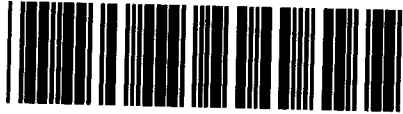


Control Number: 43990



Item Number: 60

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
Legislature, Regular Session, transferred the functions  
relating to the economic regulation of water and sewer  
utilities from the TCEQ to the PUC effective  
September 1, 2014

GENERAL OFFICE  
933 East Court Street  
Seguin, Texas 78155  
Phone: 830-379-5822  
800-413-5822  
Fax: 830-379-9718

BUDA WASTEWATER  
RECLAMATION  
PLANT  
575 County Road 236  
Buda, Texas 78610  
Phone: 512-312-0526  
Fax: 512-312-0526

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

LAKE WOOD  
RECREATION AREA  
167 FM 2091 South  
Gonzales, Texas 78629  
Phone: 830-672-2779  
Fax: 830-672-2779

LOCKHART WATER  
TREATMENT PLANT  
547 Old McMahon Road  
Lockhart, Texas 78644  
Phone: 512-398-3528  
Fax: 512-398-3528

LOCKHART  
WASTEWATER  
RECLAMATION  
SYSTEM  
4435 FM 20 East  
Lockhart, Texas 78644  
Phone: 512-398-6391  
Fax: 512-398-2036

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

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

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

GBRA WEBSITE  
[www.gbra.org](http://www.gbra.org)



GUADALUPE-BLANCO RIVER AUTHORITY

August 31, 2005

Kellye Rila  
Team Leader  
Water Rights Permitting Team  
P.O. Box 13087  
Austin, TX 78711-3087

Re: First Amendment to Agreement Between Kendall County Utility Company and  
Tapatio Springs Service Company, Inc. and Guadalupe-Blanco River Authority

Dear Ms. Rila:

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 First Amendment to Agreement Between Kendall County Utility Company and Tapatio Springs Service Company, Inc. and Guadalupe-Blanco River Authority. This Amendment increases the commitment of raw water from Canyon Reservoir under Certificate of Adjudication 18-2074, as amended, from 500 acre-feet per year to 750 acre-feet to be used for municipal purposes. This contract expires on December 31, 2037.

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

Enc.

Cc: John J. Parker, Jr.  
Al Segovia, South Texas Watermaster  
Roger Nevola, Attorney at Law

EXHIBIT 3

43990  
REC'D SEP 13 2005

RECEIVED

2014 DEC 19 AM 8:32

PUBLIC UTILITY COMMISSION  
FILING CLERK

20-041-004-0811

First Amendment to Agreement Between Kendall County Utility Company  
and Tapatio Springs Service Company, Inc. and  
Guadalupe-Blanco River Authority

This First Amendment to the March 18, 2002 Agreement between Kendall County Utility Company and Tapatio Springs Service Company, Inc. and the Guadalupe-Blanco River Authority (this "First Amendment") is made and entered into as of this 14<sup>th</sup> day of ~~June~~ <sup>July</sup> 2005, the "Effective Date" by and between Kendall County Utility Company and Tapatio Springs Service Company, Inc. ("Kendall County/Tapatio Springs") and the Guadalupe-Blanco River Authority (the "GBRA").

WHEREAS, on March 18, 2002, Kendall County/Tapatio Springs and GBRA entered into an agreement relating to the development, permitting, design, financing, construction and operation of a treated water supply project to serve Kendall County/Tapatio Springs and other parties; and

WHEREAS, within said agreement, the parties agreed that the raw water reservation amount was 500 acre-feet per year and an annual commitment of 150 acre-feet per year; and

WHEREAS, Kendall County/Tapatio Springs and GBRA both agree that it is desirable to amend the March 18, 2002 Agreement to increase the amount of raw water reserved by Kendall County/Tapatio Springs and to increase the annual commitment of treated water to Kendall County/Tapatio Springs.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual benefits and provisions hereinafter contained in this First Amendment, Kendall County/Tapatio Springs and GBRA agree that the March 18, 2002 Agreement between Kendall County/Tapatio Springs and GBRA is amended as follows:

Section 4.3 Raw Water Reservation is stricken and this new Section 4.3 Raw Water Reservation is substituted to read as follows:

"The Raw Water Reservation is the maximum amount of raw water that GBRA shall be obligated to reserve for diversion, treatment and delivery to Customer in any calendar year. The Raw Water Reservation shall be seven hundred fifty (750) acre-feet per year."

