

April 13, 2023

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



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

Dear Mr. Reeh:

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

District Rule Penalty Schedule 10.1.3 (H):

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

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

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

Penalty Calculation:

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

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Report Summary 10.1.3 (H): Woodcreek Phase II

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

Penalty Calculation:

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

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Report Summary 10.1.3 (H): Mountain Crest

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

Penalty Calculation:

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

Total Penalties all systems: \$448,710.

Payment Due Date: May 8, 2023

Continued next page ~

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

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

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

Sincerely,

Charlie Flatten