3: CLWSC Number and Type of Connections (2016 - 2040)**

Year	2016	2020	2025	2030	2035	2040
Residential	12,048	14,576	18,251	22,422	27,017	31,779
Commercial/Industrial	470	583	730	896	1,080	1,271
Municipal	49	58	73	89	108	127
Wholesale	1	1	1	1	1	1
<b>Total</b>	<b>12,568</b>	<b>15,218</b>	<b>19,055</b>	<b>23,408</b>	<b>28,206</b>	<b>33,178</b>



CLWSC has made great efforts to promote conservation with the help of county regulated conservation measures for new developments. Table 4 provides the projected water usage by customer type for the CLWSC for the years 2016-2040 in acre-feet. The projected demand was estimated based upon the population and connection projections provided in Table 2 and Table 3, with an average usage of 300 gallons per day (gpd) per connection. It is estimated that CLWSC's projected metered use will increase from an estimated 4,504 acre-feet per year in the year 2016 to 11,430 acre-feet per year in the year 2040.

However, the majority of future connections will be generated from new residential building. Recent research (DeOreo and Mayer, 20012) indicates that residential indoor water use has and will continue to decline as more new homes are constructed utilizing more water efficient fixtures. Based upon this research and assuming the majority of future growth in the CLWSC service area will be residential

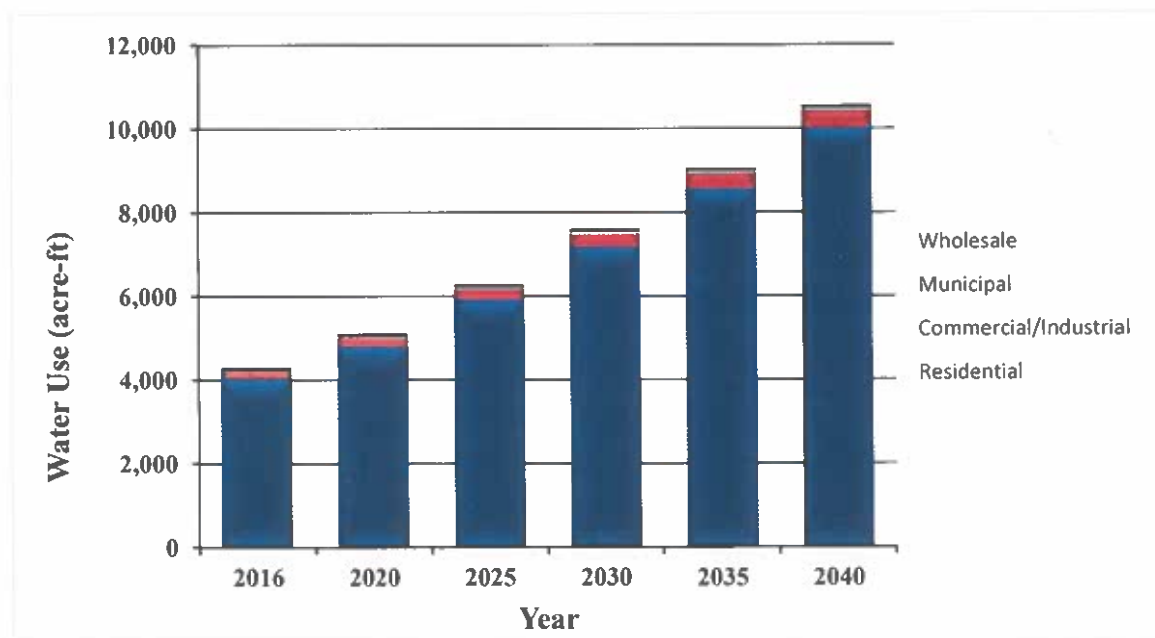


housing built using more efficient fixtures, CLWSC projects that future indoor water use for residential connections will be approximately 30 gpd less for an overall reduction from 300 gpd to 270 gpd per connection. Combined with CLWSC's continued leak detection and mitigation efforts, this reduction in use will reduce the future demand by residential connections in the CLWSC service area. The adjusted residential use and total reduced future use is highlighted in Table 4.

**Table 4: CLWSC Projected Water Use by Customer Type in Acre-Feet (2016 - 2040)**

Year	2016	2020	2025	2030	2035	2040
<b>Residential</b>	4,048	4,898	6,133	7,534	9,078	10,679
<b>Adjusted Residential*</b>	-	4,813	5,925	7,185	8,575	10,016
<b>Commercial/Industrial</b>	157	195	245	301	362	427
<b>Municipal</b>	16	19	24	29	36	42
<b>Wholesale</b>	56	56	56	56	56	56
<b>Total</b>	<b>4,277</b>	<b>5,168</b>	<b>6,458</b>	<b>7,920</b>	<b>9,532</b>	<b>11,204</b>
<b>Total Reduced Future Use*</b>	-	<b>5,083</b>	<b>6,250</b>	<b>7,571</b>	<b>9,029</b>	<b>10,541</b>

\* Assuming 270 gpd per new residential connection



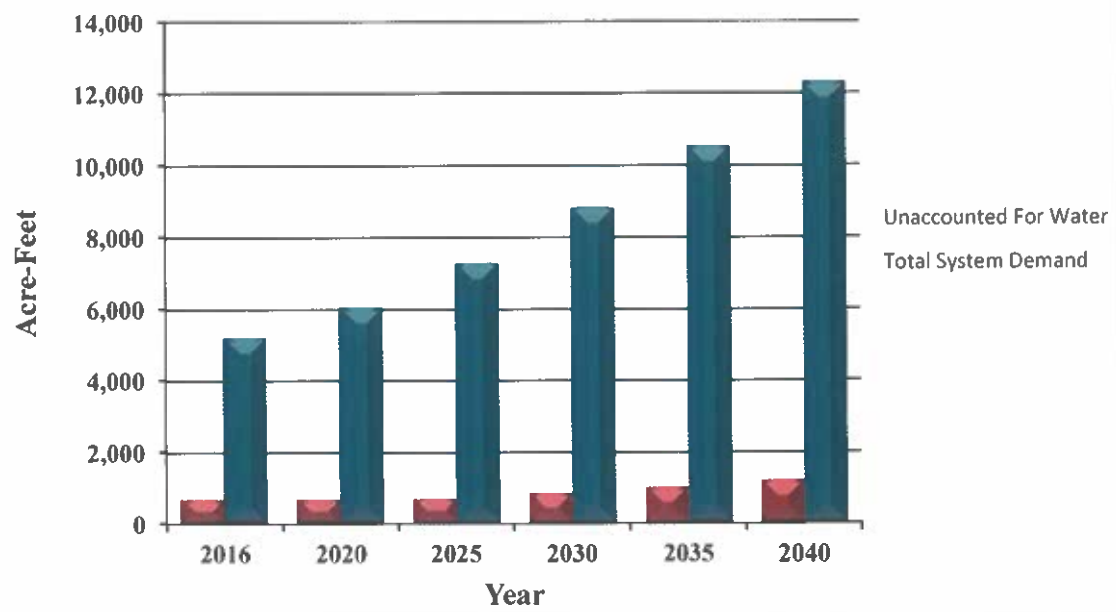
CLWSC's projected total demand however, will be greater than the total water usage by metered customers as shown in Table 5. Table 5 provides the total water demand for the CLWSC for the years 2016 - 2040. Total water demand was estimated using the total water usage shown in Table 4 in addition to unaccounted for water. The estimate for unaccounted water for the year 2016 is based upon CLWSC records for the three years 2013, 2014 and 2015.

Water that is produced and cannot be accounted for through metering is considered unmetered water, and is not billed. Water that is accounted for either by measurement other than metering or estimation, such as water used for firefighting, water main flushing, and public use is considered unmetered but accounted for. The remaining portion of unmetered water is then attributed to meter reading discrepancies, malfunctioning valves, leakage, and theft, and is referred to as unaccounted for water. CLWSC has gone to great lengths to reduce their unaccounted for water.

Water main flushing required by the Texas Commission on Environmental Quality (TCEQ) and leakage are the major sources of un-metered water. Since ownership transition to SJWTX, Inc., upgrades of old/damaged customer meters has resulted in a dramatic decrease in unaccounted for water. In addition, a large number of leaks within the CLWSC service area can be attributed to poor design and construction techniques. More stringent design and construction standards have been adopted by CLWSC has resulted in a large decrease in unaccounted for water. Since 2005 unaccounted for water has been greatly reduced from 31.8% (2005) to the current three-year average rate of 14% (2013-2015) as estimated by CLWSC staff. With the acquisition of existing systems, the challenge of reducing unaccounted for water is significant. CLWSC has established a leak detection program and will continue to replace old/damaged meters and water lines in an effort to achieve 10% or less of unaccounted for water in the future.

**Table 5: CLWSC Projected Total Demand in Acre-Feet (2016 - 2040)**

	2016	2020	2025	2030	2035	2040
<b>Customer Metered Demand</b>	4,277	5,083	6,250	7,571	9,029	10,541
<b>Unmetered Use Accounted For</b>	226	269	331	401	478	558
<b>Unaccounted For Water</b>	727	730	731	886	1,056	1,233
<b>% Unaccounted for Water</b>	14%	12%	10%	10%	10%	10%
<b>Total System Demand</b>	<b>5,230</b>	<b>6,082</b>	<b>7,312</b>	<b>8,858</b>	<b>10,563</b>	<b>12,332</b>



## Section III: Supply

### III.1. Water Sources

CLWSC provides water to its customers via two primary sources of water: treated surface water from Canyon Lake and groundwater from the Trinity Aquifer. CLWSC has a total of 6,852 acre-feet/yr of surface water under contract. 6,000 acre-feet/yr of raw surface water is under contract from the Guadalupe-Blanco River Authority (GBRA). This water is pumped from diversion points within Canyon Lake to three surface water treatments plants (WTP): Triple Peak WTP on the south side of the lake and Park Shores WTP on the north side of the lake (Figure 2). Triple Peak WTP, Park Shores WTP and Sybil Lightgoot WTP have estimated daily treatment capacities of 2.5 Million Gallons per Day (MGD), 4.0 MGD and 0.5 MGD, respectively. An additional 722 acre-feet/yr of surface water is sourced via the Western Canyon Project for use within the Bulverde Service Area. The remaining 130 acre-feet/yr of surface water is sourced from the Guadalupe River above Canyon Lake, through transfer of rights from a pre-existing agreement between GBRA and the former Rebecca Creek MUD, which has been incorporated in the CLWSC Canyon Lake Shores system.

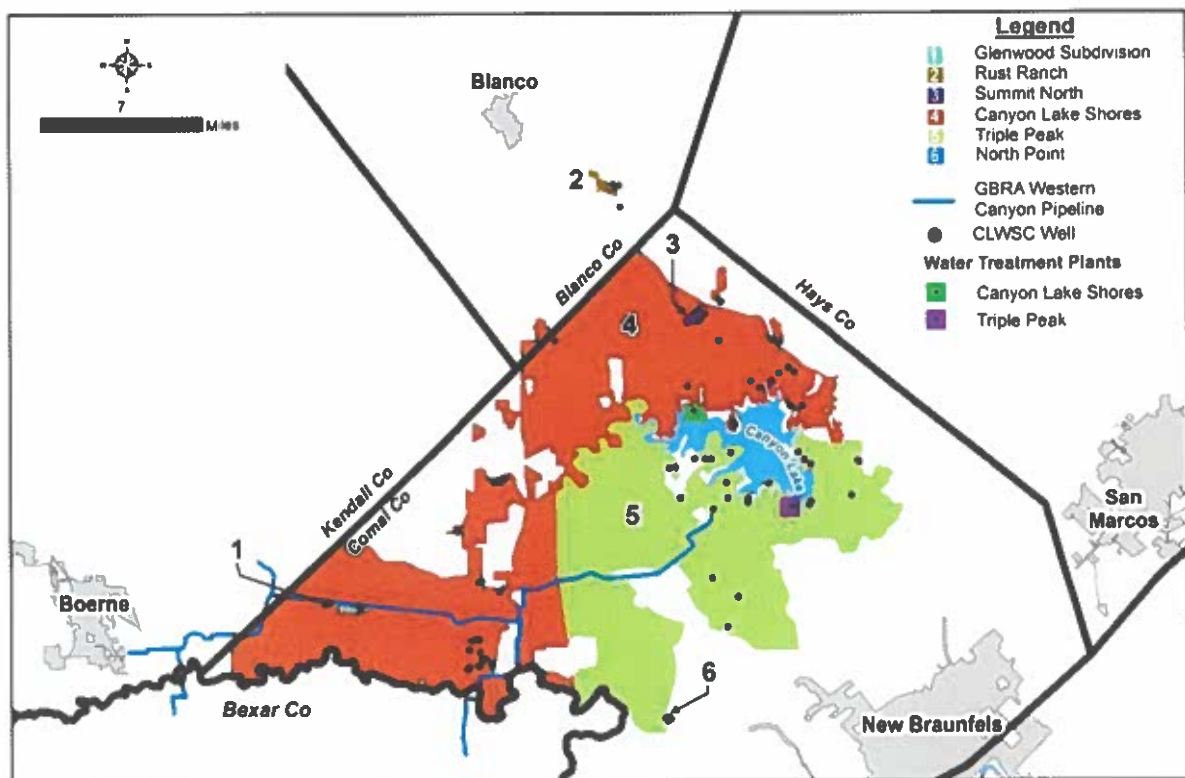


Figure 2: CLWSC water systems

Groundwater from the Trinity Aquifer is also provided via seventy (70) water wells (35 active, 23 standby, 10 emergency) of which sixty-seven (67) are located within Comal County. A groundwater availability report completed as part of this document is provided in Appendix A. Appendix B provides a detailed

system map showing the location of the water treatment plants, water wells, and distribution lines. The following conclusions are presented in the groundwater availability report:

- CLWSC provides water utility service to a large portion of Comal County via surface water (Guadalupe River and Canyon Lake) and groundwater (Trinity Aquifer). CLWSC has seventy-two existing Trinity Aquifer wells throughout the system;
- Groundwater is produced mainly from the Middle Trinity Aquifer within the Lower Glen Rose and Cow Creek Formations. Recharge to the Trinity Aquifer is increased due to localized faulting and flow from Cibolo Creek and the Guadalupe River. Recharge to the Trinity Aquifer for the years 1992 to 2004 in Comal County was estimated using the recharge rates developed from Wet Rock (2008) and Ockerman (2007) for the Guadalupe and Upper Cibolo Creek Basins respectively. For the years 1992 to 2004 average recharge to the Trinity Aquifer within the Guadalupe and Upper Cibolo Creek Basins was 61,201 acre-ft/yr and 17,994 acre-ft/yr respectively; total recharge averaged 79,195 acre-ft/yr. Not only does the total annual precipitation amount play a major role in recharge, but when each precipitation event occurs and how much precipitation a given event produces is even more important;
- Based on the thirty-one aquifer tests performed between July 2008 and December 2015, and evaluating reported well production, CLWSC was able to quantify a total groundwater capacity of 10,139 gpm or 10,903 acre-ft/yr. The sixty-seven wells within Comal County have a total capacity of 10,028 gpm or 10,783 acre-ft/yr. The capacity calculations assumed each well pumping for 16 hours/day for 365 days;
- Transmissivities from the aquifer tests ranged from 32 ft<sup>2</sup>/day up to 125,000 ft<sup>2</sup>/day with an average transmissivity of the Middle Trinity Aquifer from these tests of 10,057 ft<sup>2</sup>/day;
- To ensure that groundwater is produced at a sustainable rate and volume, CLWSC has installed a monitoring well network equipped with continuous data recorders. Based upon water level data taken since 2011, the Trinity Aquifer in the Canyon Lake area has experienced stable water levels over the long term. There are shorter duration cycles of lower water level during times of increased pumping and drought coupled by a recovery of water level during precipitation events; and
- Based upon recharge estimates and long term groundwater monitoring data, the projected withdrawal of water from wells within the Trinity Aquifer for the next twenty years by CLWSC is sustainable and substantially less than the average recharge to the aquifer between 1992 and 2004.

Water quality varies to some extent throughout the Trinity aquifer. In some cases a well will produce water with levels of total dissolved solids or sulfates in excess of levels established by TCEQ as secondary standards. These TCEQ secondary standards are equivalent to federal standards, and have been established to address aesthetic issues in drinking water such as taste, odor and color, rather than health issues. In order to maintain consistently high quality water in the CLWSC water system, CLWSC blends water from wells with contaminants in excess of secondary standards with water from wells containing those same contaminants in concentrations below the secondary standard, thereby producing water with overall quality which meets secondary standards. Water quality is monitored at entry points (ground storage tanks) before water enters the system following blending or other treatment, and is in compliance with all state and federal water quality standards.\*

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\* Added June 2016  
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### III.2. Raw Surface Water Contracts

CLWSC has a total annual volume of 6,852 acre-feet of surface water contracts with GBRA. Appendix C provides a summary of the contracts. Of the total 6,852\*\* acre-feet/yr of surface water, 6,000 acre-feet of raw water is under five contracts with GBRA and is withdrawn from diversion points within Canyon Lake. The surface water is then treated at the Triple Peak WTP, the Park Shores WTP, and the Sybil Lightfoot WTP. An additional 722 acre-feet/yr of surface water is sourced via the Western Canyon Project for use within the Bulverde Service Area. The remaining 130 acre-feet/yr of surface water is sourced from the Guadalupe River above Canyon Lake, through transfer of rights from a pre-existing agreement between GBRA and the former Rebecca Creek MUD.

### III.3. Projected Supply

The groundwater availability report estimated that CLWSC has approximately 10,903 acre-feet/yr of available groundwater via seventy-two wells. This estimate was based on numerous aquifer tests throughout the CLWSC service area. The process of estimating the available groundwater supply is detailed in Appendix A. The groundwater availability report also discusses recharge to the Trinity Aquifer within Comal County which shows that average recharge between 1992 and 2004 was approximately 79,194 acre-feet/yr. To ensure that the Trinity Aquifer is being produced at a sustainable volume, CLWSC has instituted a monitoring well network throughout their service area to ensure that water levels are maintained.

Together with the existing surface water contracts and groundwater supply, CLWSC has sufficient water supply to meet the projected demand over the next twenty years and beyond. Table 6 provides the projected total supply and excess capacity for the years 2015 - 2040.

**Table 6: CLWSC Projected Total Supply in Acre-Feet (2016 - 2040)\***

Year	2016	2020	2025	2030	2035	2040
Available Groundwater Supply	10,903	10,903	10,903	10,903	10,903	10,903
Available Surface Water Supply	6,852	6,852	6,852	6,852	6,852	6,722
Total Water Supply	17,755	17,755	17,755	17,755	17,755	17,625
Total System Demand	5,230	6,082	7,312	8,858	10,563	12,332
Excess Capacity	12,525	11,673	10,443	8,897	7,192	5,293

It should be noted that the 2016 Region L Regional Water Plan (2016 Water Plan) indicates that CLWSC will have a shortfall in water supply by the year 2030. That projection, however appears to be

\*\* Revised June 2016

\* Revised June 2016

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based on limited availability of surface water with no ground water availability at all. Those assumptions are not in agreement with the evidence of availability provided in Appendices A (groundwater availability) and C (surface water contracts)."

CLWSC is continually planning for future growth beyond the twenty year planning horizon set forth by Comal County. Since the 2013 update, a six well monitoring network has been implemented. A detailed description of the monitoring network is provided within Appendix A. During 2011, CLWSC began the process of researching and developing an ASR project. As discussed in the 2013 report CLWSC received approval from the TCEQ Underground Injection Control (UIC) Program to proceed with Phase 1 of the project which was a testing phase to determine the technical feasibility of using the site as a long term ASR site. CLWSC completed Phase 1 and has determined that an ASR project is technically feasible. At this time, with the Comal Trinity Groundwater Control District in the process of developing final rules, CLWSC has determined that it is in the better interest of all to wait until the Comal Trinity Groundwater Control District has established guidance regarding storage and pumping in the aquifer in order to determine the economic feasibility of proceeding with ASR project development.

To attempt to meet the needs of the next fifty years and beyond CLWSC has and will continue to research other sources of water to better diversify the water supply to its customers. Future water supply sources beyond the twenty year planning horizon that may be developed include:

- Carrizo Aquifer;
- Water Reuse; and
- An expanded ASR system

Water reuse is currently being implemented at the Bulverde Waste Water Treatment Plant (Bulverde WWTP) for construction projects and irrigation at the River Crossing Golf Course, and at the HEB WWTP for landscape irrigation.

#### **III.4. Water Supply Vulnerability**

Although groundwater by itself is shown to be sufficient to serve the CLWSC service area, diversity and redundancy in the water supply coupled with the ability to have emergency supply available is crucial to the ongoing stability of the system and sustainability of future growth, the environment and existing recreational areas. CLWSC has utilized Canyon Lake as an alternate water source for providing a high quality, diverse and redundant source to its customers. In addition to excess supply, CLWSC has added backup diesel-fueled generators to operate wells and pumps in the event of emergency.

Opportunities for emergency interconnects with other water utilities are also continually reviewed. Emergency interconnects would not be used for normal operation, but rather to aid in potential emergency situations.

#### **III.5. Consolidation of Public Water Systems**

Canyon Lake Water Service Company (CLWSC) provides water service to over 12,500 connections in Comal County, all within our approved Certificate of Convenience and Necessity (CCN). Each individual connection is part of a unique Public Water System (PWS), as defined by the TCEQ. As adjacent PWSs grow, a point is reached when it becomes feasible to interconnect two PWS, usually via a



pipeline. Once interconnected, CLWSC petitions the TCEQ to administratively combine the two water systems into one PWS for regulatory compliance purposes. Most recently, in 2014, CLWSC acquired ownership of facilities and properties previously owned by the Rebecca Creek Municipal Utility District (RCMUD). Upon acquisition, and with the approval of TCEQ, the former RCMUD system was subsequently consolidated with the Canyon Lake Shores system.

CLWSC currently operates six Public Water Systems, five of which are in Comal County. The largest of our water systems is the Triple Peak system with 6,379 active connections. The next in size are our Canyon Lake Shores system with 5,935 connections, Glenwood with 101 connections, Northpoint with 27 connections, and Summit North with 20 connections. Triple Peak and Canyon Lake Shores are both served by a combination of Trinity Aquifer groundwater and surface water from our three surface water treatment plants located adjacent to Canyon Lake.

Consolidation of small Public Water Systems is a goal of TCEQ, facilitating objectives including improved economy of scale, improved water supply reliability and reduced administrative costs for both the utility and the regulators. CLWSC's goal is to consolidate all PWSs in our CCN in western Comal County into a single Public Water System. That goal will be realized as future development occurs and pipelines are constructed to meet increasing demand for service from multiple sources.

#### **Triple Peak and Canyon Lake Shores Public Water Systems**

These two systems include over 95% of all CLWSC customers. Individually, each qualifies as a large water system as defined by Comal County subdivision regulations. While they are regulated as two separate PWS by the TCEQ, with respect to water supply they are in a sense interconnected as they both share the use of Canyon Lake as a major source of water. CLWSC has 6,130 acre-feet/year of untreated water under contract that it can draw directly from Canyon Lake at either of its three treatment plants, and can distribute the use of that water as needed by each system.

CLWSC's facility Master Plan for the Bulverde area calls for a 12" pipeline parallel to FM 46 that will interconnect the Canyon Lake Shores PWS at River Crossing with the Triple Peak PWS at Smithson Valley High School. The timing of construction of this pipeline will be driven by the needs of development in the area, CLWSC's ability to acquire easements and the availability of funding. A reasonable estimate is that this should be completed between 2017 and 2020.

With a limited exception specific to the Glenwood system, discussed below, this Water Availability Report is intended to apply specifically to these two major CLWSC water systems. Unless specifically noted and special provision made via a supplemental addendum to this report approved by the county, all new land development or subdivisions receiving commitments of service from CLWSC will be required to connect to one of these two major Public Water Systems.

#### **Glenwood Public Water System**

The Glenwood System is currently a separate PWS served by a combination of Trinity Aquifer groundwater and treated surface water purchased from the Guadalupe Blanco River Authority (GBRA) Western Canyon Project. CLWSC has contracted with GBRA for 722 acre feet of treated water under two separate contracts. CLWSC's only point of delivery for the Western Canyon Project water is into the Glenwood System.





The Glenwood Subdivision includes 101 current service connections, but a total of 120 buildable lots exist (19 vacant). CLWSC has also contracted with the owners of the proposed Park Village subdivision located in the general area of State Hwy 46 and Blanco Rd, to be initially served from the Glenwood system. The maximum service commitment made to Park Village is for 644 Living Unit Equivalents (LUE), which, combined with Glenwood adds up to 764 potential residential connections. The combined supply of 722 acre-ft/yr of GBRA surface water with the combined well capacity from the two Glenwood wells of 30 gpm equates to sufficient production capacity to serve 796 LUE while meeting the TCEQ requirement of 0.6 gpm/connection of production capacity, and more than sufficient capacity on an annual basis given CLWSC average customer consumption rate of less than 0.40 acre-ft/year/connection.

CLWSC's Bulverde Facility Master Plan calls for the eventual interconnection of the Glenwood water system with the Canyon Lake Shores PWS via pipelines along both Amman Road and FM 46. However, the timing of the construction of these pipelines will be driven by the need to serve future development in the intervening tracts of land, and is therefore uncertain. It is therefore CLWSC's intention to provide service to only the Glenwood and Park Village subdivisions from the Glenwood system until such time that construction of an interconnect with Canyon Lake Shores is feasible.

#### **Northpoint and Summit North**

The Northpoint system is a groundwater only system that is located near the intersection of FM 1863 and FM 3009. The Northpoint system is entirely dependent upon two wells in the Trinity Aquifer. CLWSC constructed a second well at Northpoint in 2013. CLWSC will provide additional or alternative sources of water as development occurs and funding permits.

The Summit North system is a groundwater only system located near FM 306 along Cranes Mill Rd. The water supply for Summit North is the Trinity Aquifer. There is one active well in the subdivision. Summit North is within a mile of Canyon Lake Shores PWS facilities in the Fischer area, but is not yet interconnected. As future development occurs CLWSC will determine the most economic and beneficial method of interconnecting the two systems to meet future water supply demands.

CLWSC does not consider the water supply currently available at Northpoint and Summit North sufficient to allow the creation of new subdivisions. The water supply is sufficient for the existing customers. CLWSC will make further improvements as needed to serve new residential connections within the existing subdivisions.

The North Point and Summit North systems are mentioned in this Water Availability Report for future planning purposes only, not for the purpose of meeting county subdivision platting regulations. We include this information in order to give a complete description of the CLWSC system and for the reason that we fully expect them to be interconnected to one of the major PWSs within the 20 year planning horizon of this report. We understand that no new subdivision should be permitted which would connect only to one of these smaller systems, and CLWSC will not provide a water availability letter to do so unless they are first interconnected with one of the major systems.

#### **Section IV: Conclusions**

CLWSC provides water utility service to approximately 37,704 people within Comal and Blanco Counties. CLWSC provides exceptional water service to its customers and is in good standing with the TCEQ. Appendix D provides a copy of the latest TCEQ inspection report. All deficiencies identified in have been addressed by CLWSC. TCEQ has been notified of remedies, and review by TCEQ is pending.

The CLWSC service area has experienced rapid growth over the past decade and State estimates project that this growth will continue into the future. Based upon the Region L Plan, the CLWSC's population is expected to increase to 99,535 people by the year 2040. Future growth in connections will be proportional to population increases with connection count growing from the current number of connections (12,568 connections) up to an estimated 33,178 connections in the year 2040. The overwhelming majority of the total connections are residential, followed by commercial, municipal, wholesale and other.

The total demand for the CLWSC is projected to increase from 5,230 acre-feet/yr in 2016 to 12,332 acre-feet/yr in 2040. The total demand includes projected water usage plus unaccounted for water. This percentage has been significantly reduced since 2005 from 31.8% with the replacement of old customer meters and more stringent design and construction specifications for water line replacement. CLWSC projects that unaccounted for water will be reduced to 10% and is persistently striving to find ways to be more efficient with our water to ensure that we maintain good stewardship of our natural resources.

CLWSC's water supply is diverse and includes both surface water via Canyon Lake and groundwater from the Trinity Aquifer. CLWSC has 6,852\* acre-feet/yr of surface water rights and an estimated groundwater supply of 10,903 acre-feet/yr. The water supply is shown to be in excess of demand over the next 20 years. This excess will allow for future growth and provide redundancy during emergency conditions. CLWSC has the experience and resources to meet the projected demand within its service area over the next 20 years.

CLWSC currently operates six Public Water Systems, five of which are in Comal County. The largest is the Triple Peak system with 6,379 active connections. The next in size is the Canyon Lake Shores system with 5,935 connections, Glenwood with 101 connections, Northpoint with 27 connections, and Summit North with 20 connections. Triple Peak and Canyon Lake Shores are both served by a combination of Trinity Aquifer groundwater and surface water from one of our two surface water treatment plants located adjacent to Canyon Lake. The North Point and Summit North systems are mentioned in this Water Availability Report for future planning purposes only, not for the purpose of meeting county subdivision platting regulations.

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\* Added August 2016 - Of the total 6,852 ac-ft/year of surface water contracted to CLWSC, 722 ac-ft/year is contracted under service agreements from two take points for the Glenwood and Park Village Subdivisions in the Bulverde Service Area, with use of that water limited to the Bulverde Service Area. Until such time that the Glenwood and Park Village systems, and other systems in the Bulverde Service Area can be connected to the larger CLWSC system as envisioned, CLWSC will have 6,130 ac-ft/year available to supply the currently contiguous portions of the system for purposes of this water availability study.

## **Section V: References**

DeOreo, W.B. and Mayer, P.W., 2012, Journal - American Water Works Association: Insights into Declining Single-Family Residential Water Demands

Ockerman, D.J., 2007, Simulation of Streamflow and Estimation of Ground-Water Recharge in the Upper Cibolo Creek Watershed, South-Central Texas, 1992-2004: U.S. Geological Survey Scientific Investigations Report 2007-5202, 34p.

Wet Rock Groundwater Services, LLC, 2008, An Evaluation of the Trinity Aquifer Within Kendall County and Analysis of the Trinity (Hill Country) GAM: 47p.

Wet Rock Groundwater Services, LLC, 2012, Report of Findings WRGS 12-007: Groundwater Availability Report: Canyon Lake Water Service Company: Appendix A

Wet Rock Groundwater Services, LLC, 2012, Report of Findings WRGS 12-009: Canyon Lake Water Service Company Availability Report: Comal County Commissioners Court

South Central Texas Regional Water Planning Group, 2015, 2016 South Central Texas Regional Water Plan



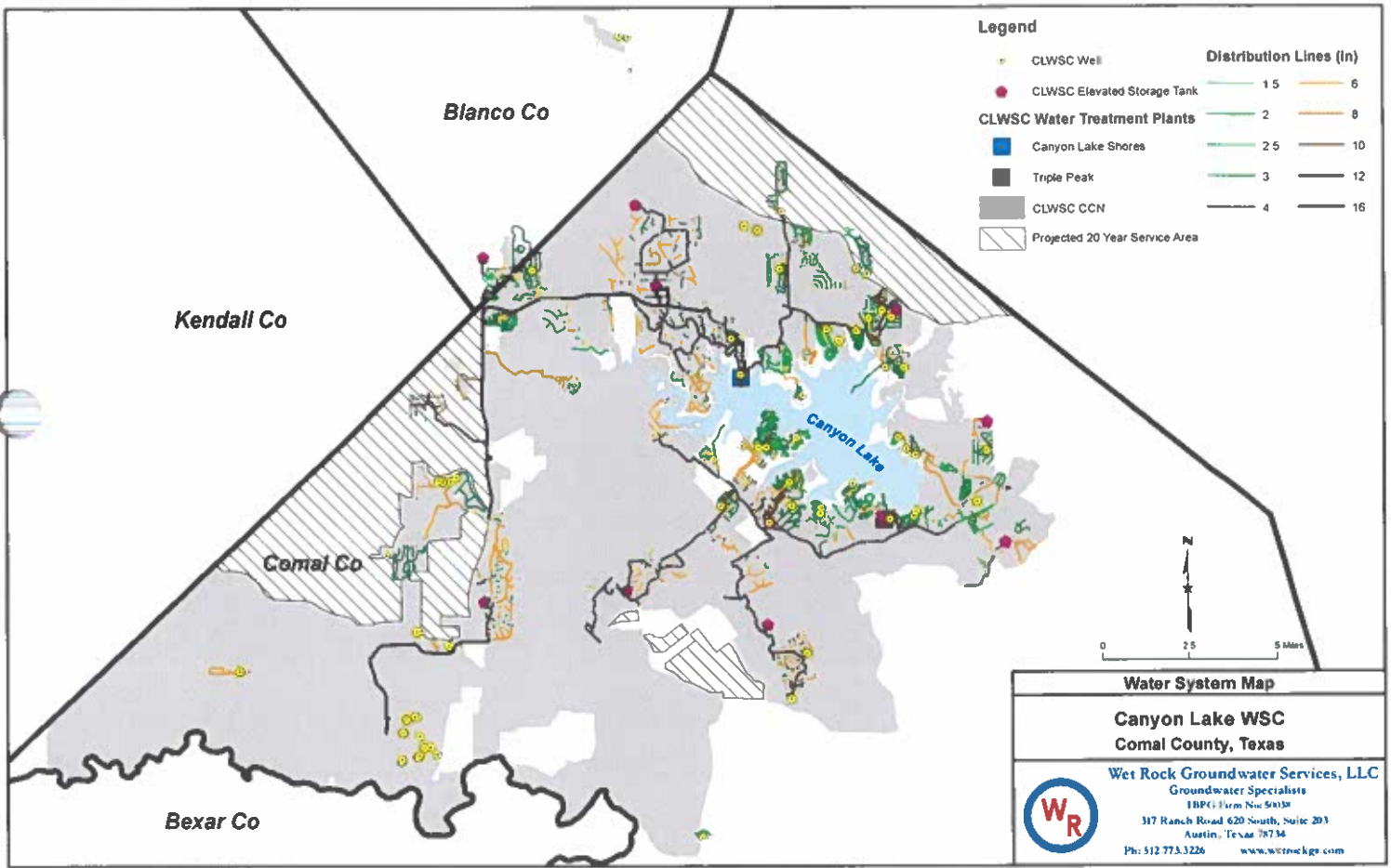
# Appendix A

## CLWSC Water System Map\*

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\* Appendices re-indexed July 2016







# Appendix B

## Summary and Copies of CLWSC Surface Water Contracts\*

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\* Contract copies added and appendices re-indexed July 2016



## GBRA Surface Water Contracts Summary

13-Jun-2016

Source	Contract Date	Contract Expires	Allocation (Acre-Feet)	Time Period Remaining (In Years)
<b><u>Canyon Lake Raw Water</u></b>				
	10/1/1994	10/31/2044	560	28
	4/21/1996	12/31/2037	130	21
	4/30/1997	12/31/2044	440	28
	11/3/1999	12/31/2044	1,000	28
	8/27/2001	12/31/2050	2,000	34
	9/29/2006	12/31/2050	2,000	34
			6,130	
<b><u>Western Canyon Pipeline</u></b>				
	2/6/2009	12/31/2040	400	24
	3/24/2009	12/31/2040	322	24
			722	
<b>Total Raw/Treated Water Under Contract with GBRA</b>			<b>6,852</b>	

**CLWSC Surface Water Contract  
Dated 10/1/1994**



## CONTRACT FOR RAW WATER SERVICE

This Contract for Raw Water Service is entered into as of October 1, 1994, between Guadalupe-Blanco River Authority, a conservation district and political subdivision of the State of Texas ("GBRA"), and Canyon Lake Water Supply Corporation, a non-profit corporation organized under Article 1434a, Vernon's Civil Statutes, as amended ("Purchaser").