Section 4.4 Annual Commitment, subsection (a), is stricken and this new Section 4.4 Annual Commitment, subsection (a), is substituted to read as follows:

"(a) The Annual Commitment for any calendar year is the maximum amount of treated water that GBRA shall be obligated to deliver to Customer during that year. The Annual Commitment initially shall be

.179 million gallons per day (200 acre-feet per year), subject to increase as set forth in subsection (b), below."

New Section 9.10 Participation Criteria is added to read as follows:

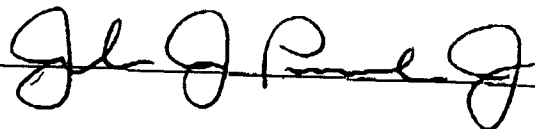
"This Agreement is subject to and the parties hereto agree to comply with the 'Participation Criteria for Treated Water Service from the Western Canyon Regional Treated Water Supply System (May 9, 2005)' approved by the GBRA Board of Directors on May 18, 2005."

IN WITNESS WHEREOF, this First Amendment to Agreement between Kendall County Utility Company and Tapatio Springs Service Company, Inc. and the Guadalupe-Blanco River Authority is executed as of the date first written above on behalf of Kendall County/Tapatio Springs and GBRA by their respective authorized officers, in multiple counterparts, each of which shall constitute an original.

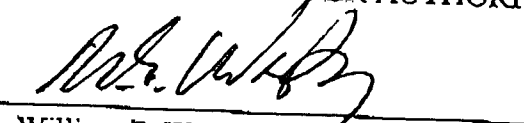
KENDALL COUNTY UTILITY COMPANY

By: 

TAPATIO SPRINGS SERVICE COMPANY, INC.

By: 

GUADALUPE-BLANCO RIVER AUTHORITY

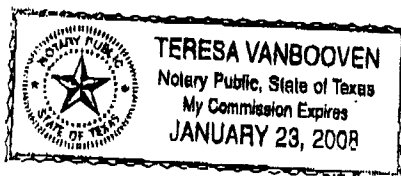
By:   
William E. West, Jr., General Manager

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 16<sup>th</sup> day of June, 2005.



Teresa VanBooven  
Notary Public  
The State of Texas

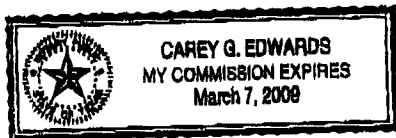
(Seal)

THE STATE OF TEXAS §

COUNTY OF KENDALL §

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared John J. Parker, Jr., 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 the 14 day of July, 2005.



Carey G. Edwards  
Notary Public  
The State of Texas

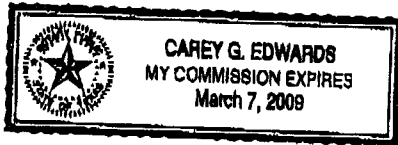
(Seal)

THE STATE OF TEXAS §

COUNTY OF KENDALL §

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared John S. Parker Jr., 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 the 14<sup>m</sup> day of July, 2005.



