January 5, 2024

RE: AQUA Texas Files Federal Lawsuit Against the Hays Trinity Groundwater Conservation District in 2024.

Groundwater is the only source of drinking water for the majority of western Hays County -- that's tens of thousands of residents.

AQUA Texas is responsible for providing adequate and continuous water to its ratepayers. In order to protect the rights of all groundwater users in the area, AQUA Texas is required to abide by state and local laws regulating groundwater pumping. AQUA Texas has an annually renewable operating permit issued by the local Hays Trinity Groundwater Conservation District for its groundwater pumping within the District.

AQUA Texas is currently in breach of its local groundwater permit for a variety of violations including failure to adhere to its approved Drought Management Plan, over production of groundwater, and failure to maintain its water supply infrastructure as required by District Rules.

As reflected in self-reported production volumes for 2022, AQUA Texas over produced its annual allotment by over 89 million gallons. To put that into perspective, in 2022 alone, AQUA Texas over pumped almost double (88%+) the amount that its permit allowed . On review of AQUA Texas's 2022 leakage reports, its systems lost as much as 32% of its water due to poorly maintained water pipe infrastructure.

The District has offered AQUA Texas a settlement agreement in order to address the repair of AQUA's substandard water delivery systems and resolve the violations.

To answer AQUA Texas's claims:

The Groundwater Conservation District will cut AQUA Texas and its customers off from water.

FALSE: The District has never threatened AQUA Texas's customers' access to water.

The Groundwater Conservation District has denied AQUA Texas from a public hearing to discuss the violation.

FALSE: AQUA representatives requested that no hearing be held while negotiations are ongoing.

(over)



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The Groundwater Conservation District has assessed an illegal production fee.

FALSE: The District offered a Settlement Agreement that reflects AQUA's enormous overproduction, largely due to AQUA Texas's failure to fix leaking infrastructure, and seeks to incentivize adherence to AQUA Texas's drought conservation guidelines and to bring its infrastructure up to industry standards.

The Groundwater Conservation District regularly offers forgiveness for overproduction violations.

TRUE: Individual expenditures on improvements that increase groundwater conservation and expenses to repair force-majeur failures (for example, pipe breaks from the extraordinary freezes,) meet the District's goal of highest water use efficiency and are regularly considered for reduction of settlement amounts.

The Groundwater Conservation District unfairly denied only AQUA Texas opportunity for violation forgiveness. FALSE: The AQUA Texas settlement process is ongoing, and no determination has been made whether its infrastructure expenditures qualify as conservation improvements or out of the ordinary weather-related line failures; or expenditures that would only qualify as regular maintenance and operational costs.

The population in western Hays County has doubled in the last 20 years, and the local Trinity Aquifer is at its lowest recorded levels. The District is entrusted by the State of Texas to conserve, preserve, and prevent waste of groundwater.

Put simply, Aqua Texas has not abided by its permit from the District and has failed to keep its infrastructure in shape, resulting in the ongoing overproduction of its permit. This is to the detriment of the citizens of Wimberley and Woodcreek, including Aqua's own customers, who do their best to conserve.

Sincerely,

Charlie Flatten, General Manager

Hays Trinity Groundwater Conservation District