For and in consideration of the mutual promises, obligations, and benefits hereinafter set forth, GBRA and Purchaser agree as follows:

1. **QUANTITY.** GBRA agrees to furnish Purchaser, at the Point of Delivery (hereinafter defined), during the term of this agreement, untreated water from conservation storage in Canyon Reservoir under Certificate of Adjudication 18-2074C, as amended, in such quantity as may be required by Purchaser, not to exceed 560 acre-feet per year (the "Annual Commitment").
2. **POINT OF DIVERSION.** The water will be furnished at a point on the perimeter of Canyon Lake (the "Point of Diversion") as shown on Exhibit "A" attached hereto. The maximum rate of diversion at the Point of Diversion shall not exceed 350 gallons per minute (43.63 cubic feet/second).
3. **PURPOSE OF USE.** Water supplied hereunder may be used only for municipal use as defined by the Texas Natural Resource Conservation Commission in its rules at 31 TAC §297.1.
4. **PLACE OF USE.** Water supplied hereunder may be used only within Purchaser's service area as shown on Exhibit "B" attached hereto (the "Service Area").
5. **MONTHLY PAYMENTS.** Purchaser agrees to pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in writing, upon execution of this contract by Purchaser, and thereafter not later than the twentieth (20th) day of each month during the term of this contract, an amount of money equal to one-twelfth of the Annual Commitment multiplied by the then applicable rate for water supplied from conservation storage in Canyon Reservoir (the "Raw Water Rate"). The payment due upon execution of this contract shall be \$2,474.73, based upon the current Raw Water Rate of \$53.03 per acre-foot per year.
6. **ANNUAL ADJUSTMENT.** Purchaser agrees to pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in

writing, not later than the twentieth (20th) day of January of each year, a dollar amount equal to the Raw Water Rate times the number of acre-feet by which the total amount of water diverted at the Point of Diversion in the previous calendar year exceeds the Annual Commitment, provided, however, that nothing in this section shall be construed as obligating GBRA to supply in any year more water than the Annual Commitment.

7. **ADJUSTMENT OF RAW WATER RATE.** The Raw Water Rate may be adjusted by GBRA at any time and from time to time. If GBRA desires to adjust the Raw Water Rate, it shall, at least sixty (60) days prior to the first day on which the adjustment is proposed to become effective, give written notice of the proposed adjustment to Purchaser.

6. **METERING.** Purchaser shall furnish, install, operate and maintain at its own expense at the Point of Diversion a measuring device or devices to measure the quantity of water diverted by Purchaser within five percent (5%) above or below the amount actually diverted. All measuring devices shall be subject at all reasonable times to inspection, examination and testing by an employee or agent of GBRA. Any measuring device which fails to function or which functions incorrectly shall, at Purchaser's expense, promptly be adjusted, repaired or replaced by a like device having the required accuracy. GBRA may, at its expense, install and maintain such measuring devices as it deems appropriate to measure the quantity of water diverted by Purchaser at the Point of Diversion, in which case measurement of water shall be made by GBRA's measuring devices. Purchaser shall read the metering equipment monthly at or near the first day of each month, and shall maintain records of such readings. Purchaser shall furnish GBRA on the first day of each month with a tabulation indicating the total amount of water diverted during the previous month, as well as an estimate of the amount of water to be diverted during the coming month. GBRA agrees to complete and file with the Texas Natural Resource Conservation Commission (or its successor) all reports of water used by Purchaser.

9. **QUALITY.** The water to be supplied hereunder shall be untreated water as it occurs in Canyon Lake at the Point of Diversion. GBRA makes no representations, and shall have no duty or responsibility, with respect to the quality of the water furnished by GBRA, or the suitability of the water provided by GBRA for Purchaser's purposes.

10. **REGULATORY AGENCIES.** The effectiveness of the contract is dependent upon compliance with the applicable provisions of Certificate of Adjudication 18-2074C and the Texas Natural Resource Conservation Commission, including those found at 31 TAC §§295 and 297.

11. **ASSIGNMENT.** Except as specifically provided otherwise below, Purchaser may not assign this contract without the prior written consent of GBRA. Without obtaining GBRA's consent, Purchaser may assign this contract to the National Bank for Cooperatives; provided, however, that Purchaser shall under no circumstances be relieved of any of its duties or liabilities under this contract unless Purchaser obtains the consent of GBRA. Any successor or assign of GBRA shall succeed to the rights and obligations of GBRA hereunder.

12. **CAPTIONS.** All titles of the sections of this contract have been inserted for convenience of reference only and are not considered a part of this contract and in no way shall they affect the interpretation of any provisions of this contract.

13. **TERMINATION.** Purchaser may terminate this contract at any time for any reason by giving GBRA written notice of termination thirty (30) days prior to the date of termination. If Purchaser fails to pay any amounts payable under this contract when due and payable, GBRA may give written notice of such delinquency to Purchaser, and if all amounts due and unpaid, including interest thereon from the date payment was due at maximum legal rates, are not paid by or on behalf of Purchaser within thirty days after delivery of such notice, then GBRA may, at its option, institute suit for the collection thereof and utilize such other remedies as may exist to collect any amounts due and unpaid, together with interest thereon at the maximum legal rate and attorney's fees. In addition to all other remedies, GBRA may, at its option, if such amounts are not paid by or on behalf of Purchaser within said thirty-day period, terminate this contract without recourse.

14. **TERM.** This contract shall terminate on December 31, 2044, unless it is terminated earlier pursuant to the provisions hereof.

15. **ENTIRE AGREEMENT.** This contract constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between GBRA and Purchaser with respect to the subject matter hereof.

16. **GOVERNING LAW.** This contract shall be governed in all respects, including validity, interpretation and effect, by and shall be enforceable in accordance with the laws of the State of Texas.

17. **NO THIRD-PARTY BENEFICIARY.** This contract shall not be construed as a contract for the benefit of a third party.

18. **NO WAIVER.** Each party may specifically, but only in writing, waive any breach of this contract by the other party, but no such waiver shall be deemed to constitute a waiver of similar or other breaches by such other party.

19. **NOTICES.** All notices specified to be given hereunder shall be given in writing unless other means are specifically permitted and shall be given by hand delivery to the person or persons designated to receive notices for each party as indicated below, or by U.S. mail addressed to such person or persons as indicated below and with postage prepaid. Any notice shall be deemed to be effective only if and when received by all persons required to be notified. For the purpose of notices and payments of sums due, the mailing addresses of the person or persons designated to receive such notices and payments for each party shall, until changed as hereinafter provided, be as follows:

as to GBRA:

General Manager  
Guadalupe-Blanco River Authority  
933 E. Court Street  
Seguin, Texas 78155

as to Purchaser:

President  
Canyon Lake Water Supply Corporation  
P. O. Box 1742  
Canyon Lake, Texas 78130

and

Todd Kern  
National Bank for Cooperatives

5500 South Quebec St.  
Englewood, Colorado, 8011

Each party shall have the right from time-to-time and at any time to add additional persons designated to receive notices for that party, or change the name or address of any person designated to receive notice for that party, by giving at least ten (10) days' written notice of such addition or change to the other party.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in multiple counterparts, each of which shall constitute an original.

**Guadalupe-Blanco River Authority .**

By

*William E. West, Jr.*  
William E. West, Jr.  
General Manager

Attest:

*Christy S. Dutton*

**Canyon Lake Water Supply Corp.**

By

*Dorene Rust Vice President*

Dorene Rust, Vice-President

*P.O. Box 1742*

Address

*Canyon Lake, Tx 78130*

City, State, Zip

*210-899-4603*

Telephone No.

Attest:

*Jenker McHugh*

THE STATE OF TEXAS §

COUNTY OF GUADALUPE §

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared W. E. WEST, JR., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the GUADALUPE-BLANCO RIVER AUTHORITY, a conservation district and political subdivision, and that he executed the same as the act of such conservation district and political subdivision for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 30<sup>th</sup> day of September, 1994



*[Signature]*

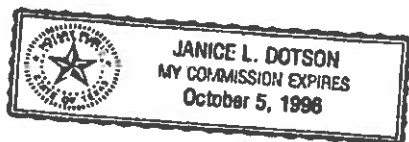
Notary Public  
The State of Texas

THE STATE OF TEXAS §

COUNTY OF Comal §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared DORENE RUST, VICE-PRESIDENT, CANYON LAKE WATER SUPPLY CORPORATION, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30<sup>th</sup> day of September, 1994.



*[Signature]*

Notary Public  
The State of Texas

**EXHIBIT 'A'**  
**POINT OF DIVERSION**  
**LEGAL DESCRIPTION**

**From the easternmost corner of the William G. Smith Survey, A-542, traveling north a distance of 58°, west 3,000 feet to the southernmost shore of Canyon Reservoir.**

E X H I B I T    B

The Canyon Lake Water Supply Corporation's service area is all portions of the Western part of Comal County covered under Texas Natural Resources Conservation Commission's Certificate of Convenience and Necessity number 10692.



EXHIBIT "A"

POINT OF DIVERSION

**GENERAL HIGHWAY MAP  
COMAL COUNTY  
TEXAS**

PREPARED BY THE  
STATE DEPARTMENT OF HIGHWAYS  
AND PUBLIC TRANSPORTATION  
TRANSPORTATION PLANNING DIVISION  
IN COOPERATION WITH THE  
U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

SCALE IN MILES

1971  
1960 CENSUS FIGURES  
HIGHWAYS REVISED TO JULY 1, 1966

Copyright © 1971 by the State Department of Highways and Public Transportation, Austin, Texas

GENERAL HIGHWAY MA  
COMAL COUNTY  
TEXAS

PREPARED BY THE  
STATE DEPARTMENT OF HIGHWAYS  
AND PUBLIC TRANSPORTATION  
TRANSPORTATION PLANNING DIVISION  
IN COOPERATION WITH THE  
U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

## SCALE THE PAPER



1971

### LONG-TERM STUDIES

HIGHWAYS REVISED TO JULY 1, 1966

Copies of this report are available for public use at national and state libraries. For more information, contact the U.S. Department of Agriculture, Agricultural Research Service, P.O. Box 346, Ames, Iowa 50013.

**FOLKLORE PROJECTION NORTH AMERICAN BATTLE  
CENTRAL: U.S. COAST AND GEANTIC BATTLE AND U.S. GEOLOGICAL SURVEY**

1

This sample form prepared for internal departmental use and has no calling action. Agency's limited availability of available data as of the date shown.



**GUADALUPE-BLANCO RIVER AUTHORITY**

September 29, 1994

File: 20-041-01-0104

Tom Weber  
Section Manager, Permitting Section  
Texas Natural Resources Conservation Commission  
P. O. Box 13087, Capitol Station  
Austin, Texas 78711-3087

Re: Water Purchase Contract for Raw Water Service between Guadalupe-Blanco River Authority and Canyon Lake Water Supply Corporation

Dear Sir:

In accordance with Rule 31 Texas Administrative Code, Sections 295.101 and 295.111, and Subchapter J of TAC Chapter 297, we hereby submit for filing the enclosed copy of the Contract for Raw Water Service dated October 1, 1994, between the Guadalupe-Blanco River Authority and Canyon Lake Water Supply Corporation. This contract is for municipal purposes and will divert 560 acre-feet in Comal County. Please note that it expires on December 31, 2044.

Thank you for your attention to this matter. Please do not hesitate to contact me, if you have any questions.

Sincerely,

Fred M. Blumberg  
Operations Manager

FMB:sb

cc: Mr. Lee R. Roper, President, Canyon Lake WSC  
Mr. Roger Nevola, Vinson & Elkins  
Mr. P. Toby Cisneroz, South Texas Watermaster

**CLWSC Surface Water Contract  
Dated 4/21/1996**

# 11 A 101000

## CONTRACT FOR RAW WATER SERVICE

This Contract for Raw Water Service is entered into as of April 29, 1996, 1996 between Guadalupe-Blanco River Authority, a conservation district and political subdivision of the State of Texas ("GBRA"), and Comal County Freshwater District No. 1 ("Purchaser").

For and in consideration of the mutual promises, obligations, and benefits hereinafter set forth, GBRA and Purchaser agree as follows:

1. QUANTITY. GBRA agrees to furnish Purchaser, at the Point of Delivery (hereinafter defined), during the term of this agreement, untreated water from conservation storage in Canyon Reservoir under Certificate of Adjudication 18-2074C, as amended, in such quantity as may be required by Purchaser, not to exceed 130 acre-feet per year (the "Annual Commitment"), to be used for Municipal purposes.

2. POINT OF DIVERSION. The water will be furnished at a point in Comal County (the "Point of Diversion") as follows: Beginning at Corps of Engineer's Canyon Reservoir Survey Monument 607-02, thence S 38 1/2° E 224 feet to point on north bank of Guadalupe River, Charles Murhardt Survey, Abstract 405, Comal County, Texas.

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The maximum rate of diversion at the Point of Diversion shall not exceed 600 gallons per minute (     cubic feet/second). The vicinity map attached hereto as Exhibit "A" shows the Point of Diversion and place of use. Certificate of Adjudication 18-2074C authorizes GBRA to use the bed and banks of the Guadalupe River to convey water released from Canyon Reservoir to the Point of Diversion.

3. ANNUAL PAYMENTS. Purchaser agrees to pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in writing, upon execution of this contract by Purchaser, and thereafter not later than the fifteenth day of each month during the term of this contract, an amount of money equal to the Annual Commitment multiplied by the then applicable rate for water supplied from conservation storage in Canyon Reservoir (the "Raw Water Rate") divided by twelve. The payment due upon execution of this contract shall be \$ 574.49 monthly, based upon the current Raw Water Rate of \$ 53.03 per acre-foot per year. GBRA shall submit to Purchaser not later than the first day of each month during the term of this contract an invoice for the payment due the fifteenth day of each month.

4. ANNUAL ADJUSTMENT. Purchaser agrees to pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in writing, not later than the thirty-first day of January of each year, a dollar amount equal to the Raw Water Rate times the number of acre-feet by which the total amount of

water diverted at the Point of Diversion in the previous calendar year exceeds the Annual Commitment, provided, however, that nothing in this section shall be construed as obligating GBRA to supply in any year more water than the Annual Commitment.

5. ADJUSTMENT OF RAW WATER RATE. The Raw Water Rate may be adjusted by GBRA at any time and from time to time. If GBRA desires to adjust the Raw Water Rate, it shall, at least sixty (60) days prior to the first day on which the adjustment is proposed to become effective, give written notice of the proposed adjustment to Purchaser.

6. METERING. Purchaser shall furnish, install, operate and maintain at its own expense at the Point of Diversion a measuring device or devices to measure the quantity of water diverted by Purchaser within five percent (5%) above or below the amount actually diverted. All measuring devices shall be subject at all reasonable times to inspection, examination and testing by an employee or agent of GBRA. Any measuring device which fails to function or which functions incorrectly shall, at Purchaser's expense, promptly be adjusted, repaired or replaced by a like device having the required accuracy. GBRA may, at its expense, install and maintain such measuring devices as it deems appropriate to measure the quantity of water diverted by Purchaser at the Point of Diversion, in which case measurement of water shall be made by GBRA's measuring devices. Purchaser shall read the metering equipment weekly at or near the first day of each week, and shall maintain records of such readings. When meters are judged to be unnecessary by GBRA, an alternative method of measurement may be authorized provided accurate records of actual water use are maintained. Purchaser shall furnish GBRA by the fifteenth day of January of each year with a tabulation indicating the total amount of water diverted each week during the previous year. GBRA agrees to complete and file with the Texas Natural Resource Conservation Commission (or its successor) all reports of water used by Purchaser.

7. QUALITY. The water to be supplied hereunder shall be untreated water as it occurs in the Guadalupe River at the Point of Diversion.

8. REGULATORY AGENCIES. The effectiveness of this contract is dependent upon compliance with the applicable provisions, if any, of 31 TAC 295 and 297, Subchapter J of the Texas Natural Resource Conservation Commission.

9. ASSIGNMENT. Purchaser may not assign this contract without the prior written consent of GBRA. Any successor or assign of GBRA shall succeed to the rights and obligations of GBRA hereunder.

10. CAPTIONS. All titles of the sections of this contract have been inserted for convenience of reference only and are not considered a part of this contract and in no way shall they affect the interpretation of any provisions of this contract.

11. TERMINATION. Purchaser may terminate this contract at any time for any reason by giving GBRA written notice of termination thirty (30) days prior to the

date of termination. If Purchaser fails to pay any amounts payable under this contract when due and payable, GBRA may give written notice of such delinquency to Purchaser, and if all amounts due and unpaid, including interest thereon from the date payment was due at maximum legal rates, are not paid within thirty days after delivery of such notice, then GBRA may, at its option, institute suit for the collection thereof and utilize such other remedies as may exist to collect any amounts due and unpaid, together with interest thereon at the maximum legal rate and attorney's fees. In addition to all other remedies, GBRA may, at its option, if such amounts are not paid within said thirty day period, terminate this contract without recourse.

12. TERM. This contract shall terminate on December 31, 2002 unless it is terminated earlier pursuant to the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in multiple counterparts, each of which shall constitute an original.

Guadalupe-Blanco River Authority

By   
General Manager

Attest:



Purchaser

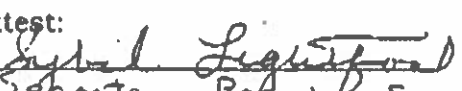
By 

439 Gate Post P.O. Box 97  
Address

Spring Branch, Tx. 78070  
City, State, Zip

1-210-885-4885  
Telephone No.

Attest:

  
Secretary, Board of Supervisors

THE STATE OF TEXAS )

COUNTY OF GUADALUPE )

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared William E. West, Jr., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the GUADALUPE-BLANCO RIVER AUTHORITY, a conservation district and political subdivision, and that he executed the same as the act of such conservation district and political subdivision for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24<sup>th</sup> day of May



Clara Sue Brundage  
Notary Public  
The State of Texas

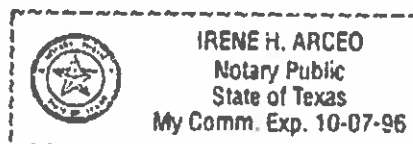
THE STATE OF TEXAS )

COUNTY OF BEXAR )  
~~COUNTY~~

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared George R. Legg, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of May, 199 6.

Irene H. Arceo  
Notary Public  
The State of Texas



**FIRST AMENDMENT TO CONTRACT FOR RAW WATER SERVICE  
BETWEEN  
GUADALUPE-BLANCO RIVER AUTHORITY  
AND COMAL COUNTY FRESH WATER SUPPLY DISTRICT #1**

THIS AMENDMENT NO. 1 made and entered into as of this 29<sup>th</sup> day of April, 1997, ("Amendment No. 1") to the Water Purchase Contract made and entered into as of the 29th day of April, 1996, (the "Contract") by and between the GUADALUPE-BLANCO RIVER AUTHORITY, a governmental agency of the State of Texas ("GBRA"), and the COMAL COUNTY FRESH WATER SUPPLY DISTRICT #1 (CCFWSD #1).

**WITNESSETH:**

**Recitals**

- A. Pursuant to the terms of the Contract, GBRA has agreed to supply CCFWSD #1 in any calendar year not to exceed 130 acre-feet of untreated water from storage in Canyon Reservoir under Certificate of Adjudication 18-2074C, to be used in the Guadalupe River Basin.
- B. Pursuant to the terms of the Contract, CCFWSD #1 has agreed to purchase untreated water from GBRA and to pay for such water at the then current rate, as established by the GBRA Board of Directors.

**Agreement**

NOW, THEREFORE, for and in consideration of the mutual promises, obligations, and benefits hereinafter set forth, GBRA and CCFWSD #1 agree to amend, modify and change certain sections of the Contract, as amended, as follows:



Section 12, shall be amended in its entirety to read as follows:

- 12) TERM. This contract shall terminate on December 31, 2037, unless it is terminated earlier pursuant to the provisions hereof.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies, have caused the First Amendment to be duly executed in three (3) counterparts, each of which shall constitute an original.

GUADALUPE-BLANCO RIVER AUTHORITY

By   
General Manager

ATTEST:



COMAL COUNTY FRESH WATER DISTRICT #1

By   
Patrick King, General Manager

ATTEST:



§ THE STATE OF TEXAS

§ COUNTY OF GUADALUPE

BEFORE ME, the undersigned authority, on this day personally appeared William E. West, Jr., known to me to be the person whose name is subscribed to the foregoing instrument as General Manager of the Guadalupe-Blanco River Authority, a conservation and reclamation district, a governmental agency and a body politic and corporate, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 29<sup>th</sup> day of April, 1999



SEAL

Clara Sue Brugh

Notary Public in and for  
The State of Texas

My Commission Expires: 10-15-12

§ THE STATE OF TEXAS

§ COUNTY OF COMAL

BEFORE ME, the undersigned authority, on this day personally appeared Patrick King, General Manager of COMAL COUNTY FRESH WATER DISTRICT #1, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Authority.

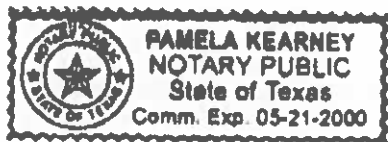
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21<sup>st</sup> day of April, 1997.

Pamela Kearney

Notary Public in and for  
The State of Texas

My Commission Expires: 5-21-2000

SEAL



**CLWSC Surface Water Contract  
Dated 4/30/1997**

**FIRST AMENDMENT TO WATER PURCHASE CONTRACT  
BETWEEN  
GUADALUPE-BLANCO RIVER AUTHORITY  
AND CANYON LAKE WATER SUPPLY CORPORATION**

This agreement (hereinafter called the "First Amendment"), entered into as of the 30<sup>th</sup> day of April, 1997, between the GUADALUPE-BLANCO RIVER AUTHORITY, a conservation district and political subdivision of the State of Texas (hereinafter called "GBRA"), and CANYON LAKE WATER SUPPLY CORPORATION, a non-profit corporation organized under Article 1434a, Vernon's Civil Statutes, as amended ("Purchaser"), shall constitute an amendment to that certain contract (TNRCC Water Contract No. 1978) between the parties, dated as of October 1, 1994, entitled "Contract for Raw Water Service" (such contract as amended, hereinafter called the "Contract");

**WITNESSETH:**

**Recitals**

- A. Pursuant to the terms of the Contract, GBRA has agreed to supply CLWSC in any calendar year not to exceed 560 acre-feet of untreated water from storage in Canyon Reservoir under Certificate of Adjudication 18-2074C, to be used in the Guadalupe River Basin.
- ↗

B. Pursuant to the terms of the Contract, CLWSC has agreed to purchase untreated water from GBRA and to pay for such water at the then current rate, as established by the GBRA Board of Directors.

Agreement

NOW, THEREFORE, for and in consideration of the mutual promises, obligations, and benefits hereinafter set forth, GBRA and CLWSC agree to amend, modify and change certain sections of the Contract, as amended, as follows:

Section 1, shall be amended in its entirety to read as follows:

1. Quantity. GBRA agrees to furnish Purchaser, at the Point of Delivery (hereinafter defined), during the term of this agreement, untreated water from conservation storage in Canyon Reservoir under Certificate of Adjudication 18-2074C, as amended, in such quantity as may be required by Purchaser, not to exceed 1000 acre-feet per year (the "Annual Commitment").

Section 2, shall be amended in its entirety to read as follows:

2. Point of Diversion. The water will be diverted at the following point(s):  
A water treatment plant located adjacent to Canyon Reservoir in Comal County, Texas, as set forth in Exhibit "A" hereto. A second point of diversion will be at a proposed water treatment plant on the North shore of Canyon Reservoir in Comal County, Texas as shown in Exhibit "B" hereto. The maximum diversion rate shall be 1400 gallons per minute (3.12 cubic feet/second).

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies, have caused the First Amendment to

be duly executed in three (3) counterparts, each of which shall constitute an original.

GUADALUPE-BLANCO RIVER AUTHORITY

By

  
General Manager

ATTEST:

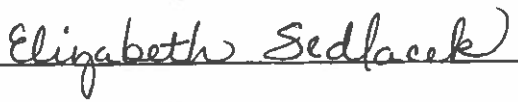
  
\_\_\_\_\_

CANYON LAKE WATER SUPPLY CORPORATION

By

  
\_\_\_\_\_

ATTEST:

  
\_\_\_\_\_

§ THE STATE OF TEXAS

§ COUNTY OF GUADALUPE

BEFORE ME, the undersigned authority, on this day personally appeared William E. West, Jr., known to me to be the person whose name is subscribed to the foregoing instrument as General Manager of the Guadalupe-Blanco River Authority, a conservation and reclamation district, a governmental agency and a body politic and corporate, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 30th day of April, 1997.

Clara Sue Brewer

Notary Public in and for

The State of Texas

My Commission Expires: 10-15-97

§ THE STATE OF TEXAS

§ COUNTY OF COMAL

BEFORE ME, the undersigned authority, on this day personally appeared Dale R. Yates of CANYON LAKE WATER SUPPLY CORPORATION, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 30th day of April, 1997.

Clara Sue Brewer

Notary Public in and for

The State of Texas

My Commission Expires: 10-15-97

## **Exhibit "A"**

### **Point of Diversion I Legal Description Comal County, Texas**

From the easternmost corner of the William G. Smith Survey, A-542, traveling North a distance of 58°, west 3,000 feet to the southernmost shore of Canyon Reservoir.

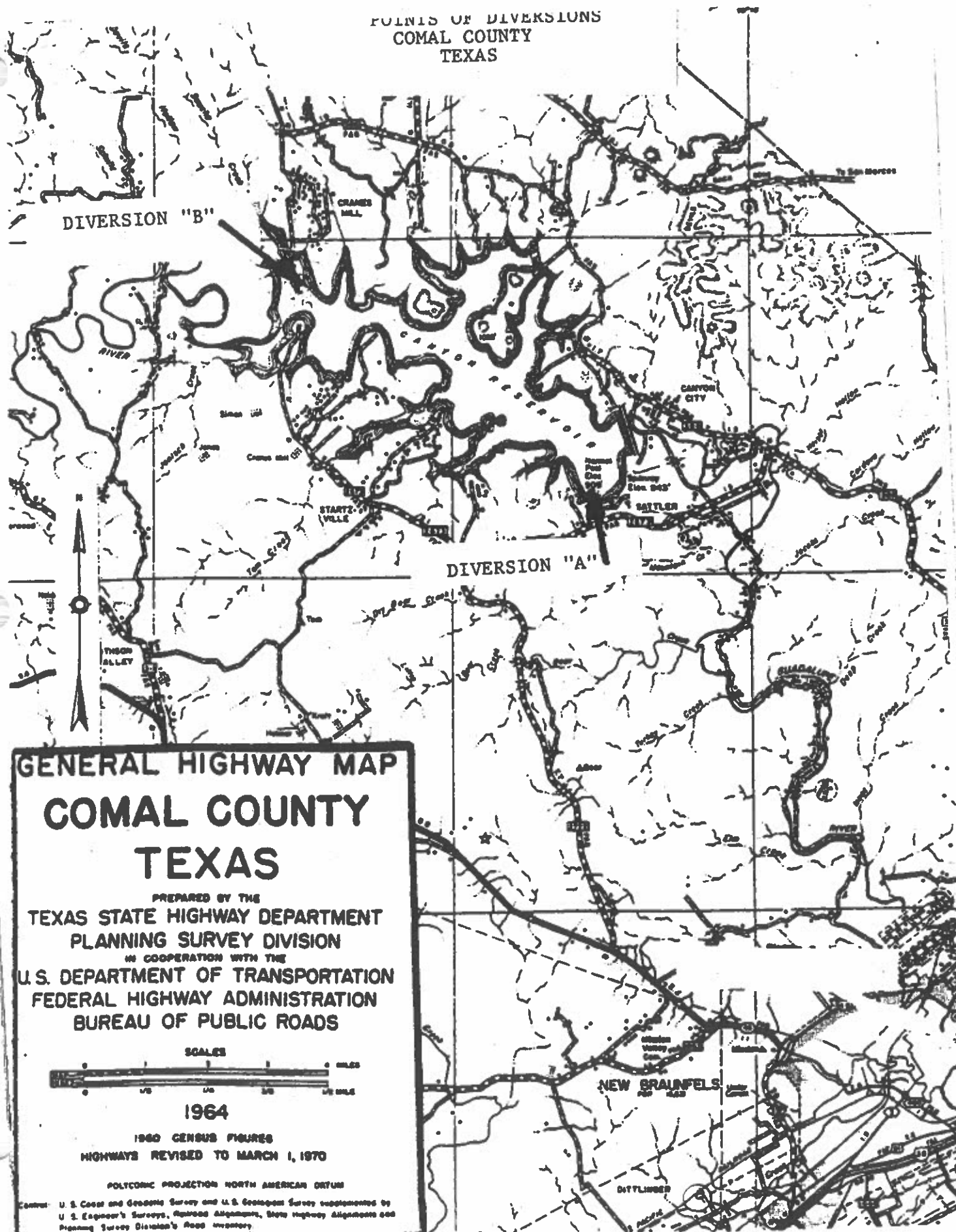


## **Exhibit "B"**

### **Point of Diversion II Legal Description Comal County, Texas**

On the North bank of the Guadalupe River in the A.S. Cuning Survey No. 701, Abstract No. 102, Comal County, Texas, Southwest 62°. 50 feet from the South corner of lot 77, Canyon Lake Shores Subdivision and is at North Latitude of 29° 17'09.6" (WSG 894).

POINTS OF DIVERSIONS  
COMAL COUNTY  
TEXAS



**CLWSC Surface Water Contract  
Dated 11/3/1999**

**SECOND AMENDMENT  
TO CONTRACT FOR RAW WATER SERVICE  
BETWEEN  
GUADALUPE-BLANCO RIVER AUTHORITY  
AND CANYON LAKE WATER SUPPLY CORPORATION**

This agreement (hereinafter called this "Second Amendment"), entered into as of the 3rd day of November, 1999, between the GUADALUPE-BLANCO RIVER AUTHORITY, a conservation district and political subdivision of the State of Texas (hereinafter called "GBRA"), and CANYON LAKE WATER SUPPLY CORPORATION, a non-profit corporation organized under Article 1434a, Vernon's Civil Statutes, as amended ("Purchaser"), shall constitute an amendment to that certain contract (TNRCC Water Contract No. 1978) between the parties, dated as of October 1, 1994, and first amended on April 30, 1997, entitled "Contract for Raw Water Service" (such contract as amended is hereinafter called the "Contract");

WITNESSETH:

Recitals

Pursuant to the terms of the Contract, GBRA has agreed to supply Purchaser in any calendar year not to exceed 1,000 acre-feet of untreated water from storage in Canyon Reservoir under Certificate of Adjudication 18-2074C, to be used in the Guadalupe River Basin.

Purchaser now desires that the amount of stored water from Canyon Reservoir to be supplied by GBRA be increased to not to exceed 2,000 acre-feet per year.

GBRA has filed with the Texas Natural Resource Conservation Commission (TNRCC) an application for various amendments to Certificate of Adjudication No. 18-2074, as amended, (hereinafter referred to as GBRA's Application to Amend the Canyon Certificate). GBRA's Application to Amend the Canyon Certificate remains pending before the TNRCC on the date of this Second Amendment set forth above. Approval of GBRA's Application to Amend the Canyon Certificate will substantially increase the amount of stored water available for supply by GBRA.

GBRA is willing to agree to increase the amount of stored water from Canyon Reservoir to be supplied by GBRA as requested by Purchaser, because GBRA anticipates timely approval by the TNRCC of GBRA's Application to Amend the Canyon Certificate. Purchaser has agreed to pay for GBRA's commitment to supply the additional water at the rate established pursuant to the terms of the Contract.

Agreement

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises, obligations, and benefits hereinafter set forth, GBRA and Purchaser agree as follows:

1. Sections 1 and 2 of the Contract shall be amended in their entirety, and new Sections 20 and 21 shall be added, to read as follows:

1. **Quantity.** GBRA agrees to furnish Purchaser, at the Point of Delivery (hereinafter defined), during the term of this agreement, untreated water from conservation storage in Canyon Reservoir under Certificate of Adjudication 18-2074C, as amended, in such quantity as may be required by Purchaser, not to exceed 2,000 acre-feet per year (the "Annual Commitment").

2. **Point of Diversion.** The water will be diverted at the following point(s): A water treatment plant located adjacent to Canyon Reservoir in Comal County, Texas, as set forth in Exhibit "A" hereto. A second point of diversion will be at a proposed water treatment plant on the North shore of Canyon Reservoir in Comal County, Texas as shown in Exhibit "B" hereto. The maximum combined diversion rate shall be 4,200 gallons per minute (9.85 cubic feet/second).

20. **Allocation During Drought.** During drought conditions or in any other condition when water cannot be supplied to meet the demands of all customers, the water to be distributed shall be divided among all customers of stored water from Canyon Reservoir pro rata, according to the amount each may be entitled to, subject to reasonable conservation and drought management plans and requirements based on particular purposes of use of the water, so that preference is given to no one and everyone suffers alike.