Carey G. Edwards  
Notary Public  
The State of Texas

(Seal)

SOAH DOCKET NO. 582-06-0425  
TCEQ DOCKET NO. 2005-1516-UCR

APPLICATION OF TAPATIO  
SPRINGS SERVICE COMPANY, INC.  
TO AMEND CERTIFICATES OF  
CONVENIENCE AND NECESSITY  
NOS. 12111 AND 20698 IN  
KENDALL COUNTY, TEXAS

§  
§  
§  
§  
§  
§  
§

BEFORE THE STATE OFFICE  
  
OF  
  
ADMINISTRATIVE HEARINGS

Pre-Filed Testimony of

John-Mark Matkin

April 27, 2006

CHIEF CLERK'S OFFICE

7:11 PM 2006 APR 27

TEXAS  
COMMISSION ON  
ENVIRONMENTAL  
QUALITY

1 **Q. Please state your full name and business address.**

2  
3 A. John-Mark Matkin  
4 8 Spencer Road, Ste. 100  
5 Boerne, Texas 78006  
6  
7

8 **Q. By whom are you employed and in what capacity?**

9  
10 A. Matkin-Hoover Engineering, Inc.  
11 President, CEO  
12  
13

14 **Q. What are your duties as President & CEO of Matkin-Hoover Engineering, Inc.?**

15  
16  
17 A. Manage all aspects of the company, both operational and financial, including  
18 project management, client relations, marketing, employee management, and  
19 budgets.  
20  
21

22 **Q. Please describe your educational background?**

23  
24 A. Texas A&M University- Bachelor of Science/Civil Engineering.  
25  
26

27 **Q. Please describe your past engineering experience?**

28  
29 A. Civil Engineering experience has included the following: Land Planning, Major  
30 Infrastructure Planning, Public Works & Utility System Analysis, all Civil Site  
31 Design (Streets, Drainage, Water, Sewer), and Flood Studies.  
32  
33

34 **Q. What licenses do you currently hold?**

35  
36 A. Professional Engineer-State of Texas.  
37  
38

39 **Q. How long have you served as CEO & President of Matkin-Hoover Engineering, Inc.?**

40  
41  
42 A. Four years and four months.  
43  
44

45 **Q. Explain the scope of your participation in SOAH Docket No. 582-06-0425?**  
46



1 A. I am the consulting engineer for the developer of the 5000-acre tract and  
2 Consulting Engineer for Tapatio Springs Service Company.  
3  
4

5 **Q. Please describe the request for service from CDS International to Tapatio**  
6 **Springs Service Company.**  
7

8 A. The request is for 1700 residential water connections.  
9  
10

11 **Q. Please describe the need for additional service to the requested area.**  
12

13 A. There is a need for service in order to get the higher density under the county  
14 subdivision ordinance. The county by law will allow for a 6-acre density with on-  
15 site groundwater. The developer has asked to be at a 3.2-acre density, which is  
16 well within the county guidelines.  
17  
18

19 **Q. Are you preparing the master plan for the development?**  
20

21 A. Yes.  
22  
23

24 **Q. What is the current status of the plat?**  
25

26 A. The plat is administratively complete. The plat has been reviewed and  
27 approved by the staff and was tabled by the Commissioners Court.  
28  
29

30 **Q. Are you familiar with the pending lawsuit that affects the CDS property? If**  
31 **so, how will this lawsuit affect this development?**  
32

33 A. Yes. Only a portion of the CDS property is affected by the pending lawsuit. If  
34 the lawsuit results in the plaintiff's favor, the affected portion will be developed  
35 with wells and the unaffected portion will be developed at a higher density.  
36  
37

38 **Q. Based on your Professional Engineering experience, what is the feasibility**  
39 **of obtaining service from any other utility other than Tapatio Springs?**  
40

41 A. The City of Boerne would be the only possible utility purveyor, however, the  
42 location of the 5000 acres as compared to the City of Boerne does not make it  
43 economically feasible.  
44

1  
2 **Q. Are you responsible for designing the utility improvements within the**  
3 **proposed development?**  
4

5 **A.** Yes.  
6  
7

8 **Q. Please describe the utility improvements that you will and/or have**  
9 **designed for the proposed development?**  
10

11 **A.** All on-site water distribution systems, booster stations, wells for peaking and  
12 groundwater storage tanks.  
13  
14

15 **Q. Who will be responsible for paying the costs associated with designing**  
16 **these improvements you just described?**  
17

18 **A.** CDS International.  
19  
20

21 **Q. Will you be responsible for designing off-site facilities? If so, describe**  
22 **these facilities.**  
23

24 **A.** Yes, off-site water transmission main and booster station.  
25  
26

27 **Q. What is the purpose of this transmission main?**  
28

29 **A.** To transport the GBRA water from the designated receiving point to the KCUC  
30 system.  
31  
32

33 **Q. What is the status of the route and/or design of this off-site transmission**  
34 **main?**  
35

36 **A.** The route has been determined, easement acquisition is on-going, and the  
37 preliminary design is complete.  
38  
39

40 **Q. Do you have an estimated cost for construction and design of the off-site**  
41 **facilities that are required to transport the surface water from GBRA to**  
42 **Tapatio Springs? If so, what is that estimate?**  
43

44 **A.** Yes. The estimate is \$2,154,983 for the 12" water main.

1  
2  
3 **Q. Did you provide an analysis of the existing water supply facilities of**  
4 **Tapatio Springs including the GBRA surface water?**  
5

6 **A. Yes.**  
7  
8

9 **Q. Will you describe what has been marked as Tapatio Springs Exhibit 1?**  
10

11 **A. It is the water supply analysis that I prepared.**  
12  
13

14 **Q. Based on this water supply analysis, does Tapatio Springs have sufficient**  
15 **water capacity to meet the standards, established by the TCEQ, to serve**  
16 **both the additional development and its existing CCN?**  
17

18 **A. Yes.**  
19  
20

21 **Q. Please explain what is meant by peaking demands?**  
22

23 **A. Peaking demands is the state mandated responsibility of a utility purveyor to**  
24 **provide for all connections maximum required production.**  
25  
26

27 **Q. In your opinion will the water purchased from GBRA meet the peaking**  
28 **demands? Please explain why it will or why not?**  
29

30 **A. No. It will supply the base demand.**  
31  
32

33 **Q. In your opinion, will the GBRA surface water need to be supplemented**  
34 **with groundwater at times to meet the peaking demands?**  
35

36 **A. Yes.**  
37  
38

39 **Q. You previously described that wells and storage facilities will be**  
40 **constructed within the proposed development. Will these wells be used to**  
41 **meet peaking demands?**  
42

43 **A. Yes.**  
44

1  
2 **Q. How many wells are you anticipating will be necessary within the**  
3 **proposed development?**  
4

5 **A. 10.**  
6  
7

8 **Q. The ratepayers contend that the Cow Creek Groundwater District won't**  
9 **issue the permits for any or all of the 10 additional wells. If the ratepayers**  
10 **are correct, what effect does this have on the proposed development?**  
11

12 **A. If the ratepayers are correct, the density could be reduced and additional**  
13 **storage could be used so that GBRA water could be used for peaking or excess**  
14 **capacity and the existing wells could be used for peaking.**  
15  
16

17 **Q. Are you familiar with the TCEQ capacity standards?**  
18

19 **A. Yes.**  
20  
21

22 **Q. Will the storage facilities be designed to meet the TCEQ capacity**  
23 **standards for the number of connections with the development?**  
24

25 **A. The storage facilities will be designed to exceed the TCEQ capacity standards.**  
26  
27

28 **Q. Based on your professional engineering experience what is the effect on**  
29 **the environmental integrity and water resources of granting the CCN to**  
30 **Tapatio Springs?**  
31

32 **A. By granting the CCN, it allows for a proper use of the water resources that are**  
33 **available to Kendall County. By using GBRA water for base demand, it limits**  
34 **the burden of residential wells on the Cow Creek Aquifer. This will provide for**  
35 **fire protection, stages of water consumption, rationing and monitoring.**  
36  
37

38 **Q. Based on your professional engineering experience what is the effect on**  
39 **the environmental integrity and water resources of not granting the CCN**  
40 **to Tapatio Springs?**  
41

42 **A. By not granting the CCN, the property would be allowed to drill 850 residential**  
43 **connections with no regulation or control of water usage.**  
44

1  
2 **Q. Do you have any other exhibits that you would like to offer as part of your**  
3 **testimony? If so, please describe them.**  
4

5 **A.** Yes. I would like to provide maps prepared by Matkin-Hoover Engineering, Inc.  
6 that depict the proposed boundary for the development and the number of  
7 connections.  
8

9  
10 **Q. Does this conclude your testimony?**  
11

12 **A.** Yes.