21. **Conservation and Drought Management Plans.** Purchaser shall develop and implement a water conservation and drought management plan applicable to the use of all water supplied under this Agreement, if required at any time by applicable law or regulation or by GBRA. Any such plan shall at all times meet all requirements of all applicable laws and regulations, and all reasonable requirements of GBRA.

2. Purchaser shall commence paying for the Annual Commitment of 2,000 acre-feet per year of stored water pursuant to the terms of the Contract, as amended by this Second Amendment, commencing as of the date of this Second Amendment set forth above.

3. Purchaser expressly agrees to support the granting, in whole, of GBRA's Application to Amend the Canyon Certificate.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies, have caused the Second Amendment to be duly executed in three (3) counterparts, each of which shall constitute an original.

GUADALUPE-BLANCO RIVER AUTHORITY

By

  
General Manager

ATTEST:

Renee Tupper

CANYON LAKE WATER SUPPLY

By Jeff Branecky  
Jeff Branecky, President

ATTEST:

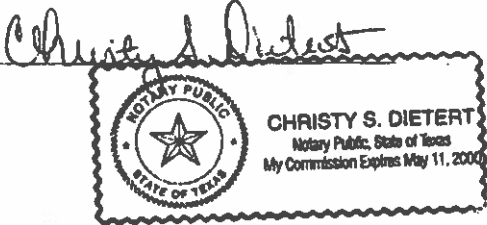
William K. Holmes  
William K. Holmes, Secretary

THE STATE OF TEXAS

COUNTY OF GUADALUPE

BEFORE ME, the undersigned authority, on this day personally appeared William E. West, Jr., known to me to be the person whose name is subscribed to the foregoing instrument as General Manager of the GUADALUPE-BLANCO RIVER AUTHORITY, a conservation and reclamation district, a governmental agency and a body politic and corporate, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 3rd day of November, 1999.



Notary Public in and for  
The State of Texas

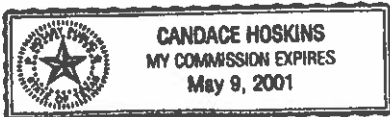
My Commission Expires: May 11, 2000

THE STATE OF TEXAS

COUNTY OF COMAL

BEFORE ME, the undersigned authority, on this day personally appeared Jeff Branecky of the CANYON LAKE WATER SUPPLY CORPORATION, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 11th day of NOVEMBER, 1999.



Candace Hoskins

Notary Public in and for  
The State of Texas

My Commission Expires: 09 MAY 2001

## **Exhibit "A"**

### **Point of Diversion I Legal Description Comal County, Texas**

From the easternmost corner of the William G. Smith Survey, A-542, traveling North a distance of 58E, west 3,000 feet to the southernmost shore of Canyon Reservoir.



## **Exhibit "B"**

### **Point of Diversion II Legal Description Comal County, Texas**

On the North bank of the Guadalupe River in the A.S. Cuning Survey No. 701, Abstract No. 102, Comal County, Texas, Southwest 62E. 50 feet from the South corner of lot 77, Canyon Lake Shores Subdivision and is at North Latitude of 29E 17' 09.6" (WSG 894).

**CLWSC Surface Water Contract  
Dated 8/27/2001**

## CONTRACT FOR RAW WATER SERVICE

This Contract for Raw Water Service is entered into as of August 27, 2001 between GUADALUPE-BLANCO RIVER AUTHORITY, a conservation district and political subdivision of the State of Texas ("GBRA"), and Canyon Lake Water Supply Corporation, ("Purchaser").

GBRA holds Certificate of Adjudication No. 18-2074D, as amended, ("CA 18-2074D") issued by the Texas Water Commission, now the Texas Natural Resource Conservation Commission ("TNRCC"), based on GBRA's rights under Permit No. 1886, as amended. On August 29, 1997, GBRA applied to the TNRCC for various amendments to CA 18-2074 including an increase in the authorized diversions from Canyon Reservoir ("GBRA's Application to Amend the Canyon Certificate") and expects said application with TNRCC to be approved in the next few months.

For and in consideration of the mutual promises, obligations, and benefits hereinafter set forth, GBRA and Purchaser agree as follows:

1. QUANTITY. GBRA agrees to furnish Purchaser, at the Point of Delivery (hereinafter defined), during the term of this agreement, untreated water from conservation storage in Canyon Reservoir under Certificate of Adjudication 18-2074D, as amended, in such quantity as may be required by Purchaser, not to exceed 2000 acre-feet per year (the "Annual Commitment"), to be used for Municipal purposes. GBRA's obligations under this Agreement are expressly conditioned upon the granting, in whole, of GBRA's Application to Amend the Canyon Certificate.

2. POINT OF DIVERSION. The water will be furnished at a point in Comal County (the "Point of Diversion") as follows:  
See Exhibit "A"

The maximum rate of diversion at the Point of Diversion shall not exceed 4200 gallons per minute (9.35 cubic feet/second). The vicinity map attached hereto as Exhibit "B" shows the Point of Diversion. Exhibit "C" shows the Place of Use.

3. MONTHLY PAYMENTS. Purchaser agrees to pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in writing, upon execution of this contract by Purchaser, and thereafter not later than the twentieth (20<sup>th</sup>) day of each month during the term of this contract, an amount of money equal to one-twelfth of the Annual Commitment multiplied by the then applicable rate for water supplied from conservation storage in Canyon Reservoir (the "Raw Water Rate"). The payment due upon execution of this contract shall be \$11,500.00 based upon the current Raw Water Rate of \$ 69.00 per acre-foot per year. However, until GBRA receives the requested amendment to the Canyon Reservoir Certificate of Adjudication, or January 1, 2002, whichever comes first, the calculated payment will be multiplied by a factor of 0.5.

4. ANNUAL ADJUSTMENT. Purchaser agrees to pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in writing, not later than the thirty-first day of January of each year, a dollar amount equal to the Raw Water Rate times the number of acre-feet by which the total amount of water diverted at the Point of Diversion in the previous calendar year exceeds the Annual Commitment, provided, however, that nothing in this section shall be construed as obligating GBRA to supply in any year more water than the Annual Commitment.

5. ADJUSTMENT OF RAW WATER RATE. The Raw Water Rate may be adjusted by GBRA at any time and from time to time. If GBRA desires to adjust the Raw Water Rate, it shall, at least sixty (60) days prior to the first day on which the adjustment is proposed to become effective, give written notice of the proposed adjustment to Purchaser.

6. METERING. Purchaser shall furnish, install, operate and maintain at its own expense at the Point of Diversion a measuring device or devices to measure the quantity of water diverted by Purchaser within five percent (5%) above or below the amount actually diverted. All measuring devices shall be subject at all reasonable times to inspection, examination and testing by an employee or agent of GBRA. Any measuring device which fails to function or which functions incorrectly shall, at Purchaser's expense, promptly be adjusted, repaired or replaced by a like device having the required accuracy. GBRA may, at its expense, install and maintain such measuring devices as it deems appropriate to measure the quantity of water diverted by Purchaser at the Point of Diversion, in which case measurement of water shall be made by GBRA's measuring devices. Purchaser shall read the metering equipment weekly at or near the first day of each week, and shall maintain records of such readings. When meters are judged to be unnecessary by GBRA, an alternative method of measurement may be authorized provided accurate records of actual water use are maintained. Purchaser shall furnish GBRA by the first day of each month with an estimate of the total amount of water to be diverted that month, as well as the amount actually diverted the previous month. GBRA agrees to complete and file with the Texas Natural Resource Conservation Commission (or its successor) all reports of water used by Purchaser.

7. QUALITY. The water to be supplied hereunder shall be untreated water as it occurs in the Guadalupe River at the Point of Diversion.

8. REGULATORY REQUIREMENTS. This Contract is subject to all applicable federal, state, and local laws and any applicable ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having jurisdiction. This Contract is specifically subject to all applicable sections of the Texas Water Code and the rules of the Texas Natural Resource Conservation Commission, or any successor agency.

9. CONSERVATION AND DROUGHT MANAGEMENT PLANS. Purchaser shall develop and implement a water conservation and drought management plan applicable to the use of all water supplied under this Agreement, if required at any time by applicable law or regulation or by GBRA. Any such plan shall at all times meet all requirements of all applicable laws and regulations, and all reasonable requirements of GBRA.

10. ALLOCATION DURING DROUGHT. During drought conditions or in any other condition when water cannot be supplied to meet the demands of all customers, the water to be distributed shall be divided among all customers of stored water from Canyon Reservoir pro rata, according to the amount each may be entitled to, subject to reasonable conservation and drought management plans and requirements based on particular purposes of use of the water, so that preference is given to no one and everyone suffers alike.

10. ASSIGNMENT. Except as specifically provided otherwise below, Purchaser may not assign this contract without the prior written consent of GBRA. Without obtaining GBRA's consent, Purchaser may assign this contract to the U. S. Department of Agriculture-Rural Development. Any successor or assign of GBRA shall succeed to the rights and obligations of GBRA hereunder.

11. CAPTIONS. All titles of the sections of this contract have been inserted for convenience of reference only and are not considered a part of this contract and in no way shall they affect the interpretation of any provisions of this contract.

12. TERMINATION. Purchaser may terminate this contract at any time for any reason by giving GBRA written notice of termination thirty (30) days prior to the date of termination. If Purchaser fails to pay any amounts payable under this contract when due and payable, GBRA may give written notice of such delinquency to Purchaser, and if all amounts due and unpaid, including interest thereon from the date payment was due at maximum legal rates, are not paid within thirty days after delivery of such notice, then GBRA may, at its option, institute suit for the collection thereof and utilize such other remedies as may exist to collect any amounts due and unpaid, together with interest thereon at the maximum legal rate and attorney's fees. In addition to all other remedies, GBRA may, at its option, if such amounts are not paid within said thirty day period, terminate this contract without recourse.

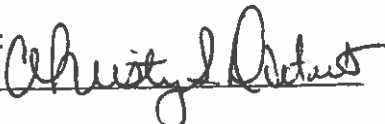
13. AMENDMENTS REQUIRED. Purchaser understands and acknowledges that GBRA's Application to Amend the Canyon Certificate may need to be approved by the TNRCC before GBRA will or may supply, and before Purchaser may divert and use, water pursuant to the terms of this Contract. GBRA's obligations under this Contract are expressly conditioned upon GBRA obtaining all amendments to GBRA's Canyon Reservoir water right, and any other permits, amendments to permits, licenses and other governmental authorizations relating to the supply and use of water under this Contract, that GBRA determines to be necessary or desirable. GBRA will notify Purchaser upon GBRA's obtaining all such amendments and other authorizations, at which time delivery, diversion, and use of water under this Contract may commence. Purchaser agrees to cooperate with GBRA in pursuing all such amendments and other authorizations, to complete and file all required reports, and to comply with all applicable laws, rules, and regulations. Without limiting the generality of the foregoing, Purchaser expressly agrees to support the granting, in whole, GBRA's Application to Amend the Canyon Certificate, as such application may be amended by GBRA.

14. TERM. This contract shall terminate on December 31, 2050 unless it is terminated earlier pursuant to the provisions hereof.


IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in multiple counterparts, each of which shall constitute an original.

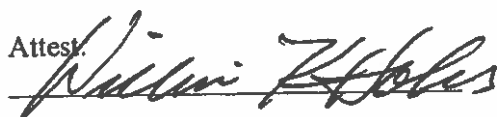
Guadalupe-Blanco River Authority

By   
General Manager

Attest: 

Purchaser

By   
Canyon Lake WSC  
P. O. Box 1742  
Mailing Address  
Canyon Lake, Texas 78130  
City, State, Zip  
830/964-3854  
Telephone No.

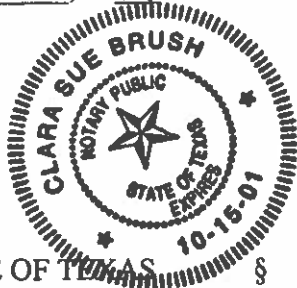
Attest: 

THE STATE OF TEXAS §

COUNTY OF GUADALUPE §

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared William E. West, Jr., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the GUADALUPE-BLANCO RIVER AUTHORITY, a conservation district and political subdivision, and that he executed the same as the act of such conservation district and political subdivision for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 27<sup>th</sup> day of August, 2001.



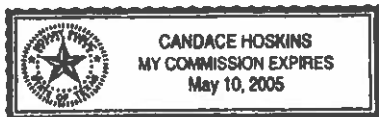
Clara Sue Brush  
Notary Public  
The State of Texas

THE STATE OF TEXAS §

COUNTY OF COMAL §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared LARRY L. BATLFF of the Canyon Lake WSC known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 11 day of July, 2001.



Candace Hoskins  
Notary Public  
The State of Texas

## **Exhibit "A"**

### **Point of Diversion I Legal Description Comal County, Texas**

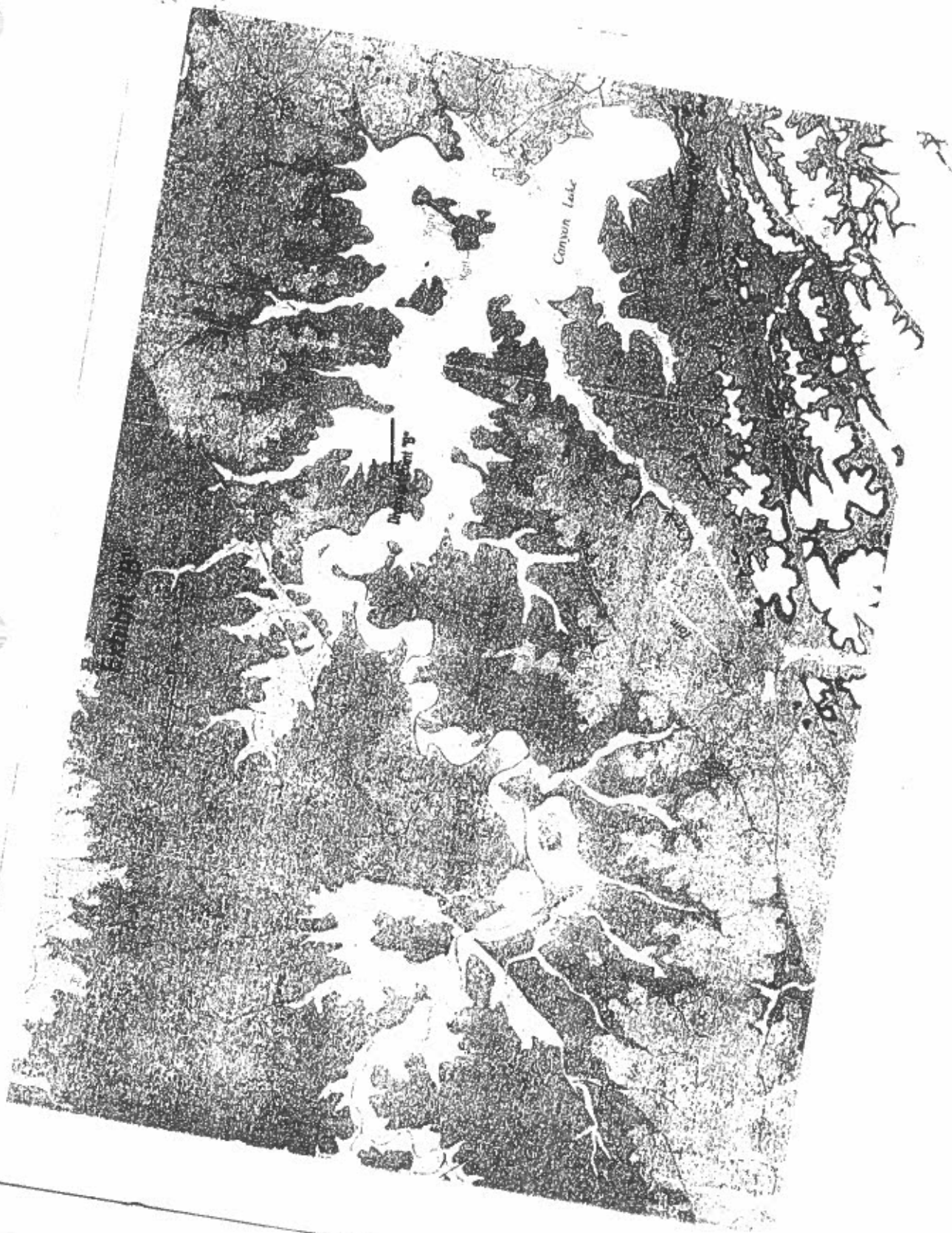
From the easternmost corner of the William G. Smith Survey, A-542, traveling North a distance of 58E, west 3,000 feet to the southernmost shore of Canyon Reservoir.



## **Exhibit "A"**

### **Point of Diversion II Legal Description Comal County, Texas**

On the North bank of the Guadalupe River in the A.S. Cuning Survey No. 701, Abstract No. 102, Comal County, Texas, Southwest 62E. 50 feet from the South corner of lot 77, Canyon Lake Shores Subdivision and is at North Latitude of 29E 17' 09.6" (WSG 894).



## **Exhibit "C"**

### **Place of Use**

Raw water obtained from Canyon Reservoir will be treated, distributed and used in the Canyon Lake Water Supply Corporation's service area and within the Guadalupe River Basin.



GUADALUPE-BLANCO RIVER AUTHORITY

GENERAL OFFICE  
933 East Court Street  
Seguin, Texas 78155  
Phone: 830-379-5822  
Fax: 830-379-9718

COLETO CREEK PARK  
AND RESERVOIR  
P.O. Box 68  
Fannin, Texas 77960  
Phone: 361-575-6366  
Fax: 361-575-2267

LAKE WOOD  
RECREATION AREA  
Route 2, Box 158-A  
Gonzales, Texas 78629  
Phone: 830-672-2779

LOCKHART  
WASTEWATER  
RECLAMATION  
SYSTEM  
4435 FM 20 East  
Lockhart, Texas 78644  
Phone 512-398-6391  
Fax: 512-398-6526

LULING WATER  
TREATMENT PLANT  
350 Memorial Drive  
Luling, Texas 78648  
Phone: 830-875-2132  
Fax: 830-875-3670

PORT LAVACA  
OPERATIONS  
P.O. Box 146  
Port Lavaca, Texas 77979  
Phone: 361-552-9751  
Fax: 361-552-6529

SAN MARCOS WATER  
TREATMENT PLANT  
91 Old Bastrop Road  
San Marcos, Texas 78666  
Phone: 512-353-3888  
Fax: 512-353-3127

VICTORIA REGIONAL  
WASTEWATER  
RECLAMATION  
SYSTEM  
P.O. Box 2085  
Victoria, Texas 77902-2085  
Phone: 361-578-2878  
Fax: 361-578-9039

GBRA WEBSITE  
<http://www.gbraz.org>

June 14, 2001

20-041-04-0108--041008

Ms. Carol Rahmani  
Water Rights Permitting – Contracts, MC-160  
Texas Natural Resources Conservation Commission  
P. O. Box 13087  
Austin, Texas 78711

Re: Contract for Raw Water Service between Guadalupe-Blanco River Authority and  
Canyon Lake Water Supply Corporation

Dear Ms. Rahmani:

In accordance with Rule 31 Texas Administrative Code, Sections 295.101 and 295.111,  
and Subchapter J of TAC Chapter 297, we hereby submit for your records the attached  
Contract for Raw Water Service between GBRA and Canyon Lake Water Supply  
Corporation for 2000 acre-feet for municipal purposes. The Agreement will expire on  
December 31, 2050.

Thank you for your attention to this matter. Please do not hesitate to contact me, if you  
have any questions.

Sincerely,

Fred M. Blumberg  
Deputy General Manager

FMB:sb

Cc: Mr. Dale Yates, Canyon Lake Water Supply Corporation  
Al Segovia, South Texas Watermaster  
Roger Nevola, Attorney at Law

Robert J. Huston, *Chairman*  
R. B. "Ralph" Marquez, *Commissioner*  
John M. Baker, *Commissioner*  
Jeffrey A. Saitas, *Executive Director*



## TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

*Protecting Texas by Reducing and Preventing Pollution*

October 12, 2001

Guadalupe-Blanco River Authority  
Attn: Fred M. Blumberg  
933 East Court Street  
Sequin, TX 78155

Subject: Filing of Water Sales Contract, TNRCC NO. 2343  
Canyon Lake Water Supply Corporation

Dear Mr. Blumberg:

The Water Supply Contract reflecting the subordination agreement between the Guadalupe-Blanco River Authority and Canyon Lake Water Supply Corporation has been accepted for filing. The Agreement meets the filing requirements of 30 Texas Administrative Code Chapters §295.101 and §297 Sub-Chapter J.

Please note that for correspondence and reporting purposes this contract is being identified as Water Supply Contract TNRCC No. 2343.

Term: 49 years, beginning August 27, 2001 and ending December 31, 2050  
Use: Municipal; 2,000 acre-feet/annum  
Source: Guadalupe River, Canyon Lake  
Supplier's Water Right: Certificate No. 18-2074

If you have any questions or comments, please call me at (512) 239-0047.

Sincerely,

A handwritten signature in cursive script that reads "David N. Koinm".

David N. Koinm - MC 160  
Water Rights Permitting  
Water Quantity Division

cc: Canyon Lake Water Supply Corporation

**CLWSC Surface Water Contract  
Dated 9/29/2006**

## CONTRACT FOR FIRM RAW WATER SERVICE

This Contract for Raw Water Service is entered into as of September 29, 2006 between Guadalupe-Blanco River Authority, a conservation district and political subdivision of the State of Texas ("GBRA"), and SJWTX Water, Inc. doing business as Canyon Lake Water Service Company, ("Purchaser").

For and in consideration of the mutual promises, obligations, and benefits hereinafter set forth, GBRA and Purchaser agree as follows:

1. QUANTITY. GBRA agrees to furnish Purchaser, at the Point of Delivery (hereinafter defined), during the term of this agreement, untreated water from conservation storage in Canyon Reservoir under Certificate of Adjudication 18-2074, as amended, in such quantity as may be required by Purchaser, not to exceed 2,000 acre-feet per year (the "Annual Commitment"), to be used for municipal purposes. GBRA may also furnish untreated water under the terms and conditions of this Contract from any source or combination of sources that may be available to GBRA on a firm-yield basis including without limitation, run-of-river flows of the Guadalupe River under new water rights or amendments to existing water rights, and water obtained from sources other than surface waters of the Guadalupe River Basin. Upon request, Purchaser shall provide to GBRA information reasonably necessary to demonstrate its requirements for the quantities of water to be furnished pursuant to this Contract.

2. POINTS OF DIVERSION AND PLACES OF USE. The water will be furnished at two (2) points in Comal County, Texas (the "Points of Diversion") as described in Exhibit "A."

The maximum rate of diversion at the Point of Diversion shall not exceed 6,945 gallons per minute (15.43 cubic feet/second). The vicinity maps attached hereto as Exhibit "B" show the Points of Diversion and places of use. The water diverted under this Contract may not be leased or resold in any manner by Purchaser, and it may not be used outside of GBRA's ten-county statutory district.

3. MONTHLY PAYMENTS. Purchaser agrees to pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in writing, upon execution of this contract by Purchaser, and thereafter not later than the twentieth (20<sup>th</sup>) day of each month during the term of this contract, an amount of money equal to one-twelfth of the Annual Commitment multiplied by the then applicable rate for firm water supplied pursuant to this Contract (the "Firm Water Rate"). Purchaser agrees that the Firm Water Rate is a rate charged pursuant to this Contract. The payment due upon execution of this contract shall be \$16,000.00 based upon the current Firm Water Rate of \$96.00 per acre-foot per year.

4. ANNUAL ADJUSTMENT. Purchaser agrees to pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in writing, not later than the thirty-first day of January of each year, a dollar amount equal to the Firm Water Rate times the number of acre-feet by which the total amount of water diverted at the Points of Diversion in the previous calendar year exceeds the Annual Commitment, provided, however, that nothing in this section shall be construed as obligating GBRA to supply in any year more water than the Annual Commitment.

5. ADJUSTMENT OF FIRM WATER RATE. The Firm Water Rate may be adjusted by GBRA at any time and from time to time. If GBRA desires to adjust the Firm Water Rate, it shall, at least sixty (60) days prior to the first day on which the adjustment is proposed to become effective, give written notice of the proposed adjustment to Purchaser.

6. METERING. Purchaser shall furnish, install, operate and maintain at its own expense at the Points of Diversion measuring devices to measure the quantity of water diverted by Purchaser within five percent (5%) above or below the amount actually diverted. All measuring devices shall be subject at all reasonable times to inspection, examination and testing by an employee or agent of GBRA. Any measuring device which fails to function or which functions incorrectly shall, at Purchaser's expense, promptly be adjusted, repaired or replaced by a like device having the required accuracy. GBRA may, at its expense, install and maintain such measuring devices as it deems appropriate to measure the quantity of water diverted by Purchaser at the Point of Diversion, in which case measurement of water shall be made by GBRA's measuring devices. Purchaser shall read the metering equipment monthly at or near the first day of each month, and shall maintain records of such readings. Purchaser shall furnish GBRA by the first day of each month with an estimate of the total amount of water to be diverted that month, as well as the amount actually diverted during the previous month. GBRA agrees to complete and file with the Texas Commission on Environmental Quality (or its successor) all reports of water used by Purchaser.

7. QUALITY. The water to be supplied hereunder shall be untreated water as it occurs at the Points of Diversion.

8. REGULATORY REQUIREMENTS. This Contract is subject to all applicable federal, state, and local laws and any applicable ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having jurisdiction. This Contract is specifically subject to all applicable sections of the Texas Water Code and the rules of the Texas Commission on Environmental Quality, or any successor agency.

9. CONSERVATION AND DROUGHT MANAGEMENT PLANS. Purchaser agrees to provide to the maximum extent practicable for the conservation of water. Purchaser further agrees to assist GBRA in implementing water conservation and drought management plans applicable to the use of water from Canyon Reservoir or other sources of supply. Purchaser shall develop and implement a water conservation and drought management plan applicable to its use of all water supplied under this Agreement. Any such plan shall at all times meet all requirements of all applicable laws and regulations, and all reasonable requirements of GBRA, including but not limited to the requirement to implement conservation-oriented water rates. Purchaser shall review and update its conservation and drought management plans not later than May 1, 2009, and every five years thereafter.

10. ALLOCATION DURING DROUGHT. During drought conditions or in any other condition when water cannot be supplied to meet the demands of all customers, the water to be distributed shall be divided by GBRA among all its customers pro rata, according to the amount each may be entitled to, subject to reasonable conservation and drought management plans and requirements based on particular purposes of use of the water, so that preference is given to no one and everyone suffers alike.



11. ASSIGNMENT. Except as specifically provided otherwise below, Purchaser may not assign this contract without the prior written consent of GBRA. Without obtaining GBRA's consent, Purchaser may assign this contract to the U. S. Department of Agriculture-Rural Development. Any successor or assign of GBRA shall succeed to the rights and obligations of GBRA hereunder.

12. CAPTIONS. All titles of the sections of this contract have been inserted for convenience of reference only and are not considered a part of this contract and in no way shall they affect the interpretation of any provisions of this contract.

13. TERMINATION. Purchaser may terminate this contract at any time for any reason by giving GBRA written notice of termination ninety (90) days prior to the date of termination. If Purchaser fails to pay any amounts payable under this contract when due and payable, GBRA may give written notice of such delinquency to Purchaser, and if all amounts due and unpaid, including interest thereon from the date payment was due at maximum legal rates, are not paid within thirty days after delivery of such notice, then GBRA may, at its option, institute suit for the collection thereof and utilize such other remedies as may exist to collect any amounts due and unpaid, together with interest thereon at the maximum legal rate and attorney's fees. In addition to all other remedies, GBRA may, at its option, if such amounts are not paid within said thirty day period, terminate this contract without recourse.

14. TERM. This contract shall terminate on December 31, 2050 unless it is terminated earlier pursuant to the provisions hereof.

15. DUE AUTHORIZATION, BINDING OBLIGATION, NO APPROVALS REQUIRED. This Contract has been duly authorized, executed and delivered by all necessary action of Purchaser, and constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms. No further approval, authorization, order or consent of, or declaration, registration or filing is required for the valid execution and delivery of this Contract by Purchaser or for the performance of any payment or other obligation by Purchaser.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in multiple counterparts, each of which shall constitute an original.

**Guadalupe-Blanco River Authority**

By \_\_\_\_\_  
Bill West, General Manager

Attest:

\_\_\_\_\_

Purchaser

By George Belhumeur 9/22/06  
George Belhumeur, Sr. Vice President of Operations

1221 S. Bascom Ave.

Address

San Jose, CA 95128

City, State, Zip

408-279-7805

Telephone No.

Attest:

Candace Hoskins

Candace Hoskins, Executive Assistant to the General Manager

THE STATE OF TEXAS                   §

COUNTY OF GUADALUPE               §

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared William E. West, Jr., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the GUADALUPE-BLANCO RIVER AUTHORITY, a conservation district and political subdivision, and that he executed the same as the act of such conservation district and political subdivision for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_, 2006.

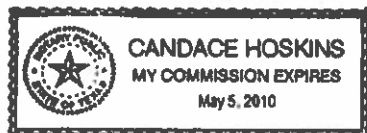
\_\_\_\_\_  
Notary Public  
The State of Texas

THE STATE OF TEXAS                   §

COUNTY OF COMAL                   §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared George Belhumeur, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 29 day of September, 2006.



Candace Hoskins  
Notary Public  
The State of Texas

## **Exhibit "A"**

### **Point of Diversion I Legal Description Comal County, Texas**

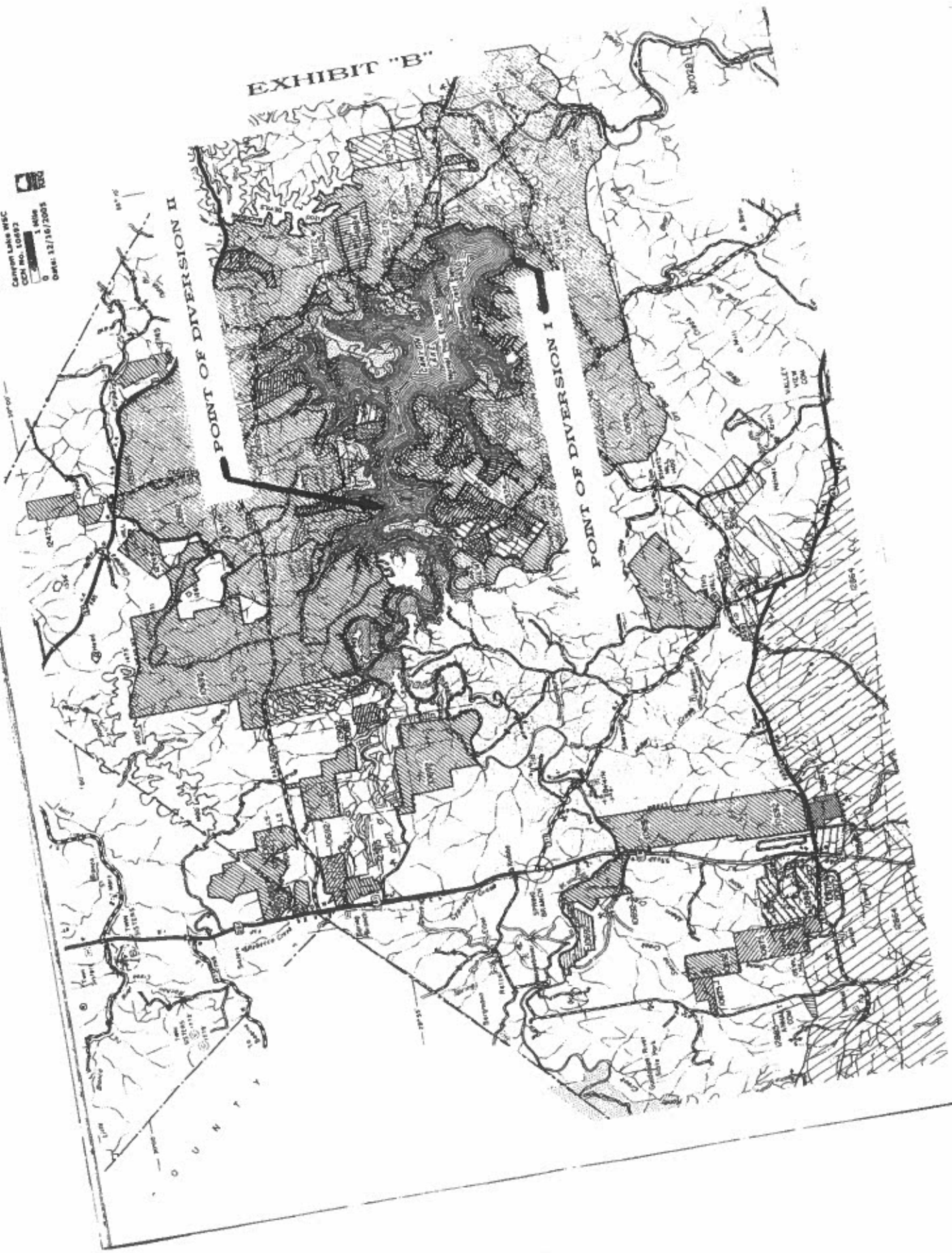
From the easternmost corner of the William G. Smith Survey, A-542, traveling North a distance of  $58^{\circ}$ , west 3000 feet to the southernmost shore of Canyon Reservoir.

### **Point of Diversion II Legal Description Comal County, Texas**

On the North bank of the Guadalupe River in the A.S. Cuning Survey No. 701, Abstract No. 102, Comal County, Texas, Southwest  $62^{\circ}$ . 50 feet from the South corner of Lot 77, Canyon Lake Shores Subdivision and is at North Latitude of  $29^{\circ} 17' 09.6''$  (WSG 894).

EXHIBIT "B"

Map No. WLS-46  
Central County  
Canyon Lake WSC  
CCN No. 10492  
1 Mile  
Date: 12/16/2003



**CLWSC Surface Water Contract  
Dated 2/6/2009**

## REGIONAL WATER SUPPLY AND SERVICE AREA TRANSFER AGREEMENT

This Regional Water Supply and Service Area Transfer Agreement (the "**Agreement**") is entered into on this 10<sup>th</sup> day of September, 2008 (the "**Effective Date**") by and between SJWTX, Inc., a Texas corporation d/b/a Canyon Lake Water Service Company, ("**SJWTX**") and the City of Bulverde, Texas, a general law city (the "**City**"). SJWTX and the City may be referred to herein collectively as the "**Parties**" and individually as a "**Party**."