## **EXHIBITS**

- Exhibit 1: Water Supply Analysis for Tapatio Springs Service Company
- Exhibit 2: Maps depicting Boundary for Development and Number Connections

Affidavit of John-Mark Matkin, P.E.

STATE OF TEXAS

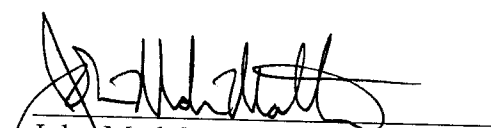
COUNTY OF KENDALL

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§  
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§

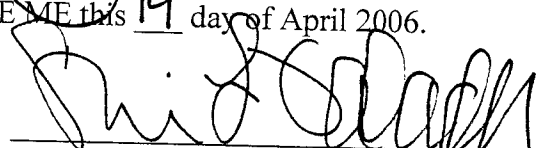
BEFORE ME, the undersigned authority, John-Mark Matkin, P.E. being duly sworn, deposes and states:

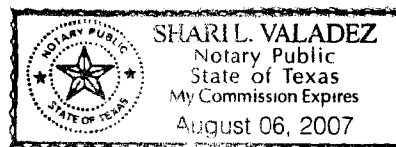
"My name is John-Mark Matkin. I am employed as the President of Matkin-Hoover Engineering, Inc., having its principal place of business in Boerne, Texas. I am over the age of twenty-one and am competent to make the following affidavit:

The foregoing testimony offered by me is true and correct and the opinions stated therein are, in my judgment and based upon my professional experience, true and correct."

  
John-Mark Matkin

SUBSCRIBED AND SWORN TO BEFORE ME this 19 day of April 2006.

  
Notary Public, State of Texas



To...

Cc...

Subject: Docket Change

Case Name: \* DENTON  
Docket Number: \* 582-03-2282  
ALJ: \* J. NORMAN  
Date: \* Mon 01/12/2004

### Type of Action:

\* Dismissed/Withdrawn (Without Setting)

Asterisk denotes a required field.

### Setting Date and Time

On/To Date and Time: None None  
From Date and Time: None None  
Duration: 0 hours

### Disposition of Case/File

Date Order Signed: Wed 12/17/2003 3:03 PM  
Disposition of case file: \* Return to TCEQ/PUC  
Assigned to ALJ:

Special Instructions:

### Measures Reporting

Notice of Hearing: None  
Hearing on Merits: None  
Record Closed: None  
PFD/FO/DO Issued: None  
Was this an Admin. Penalty Case? ☐  
Was a Fine Recommended? ☐  
Amount of fine (\$): \$0.00

Amended PFD Issued: None  
Remand Dismissed: None  
Remand Hearing: None  
Remand Record Closed: None  
Remand PFD Issued: None  
Amended Remand PFD Issued: None  
PFD Changed by Referring Agency: None  
PFD Overturned/Remanded by a Court: None

### Mediation (MSC) / ADR Information

Date Mediation Requested: None  
Date Mediation Granted/Ordered: None  
Date Mediation Denied: None  
Date Mediation Successful: None  
Date Mediation Unsuccessful: None  
Date Referred to TCEQ: None  
Date For Telephonic Mediation: None



# **Water Supply Analysis for Tapatio Springs Service Company**

**CCN Nos. 12122 and 20698**

**August 2005**

**EXHIBIT 1**

## **Executive Summary**

This report has been prepared in conjunction with the CCN Application of Tapatio Springs Service Company for the expansion into the 5000 acres that is bordered by Ranger Creek Road to the North. This property is known as The Broken "O" and is currently being platted through Kendall County as "Cielo Grande". A preliminary plat has been filed for the westernmost 2000 acres and a Master Development Plan has been filed for the entire 5000 acres.

Through the acquisition of GBRA water, Tapatio Springs Service Company has sufficient capacity by state regulations to serve this Property.

## **Existing Water Production**

The existing water production is based upon wells that have been produced in Kendall County by Kendall County Utility Company and Tapatio Springs Service Company. A summary of these wells is provided in the attachments. The current pumping rates of these wells are a combined 1360 Ac-ft/ Year. We have accounted for a 75% reduction in maximum pumping capability, which will allow 1020 Ac-ft/ Year for water service by existing well Production.

## **GBRA Water**

There is a current contract for the GBRA water signed July 14, 2005. This contract is for 750 AC-FT/ Year. This water will be available with the Western Canyon Regional Project. Matkin-Hoover Engineering, Inc. is currently designing the facilities and off-site infrastructure for this water to be delivered to the Tapatio Springs Service Company.

## **Storage**

Currently, Tapatio Springs Service Company has storage facilities in excess of 1.65 Million Gallons.

## **Existing Water Demand and Future Demand**

There is an existing customer base of 843 connections on Tapatio Springs Service Company. The 5000 acres that is currently being added to the CCN will result in additional 1700 connections to the system and future lots in Tapatio will yield 850 lots. The total ultimate connections for Tapatio Springs Service Company at this time are 3393. A total of 1697 Ac-ft/ Year will be required. Including the GBRA supply of water, the total production at this time will be 1770 Ac-ft/Year. This build out and ultimate demand will be phased in over the next ten years.

### Peak Demand

TCEQ requires .6 GPM/ Connection for Peak Demand. The total connections of 3393 is equivalent to 2036 GPM. Our existing Peak Production is currently 2110 AC-FT/ Year with a maximum of 1308 GPM by a combination of existing well production and GBRA supply. To accommodate for future demand and peaking, we are accounting for the drilling of 10 additional commercial wells with an estimated pumping capacity of 75 GPM/ Well. These wells will be phase in over the next ten years. The well production that is required for the peak demand is offset by the enormous amount of storage capacity and the constant flow of GBRA Water. We anticipate that the wells will not be utilitied.

### Conclusion

Tapatio Springs Service Company has sufficient water to meet the demands of the additional requirements of the expansion of the CCN. The yearly requirement of production for water is met by the addition of the GBRA water and no new wells will have to be drilled to accommodate for this.

To meet Peaking demands, Tapatio Springs Service Company has allowed for the drilling of 10 additional commercial wells that will be drilled and phased in over the next 10 years. Tapatio Springs Service Company is also investigating the feasibility of creating surface water to mitigate the Peak Demands. It is by resolution of Tapatio Springs service company to use GBRA water to its maximum ability to service the needs of their customers.

The incorporation of the 5000 acres into the CCN of Tapatio Springs Service Company allows for the control of and monitoring of water usage in the county. The commercial wells that will be required for peaking will be much less damaging to the county than the allowed 850 individual domestic wells that would be required for a residential development without a central water system.

Existing Storage facilities meet all future demand at this time and mitigate the impact of peaking within the water system.

**Kendall County Utility Company  
/ Tapatio Springs Utility Company**

2005 Water Production and Usage

	AC-FT/ YR	EDU
Maximum Well Production	1360	
Exisitng Well Production 75% Reduction	1020	2040
Additional GBRA	750	1500
Total Production	1770	3540
Existing Customer Base		843
5000 acres		1700
Additional Tapatio		850
Net Customer Base		147

Notes :

- 1) 1700 homes committed to the 5000 acres for CDS
- 2) 850 Homes for future development of Tapatio

Prepared By:  
Matkin-Hoover Engineering, Inc.

John-Mark Matkin  
President, CEO