### **RECITALS**

WHEREAS, the City has entered into the following three agreements with the Guadalupe-Blanco River Authority ("**GBRA**") regarding water supply (collectively referred to herein as the "**Existing Agreements**"): 1) that certain Operating Agreement between the City and GBRA dated as of January 11, 2002 (the "**Operating Agreement**"); 2) that certain Agreement between the City and GBRA dated as of December 12, 2001 (the "**Water Supply Agreement**"); and 3) that certain Interlocal Agreement between GBRA and the City dated as of January 15, 2002 (the "**Interlocal Agreement**");

WHEREAS, pursuant to the Interlocal Agreement and the Operating Agreement, the City currently holds, and GBRA has interests in, Certificate of Convenience and Necessity No. 12864 (the "**City's CCN**") issued by the Texas Commission on Environmental Quality (the "**TCEQ**");

WHEREAS, substantial improvements in infrastructure are needed to provide water supply and fire protection within the area included within the City's CCN (the "**Bulverde Service Area**");

WHEREAS, the Parties acknowledge that a critical need for water supply and fire protection exists for the following existing schools located within the Bulverde Service Area: Arlon Saey Elementary School; Bill Brown Elementary School; Bulverde Elementary School; Rahe Primary School; and Spring Branch Middle School (collectively referred to herein as the "**Existing Schools**").

WHEREAS, SJWTX holds Certificate of Convenience and Necessity No. 10692 issued by the TCEQ ("**SJWTX's CCN**") and provides retail water service to approximately 8,600 customers in areas adjacent to the Bulverde Service Area;

WHEREAS, SJWTX desires to create a regional utility system through the consolidation of multiple operators and utility owners within or contiguous to SJWTX's CCN that provides for a redundant water supply capable of meeting potable water and fire protection demands;

WHEREAS, SJWTX has executed a letter of intent with GBRA dated November 12, 2007, which contemplates that SJWTX and GBRA will negotiate to enter into a future agreement whereby SJWTX would provide water service within the Bulverde Service Area; and

WHEREAS, subject to the consent of GBRA and the approval of the TCEQ, SJWTX desires to acquire the City's CCN and the associated rights and obligations to provide retail water service to the Bulverde Service Area.

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises expressed herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, SJWTX and the City agree as follows:

1. Terms of Regional Water Service by SJWTX. Subject to the satisfaction of the other terms and conditions of this Agreement, SJWTX commits to the following terms for retail water service.

a. Service Obligations of SJWTX. SJWTX affirms that, following the Closing, its service obligations will be subject to, and it will comply with, the statutory obligations of a retail public utility to provide customers continuous and adequate service at rates that are just and reasonable.

b. Initial Rates. The initial water rates charged by SJWTX to customers within the Bulverde Service Area shall not be greater than the current rates charged by GBRA to retail water customers in the Bulverde Service Area, as more particularly set forth in Exhibit "A" hereto.

c. Franchise Fee. SJWTX shall collect from customers located within the corporate limits of the City a franchise fee in an amount equal to the lesser of either the maximum franchise fee then-authorized by law (currently two percent (2%) of gross receipts) or the amount then-authorized to be collected as franchise fee by the City, as the City may determine from time to time. SJWTX shall promptly remit over to the City the monies collected as a franchise fee.

d. Water Service. SJWTX agrees to construct, install, own and operate such additional water transmission lines, distribution lines, tanks, pumps and other infrastructure as necessary to provide retail water service within the Bulverde Service Area.

e. Permits. As to construction, acquisitions and operations undertaken within the jurisdiction of the City, SJWTX agrees to obtain and fully comply with all applicable construction, use, zoning and related permits and approvals, including but not limited to obtaining building permits for all above-ground structures, from the City as necessary to comply with the City's ordinances, as such ordinances are currently in effect or as may be changed or amended from time to time. The City agrees that such permits and approvals shall not be unreasonably withheld, if consistent with City ordinances.

f. Use of City's Public Rights-of-Way; Street Cuts. SJWTX agrees to obtain all necessary permits and approvals from the City as necessary to comply with the City's ordinances, prior to constructing any waterlines or facilities which may use streets or rights-of-way located within the City's corporate limits, as those limits may expand from time to time. SJWTX agrees to comply with the City's ordinances related to street cuts, including the requirement to provide a warranty for repairs to pavement and landscaping. City hereby grants to SJWTX the non-exclusive right and privilege to have, acquire, construct, expand, reconstruct, maintain, use and operate in, along, across, on,



over, through, above and under the public rights of way of the City a water distribution system to provide water service and/or fire protection to users within the Bulverde Service Area. As used herein, the term "public rights of way" means the surface, the air space above the surface, and the area below the surface of any public street, highway, lane, path, alley, sidewalk, boulevard, drive, bridge, tunnel, easement or similar property in which the City holds any property interest or exercises any rights of management or control and which consistent with the purposes of which it was acquired or dedicated, may be used for the installation and maintenance of a water distribution system and/or fire protection.

g. Fire Protection. SJWTX agrees to provide water service capable of providing fireflows to the Existing Schools and to new subdivisions located within the corporate limits of the City.

h. Timeline. The Parties acknowledge and agree that a critical objective of the Parties is to connect the Existing Schools for water service and fireflows in a timely manner. Within ninety (90) days after the Closing, SJWTX agrees to provide to the City a proposed timeline outlining the major steps necessary for providing water service and fireflows to the Existing Schools and the amount of time necessary for completion of each major step.

i. Capital Investment Commitment. To further demonstrate its dedication to providing water service to the Bulverde Service Area, SJWTX agrees to commit to a capital investment within the Bulverde Service Area of at least \$500,000 per year, on average, for the first three (3) years following the Closing (the "Annual Commitment"), including at least \$250,000 per year, on average, spent for improvements located within the corporate limits of the City or directly benefiting customers located within the corporate limits of the City. Within sixty (60) days after the end of each calendar year, for the first three (3) full calendar years after the Effective Date, SJWTX shall provide the City a written summary of the amount of capital investment made by SJWTX within the Bulverde Service Area and corporate limits of the City during the preceding calendar year.

j. Property Taxes. SJWTX owned land shall be subject to City property taxes in the same manner as other tax payers, and SJWTX will receive no abatement or special treatment by the City as to such taxes.

2. Transfer of City's CCN. Subject to the accomplishment of all conditions precedent, the City agrees to transfer to SJWTX the entirety of the City's CCN for the Bulverde Service Area, as more particularly described in Exhibit "B" attached hereto. The City additionally agrees to sell, assign, transfer, grant and convey, free and clear of all liens and encumbrances, to SJWTX at the Closing (hereinafter defined) all of the rights, title, and interest held by the City, if any, in and to any contracts, real property, easements and facilities related to supplying retail water service to the Brumley Subdivision and the Glenwood Subdivision, including all rights of the City in the retail water service agreements related to such subdivisions (the "Service Agreements"). The Parties further agree to cooperate in securing any required or

reasonably necessary third party approvals which may be necessary to implement this Agreement, including any such approvals for the assignment of the Service Agreements.

3. Compensation and Release. In consideration for the City's transfer of the City's CCN for the Bulverde Service Area, SJWTX agrees to compensate the City financially as set forth in this Section by payment of two amounts (the "**Compensation**"), as follows. First, a payment to the City in the amount of \$250,000 (the "**Cash Payment**"). Second, a payment on behalf of the City to GBRA as necessary to settle and pay off the City's financial obligations to GBRA (whether claimed or disputed) under the Existing Agreements with GBRA, including but not limited to the Water Supply Agreement, which amount as of August 1, 2008 was in excess of \$600,000, including any compromise and settlement of such obligations by GBRA as negotiated by SJWTX (the "**Settlement Payment**"). The Compensation shall be placed in escrow prior to Closing (hereinafter defined) in accordance with Section 8a of this Agreement, and at the Closing, GBRA shall deliver a full release signed by GBRA releasing the City of any and all obligations under the Existing Agreements with GBRA.

4. STM Application and Costs. The Parties shall cooperate to promptly file an appropriate application or other documentation with the TCEQ to transfer to SJWTX the City's CCN (the "**STM Application**"). With the City's participation, as contemplated in this Section, SJWTX shall, at SJWTX's own expense, prepare, file, and pursue the STM Application.

a. City Cooperation. The City shall cooperate and provide information and signatures, as necessary, to complete and file the STM Application with the TCEQ. The City shall also assist SJWTX in its efforts to obtain TCEQ approval of the STM Application and shall take no action to oppose the STM Application or to encourage or assist any third party in opposing the STM Application. The City shall execute such consents, approvals and bills of sale and/or transfer as necessary to obtain TCEQ approval. City is not obligated to expend any funds in order to satisfy its obligations under this subsection.

b. GBRA Cooperation. GBRA shall also cooperate and provide information and signatures, as necessary, to complete and file the STM Application with the TCEQ, and shall take no action to oppose the STM Application or to encourage or assist any third party in opposing the STM Application.

c. Timing. If the STM Application is not approved by the TCEQ within eighteen (18) months of the Effective Date, either Party shall have the option at any time to terminate this Agreement. If this Agreement is so terminated, the CCN for the Bulverde Service Area shall remain with the City, and the Parties shall be released from all further obligations hereunder.

d. Service Rights. The Parties agree that, after the TCEQ completes the transfer of the CCN, the City shall have no further obligation or right to provide water service to any existing or future customers located within the Bulverde Service Area, except as may be agreed by the Parties in writing.

5. Transfer of Customers.

a. Notice. SJWTX and the City shall cooperate in providing notice of the transfer to customers located within the Bulverde Service Area. Any such notice shall be provided without cost to the City.

b. Revenues. Any revenues or fees received for water utility service rendered by the City and/or GBRA prior to the Closing shall be distributed in accordance with the Existing Agreements between the City and GBRA, unless otherwise agreed in writing.

c. Prevention of Service Interruption. The Parties shall cooperate with each other as necessary to prevent any interruption of water service to existing retail water customers located within the Bulverde Service Area due to the transfer of such customers as contemplated by this Agreement.

6. Conditions Precedent. The transfer of the City's CCN and payment of the Compensation as set forth in this Agreement are subject to the following conditions precedent:

a. GBRA and SJWTX entering into an agreement to transfer title to the existing Water Distribution System (as defined in the Operating Agreement) to SJWTX, and TCEQ approval of such transfer; and

b. GBRA approval of the assignment by City to SJWTX of the existing Water Supply Agreement or alternatively, at SJWTX's option, the termination of the Water Supply Agreement and a new agreement between GBRA and SJWTX for treated water supply in an amount not less than 400 acre-feet per year; and

c. GBRA approval of the STM Application; and

d. TCEQ approval of the STM Application; and

e. GBRA's full release of the City of any and all obligations under the Existing Agreements with GBRA (the "GBRA Release").

7. Negotiations with GBRA. In order to avoid any conflicts or inconsistencies with the Existing Agreements, the Parties agree to enter into negotiations with GBRA seeking the voluntary termination of the Existing Agreements. Any termination of the Existing Agreements shall require the mutual consent of the City and GBRA. Any termination of the Existing Agreements shall be effective at the Closing, after approval by the TCEQ of the STM Application.

8. Closing. Within sixty (60) days after receiving written notice from the TCEQ that the agency has authorized the parties to the STM Application to close the transaction to transfer the City's CCN to SJWTX, or at such other time agreed to by the City and SJWTX, a Closing shall be held.

a. Before the Closing, SJWTX agrees to place the Compensation in escrow within fifteen (15) days after receiving written notice from the TCEQ that the agency has authorized the parties to the STM Application to close the transaction to transfer the City's CCN to SJWTX. The funds shall be released from escrow to the City and GBRA, as applicable, ten (10) days after the order issued by TCEQ approving the STM Application is final and non-appealable, or at such earlier date as elected by SJWTX in its sole discretion.

b. At the Closing, GBRA shall transfer the Water Distribution System to SJWTX in accordance with the future agreement referenced in Section 6a of this Agreement, and the fully executed GBRA Release shall be delivered to the City.

9. Right of First Refusal. The City shall have a continuing right of first refusal (the "Right of First Refusal") for any subsequent sale by SJWTX of: (a) the certificated water service rights for territory located within the then-existing corporate limits of the City, and (b) the water transmission lines, distribution lines, tanks, pumps, and related infrastructure located within the then-existing corporate limits of the City (collectively the "CCN and Assets"). The Right of First Refusal shall be the right of the City to purchase the CCN and Assets at the same price and on the same terms and conditions as are contained in any proposed sale by SJWTX of the CCN and Assets. The Right of First Refusal may be exercised by the City at anytime within 60 days after the City's receipt notice of the proposed sale. SJWTX shall not sell the CCN and Assets without first giving notice to the City and allowing the City sixty (60) days to exercise the Right of First Refusal. The Right of First Refusal shall not apply to the sale of any surplus facilities, equipment or water lines.

10. GBRA Water Supply Contract. The parties agree that the availability of 400 acre-feet per year, as set forth in the existing Water Supply Agreement, is important to the continuing growth of the City. SJWTX hereby agrees to take by assignment the Water Supply Agreement, or at SJWTX's option, obtain a new water supply agreement from GBRA in the amount of not less than 400 acre-feet per year. SJWTX agrees to maintain and make available for retail sale not less than 400 acre-feet per year of such water for use within the corporate limits of the City.

11. Pro-rata Sharing of Line Extension Costs in Existing Subdivisions. Subject to TCEQ approval of the cost methodology, SJWTX agrees to facilitate the provision of retail water service to existing residential subdivisions, once transmission lines are completed in the area, as follows. Applicants for new service in such subdivisions will be offered the opportunity to connect to water service by paying the applicable tap fees and a pro-rated average extension fee, rather than the full cost of the line extension itself. Subject to TCEQ approval, the extension fee for a particular subdivision will be determined based upon the equivalent of the average costs of extending service to individual customers in the subdivision with SJWTX fronting the capital cost of the extension of the first 200 feet of transmission main. The City, as the regulatory authority with original jurisdiction over SJWTX's rates within the City's corporate limits, approves and accepts the cost methodology described in this section for applicants for service within the City's corporate limits. SJWTX agrees to apply for TCEQ approval of the applicable modification of the SJWTX tariff to include this cost methodology.

12. INDEMNITY. SJWTX AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY, ITS OFFICERS, EMPLOYEES, AND AGENTS, FROM AND AGAINST DAMAGES, SUITS, LIABILITY, COSTS AND EXPENSES ARISING FROM ANY THIRD-PARTY CHALLENGE TO THE SALE OR TRANSFER OF THE CITY'S CCN TO SJWTX PURSUANT TO THE TERMS SET FORTH IN THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, SJWTX'S OBLIGATIONS UNDER THIS INDEMNITY SHALL NOT APPLY TO THE EXTENT THAT ANY DAMAGES, SUITS, LIABILITY, COSTS OR EXPENSES ARE ATTRIBUTABLE TO THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY.

13. Miscellaneous.

a. Assignment. This Agreement may not be assigned by either Party without the written consent of the other Party. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted and approved successors and assigns.

b. Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the Parties hereto.

c. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Comal County, Texas.

d. Authority. The respective signatories to this Agreement covenant that they are fully authorized to sign and execute this Agreement on behalf of their respective Party, and by such signature each such person represents that they have obtained all the necessary authority and approval, including the actual approval of their Board or Council, to execute the Agreement.

e. Notice. Any notice provided for under the terms of this Agreement by either Party to the other shall be in writing and may be effected by registered or certified mail, return receipt requested, or facsimile transmission with confirmation of delivery, addressed and delivered to the following:

to the City:                      City Manager/Administrator  
   City of Bulverde, Texas  
   30360 Cougar Bend  
   Bulverde, TX 78163  
   Facsimile 830.438.4339

with copy to:                      Frank Garza  
   Davidson & Troilo  
   7550 West III-10, Suite 800  
   San Antonio, TX 78229  
   Facsimile 210.349.0041

to SJWTX: President  
SJWTX, Inc.  
P.O. Box 1742  
Canyon Lake, TX 78133  
Facsimile 830.964.2779

with copy to: Leonard H. Dougal  
Jackson Walker L.L.P.  
100 Congress Avenue, Suite 1100  
Austin, Texas 78701  
Facsimile 512.236.2002

Each Party may change the address to which notice may be sent by giving notice of such change to the other Party in accordance with the provisions of this Agreement.

f. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

g. Construction of Agreement. This Agreement shall be deemed drafted equally by both Parties. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the Parties and are not intended to be used in construing this document.

h. Enforceability. The Parties agree that this Agreement constitutes the legal, valid and binding obligation of each Party hereto, enforceable in accordance with its terms.

i. Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

j. Corporate Limits. Any reference herein to the corporate limits of the City shall mean the corporate limits of the City as the same may be expanded or otherwise changed from time to time.

k. Term. Sections 1, 5, 9, 10, 11, 12 and 13 of this Agreement shall survive the Closing for a term of thirty (30) years from the date of Closing, and thereafter shall continue in effect automatically for two additional extensions of thirty (30) years each.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement and caused this Agreement to be effective on the date first written above as reflected by the signatures below.

SJWTX, INC. D/B/A/ CANYON LAKE  
WATER SERVICE COMPANY

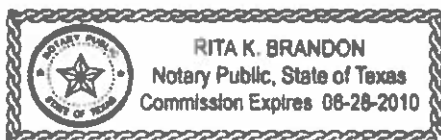
By: Thomas A. Hodge  
Thomas A. Hodge, Vice-President

ATTEST:

Title: \_\_\_\_\_

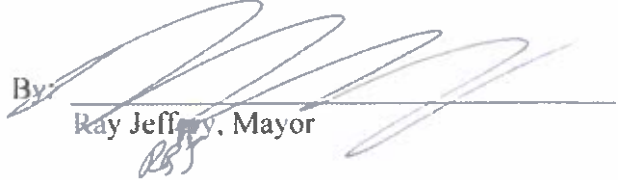
STATE OF TEXAS                   §  
   §  
COUNTY OF BEXAR           §

This instrument was acknowledged before me on this 10<sup>th</sup> day of September, 2008 by Thomas A. Hodge, Vice-President for SJWTX, Inc. a Texas corporation d/b/a Canyon Lake Water Service Company, on behalf of said corporation.



Rita K. Brandon  
Notary Public, State of Texas

CITY OF BULVERDE, TEXAS


By:   
Ray Jeffery, Mayor

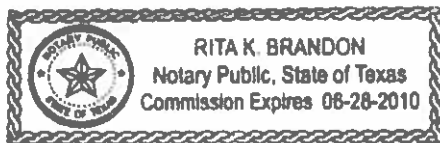
ATTEST:

Title: \_\_\_\_\_

STATE OF TEXAS                   §  
   §  
COUNTY OF BEXAR           §

This instrument was acknowledged before me on this 10<sup>th</sup> day of September, 2008 by Ray Jeffery, Mayor for the City of Bulverde, Texas, on behalf of said municipality.

  
Notary Public, State of Texas





CONSENT

The undersigned, being a party to the Existing Agreements with the City, hereby consents to the execution of this Agreement, and expressly agrees to cooperate in the STM Application in accordance with Section 4b of this Agreement.

GUADALUPE-BLANCO RIVER AUTHORITY

By:   
W.E. West Jr., General Manager

ATTEST:

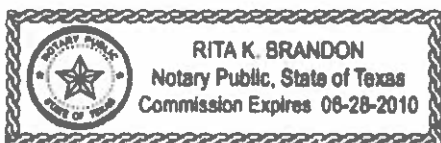
APPROVED

LEGAL bw

Title: \_\_\_\_\_

THE STATE OF TEXAS           §  
   §  
COUNTY OF BEXAR           §

This instrument was acknowledged before me on the 10<sup>th</sup> day of September, 2008, by W.E. West Jr., General Manager of Guadalupe-Blanco River Authority, on behalf of said authority.



  
Notary Public, State of Texas

**EXHIBIT "A"**  
**(Current GBRA Rates)**

# Exhibit A

## GBRA Rate Schedule for Bulverde CCN 2008 Monthly Rates

5/8" Residential Meter			1" Commercial Meter			1.5" Commercial Meter			2" Commercial Meter		
\$40.00	0 - 2,000 Gal		\$100.00	0 - 4,000 Gal		\$200.00	0 - 8,000 Gal		\$320.00	0 - 16,000 Gal	
\$3.60/1,000	2,001 - 10,000 Gal		\$3.60/1,000	4,001 - 10,000 Gal		\$3.60/1,000	8,001 - 12,000 Gal		\$3.60/1,000	16,001 - 20,000 Gal	
\$4.60/1,000	10,001 - 25,000 Gal		\$4.60/1,000	10,001 - 25,000 Gal		\$4.60/1,000	12,001 - 25,000 Gal		\$4.60/1,000	20,001 - 25,000 Gal	
\$5.60/1,000	25,001 - 50,000 Gal		\$5.60/1,000	25,001 - 50,000 Gal		\$5.60/1,000	25,001 - 50,000 Gal		\$5.60/1,000	25,001 - 50,000 Gal	
\$6.60/1,000	50,001 - 75,000 Gal		\$6.60/1,000	50,001 - 75,000 Gal		\$6.60/1,000	50,001 - 75,000 Gal		\$6.60/1,000	50,001 - 75,000 Gal	
\$8.60/1,000	75,001 - 100,000 Gal		\$8.60/1,000	75,001 - 100,000 Gal		\$8.60/1,000	75,001 - 100,000 Gal		\$8.60/1,000	75,001 - 100,000 Gal	
\$12.00/1,000	100,001 - Excess Gal		\$12.00/1,000	100,001 - Excess Gal		\$12.00/1,000	100,001 - Excess Gal		\$12.00/1,000	100,001 - Excess Gal	

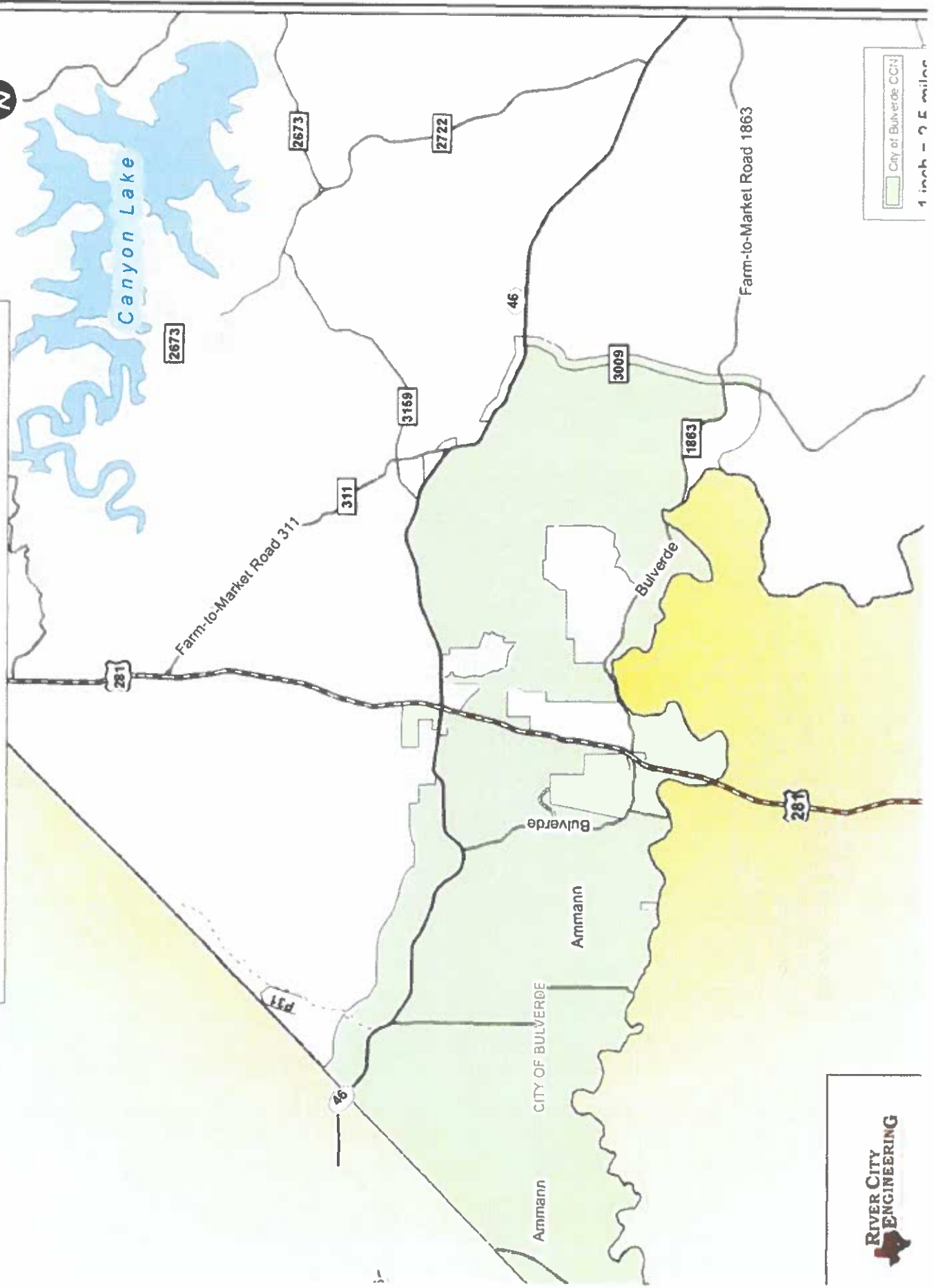
  

TAPS			
	Meter Size	Existing Service Line	New Service Line
5/8" Residential		\$450.00	\$1,000.00
1" Commercial		\$530.00	\$1,300.00
1.5" Commercial		\$650.00	\$1,900.00
2" Commercial		\$1,360.00	\$3,000.00

**EXHIBIT "B"**  
(Bulverde Service Area)

5027457x.7

# EXHIBIT B: BULVERDE SERVICE AREA



**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF TEXAS

COUNTY OF BEXAR

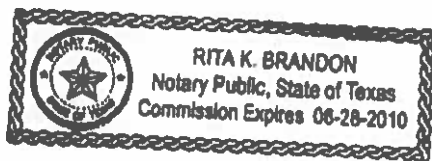
I, Ray Jeffrey, being duly sworn, file this application for sale, lease, rental or merger or consolidation as Mayor of City of Bulverde, a general law city, and in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

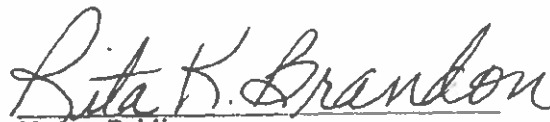
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Water Code.

  
AFFIANT Ray Jeffrey, Mayor

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this 27th day of September, 2008.

SEAL



  
Notary Public

**CLWSC Surface Water Contract  
Dated 3/24/2009**

**WHOLESALE TREATED WATER SUPPLY  
AGREEMENT  
REGARDING THE  
PARK VILLAGE SERVICE AREA  
BETWEEN  
SJWTX, INC. dba CANYON LAKE WATER SERVICE COMPANY (OWNER),  
AND  
GUADALUPE-BLANCO RIVER AUTHORITY (GBRA)**



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**WHOLESALE TREATED WATER SUPPLY  
AGREEMENT  
REGARDING THE  
PARK VILLAGE SERVICE AREA  
BETWEEN  
SJWTX, INC. dba CANYON LAKE WATER SERVICE COMPANY (OWNER),  
AND  
GUADALUPE-BLANCO RIVER AUTHORITY (GBRA)**

This Agreement Regarding the Park Village Service Area (this "*Agreement*") is made and entered into as of the 24 day of March, 2009 (the "*Effective Date*"), by and between SJWTX, Inc dba Canyon Lake Water Service Company ("*Owner*") a Texas Corporation, and the Guadalupe-Blanco River Authority ("*GBRA*"), a conservation and reclamation district and political subdivision of the State of Texas created pursuant to Article XVI, Section 59 of the Texas Constitution by special act of the Legislature. Owner and GBRA may be referred to herein collectively as the "*Parties*," or individually as a "*Party*."

**RECITALS**

Owner is the holder of water Certificate of Convenience and Necessity No. 12864 issued by the Texas Commission of Environmental Quality ("*TCEQ*"). The Park Village Service Area is located within the certificated water service area and is shown on the map attached as **Exhibit 1** ("Park Village Service Area or Service Area"). Owner proposes to provide retail water service to the lands within the Service Area for residential and commercial purposes. Owner desires that GBRA supply treated water for use within the Service Area.

The treated water to be provided by GBRA under this Agreement will be supplied from GBRA's Western Canyon Regional Treated Water Supply Project, as such project may be expanded or modified from time to time (the "*Western Canyon Project*").

**AGREEMENT**

For and in consideration of the mutual promises, covenants, obligations, and benefits described in this Agreement, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Owner and GBRA agree as follows:

**ARTICLE I  
DEFINITIONS**

**Section 1.1    Definitions.**

As used in this Agreement, the following terms shall have the meanings set forth in this Section:

"**Acre-Foot**" means that volume defined by an area of one acre, one foot deep. One acre-foot of water equals 325,851 gallons.

**"Annual Debt Service Requirement"** means the total principal and interest scheduled to come due on all Bonds during each twelve month period ending on August 31 of each year, plus a debt service coverage factor, as determined by GBRA, and provided by the Bond Resolution but not to exceed 10% of such principal and interest unless GBRA and Owner mutually agree upon a greater percentage, less interest to be paid out of Bond proceeds as permitted by the applicable Bond Resolution, if any.

**"Annual Operation and Maintenance Requirement"** for the Treated Water Supply Project means the total amount budgeted by GBRA for each twelve month period ending on August 31 of each year to pay all estimated Operation and Maintenance Expenses for that project.

**"Annual Miscellaneous Bond Requirement"** means the total amount determined by GBRA for each twelve-month period ending on August 31 of each year to be required to pay the following:

- (a) the amount of any debt service reserve and contingency funds required to be established and maintained by the provisions of the Bond Resolution for Bonds issued to finance GBRA's construction of the Treated Water Supply Project;
- (b) an amount in addition thereto sufficient to restore any deficiency in any of such funds required to be accumulated and maintained by the provisions of the Bond Resolution;
- (c) any amounts due under a reimbursement agreement between GBRA and any credit facility provider providing a credit facility issued to cause the balance on deposit in any debt service reserve funds to satisfy the requirements of the Bond Resolution; and
- (d) any charges of the bank or banks where the Bonds are payable.

**"Bonds"** means all bonds and other obligations issued and outstanding from time to time by GBRA to finance or refinance the costs of construction, acquisition, repair, improvement, and upgrading related to the Treated Water Supply Project and any extension, expansion, maintenance, repair, improvement, upgrade or other modification of any such project, including, without limitation of the generality of the foregoing, any costs necessary or desirable to maintain or increase the capacity of any such project and comply with applicable laws, rules and regulations.

**"Bond Resolution"** means the resolution or resolutions approved by the Board of Directors of GBRA, which authorize the issuance of each series of Bonds related to the Treated Water Supply Project.

**"District-Wide Firm Water Rate"** at any time means the rate charged by GBRA at that time pursuant to written contracts for the reservation or supply of firm raw water from Canyon Reservoir or other sources for use within GBRA's ten-county statutory district. The present rate is \$105.00 per acre-foot per year.

**"Operation and Maintenance Expenses"** means all costs and expenses of operation and maintenance of such project, including (for greater certainty, but without limiting the generality of the foregoing) repairs and replacements, which are not paid from a special fund created in the Bond Resolutions or other project debt instruments, employee salaries, benefits and other expenses, the cost of utilities, the costs of supervision, engineering, accounting, auditing, legal services, other services, supplies, chemicals, insurance, charges by GBRA for administrative and general expenses, and equipment necessary for proper operation and maintenance of such project. Operation and Maintenance Expenses shall not include any depreciation expense.

**"Other Customer"** means any customer of GBRA's for the supply of treated water from the Treated Water Supply Project other than Users, regardless of when GBRA and the customer enter into the contract for such treated water supply.

**"Owner's Debt Service Component"** means the component of the price for treated water to be paid by Owner as determined and described in Section 5.3 of this Agreement.

**"Owner's Debt Service Percentage"** for any month means the quotient, expressed as a percentage, equal to the Owner's Required Monthly Treated Water Purchase for that month, divided by the Water Plant Current Monthly Capacity for that month.

**"Owner's Miscellaneous Bond Requirements Component"** means the component of the price for treated water to be paid by the Owner as determined and described in Section 5.5 of this Agreement.

**"Owner's Operation and Maintenance Component"** means the component of the price for treated water to be paid by the Owner as determined and described in Section 5.4 of this Agreement.

**"Owner's Operation and Maintenance Percentage"** for any month means the quotient, expressed as a percentage, equal to the amount of water actually treated for Owner during that month for use within the Service Area, divided by the Water Plant Current Monthly Capacity for that month.

**"Owner's Raw Water Component"** means the component for the charge for raw water to be paid by Owner as determined and described in Section 5.6 of this Agreement.

**"Owner's Required Monthly Raw Water Purchase"** means for any month the amount of raw water that Owner is obligated to pay for that month, as specified in Section 5.1 of this Agreement.

**"Owner's Required Monthly Treated Water Purchase"** means for any month the amount of treated water that Owner is obligated to pay for that month, as specified in Section 5.1 of this Agreement.

**"Park Village Service Area" or "Service Area"** means those certain lands located in Comal County, Texas, shown on the map in Exhibit 1.

**"Raw Water Reservation"** means the maximum amount of raw water that GBRA shall be obligated to reserve for diversion, treatment and delivery for use within the Service Area in any calendar year as specified in Section 3.3 of this Agreement.

**"Termination Date"** means the expiration date of the term of this Agreement, as defined in Section 7.1 of this Agreement.

**"TCEQ"** means the Texas Commission on Environmental Quality, or any successor agency.

**"Treated Water Point of Delivery"** means the point at which treated water is delivered from the Treated Water Supply Project to the Owner by GBRA for use within the Service Area, as such point is identified on the map attached as Exhibit 1. The location of the Treated Water Point of Delivery may be changed by mutual agreement of the Parties.

**"Treated Water Supply Project"** means the Western Canyon Project and is described in Section 2.1 of this Agreement.

**"User"** means any person or entity within the Service Area to which treated water is supplied for use within the Service Area. Owner may be a User.

**"Water Extension Facilities"** means all facilities to be constructed by Owner necessary to convey the treated water supplied by GBRA to the Treated Water Point of Delivery pursuant to this Agreement and convey such treated water within the Service Area. The Water Extension Facilities may include all or portions of storage facilities, pump stations, hydro-pneumatic tanks, pipelines, monitoring and control equipment, and other ancillary equipment.

**"Water Plant"** means the water treatment plant that is part of the Treated Water Supply Project.

**"Water Plant Current Monthly Capacity"** for any month means the Water Plant Daily Capacity during that month, times the number of days during that month.

**"Water Plant Daily Capacity"** at any time means the amount of water which the Plant can treat on an average daily basis, based on standards that exist at that time, expressed in terms of million gallons per day, as certified by the General Manager of GBRA and provided in writing to Owner or, if GBRA determines that the entire amount should not be committed, the portion of such amount that GBRA determines should be committed.

## **ARTICLE II**

### **TREATED WATER SUPPLY PROJECT**

#### **Section 2.1    Description of the Treated Water Supply Project.**

(a) The Treated Water Supply Project, also known as the Western Canyon Project, consists of facilities for the diversion of raw water from Canyon Reservoir, a water treatment plant (the "*Water Plant*"), facilities to convey the raw water after diversion from Canyon Reservoir to the Water Plant, and facilities to convey treated water from the Water Plant for

use in areas within portions of Comal, Kendall and Bexar Counties, including the Service Area. The Treated Water Supply Project may also include storage and other facilities necessary or desirable for the supply of treated water to GBRA's customers. The Treated Water Supply Project also includes all lands and interests in lands necessary or desirable for the construction, operation and maintenance of Treated Water Supply Project facilities.

(b) The Treated Water Supply Project is further described on the map and facility plan attached as Exhibit 2 showing the general location of the point of diversion from Canyon Reservoir, the Water Plant, the general routings of raw and treated water conveyance facilities to and from the Water Plant, and the Treated Water Point of Delivery.

#### **Section 2.2 GBRA Responsibilities.**

(a) GBRA shall be responsible for the operation and maintenance of the Treated Water Supply Project, as it may exist at any time, and for the design, permitting, financing, and construction of all expansions, extensions and other modifications to the Treated Water Supply Project. GBRA may assign or subcontract all or any part of such responsibilities.

(b) GBRA will select and retain all legal, financial, engineering and other consultants that GBRA determines are necessary or desirable for GBRA to satisfy its obligations under this Agreement.

#### **Section 2.3 Ownership of the Treated Water Supply Project.**

(a) Except as provided otherwise in subsection (b), below, or otherwise agreed to in writing by the Parties, GBRA shall own all facilities, lands and interests in land comprising the Treated Water Supply Project.

(b) GBRA may transfer title to any facilities, lands and interests in lands comprising a portion of the Treated Water Supply Project to any person; however, any such transfer shall be subject to the rights and obligations set forth in this Agreement.

#### **Section 2.4 Extensions or Other Modifications of the Treated Water Supply Project.**

GBRA may extend, expand, maintain, repair, improve, upgrade or otherwise modify the Treated Water Supply Project from time to time, as it determines to be necessary or desirable. GBRA is authorized to issue Bonds from time to time for any such expansion, maintenance, repair, improvements, upgrade or other modification of the Treated Water Supply Project. Such Bonds may be issued without approval from Owner.

#### **Section 2.5 Financing of the Treated Water Supply Project.**

(a) GBRA will define the terms and conditions (including maturity) of any Bonds issued by GBRA to finance the design, acquisition, construction and testing of any facilities, lands and interests in lands comprising the Treated Water Supply Project. GBRA will prepare such data, materials and documents as may be necessary to facilitate the sale and delivery of the Bonds, and Owner agrees to furnish GBRA with such data, projections and related

information as may reasonably be required by GBRA in the sale of the Bonds in compliance with all applicable laws, rules and regulations. In addition to the amounts paid under the construction contract or contracts, the proceeds of the Bonds will also be used to pay additional costs such as development costs (including without limitation, preliminary engineering costs, employee salaries, benefits and other expenses, legal and other advisory fees, charges by GBRA for administrative and general expenses, insurance premiums, if any, and any other costs incurred in developing and pursuing the Treated Water Supply Project), land acquisition costs, engineering, legal, financial and other advisory fees, charges by GBRA for administrative and general expenses, insurance premiums, if any, and any other costs incurred in the issuance of the Bonds and in the design, acquisition, construction and testing of the facilities, lands, and interests in lands comprising and directly related to the Treated Water Supply Project.

(b) GBRA shall be authorized from time to time to issue Bonds to refund outstanding Bonds or otherwise refinance costs of the Treated Water Supply Project. Such refunding Bonds may be issued without approval from the Owner.

#### **Section 2.6 Additional Customers.**

GBRA may enter into contracts with Other Customers to supply treated water from the Treated Water Supply Project, and may amend existing contracts with Other Customers to supply greater or lesser amounts of treated water from the Treated Water Supply Project, at any time and from time to time.

#### **Section 2.7 Source of Water.**

The raw water to be treated and supplied under this Agreement may be from any source or combination of sources that result in a firm supply during the worst drought of record and may be available to GBRA including, without limitation, water from Canyon Reservoir under GBRA's Certificate of Adjudication 18-2074, run-of-river flows of the Guadalupe River or its tributaries under existing, amended, or new water rights, and/or water obtained from sources other than surface waters of the Guadalupe River Basin.

### **ARTICLE III** **CONNECTION BY GBRA TO THE TREATED WATER SUPPLY PROJECT** **AND SUPPLY OF TREATED WATER**

#### **Section 3.1 Connection by GBRA.**

(a) Connection to the Treated Water Supply Project at the Treated Water Point of Delivery shall be made by GBRA within 12 months after completion of construction by Owner of the Water Extension Facilities, extending to the Treated Water Point of Delivery. Connection shall be made in accordance with plans, specifications and requirements prepared or adopted by GBRA, and shall be accomplished by GBRA setting the meter and physically tying in to the Water Extension Facilities, at the Treated Water Point of Delivery.



(b) The Treated Water Point of Delivery for all treated water delivered by GBRA to the Service Area under this Agreement shall be as shown on Exhibit 2, or such other point as may be agreed to by GBRA and Owner.

(c) GBRA may design, acquire, install, construct, maintain and operate facilities intended to prevent backflow of water supplied by GBRA, or any flow of any other water or other substance, to the Treated Water Supply Project at the Treated Water Point of Delivery.

(d) Owner shall pay all costs associated with connecting to the Treated Water Supply Project at the Treated Water Point of Delivery including all reasonable costs of design, construction, installation, operation and maintenance of all connection facilities and equipment, including one or more meters, valves, backflow preventers, storage tank(s) to the extent required by Owner, and telemetry equipment.

(e) Owner agrees to provide GBRA with at least sixty (60) days written notice of the date when Owner desires GBRA to connect the Treated Water Supply Project at the Treated Water Point of Delivery. Upon receipt of such notice GBRA will review and determine the reasonableness of the proposed location of such connection regarding any impacts, if any to the operation of the Treated Water Supply Project. Additionally such notice is necessary to allow GBRA sufficient time to order the necessary equipment and to install such equipment per Owner's request.

### **Section 3.2 Delivery of the Treated Water to the Service Area.**

(a) Upon connection to the Treated Water Supply Project at the Treated Water Point of Delivery, GBRA shall deliver treated water to the Treated Water Point of Delivery for use within the Service Area, subject to the limitations provided in this Agreement.

### **Section 3.3 Raw Water Reservation.**

(a) The Raw Water Reservation is the amount of raw water that GBRA agrees to reserve under this Agreement for diversion, treatment, delivery and use within the Service Area in any calendar year for the purposes provided in this Agreement. Unless changed pursuant to subsection (b), below, the Raw Water Reservation shall be 322 acre-feet of raw water per year. The raw water may be from any source or combination of sources that result in a firm supply during the worst drought of record and that may be available to GBRA including, without limitation, water from Canyon Reservoir under GBRA's Certificate of Adjudication 18-2074, run-of-river flows of the Guadalupe River or its tributaries under existing, amended, or new water rights, and/or water obtained from sources other than surface waters of the Guadalupe River Basin.

(b) Notwithstanding anything in this Agreement to the contrary and regardless of the projected annual need for treated water by the anticipated number of Users within the Service Area that may be agreed upon by GBRA and Owner, GBRA shall be under no obligation at any time under this Agreement or otherwise to reserve for the Service Area any water in addition to the Owner's Raw Water Reservation in effect at that time, or to supply for use within the Service Area any water in addition to the Annual Commitment in effect at that time as defined in this Agreement.

#### **Section 3.4    Annual Commitment and Supplement Supplies.**

(a) GBRA shall not be required under any circumstances under this Agreement to supply an amount of treated water to the Treated Water Point of Delivery for use within the Service Area during any calendar year in excess of the annual commitment in effect for the Service Area during that year (the "*Annual Commitment*"). The Annual Commitment for treated water to be supplied for use within the Service Area shall be 322 acre-feet per year. The Annual Commitment may not be decreased without the written consent of GBRA.

(b) It is the intent of the Parties that GBRA be a non-exclusive supplier of water for use within the Service Area. In that regard, GBRA acknowledges and agrees that Owner has available to it other sources of water supply, and nothing in this Agreement shall prohibit Owner from continuing to use its existing sources of water, including groundwater, or from negotiating for, or entering into, any contract with any other supplier or source of water to provide for a supply of water for use within the Service Area.

#### **Section 3.5    Maximum Delivery Rate.**

(a) GBRA shall not be obligated to deliver an amount of treated water from the Treated Water Supply Project to the Treated Water Point of Delivery for use within the Service Area, expressed in gallons over any 24-hour period, in excess of the product of 1/365 times 325,851 times the Annual Commitment in effect at that time (the "*Daily Maximum*").

(b) GBRA shall not be obligated to deliver treated water from the Treated Water Supply Project to the Treated Water Point of Delivery for use within the Service Area at any time at an instantaneous rate, expressed in gallons per minute, in excess of the product of 1/1440 times the Daily Maximum in effect at that time.

#### **Section 3.6    Purpose of Use.**

All water delivered by GBRA to the Treated Water Point of Delivery for use within the Service Area under this Agreement shall be used for municipal use only, as such purpose of use is defined by the rules of the TCEQ. Water delivered under this Agreement for use within the Service Area may not be used for the irrigation of golf courses, parks, green belts or public right-of-way, however, this limitation shall not apply in the case where the water is first used and thereafter captured as reclaimed water from a wastewater treatment plant or wastewater collection system.

#### **Section 3.7    Place of Use.**

All water delivered by GBRA to the Treated Water Point of Delivery for use within the Service Area under this Agreement shall be used exclusively within the Service Area, and neither the Owner nor any User may use, or supply or resell for use, outside the Service Area any water delivered by GBRA to the Treated Water Point of Delivery for use within the Service Area.

### **Section 3.8    Allocation of Water During Drought.**

During severe drought conditions as may be defined by GBRA, or in any other unforeseen condition beyond GBRA's control when water cannot be supplied to meet the demands of all customers, the water to be distributed shall be divided among all customers of stored water from Canyon Reservoir pro rata, according to the amount each may otherwise be entitled to under their respective contracts with GBRA, subject to reasonable conservation and drought management plans and requirements based on particular purposes of use of the water, so that preference is given to no one and everyone suffers alike.

### **Section 3.9    Water Quality.**

(a) GBRA shall deliver to the Treated Water Point of Delivery for supply to Users within the Service Area water of quality that meets or exceeds the standards of the TCEQ or any other applicable regulatory agency for potable water.

(b) GBRA shall periodically collect samples of treated water delivered to the Treated Water Point of Delivery and Other Customers and cause the same to be analyzed consistent with guidelines established by the TCEQ using the then-current edition of Standard Methods for Examination of Water and Wastewater as published by the American Water Works Association and others.

### **Section 3.10   Measurement of Water.**

(a) GBRA shall provide, operate, maintain, and read one or more meters, which shall record treated water delivered to the Treated Water Point of Delivery for supply to Users within the Service Area. GBRA shall also provide, operate, maintain, and read one or more meters, which shall record treated water taken by Other Customers receiving treated water from the Treated Water Supply Project at the points of delivery for them. GBRA shall also provide, operate, maintain, and read one or more meters which shall record the total amount of raw water diverted at Canyon Reservoir at the Point of Diversion and conveyed to the Water Plant, and the total amount of water, if any, supplied via the Treated Water Supply Project from other sources. All meters shall be conventional types of approved meter(s), which will be maintained to a measuring accuracy within five percent (5%).

(b) For all purposes under this Agreement, unless water from one or more sources other than Canyon Reservoir is supplied via the Treated Water Supply Project, the amount of raw water diverted from Canyon Reservoir by GBRA and conveyed to the Water Plant for treatment and delivery to the Treated Water Point of Delivery for supply to Users within the Service Area during any period of time shall be the greater of the following amounts:

- (1) the amount of treated water delivered to the Treated Water Point of Delivery for supply to Users within the Service Area during that period of time, as measured at the Treated Water Point of Delivery; or
- (2) the amount of water determined by allocating the total amount of raw water diverted during that period of time, as measured at the Point of Diversion, pro rata, based on the amounts of treated water delivered to

Owner at the Treated Water Point of Delivery and each Other Customer during that same period of time.

(c) GBRA shall keep accurate records of all measurements of water required under this Agreement, and the measuring device(s) and such records shall be open for inspection at all reasonable times. Measuring devices and recording equipment shall be accessible for adjusting and testing and the installation of check meter(s). If requested in writing, but not less than once in each calendar year, GBRA shall calibrate its water meter(s) that record raw water diverted from Canyon Reservoir at the Point of Diversion for delivery to the Water Plant and the treated water delivered for supply to Users within the Service Area at the Treated Water Point of Delivery. GBRA shall give Owner notice of the date(s) and time(s) when any such calibration is to be made and, if a representative of Owner is not present at the time set, calibration and adjustment may proceed in the absence of any representative of Owner.

(d) If upon any test of the water meter(s), the percentage of inaccuracy of such metering equipment is found to be in excess of five percent (5%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. If such time is not ascertainable, then registration thereof shall be corrected for a period extending back one-half (1/2) of the time elapsed since the last date of calibration, but in no event further back than six (6) months. If any meter(s) that record treated water delivered to the Treated Water Point of Delivery for supply to Users within the Service Area are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered through the period such meters(s) are out of service or out of repair shall be estimated and agreed upon by GBRA and Owner upon the basis of the best data available, and, upon written request, GBRA shall install new meters or repair existing meters. If GBRA and Owner fail to agree on the amount of water delivered during such period, the amount of water delivered may be estimated by:

- (1) correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation; or
- (2) estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

### **Section 3.11 Title to Water.**

Title to and responsibility for all water supplied hereunder shall be in GBRA to Treated Water Point of Delivery, at which point title to and responsibility for such water shall pass to Owner.

### **Section 3.12 Conservation.**

Owner agrees to provide to the maximum extent practicable for the conservation of water, and it agrees that it will operate and maintain its facilities in a manner that will prevent waste of water. Owner further agrees to assist GBRA in implementing water conservation and drought management plans applicable to the use of treated water by Users within the Service Area that, at a minimum, comply with all minimum standards that are required for retail public

utilities similar to Owner by the Texas Water Development Board (the "TWDB"), the TCEQ, GBRA, or Comal County. Such standards may include, but shall not be limited to, landscape requirements, landscape watering restrictions and curtailment programs, and conservation rates or surcharges for use of water in excess of amounts that are determined by the TWDB, the TCEQ, or GBRA to be adequate for essential indoor domestic uses. Notwithstanding the foregoing, nothing herein shall obligate Owner to impose obligations or requirements on Users in a manner which would: a) exceed Owner's legal authority to implement or enforce such obligations or requirements, or b) cause Owner to violate a law or regulation.

#### **ARTICLE IV** **PERMITTING AND OTHER REGULATORY REQUIREMENTS**

##### **Section 4.1    Applicable Laws and Regulations.**

This Agreement is subject to all applicable federal, state, and local laws and any applicable ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having jurisdiction. This Agreement is specifically subject to all applicable sections of the Texas Water Code and the rules of the TCEQ, or any successor agency.

##### **Section 4.2    Agreement Conditioned upon Permitting.**

The Parties' obligations under this Agreement, other than Owner's obligations to make payments to GBRA as provided herein, are expressly conditioned upon GBRA and Owner obtaining the necessary permits, amendments to permits, licenses and other governmental authorizations to allow the construction, expansion, extension, modification, and operation of the Treated Water Supply Project, including the Water Extension Facilities, to supply treated water to Users within the Service Area as provided herein.

#### **ARTICLE V** **CHARGES**

##### **Section 5.1    Owner's Required Monthly Water Purchase.**

(a) Owner's Required Monthly Treated Water Purchase for each month during any calendar year shall be 1/365th of the Annual Commitment for that year multiplied by the number of days in that month. Owner agrees to pay GBRA each month for Owner's Required Monthly Treated Water Purchase, in accordance with paragraphs (1) and (3) of Section 5.2, below, whether or not such amount, or any of it, is taken by Owner.

(b) Owner's Required Monthly Raw Water Purchase for each month during any calendar year shall be 1/12th of the Raw Water Reservation in effect that year. Owner agrees to pay GBRA each month for Owner's Required Monthly Raw Water Purchase, in accordance with paragraph (4) of Section 5.2, below, whether or not such amount, or any of it, is taken by Owner.

## **Section 5.2 Monthly Charges to Owner.**

The amount to be paid to GBRA by Owner each month under this Agreement will be the sum of the following four components:

- (1) Owner's Debt Service Component and Coverage;
- (2) Owner's Operation and Maintenance Component;
- (3) Owner's Miscellaneous Bond Requirements Component; and
- (4) Owner's Raw Water Component.

## **Section 5.3 Owner's Debt Service Component.**

(a) Subject to the provisions of Subsections (b) and (c), below, Owner's Debt Service Component for any month shall equal  $1/365$ th of the product of the Annual Debt Service Requirement applicable to the Treated Water Supply Project for that year multiplied by the number of days in that month and further multiplied by Owner's Debt Service Percentage for that month.

(b) If a debt service reserve fund is established by GBRA in the bond resolution to secure payment of debt service on the Bonds, the money on deposit in such debt service reserve fund will be used to pay the final debt service requirements on the Bonds when the remaining total outstanding debt service requirements on the Bonds equals the amount of money on deposit in such debt service reserve fund.

(c) All funds received by GBRA from Owner's Debt Service Component which constitute payment of the debt service coverage factor as a component of the Annual Debt Service Requirement shall be deposited by GBRA into a separate account, or shall be accounted for separately by GBRA, from all other funds received under this Agreement. Funds on deposit in such account may be used by GBRA in support of its "*Water Resource Division*" (of which the Treated Water Supply Project is or will be a part) for any of the following purposes: (1) paying the cost of improvements, enlargements, extensions, additions, replacements, or other capital expenditures related to the Water Resource Division, (2) paying the costs of unexpected or extraordinary repairs or replacements in connection with the Water Resource Division, (3) paying any bonds, loans or other obligations of the Water Resource Division, or (4) for any other lawful purpose related to the cost of operations of the Water Resource Division.

## **Section 5.4 Owner's Operation and Maintenance Component.**

Owner's Operation and Maintenance Component for any month shall equal one-twelfth (1/12) of the product of the Annual Operation and Maintenance Requirement for that year multiplied by Owner's Operation and Maintenance Percentage for that month.

**Section 5.5 Owner's Miscellaneous Bond Requirements Component.**

Subject to the provisions of Section 5.3(c), above, Owner's Miscellaneous Bond Requirements Component for any month shall equal one-twelfth (1/12) of the product of the Annual Miscellaneous Bond Requirements applicable to the Treated Water Supply Project for that year multiplied by Owner's Debt Service Percentage for that month.

**Section 5.6 Owner's Raw Water Component.**

(a) Owner's Raw Water Component for each month beginning the Effective Date through the Termination Date shall equal the product of Owner's Required Monthly Raw Water Purchase for each month times the District-Wide Firm Water Rate in effect that month.

(b) The District-Wide Firm Water Rate may be changed by the GBRA Board of Directors at any time and from time to time, and any increase in such rate, and the resultant new rate, is a rate that is charged pursuant to a contract (this Agreement) for purposes of Sections 291.128-.138 of Title 30 of the Texas Administrative Code.

**Section 5.7 Payments by Owner Unconditional.**

GBRA and Owner recognize that the Bonds are and will be payable and secured by a pledge of the sums of money to be received by GBRA from Owner under this Agreement and from other customers under similar contracts. In order to make the Bonds marketable at the lowest available interest rate, it is to the mutual advantage of GBRA and Owner that Owner's obligation to make the payments required hereunder be, and the same is hereby, made unconditional. All sums payable hereunder to GBRA shall, so long as any part of the Bonds are outstanding and unpaid, be paid by Owner without set-off, counterclaim, abatement, suspension or diminution except as otherwise expressly provided herein; and so long as any part of the Bonds are outstanding and unpaid, Owner shall not have any right to terminate this Agreement nor shall Owner be entitled to the abatement of any payment or any reduction thereof nor shall the obligations of Owner be otherwise affected for any reason, it being the intention of the Parties that so long as any portion of the Bonds are outstanding and unpaid, all sums required to be paid by Owner to GBRA shall continue to be payable in all events and the obligations of Owner hereunder shall continue unaffected, unless the requirement to pay the same shall be reduced or terminated pursuant to an express provision of the Agreement.

**Section 5.8 Source of Payments from Owner.**

Notwithstanding anything herein to the contrary, all payments required to be made by Owner under this Agreement shall be payable from any and all sources available to Owner.

**Section 5.9 Billing.**

GBRA will render bills to Owner once each month for the payments required by this Article. GBRA shall, until further notice, render such bills on or before the 10th day of each month and such bills shall be due and payable at GBRA's office indicated below by the 20th day of each month or fifteen (15) days after such bill is deposited into the United States mail, properly stamped, addressed and postmarked to Owner, whichever is later. GBRA may,

however, by sixty (60) days written notice change the monthly date by which it shall render bills, and all bills shall thereafter be due and payable ten (10) days after such date or fifteen (15) days after such bill is deposited into the United States mail, properly stamped, addressed and postmarked to Owner, whichever is later. Owner shall make all payments in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and shall make payment to GBRA at its office in the City of Seguin, Texas, or at such other place as GBRA may from time to time designate by sixty (60) days written notice.

#### **Section 5.10 Delinquency in Payment.**

(a) All amounts due and owing to GBRA by Owner shall, if not paid when due, bear interest at the maximum rate permitted by law, provided that such rate shall never be usurious. If any amount due and owing by Owner is placed with an attorney for collection by GBRA, Owner shall pay to GBRA, in addition to all other payments provided for by this Agreement, including interest, GBRA's collection expenses, including court costs and attorney's fees. Owner further agrees that GBRA may, at its option, terminate this Agreement, or it may discontinue delivering treated water until all amounts due and unpaid are paid in full with interest as herein specified.

(b) Notwithstanding any provision of this Agreement to the contrary, GBRA agrees that Owner may terminate this Agreement in the event that the developer of the Park Village subdivision has failed to pay Owner for the water supplied by Owner. Owner shall provide GBRA with thirty (30) days prior written notice of such a termination along with verification of the developer's failure to pay. Upon such termination, and after Owner has paid any outstanding invoices for water delivered prior to the termination, Owner shall have no further payment obligations under this Agreement. In the event of a conflict, this Section shall take precedence over Section 5.7.

### **ARTICLE VI PARTICIPATION CRITERIA**

#### **Section 6.1 Participation Criteria.**

Owner agrees to comply with the Participation Criteria for Treated Water Service from the Western Canyon Regional Treated Water Supply System (the "*Criteria*") initially approved by the GBRA Board of Directors on May 18, 2005, and amended on September 20, 2006. Owner further agrees that any amendments to this Agreement shall be subject to the Criteria in effect at that time.

### **ARTICLE VII TERM OF AGREEMENT; TERMINATION AND OTHER REMEDIES; AND RIGHTS AFTER TERMINATION**

#### **Section 7.1 Term.**

(a) This Agreement shall be effective as of the date first written above and, unless it is terminated earlier pursuant to any provision of this Agreement, shall continue in effect until



December 31, 2040, or as it may be extended pursuant to subsection (d), below, on which date this Agreement shall terminate (the "*Termination Date*").

(b) From and after the Termination Date, Owner shall have no right to be supplied any raw or treated water and GBRA shall have no obligation to supply any raw water or retail water to Owner.

(c) If all of the Bonds (including principal and interest) will not be fully paid by the Termination date, then GBRA shall have the right, at any time before such date, to extend the Termination Date to December 31 of the year in which the Bonds are to be paid, but not later than December 31, 2050. Any extension by GBRA pursuant to this subsection shall be effective as of the date that GBRA gives Owner written notice of the extension.

(d) Owner may extend the Termination Date to December 31, 2050, by giving GBRA, after January 31, 2037 and by not later than June 30, 2037, written notice of such extension. If Owner gives GBRA timely written notice of extension, then the Termination Date shall be extended to December 31, 2050.

#### **Section 7.2 Rights after Termination.**

Except as specifically provided otherwise in this Agreement, all of the rights and obligations of the Parties under this Agreement shall terminate upon termination of this Agreement, except that such termination shall not affect any rights or liabilities accrued prior to such termination.

### **ARTICLE VIII OTHER PROVISIONS**

#### **Section 8.1 Authorship**

This Agreement shall be construed without regard to any Party's authorship; and no presumption will apply in favor or against any Party in the interpretation of this Agreement based upon authorship.

#### **Section 8.2 Waiver and Amendment.**

Failure to enforce or the waiver of any provision of this Agreement or any breach or nonperformance by Owner or GBRA shall not be deemed a waiver by GBRA or Owner of the right in the future to demand strict compliance and performance of any provision of this Agreement. No officer or agent of GBRA is authorized to waive or modify any provision of this Agreement. No modifications of this Agreement may be made except by a written document signed by GBRA's and Owner's authorized representatives.

#### **Section 8.3 Remedies.**

It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default by either Party, but all such other remedies existing at law or in equity shall be cumulative including, without limitation, specific

performance may be availed of by Owner, and specific performance, termination of this Agreement, or suspension of service may be availed of by GBRA. The prevailing Party shall be entitled to any reasonable attorney's fees, court costs or other expenses incurred in bringing or defending any suit alleging such default or claim.

**Section 8.4 Force Majeure.**

If for any reason of force majeure, either GBRA or Owner shall be rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation of Owner to make the payments required under the terms of this Agreement, then if the Party shall give notice of the reasons in writing to the other Party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the Party giving the notice, so far as it is affected by the force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period. The term "force majeure" as used in this Agreement shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders or actions of any kind of government of the United States or of the State of Texas, or any civil or military authority, insurrections, riots, epidemics, land slides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accident to dams, machinery, pipelines, canals, or other structures, partial or entire failure of water supply including pollution (accident or intentional), and any inability on the part of GBRA to deliver treated water on account of any other cause not reasonably within the control of GBRA.

**Section 8.5 Non-Assignability.**

A Party may not assign this Agreement to any person without first obtaining the written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

**Section 8.6 Entire Agreement.**

This Agreement constitutes the entire agreement between GBRA and Owner and supersedes any prior understanding or oral or written agreements between GBRA and Owner respecting the subject matter of this Agreement.

**Section 8.7 Severability.**

The provisions of this Agreement are severable and if, for any reason, any one or more of the provisions contained in the Agreement shall be held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision of this Agreement and this Agreement shall remain in effect and be construed as if the invalid, illegal or unenforceable provision had never been contained in the Agreement.

**Section 8.8 Captions.**

The sections and captions contained herein are for convenience and reference only and are not intended to define, extend or limit any provision of this Agreement.

**Section 8.9 No Third Party Beneficiaries.**

This Agreement does not create any third party benefits to any person or entity other than the signatories hereto and their authorized successors in interest, and is solely for the consideration herein expressed.

**Section 8.10 Due Authorization and Binding Obligation.**

Each Party represents to the other that this Agreement has been duly authorized, executed and delivered by all necessary action of the Party, including approval of the Party's governing board, and is enforceable against the Party in accordance with its terms.

**Section 8.11 Continuing Disclosure.**

Pursuant to the Bond Resolution(s) adopted by GBRA which authorized the issuance of Bonds issued to finance the construction of the Treated Water Supply Project, in the event GBRA executes a water supply agreement with any public or private entity to the effect that such entity may purchase 10% or more of the treated water from the Treated Water Supply Project or otherwise becomes or may become obligated in the future to pay 10% or more of the Annual Debt Service Requirement, GBRA is required to enter into a Continuing Disclosure Agreement with such entity as a condition to executing or amending such water supply agreement. The Continuing Disclosure Agreement shall be in the form approved by GBRA's bond counsel in order to comply with the then-current requirement of Rule 15c2-12 promulgated by the Securities and Exchange Commission. At such time, whether now or in the future, that Owner is entitled to purchase 10% of the treated water from the Treated Water Supply Project, Owner agrees to promptly execute and return a Continuing Disclosure Agreement provided by GBRA to Owner.

**Section 8.12 Notices.**

All notices, payments and communications ("*notices*") required or allowed by this Agreement shall be in writing and be given by depositing the notice in the United States mail postpaid and registered or certified, with return receipt requested, and addressed to the Party to be notified. Notice deposited in the mail in the previously described manner shall be conclusively deemed to be effective from and after the expiration of three (3) days after the notice is deposited in the mail. For purposes of notice, the addresses of and the designated representative for receipt of notice for each of the Parties shall be as follows:

For GBRA:

Guadalupe-Blanco River Authority  
Attention: General Manager  
933 E. Court Street  
Seguin, Texas 78155

And for Owner:

SJWTX, Inc dba Canyon Lake Water Service Company  
Attention: Thomas Hodge, Vice President/General Manager  
P.O. Box 1742  
Canyon Lake, Texas 78133

Either Party may change the name and/or address of its designated representative for receipt of notice by giving written notice of the change to the other Party at least fourteen (14) days before the change becomes effective.

**Section 8.13 Non-Waiver.**

If either Party fails to insist on strict performance of any provision of this Agreement, such failure shall not be deemed a waiver by such Party of its right to insist on strict performance of such provision in the future or strict performance of any other provision of this Agreement.

In witness whereof, the Parties hereto, acting under the authority of the respective governing bodies, have caused this Agreement to be duly executed in multiple counterparts, each of which shall constitute an original.

**GUADALUPE-BLANCO RIVER AUTHORITY**

By:   
W.E. West, Jr., General Manager

**SJWTX, INC dba CANYON LAKE WATER  
SERVICE COMPANY**

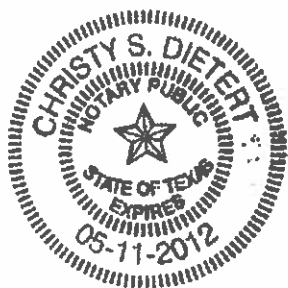
By:  24 Nov '09  
Thomas Hodge, Vice President/General Manager

THE STATE OF TEXAS §

COUNTY OF GUADALUPE §

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared W.E. West, Jr., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the GUADALUPE-BLANCO RIVER AUTHORITY, a conservation district and political subdivision, and that he executed the same as the act of such conservation district and political subdivision for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 27th day of March, 2009.



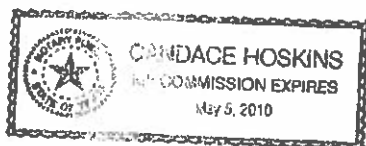
Christy S. Dietert  
Notary Public  
The State of Texas

THE STATE OF TEXAS §

COUNTY OF COMAL §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Thomas Hodge known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of SJWTX, INC dba CANYON LAKE WATER SERVICE COMPANY, and that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24 day of MARCH, 2009.



Candace Hoskins  
Notary Public  
The State of Texas

## **INDEX OF EXHIBITS TO AGREEMENT**

- Exhibit 1      Map showing the Park Village Service Area located within the certificated service area of water CCN No. 12864 and showing the Treated Water Point of Delivery.



**PARK VILLAGE**  
(~277 ACRES  
APPROX. 644 EDU's)

**PROPOSED  
TAKE-OUT  
POINT**

**Existing GBRA Western Canyon Line**

**BERRY  
MULLOWS PGS**

**TAYLOR P.T.**

**KUNTZ PT**

**CIRCLE G RANCH**

**GLENWOOD LOOP**

**DOVER LN**

**BLANCO RD**

**W. AMMANN RD**

**GEORGE OAKS**

**HIDDEN OAKS DR**

**KELLY CREEK RD**

**BARTELS RD**

**RICE RD**

**E AMMANN RD**

- Legend**
- PARK VILLAGE
  - Circle G Ranch (2008)
  - Boundary City Limits
  - State Hwy
  - USGS Contour
  - Water Line
  - Existing GBRA Western Canyon Line

**PATE ENGINEERS**

8200 H 10 West, Suite 440 San Antonio, Texas 78230 (210) 340 8461

**PARK VILLAGE  
WATER SUPPLY EXHIBIT**

0 1,000 2,000 4,000 Feet  
1 inch equals 2,000 feet



# Appendix C

## TCEQ Inspection Reports\*

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\* Appendices re-indexed July 2016





# Canyon Lake Shores

PWS ID 0460019

September 16, 2015



CLWSC received a preliminary response from the TCEQ stating the following Alleged Violations (AV) will be considered resolved, pending completion of a File Record Review (FRR) by TCEQ staff.

- AV #1 Track Number 584860
- AV #3 Track Number 584862
- AV #4 Track Number 584863
- AV #5 Track Number 584864
- AV #6 Track Number 584865
- AV #7 Track Number 584866
- AV #8 Track Number 584867
- AV #9 Track Number 584868
- AV #12 Track Number 584871
- AV #13 Track Number 584872
- Track Number 584873
- AV #14 Track Number 584874

The remaining 5 AV involve capital improvement which are planned for completion within the next 12 months.

# TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Request

Regulated Entity/Site Name	CLWSC Canyon Lake Shores		TCEQ Add. ID No. RN No (optional)	0460019
Investigation Type	CC( )	Contact Made In-House (Y/N)	Purpose of Investigation	Compliance
Regulated Entity Contact	Mr. Larry Bittle		Telephone No.	830 9642166
Title	Director of Operations		FAX #/Email address	larry.bittle@clwsc.com
			Date Contacted	09/16/2015
			FAX/Email date	09/29/2015

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue			For Records Request, identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues, include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type	Rule Citation (if known) Texas Administrative Code = TAC	Description of Issue – Notice Of Violation	
1	AV	30 TAC §290.46(m)(4)	<p>Failure to maintain watertight conditions.</p> <p>At the time of the investigation, the MIOX pump for post chlorination and the packing gland for high service pump #2 at Park Shores Plant, the packing gland on service pump #1 and #3 at the Mystic Shores #1 Booster Station, The ball valve on the pressure tank site glass at the Hwy. 281 Plant, the sample tap on the raw water ground storage tank and at the bolts on the lower portion of the raw ground storage tank at the Rebecca Creek Plant, the ground storage tank at the bolts on the lower portion of the ground storage tank at the Cypress Spring Plant were leaking.</p>	
2	AV	30 TAC §290.46(m)	<p>Failure to properly maintain the water system facilities.</p> <p>At the time of the investigation, the concrete sealing block for the well was cracked, the chain link fence was separated from the post, and the overflow for the ground storage tank was stuck open due to rust at the Canyon Lake Island Plant, the pump house drain caused ponding of drainage water at the Tamarack Shores Plant, the barbed wire at the Rebecca Creek elevated storage tank was loose, the two raw water line vaults were filled with silt and dirt at the Rebecca Creek raw water intake, the concrete sealing block for the well was cracked at the Cypress Springs and the HEB Bulverde Plants, and there was an overgrowth of vegetation on the fence at the Panther Plant. In addition, according to the annual tank inspection forms, the ground storage tanks located at the Cypress Spring Plant and the Stallion Springs #2 Plant had holes in the roof of the tanks.</p>	
3	AV	30 TAC 290.41(c)(3)(K)	<p>Failure to install casing vent for the wells and seal the wellhead.</p> <p>At the time of the investigation, no casing vent was installed on well #1 at the Summit Estates at Fischer Plant, well #2 at the Seenic Terrace Plant, and the wells at the HEB Bulverde and The Point Plants, and the wellhead at the Cypress Springs Plant well had an opening at the top.</p>	
4	AV	30 TAC 290.41(e)(2)(C)	<p>Failure to post a restriction zone sign.</p> <p>At the time of the investigation, no 200 foot radius restriction zone sign was posted at the raw water intake at the Rebecca Creek Plant.</p>	

TCEQ 20085 (4/08)

# TCEQ EXIT INTERVIEW FORM Continued: Potential Violations and/or Records Request

5	AV	30 TAC 290.42(b)(7)	Failure to install a screen on the well air release valves.
6	AV	30 TAC 290.42(c)(4)(B)	At the time of the investigation, no screens were installed on air release valve for the three service pumps at the Hwy. 281 Plant. Failure to separate the chlorine room with an impervious wall or partition from all other mechanical and electrical equipment.
7	AV	30 TAC 290.42(c)(5)	At the time of the investigation, the gas chlorine room's upper level vent faces the pump house room that has mechanical and electrical equipment inside of it which caused the chlorine wall to not be impervious at the Cypress Springs Plant. Failure to completely cover the hypochlorination solution container.
8	AV	30 TAC 290.42(c)(4)(C)	At the time of the investigation, the top of the hypochlorination solution container at the White Brook Plant had an opening that was not sealed. Failure to install a high level screened vent for the gas chlorine room.
9	AV	30 TAC 290.41(c)(3)(O)	At the time of the investigation, the Canyon Lake Island Plant gas chlorine room did not have a high level screened vent installed. Failure to provide an intruder-resistant fence or enclosed in a locked ventilated well house for the well.
10	AV	30 TAC 290.43(c)(1)	At the time of the investigation, the well at the White Brook Plant had no intruder-resistant fences nor was it enclosed in a locked, ventilated well house. Failure to install roof vents for the storage tanks in accordance with requirements.
11	AV	30 TAC 290.43(c)(2)	At the time of the investigation, no roof vents were installed on the ground storage tank at the Tamarack Shores Plant and the two elevated ground storage tanks at the White Brook Plant, and no screen was installed on the two ground storage tanks at the Sadleridge Plant. Failure to install roof hatches for storage tanks in accordance requirements.
12	AV	30 TAC 290.43(c)(3)	At the time of the investigation, the ground storage tanks at the Canyon Lake Island, Tamarack Shores and the Scenic Terrace Plants had no roof hatch installed, and no lock was installed on the roof hatch for the ground storage tanks at the Hancock Oaks Hills, Hillcrest and The Point Plants. In addition, according to the operator, the roof access for the ground storage tank at the Tamarack Shores Plant was not 30 inches in diameter. Failure to install an overflow on the ground storage tank.
13	AV	30 TAC 290.121(a)	At the time of the investigation, no overflow was installed on the ground storage tank at the Tamarack Shores Plant. Failure to provide an accurate and up-to-date system monitoring plan.
TCEQ 20085 (408)			At the time of the investigation, the monitoring plan did not include updated population and connections and schematics for Rebecca Creek Plant, all of the ground water plants and booster plants, and the City of Blanco interconnect.

# **TCEQ EXIT INTERVIEW FORM Continued: Potential Violations and/or Records Request**

14	AV	30 TAC 290.46(f)(2) 30 TAC 290.46(f)(3)(A)(i)(II), (f)(3)(B)(iii), (f)(3)(B)(iv), (f)(3)(D)(ii), (f)(3)(E)(i)	Failure to provide records at the time of the investigation.  At the time of the investigation, records for the amount of chemicals used each day for the Rancher's Circle, White Brook, Summit Estates at Fischer, Hancock Oak Hills, HEB Bulverde, and the Stallion Springs 2 Plant from 08/2014 through 08/2015, 2014-2015 Disinfection Level Quarterly Operating Reports (DLQORs) for the ground water systems, annual tank inspection records for the elevated storage tanks at the Hillcrest, Rebecca Creek, and River Crossing Plants and the ground storage tank at the Summit Estates at Fischer Plant, triennial calibration records for backwash meters and the rate of flow controllers at Park Shores Plant, and all well flow meters at the ground water plants, Monthly Operating Reports for the months of 08/2014 through 04/2015 for the Rancher's Circle and White Brook Plants, 08/2014-09/2014 for the Cypress Springs Plant, 08/01/2014 for the Hancock Hills Plant, 09/2014, 06/2015 and 08/2015 for The Point Plant, 04/2015 and 07/2015 at the Summit Estates at Fischer Plant for well #2, 08/2015 for the Stallion Springs #2 Plant, and 06/2015 and 08/2015 for the Saddleridge Plant were not provided.  Failure to provide for the well, sanitary control easements, approved substitutes or exceptions to the requirement.
15	AV	30 TAC 290.41(c)(1)(F)	At the time of the investigation, no sanitary control easements, approved substitutes or exceptions to the requirement were provided for the wells located at the Hancock Oak Hills, HEB Bulverde, White Brook, Rancher's Circle, Panther, Saddleridge, Summit Estate at Fischer, and Comal Hills Plants.  Failure to provide as-built plans or record drawings and specifications and well completion data for the public water supply.
16	AV	30 TAC 290.46(n)(1) and 290.46(n)(3)	At the time of the investigation, no as-built plans or record drawings and specifications for the production, treatment and pressure maintenance facilities at all ground water plants and the Rebecca Creek elevated storage tank, and well completion data for the wells at Hancock Oak Hills, HEB Bulverde, White Brook, Rancher's Circle, Panther, Saddleridge, Summit Estate at Fischer, and Comal Hills Plants at the were provided.
17	O	30 TAC 290.46(u)	The entity needs to ensure that it plugs abandoned located at Possum Trail, Spruce Lane, Fir Lane and Comal Hills Plants, and well #1, #3 and #4 at the Cypress Springs Plant. It is noted that these wells are not been exercised. These wells have been out of service for at least five years. This matter is being referred to the Texas Department of Licensing and Regulation.  If after further review additional violations or additional issues need to be addressed, you will be notified.
18	O		Photographs, work orders, invoices, receipts, and applicable records/documents along with written verification are considered acceptable compliance documentation. All compliance documentation must be submitted via fax; 210-545-4329 or regular mail; 14250 Judson Rd., San Antonio, TX 78233.
19			

Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?

☐ Yes ☒ No ☐ N/A

Did the investigator advise the regulated entity representative that continued operation is not authorized?

☐ Yes ☒ No ☐ N/A

Document Acknowledgment. Signature on this document establishes only that the regulated entity (RE) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, the document will be sent via FAX or Email to RE; therefore, the RE signature is not required.

Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date
Debra DeShaw Blake	9/29/15	Larry Bittle	30 Sept 15

If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512/239-3282.

White Copy: Regulated Entity Representative

Yellow Copy: TCEQ

TCEQ 20085 (4/08)

(Note: use additional pages as necessary) Page 3 of 3

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*  
Jon Niermann, *Commissioner*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

October 6, 2015

**CERTIFIED MAIL NO.: 91 7199 9991 7036 0449 5080**  
**RETURN RECEIPT REQUESTED**

Mr. Richard Roth, Chief Executive Officer  
SJWTX, Inc.  
P.O. Box 1742  
Canyon Lake, Texas 78133

Re: Notice of Violation for the Comprehensive Compliance Investigation at:  
CLWSC Canyon Lake Shores, 798 Lakeshore Dr. and around Canyon Lake, Comal  
County Texas  
Regulated Entity No.: RN101226678, TCEQ ID No.: 0460019  
Investigation No.: 1280765

Dear Mr. Roth:

On September 23, 2015, Ms. De'Shaune Blake of the Texas Commission on Environmental Quality (TCEQ) San Antonio Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by January 30, 2016, a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violations.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the San Antonio Region Office at (210) 403-4096 or the Central Office Publications Ordering Team at 512-239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the San Antonio Region Office within 10 days from the date of this letter. At that time, Water Section Manager, Ms.

Mr. Richard Roth, Chief Executive Officer  
Page 2  
October 6, 2015

Lynn Bumguardner, will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the enclosed Summary of Investigation Findings until an official decision is made regarding the status of the contested violation.

If you or members of your staff have any questions, please feel free to contact Ms. Blake in the San Antonio Region Office at (210) 403-4033.

Sincerely,



Joy Thurston-Cook  
Water Section Team Leader  
San Antonio Region Office

JTC/db/eg

Enclosures: Summary of Investigation Findings

cc: Mr. David Gunn, Texas Department of Licensing and Regulation

## Summary of Investigation Findings

CLWSC CANYON LAKE SHORES

798 PARK SHRS

CANYON LAKE, COMAL COUNTY, TX 78133

Investigation #

1280765

Investigation Date: 09/23/2015

Additional ID(s): 0460019

### OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 584860

Compliance Due Date: 01/30/2016

30 TAC Chapter 290.46(m)(4)

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/30/2015

Failure to maintain watertight conditions.

At the time of the investigation, the MIOX pump for post chlorination and the packing gland for high service pump #2 at Park Shores Plant, the packing gland on service pump #1 and #3 at the Mystic Shores #1 Booster Station, the ball valve on the pressure tank site glass at the Hwy. 281 Plant, the sample tap on the raw water ground storage tank and at the bolts on the lower portion of the raw ground storage tank at the Rebecca Creek Plant, the ground storage tank at the bolts on the lower portion of the ground storage tank at the Cypress Spring Plant were leaking.

30 TAC 290.46(m)(4)-- All water treatment units, storage and pressure maintenance facilities, distribution system lines, and related appurtenances shall be maintained in a watertight condition and be free of excessive solids.

**Recommended Corrective Action:** Provide by the compliance due date, a completed work order, receipt or invoice and/or photographs indicating that the noted leaks have been repaired.

Track No: 584861

Compliance Due Date: 01/30/2016

30 TAC Chapter 290.46(m)

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/29/2015

Failure to properly maintain the water system facilities.

At the time of the investigation, the concrete sealing block for the well was cracked, the chain link fence was separated from the post, and the overflow for the ground storage tank was stuck open due to rust at the Canyon Lake Island Plant, the pump house drain caused ponding of drainage water at the Tamarack Shores Plant, the barbed wire at the Rebecca Creek elevated storage tank was loose, the two raw water line vaults were filled with silt and dirt at the Rebecca Creek raw water intake, the concrete sealing block for the well was cracked at the Cypress Springs and the HEB Bulverde Plants, and there was an overgrowth of vegetation on the fence at the Panther Plant. In addition, according to the annual tank inspection forms, the ground storage tanks located at the Cypress Spring Plant and the Stallion Springs #2 Plant had holes in the roof of the tanks.

30 TAC 290.46(m) -- The maintenance and housekeeping practices used by a public water system shall ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water.

**Recommended Corrective Action:** Provide by the compliance due date, photographs and/or a completed work order, receipt or invoice indicating that the items noted have been addressed and are in compliance in accordance with requirements.



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Track No: 584862      Compliance Due Date: 01/30/2016  
30 TAC Chapter 290.41(c)(3)(K)

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/29/2015

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Failure to install casing vent for the wells and seal the wellhead.

At the time of the investigation, no casing vent was installed on well #1 at the Summit Estates at Fischer Plant, well #2 at the Scenic Terrace Plant, and the wells at the HEB Bulverde and The Point Plants, and the wellhead at the Cypress Springs Plant well had an opening at the top.

30 TAC 290.41(c)(3)(K)— Wellheads and pump bases shall be sealed by a gasket or sealing compound and properly vented to prevent the possibility of contaminating the well water. A well casing vent shall be provided with an opening that is covered with 16-mesh or finer corrosion-resistant screen, facing downward, elevated and located so as to minimize the drawing of contaminants into the well. Wellheads and well vents shall be at least two feet above the highest known watermark or 100-year flood elevation, if available, or adequately protected from possible flood damage by levees.

**Recommended Corrective Action:** Provide by the compliance due date, photographs and/or a completed work order, receipt or invoice indicating that casing vents have been installed and the wellhead sealed regarding the noted items and are in compliance in accordance with requirements.

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Track No: 584863      Compliance Due Date: 01/30/2016  
30 TAC Chapter 290.41(e)(2)(C)

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/29/2015

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Failure to post a restriction zone sign.

At the time of the investigation, no 200 foot radius restriction zone sign was posted at the raw water intake at the Rebecca Creek Plant.

30 TAC 290.41(e)(2)(C)— A restricted zone of 200 feet radius from the raw water intake works shall be established and all recreational activities and trespassing shall be prohibited in this area. Regulations governing this zone shall be in the city ordinances or the rules and regulations promulgated by a water district or similar regulatory agency. The restricted zone shall be designated with signs recounting these restrictions. The signs shall be maintained in plain view of the public and shall be visible from all parts of the restricted area. In addition, special buoys may be required as deemed necessary by the executive director. Provisions shall be made for the strict enforcement of such ordinances or regulations.

**Recommended Corrective Action:** Provide by the compliance due date, a completed work order, receipt or invoice and/or photograph indicating that a 200 foot radius restriction zone sign has been posted on the Guadalupe River at the Rebecca Creek Plant raw water intake in accordance with requirements.

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Track No: 584864      Compliance Due Date: 01/30/2016  
30 TAC Chapter 290.42(b)(7)

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/30/2015

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Failure to install a screen on the well air release valves.

At the time of the investigation, no screens were installed on air release valves on the three service pumps at the Hwy. 281 Plant.

30 TAC 290.42(b)(7)-- Air release devices shall be installed in such a manner as to preclude the possibility of submergence or possible entrance of contaminants. In this respect, all openings to the atmosphere shall be covered with 16-mesh or finer corrosion-resistant screening material or an equivalent acceptable to the executive director.

**Recommended Corrective Action:** Provide by the compliance due date, photographs and/or a completed work order, receipt or invoice indicating that screens have been installed on the air release valves on the three service pumps at the Hwy. 281 Plant.

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**Track No:** 584885      **Compliance Due Date:** 01/30/2016

**30 TAC Chapter 290.42(e)(4)(B)**

**Alleged Violation:**

**Investigation:** 1280765

**Comment Date:** 09/29/2015

Failure to separate the chlorine room with an impervious wall or partition from all other mechanical and electrical equipment.

At the time of the investigation, the gas chlorine room's upper level vent faces the pump house room that has mechanical and electrical equipment inside of it which caused the chlorine wall to not be impervious at the Cypress Springs Plant.

30 TAC 290.42(e)(4)(B)-- Housing for gas chlorination equipment and cylinders of chlorine shall be in separate buildings or separate rooms with impervious walls or partitions separating all mechanical and electrical equipment from the chlorine facilities. Housing shall be located above ground level as a measure of safety. Equipment and cylinders may be installed on the outside of the buildings when protected from adverse weather conditions and vandalism.

**Recommended Corrective Action:** Provide by the compliance due date, a completed work order, receipt or invoice and/or photograph indicating that the gas chlorine room wall is impervious, separating it from the mechanical and electrical equipment.

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**Track No:** 584866      **Compliance Due Date:** 01/30/2016

**30 TAC Chapter 290.42(e)(5)**

**Alleged Violation:**

**Investigation:** 1280765

**Comment Date:** 09/29/2015

Failure to completely cover the hypochlorination solution container.

At the time of the investigation, the top of the hypochlorination solution container at the White Brook Plant had an opening that was not sealed.

30 TAC 290.42(e)(5) - Hypochlorination solution containers and pumps must be housed in a secure enclosure to protect them from adverse weather conditions and vandalism. The solution container top must be completely covered to prevent the entrance of dust, insects, and other contaminants.

**Recommended Corrective Action:** Provide by the compliance due date, a completed work order, receipt or invoice and/or photograph indicating that the top of the hypochlorination solution container has been completely covered in accordance with the requirements.

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**Track No:** 584867      **Compliance Due Date:** 01/30/2016

**30 TAC Chapter 290.42(e)(4)(C)**

**Alleged Violation:**

**Investigation:** 1280765

**Comment Date:** 09/29/2015

Failure to install a high level screened vent for the gas chlorine room.

At the time of the investigation, the Canyon Lake Island Plant gas chlorine room did not have a high level screened vent installed.

30 TAC 290.42(e)(4)(C)-- Adequate ventilation, which includes both high level and floor level screened vents, shall be provided for all enclosures in which gas chlorine is being stored or fed. Enclosures containing more than one operating 150-pound cylinder of chlorine shall also provide forced air ventilation which includes: screened and louvered floor level and high level vents; a fan which is located at and draws air in through the top vent and discharges to the outside atmosphere through the floor level vent; and a fan switch located outside the enclosure. Alternately, systems may install negative pressure ventilation as long as the facilities also have gas containment and treatment as prescribed by the current International Fire Code (IFC).

**Recommended Corrective Action:** Provide by the compliance due date, a completed work order, receipt or invoice and/or photograph indicating that a high level screened vent for the gas chlorine room at the Canyon Lake Island Plant in accordance with the requirements.

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**Track No:** 584868      **Compliance Due Date:** 01/30/2016

**30 TAC Chapter 290.41(c)(3)(O)**

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/30/2015

Failure to provide an intruder-resistant fence or an enclosed lockable ventilated well house for the well.

At the time of the investigation, the well at the White Brook Plant had no intruder-resistant fences nor was it enclosed in a locked, ventilated well house.

30 TAC 290.41(c)(3)(O)-- All completed well units shall be protected by intruder-resistant fences, the gates of which are provided with locks or shall be enclosed in locked, ventilated well houses to exclude possible contamination or damage to the facilities by trespassers. The gates or wellhouses shall be locked during periods of darkness and when the plant is unattended.

**Recommended Corrective Action:** Provide by the compliance due date, a completed work order, receipt or invoice and/or photograph indicating that an intruder-resistant fence or an enclosed in a lockable ventilated well house has been erected around the well house.

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**Track No:** 584869      **Compliance Due Date:** 01/30/2016

**30 TAC Chapter 290.43(c)(1)**

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/30/2015

Failure to install roof vents for the storage tanks in accordance with requirements.

At the time of the investigation, no roof vents were installed on the ground storage tank at the Tamarack Shores Plant and the two elevated ground storage tanks at the White Brook Plant, and no screen was installed on the roof vents of the two ground storage tanks at the Saddleridge Plant.

30 TAC 290.43(c)(1)-- Roof vents shall be gooseneck or roof ventilator and be designed by the engineer based on the maximum outflow from the tank. Vents shall be installed in strict accordance with current AWWA standards and shall be equipped with approved screens to prevent entry of animals, birds, insects and heavy air contaminants. Screens shall be fabricated of corrosion-resistant material and shall be 16-mesh or finer. Screens shall be securely clamped in place with stainless or galvanized bands or wires and shall be designed to withstand winds of not less than tank design criteria (unless specified otherwise by the engineer).

**Recommended Corrective Action:** Provide by the compliance due date, a completed work order, receipt or invoice and/or photograph indicating that roof vents and roof vent screening have been installed in accordance with the requirements or that the has been taken offline.

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**Track No:** 584870      **Compliance Due Date:** 01/30/2016

Summary of Investigation Findings

**30 TAC Chapter 290.43(c)(2)****Alleged Violation:**

Investigation: 1280765

Comment Date: 09/30/2015

Failure to install roof hatches for storage tanks in accordance requirements.

At the time of the investigation, the ground storage tanks at the Canyon Lake Island, Tamarack Shores and the Scenic Terrace Plants had no roof hatches installed, and no locks were installed on the roof hatches on the ground storage tanks at the Hancock Oaks Hills, Hillcrest and The Point Plants. In addition, according to the operator, the roof access for the ground storage tank at the Tamarack Shores Plant was not 30 inches in diameter.

30 TAC 290.43(c)(2)—All roof openings shall be designed in accordance with current AWWA standards. If an alternate 30 inch diameter access opening is not provided in a storage tank, the primary roof access opening shall not be less than 30 inches in diameter. Other roof openings required only for ventilating purposes during cleaning, repairing or painting operations shall be not less than 24 inches in diameter or as specified by the licensed professional engineer. An existing tank without a 30-inch in diameter access opening must be modified to meet this requirement when major repair or maintenance is performed on the tank. Each access opening shall have a raised curbing at least four inches in height with a lockable cover that overlaps the curbing at least two inches in a downward direction. Where necessary, a gasket shall be used to make a positive seal when the hatch is closed. All hatches shall remain locked except during inspections and maintenance.

**Recommended Corrective Action:** Provide by the compliance due date, photographs and/or a completed work order, receipt or indicating that noted items regarding the ground storage tank roof hatches have been addressed and are in compliance with requirements. The entity must also ensure that when major repair or maintenance is performed on the tank at the Tamarack Shores Plant, the roof access opening must be modified to 30-inch in diameter.

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**Track No: 584871      Compliance Due Date: 01/30/2016****30 TAC Chapter 290.43(c)(3)****Alleged Violation:**

Investigation: 1280765

Comment Date: 09/29/2015

Failure to install an overflow on the ground storage tank.

At the time of the investigation, no overflow was installed on the ground storage tank at the Tamarack Shores Plant.

30 TAC 290.43(c)(3)— Overflows shall be designed in strict accordance with current AWWA standards. If the overflow terminates at any point other than the ground level, it shall be located near enough and at a position accessible from a ladder or the balcony for inspection purposes. The overflow(s) shall be sized to handle the maximum possible fill rate without exceeding the capacity of the overflow(s). The discharge opening of the overflow(s) shall be above the surface of the ground and shall not be subject to submergence. The discharge opening shall be covered with a gravity-hinged and weighted cover, an elastomeric duckbill valve, or other approved device to prevent the entrance of insects and other nuisances. When the tank is not overflowing, the cover shall close automatically and fit tightly with no gap over 1/16 inch.

**Recommended Corrective Action:** Provide by the compliance due date, a completed work order, receipt or invoice and/or photograph indicating that an overflow has been installed in accordance with the requirements.

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**Track No: 584872      Compliance Due Date: 01/30/2016****30 TAC Chapter 290.121(a)****Alleged Violation:**

Investigation: 1280765

Comment Date: 09/30/2015

Failure to provide an accurate and up-to-date system monitoring plan.

At the time of the investigation, the monitoring plan did not include updated population and connection count and schematic maps for Rebecca Creek Plant and all of the ground water plants and the City of Blanco interconnect

30 TAC 290.121(a)— All public water systems shall maintain an up-to-date chemical and microbiological monitoring plan. Monitoring plans are subject to the review and approval of the executive director. A copy of the monitoring plan must be maintained at each water treatment plant and at a central location.

**Recommended Corrective Action:** Provide by the compliance due date, a copy of an accurate and up-to-date monitoring plan that addresses the listed discrepancies.

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Track No: 584873      Compliance Due Date: 01/30/2016  
30 TAC Chapter 290.42(l)

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/29/2015

Failure to provide an up-to-date plant operations manual.

At the time of the investigation, the plant operations manual did not include information regarding the Park Shores and Rebecca Creek surface water treatment plants, the Rebecca Creek elevated storage tank and the Panther Plant.

30 TAC 290.42(l)— Plant operations manual. A thorough plant operations manual must be compiled and kept up-to-date for operator review and reference. This manual should be of sufficient detail to provide the operator with routine maintenance and repair procedures, with protocols to be utilized in the event of a natural or man-made catastrophe, as well as provide telephone numbers of water system personnel, system officials, and local/state/federal agencies to be contacted in the event of an emergency.

**Recommended Corrective Action:** Provide by the compliance due date, a copy of an up-to-date plant operations manual indicating that the items noted have been included to demonstrate compliance.

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Track No: 584874      Compliance Due Date: 01/30/2016  
30 TAC Chapter 290.46(f)(2)  
30 TAC Chapter 290.46(f)(3)(B)(iv)  
30 TAC Chapter 290.46(f)(3)(D)(ii)

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/30/2015

Failure to provide records at the time of the investigation.

At the time of the investigation, records for annual tank inspection records for the elevated storage tanks at the Hillcrest, Rebecca Creek, and River Crossing Plants and the ground storage tank at the Summit Estates at Fischer Plant, and triennial calibration records for backwash meters and the rate of flow controllers at Park Shores Plant, and all well flow meters at the ground water plants were not provided.

30 TAC 290.46(f)(3)(B)(iv)— the calibration records for laboratory equipment, flow meters, rate-of-flow controllers, on-line turbidimeters, and on-line disinfectant residual analyzers and

30 TAC 290.46(f)(3)(D)(ii)— the results of inspections (as required in subsection (m)(1) of this section) for all water storage and pressure maintenance facilities.

**Recommended Corrective Action:** Provide by the compliance due date, copies of the records in the items noted to demonstrate compliance.

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Track No: 584875      Compliance Due Date: 01/30/2016

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/29/2015

Failure to provide for the well, sanitary control easements, approved substitutes or exceptions to the requirement.

At the time of the investigation, no sanitary control easements, approved substitutes or exceptions to the requirement were provided for the wells located at the Hancock Oak Hills, HEB Bulverde, White Brook, Rancher's Circle, Panther, Saddleridge, Summit Estate at Fischer, and Comal Hills Plants.

30 TAC 290.41(c)(1)(F)-- A sanitary control easement or sanitary control easements covering land within 150 feet of the well, or executive director approval for a substitute authorized by this subparagraph, shall be obtained.

**Recommended Corrective Action:** Provide by the compliance due date, a copy of the sanitary control easement or request an exception by writing to the TCEQ, Technical Review and Oversight Team (TROT) at MC 159, P.O. Box 13087, Austin, TX 78711-3087, and provide a copy of the granted exception to the TCEQ San Antonio Region Office.

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Track No: 584876      Compliance Due Date: 01/30/2016

30 TAC Chapter 290.46(n)(1)

30 TAC Chapter 290.46(n)(3)

**Alleged Violation:**

Investigation: 1280765

Comment Date: 09/29/2015

Failure to provide as-built plans or record drawings and specifications and well completion data for the public water supply.

At the time of the investigation, no as-built plans or record drawings and specifications for the production, treatment and pressure maintenance facilities at all ground water plants and the Rebecca Creek elevated storage tank, and well completion data for the wells at Hancock Oak Hills, HEB Bulverde, White Brook, Rancher's Circle, Panther, Saddleridge, Summit Estate at Fischer, and Comal Hills Plants at the were provided.

30 TAC 290.46(n)(1)-- Accurate and up-to-date detailed as-built plans or record drawings and specifications for each treatment plant, pump station, and storage tank shall be maintained at the public water system until the facility is decommissioned. As-built plans of individual projects may be used to fulfill this requirement if the plans are maintained in an organized manner.

30 TAC 290.46(n)(3)-- Copies of well completion data such as well material setting data, geological log, sealing information (pressure cementing and surface protection), disinfection information, microbiological sample results, and a chemical analysis report of a representative sample of water from the well shall be kept on file for as long as the well remains in service.

**Recommended Corrective Action:** Provide by the compliance due date, copies of as-built plans or record drawings and specifications for the treatment and well completion data.

## ADDITIONAL ISSUES

**Description**

**Additional Comments**



USPS TRACKING # 9114 9999 5638 5142 9132 75  
& CUSTOMER For Tracking or inquiries go to USPS.com  
RECEIPT or call 1-800-222-1811.

January 20, 2016

Texas Commission on Environmental Quality  
Ms. De'Shaune Blake  
14250 Judson Rd  
San Antonio, Texas 78233-4480

**RE: Notice of Violation for the Comprehensive Compliance Investigation  
Canyon Lake Shores 09/23/2015**

Dear Ms. Blake,

Thank you for your participation in the evaluation of our Canyon Lake Shores system PWS 0460019. Your contribution is a valuable tool we will use to enhance the performance of all CLWSC water systems. I would appreciate a reply notifying us if we have fulfilled and/or met all requirements and return to compliance on all alleged violations.

The following are in response to the TCEQ Notice of Violation you sent on October 6, 2015. Below are the completed work orders along with photographs showing that the repair.

- **AV #1 Track Number 584860- Failure to maintain watertight conditions**
  - MIOX Pump
    - WO#84751
  - Packing gland HSP 2 Park Shores
    - WO#84752
  - Packing gland HSP 1 and 3 Mystic Shores
    - WO#84782
  - Ball Valve on Pressure Tank site glass Hwy 281
    - WO#84783
  - Sample tap on Raw GST Rebecca Creek plant
    - WO#84753
  - Lower bolts on Raw GST Rebecca Creek
    - WO#84755
  - Lower bolts on Raw GST Cypress on the Guadalupe
    - WO#84756
- **AV #2 Track Number 584861- Failure to properly maintain the water facilities**
  - Cracked sealing block Canyon Lake Island
    - WO#84757
  - Chain link fence separation Canyon Lake Island
    - WO#84758
  - Overflow stuck open due to rust Canyon Lake Island
    - WO#84759
  - Leak at transducer causing ponding at Tamarack
    - WO#84761

Canyon Lake Water Service Company  
P.O. Box 1742 • Canyon Lake, Texas 78133  
(830) 964-3854 / Fax (830) 964-2779  
[www.clwsc.com](http://www.clwsc.com)



January 20, 2016

Texas Commission on Environmental Quality  
Ms. De'Shaune Blake  
14250 Judson Rd  
San Antonio, Texas 78233-4480

RE: Notice of Violation for the Comprehensive Compliance Investigation  
Canyon Lake Shores 09/23/2015

Dear Ms. Blake,

Thank you for your participation in the evaluation of our Canyon Lake Shores system PWS 0460019. Your contribution is a valuable tool we will use to enhance the performance of all CLWSC water systems. I would appreciate a reply notifying us if we have fulfilled and/or met all requirements and return to compliance on all alleged violations.

The following are in response to the TCEQ Notice of Violation you sent on October 6, 2015. Below are the completed work orders along with photographs showing that the repair.

- **AV #1 Track Number 584860- Failure to maintain watertight conditions**
  - MIOX Pump
    - WO#84751
  - Packing gland HSP 2 Park Shores
    - WO#84752
  - Packing gland HSP 1 and 3 Mystic Shores
    - WO#84782
  - Ball Valve on Pressure Tank site glass Hwy 281
    - WO#84783
  - Sample tap on Raw GST Rebecca Creek plant
    - WO#84753
  - Lower bolts on Raw GST Rebecca Creek
    - WO#84755
  - Lower bolts on Raw GST Cypress on the Guadalupe
    - WO#84756
- **AV #2 Track Number 584861- Failure to properly maintain the water facilities**
  - Cracked sealing block Canyon Lake Island
    - WO#84757
  - Chain link fence separation Canyon Lake Island
    - WO#84758
  - Overflow stuck open due to rust Canyon Lake Island
    - WO#84759
  - Leak at transducer causing ponding at Tamarack
    - WO#84761

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- Barbed wire loose at Rebecca Creek EST
  - WO#84784
- Silt in vaults at Rebecca Creek intake
  - WO#84785
- Concrete sealing block cracked Cypress on the Guadalupe
  - WO#84762
- Concrete sealing block HEB water plant
  - WO#84763
- Vegetation on the fence Panther
  - WO#84764
    - Existing neighbor will not grant permission to clear western fence line. Future capital project to install a new fence with a 2 ft. setback. Reaming side's cleared. To be completed in May 2016
- Repair roof on GST Cypress on the Guadalupe
  - WO#84765
- Repair roof on GST Stallion 2
  - Future capital project to replace GST at Stallion 2 to be completed May 2016
    - WO#84766
- ◆ **AV #3 Track Number 584862 - Failure to install casing vent for the wells and seal the wellhead.**
  - Casing vent Summit at Fischer 1
    - WO#84767
  - Seal opening at top of well head and casing vent Scenic Terrace
    - WO#84768
  - Seal opening at top of well head HEB water plant
    - WO#84769
  - Seal opening at top of well head The Point
    - WO#84770
  - Seal opening at top of well head Cypress on the Guadalupe
    - WO#84771
- ◆ **AV #4 Track Number 584863- Failure to post a restriction zone sign**
  - 200' radius restriction sign on Guadalupe river at intake posted
    - WO#84786
- ◆ **AV #5 Track Number 584864- Failure to install a screen on the well air release valves.**
  - Install screens on the air relief valves at the Hwy 281 plant
    - WO#84787
- ◆ **AV #6 Track Number 584865- Failure to separate the chlorine room with an impervious wall or partition from all other mechanical and electrical equipment.**
  - Remove existing fan and install a fan on the exterior of the building Cypress Springs on the Guadalupe
    - WO#84772

- ⬢ **AV #7 Track Number 584866-** Failure to completely cover the hypochlorination solution container.
  - Replace day tank at Whitebrook station
    - WO#84773
- ⬢ **AV #8 Track Number 584867-** Failure to install a high level screened vent for the gas chlorine room.
  - Install a screened vent at Canyon Lake Island
    - WO#84778
- ⬢ **AV #9 Track Number 584868-** Failure to provide an intruder-resistant fence or enclosed in a locked ventilated well house for the well.
  - Installed fencing at Whitebrook well
- ⬢ **AV #10 Track Number 584869-** Failure to install roof vents for the storage tanks in accordance with requirements.
  - Installed roof vent on Tamarack
    - WO#87087
  - Future capital project to contract work to meet requirement to be completed in May 2016
    - Whitebrook
  - Install screens on vents at Saddleridge
    - WO#84788
- ⬢ **AV #11 Track Number 584870-** Failure to install roof hatches for storage tanks in accordance with requirements.
  - Future capital project to replace GST
    - Canyon Lake Island
    - Scenic Terrace
  - Installed roof hatch / man way on ground storage tank Tamarack
    - WO#87087
  - Install lock on roof hatch Hancock Oak Hills
    - WO#84779
  - Install lock on roof hatch Hillcrest
    - WO#84780
  - Install lock on roof hatch The Point
    - WO#84781
- ⬢ **AV #12 Track Number 584871-** Failure to install an overflow on the Tamarack ground storage tank
  - Installed overflow on the Tamarack ground storage tank
    - WO#87087

⬢ **AV #13 Track Number 584872-** Failure to provide an accurate and up-to-date system monitoring plan.

- Update monitoring plan with population, connections, schematics for all sites and show Blanco interconnect

- Enclosed Canyon Lake Shores Monitoring Plan sections

- Updated population and connection count

- Page 2

- Schematic Maps

- Rebecca Creek

- All Groundwater plants

Canyon Lake Island

Comal Hills

Cypress Springs

Hancock Oak Hills

HEB Bulverde

Hillcrest

HWY 281 / City of Blanco Interconnect

Mystic Shores 1

Mystic Shores 2

Panther

Ranchers Circle

Rodeo Drive

Saddleridge

Scenic Terrace

Springwood

Stallion Springs

Summit at Fischer

Sybil Lightfoot (Rebecca Creek WTP)

Tamarack

The Point

Whitebrook

- City of Blanco interconnect (HWY 281)

⬢ **Track Number 584873-** Failure to provide an up-to-date plant operations manual

- Enclosed an updated O & M manuals for the following locations

- Canyon Lake Shores WTP

- Rebecca Creek (Sybil Lightfoot WTP)

- Panther Plant (Groundwater O & M manual)

- ◆ **AV #14 Track Number 584874- Failure to provide records at the time of investigation.**
  - Enclosed Monthly Operating Reports that include the amount of chemicals used at the following stations:
    - Ranchers Circle
      - August 2014 through August 2015
    - Whitebrook
      - August 2014 through August 2015
      - Well offline until April 2015
    - Summit at Fischer
      - August 2014 through August 2015
    - Hancock Oak Hills
      - August 2014 through August 2015
    - HEB
      - August 2014 through August 2015
    - Stallion Springs 2
      - August 2014 through August 2015
    - Cypress Spring on the Guadalupe
      - August 2014 – September 2014
      - Well offline until October 2014
      - No enclosures
    - The Point
      - September 2014, June 2015 and August 2015
    - Saddleridge
      - June 2015 and August 2015
  - We submit SWMOR each month
  - Enclosed annual tank inspection records for the following stations:
    - Hillcrest
    - Rebecca Creek
    - River Crossing
    - Summit at Fischer
  - Enclosed triennial calibration records for the following:
    - Canyon Lake Shores backwash meter
    - Canyon Lake Shores flow meter
    - All well station well flow meters

- **AV #15 Track Number 584875-** Failure to provide for the well, sanitary control easements, approved substitutes or exceptions to the requirements.
  - Hancock Oak Hills
  - HEB
  - Whitebrook
  - Ranchers Circle
  - Panther
  - Saddleridge
  - Summit at Fischer
  - Comal Hills
    - This well is scheduled for plugging in 2016
    - No enclosures
- **AV #16 Track Number 584876-** Failure to provide as-built plans or record drawings and specifications and well completion data for the public water supply.
  - See AV #13 Track Number 584872 Plant Schematics / as-built plans
  - Well completion data for the following stations
    - Hancock Oak Hills
    - HEB
    - Whitebrook
    - Ranchers Circle
    - Panther
    - Saddleridge
    - Summit at Fischer
    - Comal Hills
      - Inactive- this well is to be plugged in June 2016
- **O #17 Additional Issues-** The entity needs to ensure that it plugs abandoned located at Possum Trail, Spruce Lane, Fir Lane, Comal Hills, and Cypress Springs on the Guadalupe wells 1, 3 and 4.
  - During the 4<sup>th</sup> quarter of 2015 an aquifer test will be performed on each well site to determine the production capacity. Under performing well sites will be scheduled for plugging in future capital projects. Analysis underway.
    - No Enclosures

Should you require additional documentation or have any questions regarding our response feel free to contact me at (830) 964-2166 or by email to [larry.bittle@clwsc.com](mailto:larry.bittle@clwsc.com)

Sincerely,



Larry Bittle  
Director of Operations  
Canyon Lake Water Service Company



Customer Service >

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DATE & TIME	STATUS OF ITEM	LOCATION
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Your item was delivered at 8:37 am on January 22, 2016 in SAN ANTONIO, TX 78233		
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January 22, 2016 , 6:56 am	Sorting Complete	SAN ANTONIO, TX 78233
January 22, 2016 , 5:56 am	Arrived at Post Office	SAN ANTONIO, TX 78233
January 21, 2016 , 11:44 pm	Departed USPS Facility	SAN ANTONIO, TX 78284
January 21, 2016 , 9:19 pm	Arrived at USPS Origin Facility	SAN ANTONIO, TX 78284
January 21, 2016 , 4:37 pm	Departed Post Office	CANYON LAKE, TX 78133
January 21, 2016 , 3:59 pm	Acceptance	CANYON LAKE, TX 78133



# Glenwood

PWS ID 0460246

April 09, 2015

# TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Request

Regulated Entity/Site Name	SJWIX Glenwood Subdivision		TCEQ Add. ID No. RN No (optional)	0460246
Investigation Type	CCI	Contact Made In-House (Y/N)	Purpose of Investigation	Compliance
Regulated Entity Contact	Larry Bittle		Telephone No.	830-964-2166
Title	Director of Operations		FAX #/Email address	larry.bittle@clwsc.com
			Date Contacted	04/09/2015
			FAX/Email date	05/07/2015

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

No.	Type	Rule Citation (if known) Texas Administrative Code = TAC	Description of Issue- Notice of Violation
1	AV	30 TAC 290.43(c)(3)	Failure to install screen of 1/16 inch mesh on the overflow valve of the ground storage tanks. (Resolved on 05/05/2015)
2	AV	30 TAC §290.46(s)(1)	Failure to provide triennial calibration records for the flow meter for well #1 or documentation indicating the meter has been replaced within the three years.
3	AV	30 TAC 290.110(c)(1)(A)	Failure to rotate through all coliform sampling sites that are representative of the distribution system and are listed in the monitoring plan.
4	AV	30 TAC 290.46(n)(2)	Failure to provide a distribution map.
5	AV	30 TAC 290.46(m)(1)(B)	Failure to provide a tank inspection for the exterior and interior of the pressure tank.
6	AV	30 TAC 290.121(a)	Failure to update the monitoring plan: Correct responsible official, connection count, no schematic map, note location of the entry point sampling location, and note in the language that the well #2 is not active.
7	AV	30 TAC 290.46(n)(1) and 30 TAC 290.46 (n)(3)	Failure to provide as-built plans or record drawings and specifications and well completion data records for the public water supply. 30 TAC 290.46(n)(1)-- Accurate and up-to-date detailed as-built plans or record drawings and specifications for each treatment plant, pump station, and storage tank shall be maintained at the public water system until the facility is decommissioned. As-built plans of individual projects may be used to fulfill this requirement if the plans are maintained in an organized manner. 30 TAC 290.46(n)(3)-- Copies of well completion data such as well material setting data, geological log, sealing information (pressure cementing and surface protection), disinfection information, microbiological sample results, and a chemical analysis report of a representative sample of water from the well shall be kept on file for as long as the well remains in service.



# TCEQ EXIT INTERVIEW FORM CONTINUED: Potential Violations and/or Records Request

8	O	Additional Issue 30 TAC 290.46(u)	The entity must ensure that it exercises well #2 monthly and record the usage to avoid having to cap or plug the well.  Abandoned wells. Abandoned public water supply wells owned by the system must be plugged with cement according to 16 TAC Chapter 76 (relating to Water Well Drillers and Water Well Pump Installers). Wells that are not in use and are non-deteriorated as defined in those rules must be tested every five years or as required by the executive director to prove that they are in a non-deteriorated condition. The test results shall be sent to the executive director for review and approval. Deteriorated wells must be either plugged with cement or repaired to a non-deteriorated condition.
9	O	See Verbiage	Please be advised per the 30 Texas Administrative Code (TAC) 344.51(d), irrigation systems installed on properties served by an On-site septic facility (OSSF) are deemed conduits to the known health hazard of the OSSF and are required to have RPBA's installed to protect against this health hazard, these devices must be tested annually. If the system was installed prior to 2009, then the existing backflow prevention method is allowed but, it must meet the annual testing requirement. Please begin implementing this requirement in your cross connection control program in order to meet the requirements of 30 TAC 290.44(h)(1). For questions regarding irrigation systems, please contact the Landscape Irrigation Program, at (512) 239-5296. For questions regarding your Cross-Connection Control Program, please contact the TCEQ Cross-Connection Control Program at 512-239-4691. You may also e-mail your question or comment to <a href="mailto:pdws@tceq.texas.gov">pdws@tceq.texas.gov</a> .
10	O		If after further review additional violations or additional issues need to be addressed, you will be notified.
11			Photographs, work orders, invoices, receipts, and applicable records/documents along with written verification are considered acceptable compliance documentation. All compliance documentation must be submitted via fax; 210-545-4329 or regular mail; 14250 Judson Rd., San Antonio, TX 78233.

Note 1: Issue Type Can Be One of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	X Yes	<input type="checkbox"/> No	N/A
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	X N/A
Document Acknowledgment. Signature on this document establishes only that the regulated entity (RE) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, the document will be sent via FAX or Email to RE; therefore, the RE signature is not required.			
DeShaune Blake	5/7/15		
Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date

If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.

TCEQ 20085 (4/08)

(Note: use additional pages as necessary) Page 2 of 2

P.O. Box 1742  
Canyon lake, TX 78133  
(830) 964-2166  
(830) 964-2779 Fax

CANYON LAKE  
WATER SERVICE  
COMPANY

clwsc.com  
clwsc\_customer\_service@clwsc.com

## Fax

Attn: DE' SHAUNE BLAKE	From: Ty CORNELI
Fax:	Pages: 13 Including Cover
Phone:	Date: 23 APRIL 2015
Re:	CC:

Thank you,

This communication is a privileged and confidential communication and is transmitted for the exclusive information and use of the addressee. Person responsible for delivering this communication to the intended recipient are admonished that this communication may not be copied or disseminated except as directed by the communicator. If this communication is received in error, please notify us immediately by telephone and mail the communication to us at our above address.

April 23, 2015

De'Shaune,

The following pictures are for the **North Point System** and the **Glenwood System** for **Canyon Lake Water Service Company**.

**North Point:** (1) Galvanized Steel Chain-Link Fence Barbed Wire Arms have been angled to the outside of the fence. (2) The well wire on well #1 has been placed in conduit. (3) The fiberglass tank that has a leak under the man way has removed from the system. The piping has been disconnected on both sides of the tank.

**Glenwood:** (1) The overflows has been wrapped in 1/16" mesh screen



Texas Commission on Environmental Quality  
Ms. De'Shaune Blake  
14250 Judson Rd  
San Antonio, Texas 78233-4480

**RE: Exit Interview, SJWTX Glenwood 04/09/2015**

Dear Ms. Blake,

Thank you for your participation in the evaluation of our Glenwood system PWS 0460246. Your contribution is a valuable tool we will use to enhance the performance of all CLWSC water systems.

The following are in response to the TCEQ Exit Interview Form you sent via email on 05/07/2015.

- ◆ AV #3- Failure to rotate through all coliform sampling sites that are representative of the distribution system and are listed in the monitoring plan.
  - Staff has been issued a directive to and will rotate sample sites as defined in the revised monitoring plan
- ◆ AV #4- Failure to provide a distribution map
  - Enclosed is a revised monitoring plan that includes a distribution and sample site map, Appendix A
- ◆ AV #5 Failure to provide a tank inspection for the exterior and interior of the pressure tank
  - A new facility is under construction to replace the existing pressure tank. This facility will provide opportunities for inspection going forward.
- ◆ AV #6- Failure to update the monitoring plan.
  - Encloses is a revised monitoring plan that addresses the mentioned issues.
- ◆ AV #7 Failure to provide as-built plans or record drawings and specification and well completion data records for the public water supply
  - Enclosed is the State of Texas well report along with the TWDB well schedule and a one line diagram of the pumping facilities.

Should you require additional documentation or have any questions regarding our response feel free to contact me at (830) 964-2166 or by email to [larry.bittle@clwsc.com](mailto:larry.bittle@clwsc.com)

Sincerely,

Larry Bittle  
Director of Operations  
Canyon Lake Water Service Company

**Canyon Lake Water Service Company**  
P.O. Box 1742 • Canyon Lake, Texas 78133  
(830) 964-3854 • Fax (830) 964-2779  
[www.clwsc.com](http://www.clwsc.com)

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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Article Addressed to:

TCEQ  
Ms. De'Shaune Blake  
14250 Judson Rd  
San Antonio, Texas 78233-4480

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B. Received by <i>[Signature]</i>		<input type="checkbox"/> Addressee
C. Date of Delivery		
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Attn: Charlene Simmons

CANYON LAKE WATER SERVICE COMPANY

P.O. Box 1742

Canyon Lake, Texas 78133

CCI Exit Interview, Response

Glenwood 04/09/2015



Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

July 3, 2015

**CERTIFIED MAIL NO.: 91 7199 9991 7035 6508 3708**  
**RETURN RECEIPT REQUESTED**

Mr. Richard Roth, Chief Executive Officer  
SJWTX, Inc.  
P.O. Box 1742  
Canyon Lake, Texas 78133

Re: Notice of Violation for the Comprehensive Compliance Investigation at:  
SJWTX Glenwood Subdivision, 1076 Glenwood Loop, Bulverde, Comal County, Texas  
Regulated Entity No.: RN104710108, TCEQ ID No.: 0460246  
Investigation No.: 1248154

Dear Mr. Roth:

On April 21, 2015, Ms. De'Shaune Blake of the Texas Commission on Environmental Quality (TCEQ) San Antonio Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, some concerns were noted which were alleged noncompliances that have been resolved as Areas of Concerns based on subsequent corrective action. In addition, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by October 23, 2015, a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violations.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the San Antonio Region Office at (210) 403-4096 or the Central Office Publications Ordering Team at 512-239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the San Antonio Region Office within 10 days from the date of this letter. At that time, Water Section Manager, Ms. Lynn Bumgardner, will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However,

Mr. Richard Roth  
July 3, 2015  
Page 2

please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the enclosed Summary of Investigation Findings until an official decision is made regarding the status of the contested violation.

If you or members of your staff have any questions, please feel free to contact Ms. Blake in the San Antonio Region Office at (210) 403-4033.

Sincerely,



Joy Thurston-Cook  
Water Section Team Leader  
San Antonio Region Office

JTC/db

Enclosure: Summary of Investigation Findings



## Summary of Investigation Findings

SJWTX GLENWOOD SUBDIVISION

Investigation #

1248154

Investigation Date: 04/21/2015

, COMAL COUNTY,

Additional ID(s): 0460246

### OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 573716 Compliance Due Date: 10/23/2015

30 TAC Chapter 290.46(m)(1)(B)

**Alleged Violation:**

Investigation: 1248154

Comment Date: 06/18/2015

Failure to conduct a pressure tank inspection.

At the time of the investigation, no annual exterior and five year interior pressure tank inspection had been conducted.

30 TAC 290.46(m)(1)(B)-- Pressure tank inspections must determine that the pressure release device and pressure gauge are working properly, the air-water ratio is being maintained at the proper level, the exterior coating systems are continuing to provide adequate protection to all metal surfaces, and the tank remains in watertight condition. Pressure tanks provided with an inspection port must have the interior surface inspected every five years.

**Recommended Corrective Action:** Provide by the compliance due date, a copy of the pressure tank inspection form indicating that the pressure tank has been inspected externally and internally in accordance with the requirements.

Track No: 573718 Compliance Due Date: 10/23/2015

30 TAC Chapter 290.109(c)(1)(A)

**Alleged Violation:**

Investigation: 1248154

Comment Date: 06/18/2015

Failure to collect routine distribution coliform samples at active service connections which are representative of water quality throughout the distribution system.

At the time of the investigation, the entity was collecting routine distribution coliform samples at only two of the five required sites listed in the monitoring plan.

30 TAC 290.109(c)(1)(A)-- Public water systems must collect routine distribution coliform samples at active service connections which are representative of water quality throughout the distribution system. Other sampling sites may be used if located adjacent to active service connections.

**Recommended Corrective Action:** Provide by the compliance due date, copies of routine distribution coliform samples for the months of May 2015 through October that indicate that the entity is rotating the sites listed on the monitoring plan.

Track No: 573719 Compliance Due Date: 10/23/2015

30 TAC Chapter 290.46(n)(1)

30 TAC Chapter 290.46(n)(3)

**Alleged Violation:**

Investigation: 1248154

Comment Date: 06/18/2015

order, receipt or invoice and/or photograph indicating that the overflow valves on the ground storage tanks have screening that is no greater than 1/16 inch mesh.

**Resolution:** Photographs indicating that the ground storage tank screens on the overflow valves are 1/16 inch mesh.

---

**Track No:** 573713

**30 TAC Chapter 290.46(f)(2)**

**30 TAC Chapter 290.46(f)(3)(B)(iv)**

**Alleged Violation:**

**Investigation:** 1248154

**Comment Date:** 06/18/2015

Failure to provide triennial calibration records the flow meter.

At the time of the investigation no triennial calibration records were provided for the well #1 flow meter

30 TAC 290.46(f)(3)(B)(iv)-- the calibration records for laboratory equipment, flow meters, rate-of-flow controllers, on-line turbidimeters, and on-line disinfectant residual analyzers

**Recommended Corrective Action:** Provide by the compliance due date, a copy of the calibration records for the well #1 flow meter indicating that it has been calibrated within the past three years.

**Resolution:** A copy of the calibration results indicating that the flow meter for well #1 was calibrated on 11/28/2013 was provided.

---

**Track No:** 573717

**30 TAC Chapter 290.121(a)**

**Alleged Violation:**

**Investigation:** 1248154

**Comment Date:** 06/18/2015

Failure to provide an accurate and up-to-date system monitoring plan.

At the time of the investigation, the monitoring plan did not include updated responsible officials, connection counts, identification of the entry point number, and no schematic map was provided.

30 TAC 290.121(a)-- All public water systems shall maintain an up-to-date chemical and microbiological monitoring plan. Monitoring plans are subject to the review and approval of the executive director. A copy of the monitoring plan must be maintained at each water treatment plant and at a central location.

**Recommended Corrective Action:** Provide by the compliance due date, a copy of an accurate up-to-date monitoring plan.

**Resolution:** A copy of an accurate and up-to-date monitoring plan was provided.

## ADDITIONAL ISSUES

**Description**

**Additional Comments**

**SJWTX GLENWOOD SUBDIVISION****Investigation # 1248154**

**WATER DISTRIBUTION:** Meets applicable 290.44 standards?

Please be advised per the 30 Texas Administrative Code (TAC) 344.51(d), irrigation systems installed on properties served by an On-site septic facility (OSSF) are deemed conduits to the known health hazard of the OSSF and are required to have reduced pressure principle backflow prevention assemblies (RPBAs) installed to protect against this health hazard, these devices must be tested annually. If the system was installed prior to 2009, then the existing backflow prevention method is allowed but, it must meet the annual testing requirement. Please begin implementing this requirement in your cross connection control program in order to meet the requirements of 30 TAC 290.44(h)(1). For questions regarding irrigation systems, please contact the Landscape Irrigation Program, at (512) 239 5296. For questions regarding your Cross Connection Control Program, please contact the TCEQ Cross Connection Control Program at 512 239 4691. You may also e mail your question or comment to [pdws@tceq.texas.gov](mailto:pdws@tceq.texas.gov).



December 10, 2015

Texas Commission on Environmental Quality  
Ms. De'Shaune Blake  
14250 Judson Rd  
San Antonio, Texas 78233-4480

RE: Notice of Violation for the Comprehensive Compliance Investigation  
SJWTK Glenwood Subdivision 05/09/2015

Dear Ms. Blake,

The following are in response to the TCEQ Notice of Violation you sent on July 3, 2015. If you need additional information or clarification on any of these responses please contact me. I would appreciate a reply notifying us if we have fulfilled and/or met all requirements and return to compliance on all alleged violations.

- AV #1- Failure to install screen on the overflow valve of the storage tanks
  - Installed screen WO# 80197
    - Resolved on 04/23/2015 via fax
    - No enclosures
- AV #2- Failure to provide triennial calibration records for the flow meter well #1
  - Provide calibration records
    - Resolved on 05/07/2015 via email
    - No enclosures
- AV #3 – Failure to rotate through all coliform sampling sites listed in monitoring plan
  - Enclosed coliform samples from May 2015 to October 2015
- AV #4- Failure to provide a distribution map
  - Enclosed is an revised distribution map including a legend
- AV #5 – Failure to provide tank inspection for exterior and interior of pressure tank
  - Provide inspection form
    - Resolved on 05/07/2015 via email
    - No enclosures
  - Questions from email dated 11/17/2015
    - What is the capacity of new pressure tank
      - 5,000 gallons
      - Enclosure As-Built of new station
    - Is the pressure tank online now?
      - Yes as of October 2015
      - Enclosures TCEQ correspondence

Canyon Lake Water Service Company  
P.O. Box 1742 • Canyon Lake, Texas 78133  
(830) 964-3854 / Fax (830) 964-2779  
[www.clwsc.com](http://www.clwsc.com)

Page 2

December 10, 2015

- ▲ AV #6 – Failure to update monitoring plan
  - Provide revised monitoring plan
    - Resolved on 05/15/2015 via email
    - No enclosures
  
- ▲ AV #7- Failure to provide as-built plans or record drawings and specification and well completion data records for the public water supply
  - Well 1 & 2 to be plugged or transferred to land owner in 2016
  - Enclosures
    - State of Texas Well Report
    - Texas Water Development Board Well Schedule

Should you require additional documentation or have any questions regarding our response feel free to contact me at (830) 964-2166 or by email to [larry.bittle@clwsc.com](mailto:larry.bittle@clwsc.com).

Sincerely,



Larry Bittle  
Director of Operations  
Canyon Lake Water Service Company

UNITED STATES POSTAL SERVICE



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Attn: Charlene Simmons

CANYON LAKE WATER SERVICE COMPANY

P.O. Box 1742

Canyon Lake, Texas 78133

Post Office Box

2015 PWS 0460246 CCI Response

USPS TRACKING#



9590 7403 0631 5183 0774 68

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
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## 1. Article Addressed to:

TCEQ Region 13  
Ms. De'Shaune Blake  
14250 Judson Rd  
San Antonio, Texas 78233-4480



9590 9403 0631 5183 0774 68

## 2. Article Number (Transfer from service label)

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TCEQ R-13 2015 DEC 15 0853

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|--|---|
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| <input type="checkbox"/> Adult Signature Restricted Delivery     | <input type="checkbox"/> Registered Mail™                           |
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PS Form 3811, April 2015 PSN 7530-02-000-9063

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# North Point

PWS ID 0460235

April 09, 2015

B T S  
TEXAS



# TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Request

Regulated Entity/Site Name	SJWIX Northpoint Subdivision		TCEQ Add. ID No. RN No (optional)	0460235
Investigation Type	CCI	Contact Made In-House (Y/N)	Purpose of Investigation	Compliance
Regulated Entity Contact	Larry Bittle		Telephone No.	830-964-2166
Title	Director of Operations		FAX #/Email address	larry.bittle@delwsc.com
			Date Contacted	04/09/2015
			FAX/Email date	05/07/2015

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

No.	Type	Rule Citation (if known) Texas Administrative Code = TAC	Description of Issue- Notice of Violation
1	AV	30 TAC 290.46(v)	Failure to install the electrical wiring at well #2 in conduit. (Resolved on 05/05/2015)
2	AV	30 TAC 290.38(25)	Failure to install the barbed wire on the intruder-resistant fence facing outward at a 45 degree angle. (Resolved on 05/05/2015)
3	AV	30 TAC 290.43(c)(6)	Failure to repair the leaking manway on the fiberglass ground storage tank. (Resolved on 05/05/2015)
4	AV	30 TAC 290.46(n)(2)	Failure to provide a distribution map.
5	AV	30 TAC 290.46(j)	Failure to provide copies of customer service inspections.
6	AV	30 TAC 290.121(a)	Failure to update the monitoring plan: Correct responsible official, connection count, no schematic map, note location of the entry point sampling location, and there is only one entry point for the two wells, which is into ground storage tank.
7	AV	30 TAC 290.46(n)(1) and 30 TAC 290.46 (n)(3)	Failure to provide as-built plans or record drawings and specifications and well completion data records for the public water supply. 30 TAC 290.46(n)(1)-- Accurate and up-to-date detailed as-built plans or record drawings and specifications for each treatment plant, pump station, and storage tank shall be maintained at the public water system until the facility is decommissioned. As-built plans of individual projects may be used to fulfill this requirement if the plans are maintained in an organized manner. 30 TAC 290.46(n)(3)-- Copies of well completion data such as well material setting data, geological log, sealing information (pressure cementing and surface protection), disinfection information, microbiological sample results, and a chemical analysis report of a representative sample of water from the well shall be kept on file for as long as the well remains in service.

# TCEQ EXIT INTERVIEW FORM CONTINUED: Potential Violations and/or Records Request

8	O	See Verbiage	Please be advised per the 30 Texas Administrative Code (TAC) 344.51(d), irrigation systems installed on properties served by an On-site septic facility (OSSF) are deemed conduits to the known health hazard of the OSSF and are required to have RPBA's installed to protect against this health hazard, these devices must be tested annually. If the system was installed prior to 2009, then the existing backflow prevention method is allowed but, it must meet the annual testing requirement. Please begin implementing this requirement in your cross connection control program in order to meet the requirements of 30 TAC 290.44(h)(1). For questions regarding your Cross-Connection Control Program, Landscape Irrigation Program, at (512) 239-5296. For questions regarding your Cross-Connection Control Program, please contact the TCEQ Cross-Connection Control Program at 512-239-4691. You may also e-mail your question or comment to <a href="mailto:pdavis@tceq.texas.gov">pdavis@tceq.texas.gov</a> .
9	O		If after further review additional violations or additional issues need to be addressed, you will be notified.
10			Photographs, work orders, invoices, receipts, and applicable records/documents along with written verification are considered acceptable compliance documentation. All compliance documentation must be submitted via fax, 210-545-4329 or regular mail; 14250 Judson Rd., San Antonio, TX 78233.

Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), FV (Potential Violation), O (Other), or RR (Records Request)			
Did the TCEQ document the regulated entity named above operating without proper authorization?		X Yes	No N/A
Did the investigator advise the regulated entity representative that continued operation is not authorized?		Yes	No X N/A
Document Acknowledgment. Signature on this document establishes only that the regulated entity (RE) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, the document will be sent via FAX or Email to RE; therefore, the RE signature is not required.			
Debra	De'Shaune Blake	5/7/15	
Investigator Name (Signed & Printed)		Regulated Entity Representative Name (Signed & Printed)	
		Date	

If you have questions about any information on this form, please contact your local TCEQ Regional Office. Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512/239-3282.  
TCEQ 2008.5 (408) (Note: use additional pages as necessary) Page 2 of 2

**SENDER: COMPLETE THIS SECTION**

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**1. Article Addressed to:**

TCEQ

Ms. De'Shaune Blake

14250 Judson Rd

San Antonio, Texas 78233-4480

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☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

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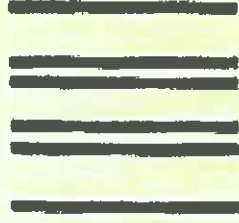
(Transfer from service label)

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3811, July 2013

Domestic Return Receipt

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Permit No. G-10

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Attn: Charlene Simmons

CANYON LAKE WATER SERVICE COMPANY

P.O. Box 1742

Canyon Lake, Texas 78133

CCI Exit Interview, Response  
North Point 04/09/2015



Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

July 3, 2015

**CERTIFIED MAIL NO.: 91 7199 9991 7035 6508 3715**  
**RETURN RECEIPT REQUESTED**

Mr. Richard Roth, Chief Executive Officer  
SJWTX, Inc.  
P.O. Box 1742  
Canyon Lake, Texas 78133

Re: Notice of Violation for the Comprehensive Compliance Investigation at:  
SJWTX North Point Subdivision, 9114 Ozark Terrace, San Antonio, Bexar County, Texas  
Regulated Entity No.: RN101215358, TCEQ ID No.: 0460235  
Investigation No.: 1248152

Dear Mr. Roth:

On April 21, 2015, Ms. De'Shaune Blake of the Texas Commission on Environmental Quality (TCEQ) San Antonio Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, some concerns were noted which were alleged noncompliances that have been resolved as Areas of Concerns based on subsequent corrective action. In addition, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by **October 23, 2015**, a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violations.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the San Antonio Region Office at (210) 403-4096 or the Central Office Publications Ordering Team at 512-239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the San Antonio Region Office within 10 days from the date of this letter. At that time, Water Section Manager, Ms. Lynn Bumgardner, will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However,

TCEQ Region 13 • 14250 Judson Rd. • San Antonio, Texas 78233-4480 • 210-490-3006 • Fax 210-545-4329

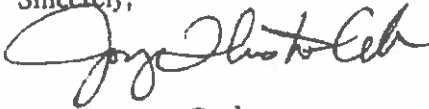
Austin Headquarters: 512-239-1000 • [tceq.texas.gov](http://tceq.texas.gov) • How is our customer service? [tceq.texas.gov/customer/survey](http://tceq.texas.gov/customer/survey)  
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Mr. Richard Roth  
July 3, 2015  
Page 2

please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the enclosed Summary of Investigation Findings until an official decision is made regarding the status of the contested violation.

If you or members of your staff have any questions, please feel free to contact Ms. Blake in the San Antonio Region Office at (210) 403-4033.

Sincerely,



Joy Thurston-Cook  
Water Section Team Leader  
San Antonio Region Office

JTC/db/eg

Enclosure: Summary of Investigation Findings

## Summary of Investigation Findings

SJWTX NORTH POINT SUBDIVISION  
9114 OZARK TER UNIT B  
SAN ANTONIO, COMAL COUNTY, TX 78266

Additional ID(s): 0460235

Investigation #  
1248152  
Investigation Date: 04/21/2015

### OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 573502 Compliance Due Date: 10/23/2015

30 TAC Chapter 290.46(f)(2)

30 TAC Chapter 290.46(f)(3)(E)(iv)

**Alleged Violation:**

Investigation: 1248152

Comment Date: 06/17/2015

Failure to provide records at the time of the investigation.

At the time of the investigation, Customer Service Inspection reports were not provided.

30 TAC 290.46(f)(3)(E)(iv)-- copies of the Customer Service Inspection reports required by subsection (j) of this section.

**Recommended Corrective Action:** Provide by the compliance due date, copies of Customer Service Inspection reports.

Track No: 573504 Compliance Due Date: 10/23/2015

30 TAC Chapter 290.46(n)(1)

30 TAC Chapter 290.46(n)(3)

**Alleged Violation:**

Investigation: 1248152

Comment Date: 06/17/2015

Failure to maintain engineering plans.

At the time of the investigation, no engineering plans for the production, treatment, storage and pressure maintenance facilities, and no well completion data for well #1 were provided.

30 TAC 290.46(n)(1)-- Accurate and up-to-date detailed as-built plans or record drawings and specifications for each treatment plant, pump station, and storage tank shall be maintained at the public water system until the facility is decommissioned. As-built plans of individual projects may be used to fulfill this requirement if the plans are maintained in an organized manner.

30 TAC 290.46(n)(3)-- Copies of well completion data such as well material setting data, geological log, sealing information (pressure cementing and surface protection), disinfection information, microbiological sample results, and a chemical analysis report of a representative sample of water from the well shall be kept on file for as long as the well remains in service.

**Recommended Corrective Action:** Provide by the compliance due date, copies of as-built plans or record drawings and specifications for the production, treatment, storage and pressure maintenance facilities, and well completion data for well #1.

### ALLEGED VIOLATION(S) NOTED AND RESOLVED ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 447836

30 TAC Chapter 290.45(b)(1)(B)(i)

**Alleged Violation:**

Investigation: 955597

Comment Date: 10/04/2011

Failure to meet this Agency's "Minimum Water System Capacity Requirements." These requirements include: a well capacity of 0.6 gallons per minute per connection.

Investigation: 1248152

Comment Date: 06/17/2015

Compliance was determined during the 04/21/2015 Comprehensive Compliance Investigation.

**Recommended Corrective Action:** Your water system must be modified to meet this requirement to assure an adequate supply of water at all times.

Please be advised that public water systems shall notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, or distribution facilities. Public water systems shall submit plans and specifications for the proposed changes upon request.

The water system may request an exception to these requirements by writing to TCEQ, Water Supply Division, Public Drinking Water Section, Surveillance and Technical Assistance, MC 155, P.O. Box 13087, Austin, TX 78711-3087; phone: (512) 239-6020.

Compliance Documentation: Submit a compliance plan, engineering report or certification OR a copy of a letter requesting an exception in addition to a compliance plan for final compliance. OR a copy of a letter granting an exception to verify compliance.

**Resolution:** At the time of the investigation, the entity was compliant with well production minimum capacity requirements.

---

Track No: 573500

30 TAC Chapter 290.43(c)(6)

**Alleged Violation:**

Investigation: 1248152

Comment Date: 06/17/2015

Failure to maintain watertight conditions.

At the time of the investigation, the manway on the fiberglass ground storage tank was leaking.

30 TAC 290.43(c)(6)-- Clearwells and potable water storage tanks shall be thoroughly tight against leakage, shall be located above the groundwater table, and shall have no walls in common with any other plant units containing water in the process of treatment. All associated appurtenances including valves, pipes, and fittings shall be tight against leakage.

**Recommended Corrective Action:** Provide by the compliance due date, a completed work order, receipt or invoice and/or photograph indicating that the leaking manway on the fiberglass ground storage tank has been repaired.

**Resolution:** Photographs and written documentation indicating that the leaking fiberglass ground storage tank had been taken out of service were provided.

---

Track No: 573501

30 TAC Chapter 290.46(n)(2)

**Alleged Violation:**

Investigation: 1248152

Comment Date: 06/17/2015

Failure to provide a distribution map.

At the time of the investigation, no distribution map was provided.

30 TAC 290.46(n)(2)-- An accurate and up-to-date map of the distribution system shall be available so that valves and mains can be easily located during emergencies.



**Recommended Corrective Action:** Provide a copy of a distribution map that indicates the location of the water lines, line sizes and valves in accordance with requirements to demonstrate compliance.

**Resolution:** A copy of a distribution map was provided.

## AREA OF CONCERN

Track No: 573498

30 TAC Chapter 290.46(v)

**Alleged Violation:**

Investigation: 1248152

Comment Date: 06/17/2015

Failure to install electrical wiring in accordance with requirements.

At the time of the investigation, the electrical wiring located at well #2 was not securely installed in compliance with a local or national electrical code.

30 TAC 290.46(v)– Electrical wiring. All water system electrical wiring must be securely installed in compliance with a local or national electrical code.

**Recommended Corrective Action:** Provide by the compliance due date, a photograph and/or a completed work order, receipt or invoice indicating that the electrical wiring at well #2 has been securely installed in compliance with a local or national electrical code to demonstrate compliance.

**Resolution:** A photograph indicating that the electrical wiring located at well #2 has been securely installed in compliance with a local or national electrical code to demonstrate compliance was provided.

Track No: 573499

30 TAC Chapter 290.46(m)

**Alleged Violation:**

Investigation: 1248152

Comment Date: 06/17/2015

Failure to properly maintain water system facility.

At the time of the investigation, the barbed wire at the water plant was not facing outward at a 45 degree angle.

30 TAC 290.46(m) – The maintenance and housekeeping practices used by a public water system shall ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water.

**Recommended Corrective Action:** Provide by the compliance due date, a completed work order, receipt or invoice and/or photograph indicating that barbed wire at the water plant has been installed to face outward at a 45 degree angle.

**Resolution:** Photographs indicating that the barbed wire at the water plant has been installed to face outward at a 45 degree angle were provided.

Track No: 573503

30 TAC Chapter 290.121(a)

**Alleged Violation:**

Investigation: 1248152

Comment Date: 06/17/2015

Failure to provide an accurate and up-to-date system monitoring plan.

At the time of the investigation, the monitoring plan did not include updated responsible officials, connection counts, identification of the entry point number, and no schematic map was provided.

30 TAC 290.121(a)-- All public water systems shall maintain an up-to-date chemical and microbiological monitoring plan. Monitoring plans are subject to the review and approval of the executive director. A copy of the monitoring plan must be maintained at each water treatment plant and at a central location.

**Recommended Corrective Action:** Provide by the compliance due date, a copy of an accurate and up-to-date monitoring plan.

**Resolution:** A copy of an accurate and up-to-date monitoring plan was provided.

### ADDITIONAL ISSUES

#### Description

WATER DISTRIBUTION: Meets applicable 290.44 standards?

#### Additional Comments

Please be advised per the 30 Texas Administrative Code (TAC) 344.51(d), irrigation systems installed on properties served by an On-site septic facility (OSSF) are deemed conduits to the known health hazard of the OSSF and are required to have reduced pressure principle backflow prevention assemblies (RPBAs) installed to protect against this health hazard, these devices must be tested annually. If the system was installed prior to 2009, then the existing backflow prevention method is allowed but, it must meet the annual testing requirement. Please begin implementing this requirement in your cross connection control program in order to meet the requirements of 30 TAC 290.44(h)(1). For questions regarding irrigation systems, please contact the Landscape Irrigation Program, at (512) 239 5296. For questions regarding your Cross Connection Control Program, please contact the TCEQ Cross Connection Control Program at 512 239 4691. You may also e mail your question or comment to [pdws@tceq.texas.gov](mailto:pdws@tceq.texas.gov).



December 16, 2015

Texas Commission on Environmental Quality  
Ms. De'Shaune Blake  
14250 Judson Rd  
San Antonio, Texas 78233-4480

**RE: Exit Interview, SJWTX North Point 04/09/2015**

Dear Ms. Blake,

The following are in response to the TCEQ Notice of Violation you sent on July 3, 2015. If you need additional information or clarification on any of these responses please contact me. I would appreciate a reply notifying us if we have fulfilled and/or met all requirements and return to compliance on all alleged violations.

- ◆ AV #1- Failure to install electrical wiring at well #2 in conduit.
  - Installed wiring WO# 80195
    - Resolved on 04/23/2015 via fax
    - No enclosures
- ◆ AV #2- Failure to install barbed wire on intruder-resistant fence facing outward
  - Installed barbed wire WO# 80196
    - Resolved on 04/23/2015 via fax
    - No enclosures
- ◆ AV #3- Failure to repair leaking manway on fiberglass ground storage tank
  - Remove fiberglass GST WO# 80194
    - Resolved on 04/23/2015 via fax
    - No enclosures
- ◆ AV #4- Failure to provide a distribution map
  - Enclosed is an revised distribution map including a legend
- ◆ AV #5- Failure to provide copies of customer service inspections.
  - The North Point system did not have any new construction homes or identified potential cross-connection control situations.
    - Pending a response from Al Fuentes and Kenny Dykes regarding Records retention.
- ◆ AV #6- Failure to update the monitoring plan.
  - Revised monitoring plan
    - Resolved on 05/15/2015 via email
    - No enclosures

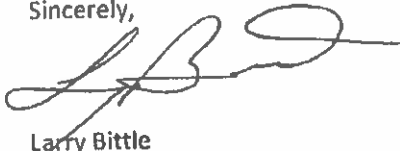
Canyon Lake Water Service Company  
P.O. Box 1742 • Canyon Lake, Texas 78133  
(830) 964-3854 / Fax (830) 964-2779  
[www.clwsc.com](http://www.clwsc.com)

Page 2  
December 15, 2015

- AV #7 Failure to provide as-built plans or record drawings and specification and well completion data records for the public water supply
  - Enclosed current as-built
    - Facilities Photos
      - Treatment
      - Storage
      - Pressure
  - Enclosed is the State of Texas well report along with the TWDB well schedule.
    - Well completion data unavailable- SOC and VOC are collected and in compliance with TCEQ standards

Should you require additional documentation or have any questions regarding our response feel free to contact me at (830) 964-2166 or by email to [larry.bittle@clwsc.com](mailto:larry.bittle@clwsc.com)

Sincerely,



Larry Bittle  
Director of Operations  
Canyon Lake Water Service Company

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

**1. Article Addressed to:**

TCEQ Region 13  
Ms. De'Shaune Blake  
14250 Judson Rd  
San Antonio, Texas 78233-4480



9590 9403 0631 5183 0774 44

**2. Article Number (Transfer from service label)**

7015 1520 0000 7410 3321

PS Form 3811, April 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

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☐ Agent

☐ Addressee

**B. Received by (Printed Name)**

**C. Date of Delivery**

**D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No**

TCEQ R-13 2015 DEC 17 09:10

**3. Service Type**

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Permit No. G-10

Attn: **Challene Simmons**

**CANYON LAKE WATER SERVICE COMPANY**

P.O. Box 1742

Canyon Lake, Texas 78133

is box\*

2015 PWS 0460235 CCI Response

USPS TRACKING#



9590 9403 0631 5163 0774 44





# Rust Ranch

PWS ID 0160019

January 26, 2016

B T S  
TEXAS

# TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

Regulated Entity/Site Name	Rust Ranch Water Supply			TCEQ Add. ID No. RN No. (optional)	01600019
Investigation Type	CCI	Contact Made In-House (Y/N)		Purpose of Investigation	
Regulated Entity Contact	Larry Bittle			Telephone No.	
Title	Director of Operations			Date Contacted	
				Date Rec'd	1-26-2016

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request: Identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type <sup>1</sup>	Rule Citation (if known)	Description of Issue
1	PV		There was no floor-level vent in the chlorination building.
2	D		The water system is at 85% of its current well production capacity and may be required to submit a planning report as required by 30 Texas Administrative Code 291.93(A)-(E).

<sup>1</sup>Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.

Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date
Laurence King	1-26-2016	Larry Bittle	2/6/2016

If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.





January 27, 2016

Texas Commission on Environmental Quality  
Mr. Lawrence King  
12100 Park 35 Circle, Bldg. A, MC: R-11  
Austin, TX 78753

**RE: PWS ID 0160019 RUST RANCH**  
**Comprehensive Compliance Investigation**

Dear Mr. King,

Thank you for visiting our Rust Ranch facilities and your efforts promoting the health and safety of the public we serve.

I have reviewed the Exit Interview and prepared the following response your comments:

**Issue No. 1, Type PV:** – No low level vent in chlorination room.

- This issue has been corrected by the installation of a screen vent near the floor of the chlorine room. (see enclosed photo)

**Issue No. 2, Type O:** – Water system is at 85% of its production capacity and by 30 TAC 291.93(3)(A)-(E).

- CLWSC has previously contracted with Wet Rock Consulting to perform an analysis of specific capacity, including drawdown of Well #3. The results of the study indicate that in order to achieve maximum well capacity the pump and motor should be increased in size to withdraw 52 gallons per minute (gpm). The replacement / upgrade of the replacement of the pump and motor for Well #3 has been funded and is scheduled for replacement in 2016. The replacement pump and motor will increase the yield from Well #3 from its current 34 gpm to 52 gpm.

Canyon Lake Water Service Company  
P.O. Box 1742 • Canyon Lake, Texas 78133  
(830) 964-3854 / Fax (830) 964-2779  
[www.clwsc.com](http://www.clwsc.com)

January 27, 2016

- CLWSC is aware that Well #4, Whitmire, is producing significantly less than it's historical pumping rate. Observations from field staff have determined that the probable cause of the decrease in capacity is a hole in the column/downpipe. The customers in the Rust Ranch subdivision are typically conservative in their water use and as such the need for additional water supply to meet their demands has not warranted the need for us to pursue corrective action in regards to the Whitmire well. Nonetheless, CLWSC will take the necessary action in 2016 to bring the well back to its normal pumping state of 20 gpm from the current 3.5 gpm.
- The repair and replacement of the wells will bring our total production capacity from 100.5 gpm to 135 gpm or 86.4% to 64% of capacity for our 144 connections in Rust Ranch.
- The area that is nearing the 85% capacity mark is in our pressure tank capacity. We currently have 3,150 gallons of pressure tank capacity. Required capacity at 144 connections is 2,880 gallons @ 85% 2,678 gallons. We will begin making plans to replace the two 1,100 gallon pressure tanks at the Rust Ranch main station with a single 5,000 gallon pressure tank. I anticipate the 5,000 gallon pressure tank will be installed this year, 2016.

Should you require additional documentation or have any questions regarding our response feel free to contact me at (830) 964-2166 or by email to [larry.bittle@clwsc.com](mailto:larry.bittle@clwsc.com).

Regards,



Larry Bittle

Director of Operations

Canyon Lake Water Service Company

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

King  
Circle  
Bldg. A, MC: R-11  
Austin, TX 78753



9590 9403 0631 5183 0773 21

2. Article Number (Tracks from sender to add)

7015 1520 0000 7410 3437

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

*Chloe* *St. Kimberland* ☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below ☐ No

FEB 01 2016

TCEC MAIL CENTER

MM

## 3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Delivery Restricted Delivery
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☒ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

(over \$500)

Restricted Delivery

UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid

No. G-10

Attn: Charlene Simmons

CANYON LAKE WATER SERVICE COMPANY

P.O. Box 1742

Canyon Lake, Texas 78133

OX\*

2016 Response to PWS 0160019 CCI

USPS TRACKING#



9590 9403 0631 5183 0773 21



# Summit North

PWS ID 0460220

February 25, 2016

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

April 21, 2016

Mr. Richard W. Roth, President  
SJWTX, Inc.  
P.O. Box 1742  
Canyon Lake, TX 78133-0005

Re: Compliance Evaluation Investigation at:  
SJWTX Summit North Subdivision, Located on Crane Mill Road S of SH 32,  
Comal County, Texas  
Regulated Entity No.: RN101206977, TCEQ ID No.: 0460220, Investigation  
No.: 1313993

Dear Mr. Roth,

On February 25, 2016, Mrs. Agnieszka Hobson of the Texas Commission on Environmental Quality (TCEQ) San Antonio Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mrs. Hobson in the San Antonio Region Office at (210) 403-4075.

Sincerely,

A handwritten signature in black ink, appearing to read "Joy Thurston-Cook".

Joy Thurston-Cook, Water Section Team Leader  
San Antonio Region Office

JTC/AMH/eg



# Triple Peak

PWS ID 0460172

September 4, 2014

# TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Request

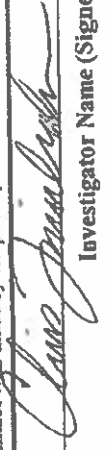
Regulated Entity/Name	SJWTX Triple Peak Plant		TCEQ Add. ID No. RN No (optional)	0460172
Investigation Type	CCI	Contact Made In-House (Y/N)	Purpose of Investigation	Routine
Regulated Entity Contact	Larry Bittie		Telephone No.	(830) 964-2166
	Director of Operations		FAX #/Email address	
			Date Contacted	
			FAX/Email date	

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request, identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues, include the rule in question with the clearly described potential problem. Other type of issues: fully describe.		Description of Issue
No.	Type <sup>1</sup>	Rule Citation (if known)		
1	AV	30 TAC 290.46(m)(4)		Failure to maintain all appurtenances related to the water system in a watertight condition. (Packing on the Netherhill transfer pump was leaking excessively.)
2	AV	30 TAC 290.42(e)(4)(C)		Failure to provide the chlorine cylinder housing with adequate ventilation. (It was observed that the building within which the chlorine cylinders are housed at the Astro hills facility, had no floor level screened vents.)
3	AI	30 TAC 344.51(d)		Please be advised per the 30 Texas Administrative Code (TAC) 344.51(d), irrigation systems installed on properties served by an On site septic facility (OSSF) are deemed conduits to the known health hazard of the OSSF and are required to have reduced pressure principle backflow prevention assemblies (RPBAs) installed to protect against this health hazard, these devices must be tested annually. If the system was installed prior to 2009, then the existing backflow prevention method is allowed but, it must meet the annual testing requirement. Please begin implementing this requirement in your cross connection control program in order to meet the requirements of 30 TAC 290.44(h)(1). For questions regarding irrigation systems, please contact the Landscape Irrigation Program, at (512) 239 5296. For questions regarding your Cross Connection Control Program, please contact the TCEQ Cross Connection Control Program at 512 239 4691. You may also e mail your question or comment to pdws@tceq.texas.gov

Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (RE) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, the document will be sent via FAX or Email to RE; therefore, the RE signature is not required.	
 Investigator Name (Signed & Printed)	Chris Friesenhahn Date 09/23/14
Regulated Entity Representative Name (Signed & Printed)	Date



Simmons, Charlene

**From:** Bittle, Larry  
**Sent:** Tuesday, October 07, 2014 11:28 AM  
**To:** Chris Friesenhahn (Chris.Friesenhahn@tceq.texas.gov)  
**Cc:** Simmons, Charlene  
**Subject:** exit interview  
**Attachments:** Netherhill before cleaning and tightening; ASTRO hills; ASTRO hills; Untitled

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Good morning Chris,

Attached are photos responding to the TCEQ exit interview signed and dated by you on 09/23/14.

No.	Type	Rule	Description	Resolution
1	AV	30 TAC 290.46(m)(4)	Failure to maintain appurtenances (Netherhill)	Repacked, cleaned and painted pump base, motor, piping (see photos)
2	AV	30 TAC 290.42(e)(4)(C)	Failure to provide adequate ventilation (Astro Hills CL2)	Installed vent screen near the bottom of the chlorine room (see photos)

Let me know if you need better or more photos and if there is anything you may have requested that have not yet provided.

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Zak Cozart, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

December 15, 2014

**CERTIFIED MAIL NO.: 91 7199 9991 7034 4997 0520**  
**RETURN RECEIPT REQUESTED**

Mr. Thomas Hodge, General Manager and Chief Operating Officer  
SJWTX, Inc.  
PO Box 1742  
Canyon Lake, Texas 78133

Re: Notice of Enforcement for a Comprehensive Compliance Investigation at:  
SJWTX Triple Peak Plant water system, Intersection of Meckel Rd and Triple Peak Rd,  
Comal County, Texas  
Regulated Entity No.: RN101247039, TCEQ PWS ID No.: 0460172, Investigation No.:  
1205321

Dear Mr. Hodges:

On September 4<sup>th</sup> and 5<sup>th</sup>, 2014, Mr. Chris Friesenhahn of the Texas Commission on Environmental Quality (TCEQ) San Antonio Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for a public water supply. During this investigation, certain outstanding alleged violations were documented. Enclosed is a summary which lists the investigation findings and recommended corrective actions. Additional recommended corrective actions may be provided by the Enforcement Division.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the San Antonio Region Office at (210) 490-3096 or the Central Office Publications Ordering Team at 512-239-0028.

Also, please be advised that the Legislature has granted enforcement powers to the TCEQ to carry out its mission to protect human health and the environment. Due to the apparent seriousness of the alleged violations, formal enforcement action has been initiated, and additional violations may be cited upon further review. We encourage you to immediately begin taking actions to address the outstanding alleged violations.

Mr. Thomas Hodge, General Manager and Chief Operating Officer  
Page 2  
December 15, 2014

**In responding with prompt corrective action, the administrative penalty to be assessed may be limited.**


The Commission recognizes that the great majority of the regulated community wants to prevent pollution and to comply with environmental laws. We dedicate considerable resources toward making voluntary compliance achievable. But where compliance has not been met it is our duty to protect the public and the environment by enforcing the state's environmental laws, regulations, and permits.

Also, if you believe the violations documented in this notice have been cited in error, **and** you have additional information that we are unaware of, you may request a meeting to discuss this enforcement matter. To request a meeting, send a letter describing the additional information to the address shown below.

Manager, Drinking Water Section  
Enforcement Division, MC 219  
Re: Enforcement Meeting Request  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

If you or members of your staff have any questions, please feel free to contact Mr. Friesenhahn in the San Antonio Region Office at (210) 403-4055.

Sincerely,



Joy Thurston-Cook  
Water Section Team Leader  
San Antonio Region Office  
Texas Commission on Environmental Quality

JTC/cmf

Enclosure: Summary of Investigation Findings

## Summary of Investigation Findings

SJWTX TRIPLE PEAK PLANT

Investigation # 1205321

Investigation Date: 09/04/2014

, COMAL COUNTY,

Additional ID(s): 0460172

### OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF ENFORCEMENT

Track No: 552835 Compliance Due Date: To Be Determined

30 TAC Chapter 290.45(b)(1)(D)(i)

30 TAC Chapter 290.45(b)(2)(A)

30 TAC Chapter 290.45(b)(2)(B)

#### Alleged Violation:

Investigation 1205321

Comment Date: 11/05/2014

Failure to provide adequate water production capacity

At the time of the investigation, it was determined that the combined water production from the wells and raw water pumps and treatment plant capacity were not adequate enough to meet the 0.6 gpm per connection. With 7,107 connections the water system is required to provide at least 4,264.2 gpm and it only providing 3,396 gpm with the largest raw water pump out of service. The water system is currently 21.41% deficient.

30 TAC 290.45(b)(1)(D)(i)--two or more wells having a total capacity of 0.6 gpm per connection. Where an interconnection is provided with another acceptable water system capable of supplying at least 0.35 gpm for each connection in the combined system under emergency conditions, an additional well will not be required as long as the 0.6 gpm per connection requirement is met for each system on an individual basis. Each water system must still meet the storage and pressure maintenance requirements on an individual basis unless the interconnection is permanently open. In this case, the systems' capacities will be rated as though a single system existed.

30 TAC 290.45(b)(2)(A)--a raw water pump capacity of 0.6 gpm per connection with the largest pump out of service.

30 TAC 290.45(b)(2)(B)--a treatment plant capacity of 0.6 gpm per connection under normal rated design flow.

**Recommended Corrective Action:** Increase the water production capacity by increasing well production (additional well; larger production pump), increasing the raw water pump capacity (larger pumps; additional intake) and/or increase the treatment plant capacity.

Any significant change made to the water system must be approved by the TCEQ Utilities Technical Review Team. All plans need to be submitted to the following:

Utilities Technical Review Team, MC 159  
Texas Commission on Environmental Quality  
PO BOX 13087  
Austin, Texas 78711 3087

To document compliance, submit documentation indicating that the water production capacity has been increased to the required amount to the TCEQ Enforcement Division by its established due date.

### ALLEGED VIOLATION(S) NOTED AND RESOLVED ASSOCIATED TO A NOTICE OF ENFORCEMENT

Track No: 552831

30 TAC Chapter 290.46(m)(4)

**Alleged Violation:**

Investigation: 1205321

Comment Date: 11/05/2014

Failure to maintain all appurtenances related to the water system in a watertight condition

At the time of the investigation, the packing on the Netherhill transfer pump was leaking excessively.

30 TAC 290.46(m)(4)--All water treatment units, storage and pressure maintenance facilities, distribution system lines, and related appurtenances shall be maintained in a watertight condition and be free of excessive solids.

**Recommended Corrective Action:** Repair the transfer pump to insure that it is in a watertight condition.

To document compliance, submit photographic documentation which indicates that pump has been repaired and is in a watertight condition to this office by the compliance due date.

**Resolution:** 10/07/2014--Documentation was provided by Mr. Bittle which included photographs of the repaired transfer pump

Track No: 552834

30 TAC Chapter 290.42(e)(4)(C)

**Alleged Violation:**

Investigation: 1205321

Comment Date: 11/05/2014

Failure to provide the chlorine cylinder housing with adequate ventilation.

At the time of the investigation, it was observed that the building within which the chlorine cylinders are housed at the Astro hills facility, had no floor level screened vents

30 TAC 290.42(e)(4)(C)--Adequate ventilation, which includes both high level and floor level screened vents, shall be provided for all enclosures in which gas chlorine is being stored or fed. Enclosures containing more than one operating 150-pound cylinder of chlorine shall also provide forced air ventilation which includes screened and louvered floor level and high level vents; a fan which is located at and draws air in through the top vent and discharges to the outside atmosphere through the floor level vent, and a fan switch located outside the enclosure. Alternately, systems may install negative pressure ventilation as long as the facilities also have gas containment and treatment as prescribed by the current International Fire Code (IFC).

**Recommended Corrective Action:** Install the required floor level vents to insure that the building meets the requirements of 290.42(e)(4)(C)

To document compliance, submit photographic documentation which indicates that a vent has been installed to this office by the compliance due date.

**Resolution:** 10/07/2014--Compliance documentation was provided by Mr. Bittle which included photographs that indicated that vents had been installed.

## ADDITIONAL ISSUES

Description

Additional Comments

Item 4

Please be advised per the 30 Texas Administrative Code (TAC) 344.51(d), irrigation systems installed on properties served by an On site septic facility (OSSF) are deemed conduits to the known health hazard of the OSSF and are required to have reduced pressure principle backflow prevention assemblies (RPBAs) installed to protect against this health hazard, these devices must be tested annually. If the system was installed prior to 2009, then the existing backflow prevention method is allowed but, it must meet the annual testing requirement. Please begin implementing this requirement in your cross connection control program in order to meet the requirements of 30 TAC 290.44(h)(1). For questions regarding irrigation systems, please contact the Landscape Irrigation Program, at (512) 239 5296. For questions regarding your Cross Connection Control Program, please contact the TCEQ Cross Connection Control Program at 512 239 4691. You may also e mail your question or comment to [pdws@tceq.texas.gov](mailto:pdws@tceq.texas.gov)

Bryan W. Shaw, Ph.D., P.E., Chairman  
Toby Baker, Commissioner  
Richard A. Hyde, P.E., Executive Director



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

June 22, 2015

**CERTIFIED MAIL NO.: 91 7199 9991 7035 6508 3623**  
**RETURN RECEIPT REQUESTED**

Mr. Thomas Hodge, Vice President  
SJWTX, Inc.  
PO Box 1742  
Canyon Lake, Texas 78133

Re: Notice of Violation for the Comprehensive Compliance Investigation at:  
SJWTX Triple Peak Plant water system, Intersection of Meckel Rd and Triple Peak Rd,  
Comal County, Texas  
Regulated Entity No.: RN101247039, TCEQ PWS ID No.: 0460172, Investigation No.:  
1246919

Dear Mr. Hodge:

On April 23, 2015, Mr. Chris Friesenhahn of the Texas Commission on Environmental Quality (TCEQ) San Antonio Region Office conducted a file review investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for a public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, a certain outstanding alleged violation was identified for which compliance documentation is required. Please submit to this office by October 1, 2015, a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violation.

In the listing of the alleged violation, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the San Antonio Region Office at (210)490-3096 or the Central Office Publications Ordering Team at 512-239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violation as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation documented in this notice. Should you choose to do so, you must notify the San Antonio Region Office within 10 days from the date of this letter. At that time, Water Section Manager, Ms. Lynn Bumgardner will schedule a violation

Mr. Thomas Hodge

June 22, 2015

Page 2

review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the enclosed Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Mr. Friesenhahn in the San Antonio Region Office at (210) 403-4055.

Sincerely,



Ms. Joy Thurston-Cook  
Water Section Team Leader  
San Antonio Region Office

JTC/cf



## Summary of Investigation Findings

SJWTX TRIPLE PEAK PLANT

Investigation # 1246919

Investigation Date: 04/23/2015

COMAL COUNTY,

Additional ID(s): 0460172

### OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 552835

Compliance Due Date: 10/01/2015

30 TAC Chapter 290.45(b)(1)(D)(i)

30 TAC Chapter 290.45(b)(2)(A)

30 TAC Chapter 290.45(b)(2)(B)

#### Alleged Violation:

Investigation: 1205321

Comment Date: 11/05/2014

Failure to provide adequate water production capacity.

At the time of the investigation, it was determined that the combined water production from the wells and raw water pumps and treatment plant capacity were not adequate enough to meet the 0.6 gpm per connection. With 7,107 connections the water system is required to provide at least 4,264.2 gpm and it only providing 3,396 gpm with the largest raw water pump out of service. The water system is currently 21.41% deficient.

30 TAC 290.45(b)(1)(D)(i)--two or more wells having a total capacity of 0.6 gpm per connection. Where an interconnection is provided with another acceptable water system capable of supplying at least 0.35 gpm for each connection in the combined system under emergency conditions, an additional well will not be required as long as the 0.6 gpm per connection requirement is met for each system on an individual basis. Each water system must still meet the storage and pressure maintenance requirements on an individual basis unless the interconnection is permanently open. In this case, the systems' capacities will be rated as though a single system existed.

30 TAC 290.45(b)(2)(A)--a raw water pump capacity of 0.6 gpm per connection with the largest pump out of service.

30 TAC 290.45(b)(2)(B)--a treatment plant capacity of 0.6 gpm per connection under normal rated design flow.

Investigation: 1246919

Comment Date: 04/28/2015

Failure to provide adequate water production capacity.

At the time of the 09/04/2014 investigation, it was determined that the combined water production from the wells and raw water pumps and treatment plant capacity were not adequate enough to meet the 0.6 gallons per minute (gpm) per connection. With 7,107 connections the water system is required to provide at least 4,264.2 gpm and is only providing 3,396 gpm with the largest raw water pump out of service. The water system is currently 21.41% deficient.

The water system was granted an alternative capacity requirement (ACR) for total water production capacity of 0.5 gpm/connection in a letter dated 03/25/2015 from the TCEQ Plan & Technical Review Section. With the new requirement the water system is required to provide at least 3,553.5 gpm. Previously it was determined that 3,396 gpm of total production capacity was being provided which is still 4.4% deficient even with the ACR.

**Recommended Corrective Action:** Increase the water production capacity by increasing well production (additional well, larger production pump), increasing the raw water pump capacity (larger pumps, additional intake) and/or increase the treatment plant capacity.

**SJWTX TRIPLE PEAK PLANT**

Investigation # 1246919

Any significant change made to the water system must be approved by the TCEQ Utilities Technical Review Team. All plans need to be submitted to the following:

Utilities Technical Review Team, MC 159  
Texas Commission on Environmental Quality  
PO BOX 13087  
Austin, Texas 78711 3087

To document compliance, submit documentation indicating that the water production capacity has been increased to the required amount to this office by the compliance due date.



June 30, 2015

Mr. Chris Friesenhahn  
Texas Commission on Environmental Quality  
Region 13  
14520 Judson Rd  
San Antonio, Texas 78233-4480

**RE: NOTICE OF VIOLATION FOR THE COMPREHENSIVE COMPLIANCE INVESTIGATION  
PWS ID 0460172, INVESTIGATION No. 1246919**

Dear Mr. Friesenhahn,

Upon review of the Alleged Violation(s): Investigation 1205321 and 1246919 we have identified a reporting error in the data provided to you at the time of the investigation.

We failed to provide you with the correct data associated with our connection count. We informed you that we had 7,107 connections in the system at the time of the investigation. We performed an extensive evaluation of meter counts and LUE's as a part of our study associated with our request for an Alternative Capacity Requirement (ACR). The evaluation determined that, at the time of your investigation, we had 6,774.5 LUE's, see page 1 and Table 9 page 12 of the ACR. It was discovered that the original LUE count that was provided included vacant locations. We also found that some connections were not assigned to the correct PWS ID. The net result of our more thorough investigation is a reduction of 332 LUE's.

We have completed construction and are awaiting TCEQ final approval to operate Vintage Oaks wells #2 and #3. Two wells recently constructed in the Woodlands should be ready for service in 2016.

Well Description	Potential Pumping Capacity (GPM)	TCEQ Reference Plan Review Log No.
Vintage Oaks Well #2	120	200609-141
Vintage Oaks Well #3	100	P-02252015-164
Woodlands Well #1	350	P-03132015-080
Woodlands Well #2	600	

Once received, we will forward the approval letters from the TCEQ Austin office to you. We hope that these corrections and additional facilities are sufficient to correct the alleged violations.

Canyon Lake Water Service Company  
P.O. Box 1742 • Canyon Lake, Texas 78133  
(830) 964-3854 / Fax (830) 964-2779  
[www.clwsc.com](http://www.clwsc.com)

If you have any questions or need additional information please contact me.

Regards,

A handwritten signature in dark ink, appearing to read "Thomas Hodge", written in a cursive style.

Thomas Hodge  
Chief Operating Officer  
Canyon Lake Water Service Company

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Attn: Charlene Simmons

CANYON LAKE WATER SERVICE COMPANY

P.O. Box 1742

Canyon Lake, Texas 78133

2015 0460172 Notice of Violation Response



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Mr. Chris Friesenhahn  
TCEQ Region 13  
14520 Judson Rd  
San Antonio, Texas 78233-4480

## 2. Article Number

(Transfer from service label)

7014 0150 0001 2823 1733


PS Form 3811, July 2013

Domestic Return Receipt

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

☐ Agent☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☒ No

## 3. Service Type

☒ Certified Mail®☐ Priority Mail Express®☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ Collect on Delivery

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

September 15, 2015

Mr. Thomas Hodge, Vice President  
SJWIX, Inc.  
PO Box 1742  
Canyon Lake, Texas 78133

Re: Notice of Compliance with Notice of Violation (NOV) dated: June 22, 2015  
SJWIX Triple Peak Plant water system, Intersection of Meckel Rd and Triple Peak Rd,  
Comal County, Texas  
Regulated Entity No.: RN101247039, TCEQ PWS ID No.: 0460172, Investigation No.:  
1261960

Dear Mr. Hodge:

This letter is to inform you that the Texas Commission on Environmental Quality (TCEQ) San Antonio Regional Office has received adequate compliance documentation on July 2, 2015 to resolve the alleged violations documented during the investigation of the above-referenced regulated entity conducted on September 4, 2015. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Mr. Chris Friesenhahn at the San Antonio Regional Office at (210) 403-4055.

Sincerely,

A handwritten signature in black ink, appearing to read "Joy Thurston-Cook".

Ms. Joy Thurston-Cook  
Water Section Team Leader  
San Antonio Region Office

JTC/cf/eg



## Robert G Boyd PE

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**From:** Chris Friesenhahn <chris.friesenhahn@tceq.texas.gov>  
**Sent:** Monday, July 11, 2016 9:21 AM  
**To:** Bittle, Larry  
**Cc:** Robert G. Boyd, PE  
**Subject:** RE: nov

Hi Larry,

I don't remember the discussion you're talking about but, yes, the Sept 15, 2015 letter is a Notice of Compliance letter which states that no further action is required because the violation(s) cited during the Sept 2, 2014 investigation has been resolved.

**Chris Friesenhahn** | Environmental Investigator | TCEQ San Antonio Regional Office  
14250 Judson, Rd. San Antonio Texas 78233 | ☎ (210) 403-4055 Fax: (210) 545-4329 |  
✉: [Chris.friesenhahn@tceq.texas.gov](mailto:Chris.friesenhahn@tceq.texas.gov)



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**From:** Bittle, Larry [mailto:larry.bittle@clwsc.com]  
**Sent:** Monday, July 11, 2016 8:54 AM  
**To:** Chris Friesenhahn <chris.friesenhahn@tceq.texas.gov>  
**Cc:** Robert G. Boyd, PE <rgboyd@btstexas.com>  
**Subject:** nov

Good morning Chris,

A few weeks ago we had discussed the June 22, 2015 letter regarding the alleged violations in the Triple Peak system, PWS ID 0460172. Can you confirm that the letter from Joy Thurston-Cook dated September 15, 2015 completes the investigation and returns CLWSC to compliance for the NOV's addressed in the June 22, 2015 letter.

Regards,

**Larry Bittle**  
Director of Operations  
Canyon Lake Water Service Company  
PO Box 1742 Canyon Lake, Texas 78133  
Office 830.964.2166  
[www.clwsc.com](http://www.clwsc.com)

