

**NOTICE OF REGULAR BOARD MEETING  
CANYON REGIONAL WATER AUTHORITY**

**Monday September 9, 2024, at 6:00 PM  
850 Lakeside Pass, New Braunfels, TX 78130**

**This meeting is to be conducted at the Canyon Regional Offices located at  
850 Lakeside Pass, New Braunfels, Texas**

This Notice is posted pursuant to the Texas Open Meeting Act (Chapter 551, Texas Government Code). The Board of Trustees of Canyon Regional Water Authority (CRWA) will hold a meeting in person at 6:00 P.M., Monday, September 9, 2024, in the Board Room. The public may observe this meeting in person. As authorized by Texas Gov. Code sections 551.127 and 551.131(e) and Section 3.04(b) of the CRWA Bylaws, Members of the Board of Trustees may attend the meeting remotely via video conference. Additional information can be obtained by calling: (830) 609-0543. The CRWA Board of Trustees may consider, discuss, and act on any of the matters identified below.

**Item 1 CALL TO ORDER**

**Item 2 BOARD ROLL CALL**

**Item 3 INVOCATION AND PLEDGE OF ALLEGIANCE**

**Item 4 ANNOUNCEMENTS**

The Board of Trustees of the Canyon Regional Water Authority may, during the meeting, close the meeting and hold an executive session pursuant to and in accordance with Chapter 551 of the Texas Government Code (i.e., "Texas Open Meetings Act"). The Board of Trustees may, at any time during the meeting, close the meeting and hold an executive session for consultation with its attorney(s) concerning any of the matters to be considered during the meeting pursuant to Chapter 551 of the Texas Government Code.

**Item 5 PUBLIC COMMENTS**

- A. Comments on non-agenda items - no discussion from the Board, 3-minute time limit.
- B. Comments on specific items on this agenda – discussion from/with the Board may be allowed; 3-minute time limit per citizen. Time may not be "shared or ceded" to another citizen.

*Members of the public wishing to make a public comment during the meeting must register (a) on the sign-in sheet at the meeting site prior to the meeting; and/or (b) by emailing [hdiaz@crwa.com](mailto:hdiaz@crwa.com) prior to the meeting. Written comments may also be submitted. If you wish to speak, please state your name.*

**Item 6 CONSENT ITEMS**

*All items listed below are considered to be routine and non-controversial by the Board and will be considered by one motion. There will be no separate discussion of these items unless a Board member requests, in which case the item will be removed from the consent agenda and will be considered as part of the order of business.*

- A. CRWA 24-09-001 Concerning Approval of Minutes (CRWA Staff)  
Adopt Resolution 24-09-001 approval of minutes for August 12, 2024, Board of Trustees meeting.
- B. CRWA 24-09-002 Concerning Approval of Financial and Check Registers Reports (CRWA Staff)  
Adopt Resolution 24-09-002 approval of July 2024 Financial Report and Check Register Report until audited.

**Item 7 REPORTS**

*(Updates from written reports by staff, legal counsel, and others)*

- A. Drought Report ~ *Staff*
- B. Consultant Updates
  - Ardurra
  - Garver
  - UEG
  - STV
  - Gallegos
- C. Water Treatment, Storage, and Transmission Operations ~ *Staff*
  - Lake Dunlap WTP:
    - Production
    - Status of facility upgrades
    - Status of the Alliance Regional Water Authority (ARWA) Interconnect
  - Hays Caldwell WTP:
    - Production
    - Pilot Study RFQ
    - Phase 1 Improvements
    - Phase 2 Improvements
    - Hays Caldwell Phase 1 Pipeline
  - Wells Ranch WTP:
    - Production
- D. Wells Ranch III Project ~ *Staff*
- E. South Texas Regional Water Planning Group – Region L ~ *Staff*
- F. Groundwater Management Area (GMA) 13 ~ *Staff*
- G. Groundwater Districts of Guadalupe and Gonzales Counties ~ *Staff*
- H. Legal and legislative matters ~ *Legal Counsel and Staff*

**Item 8      CRWA COMMITTEE AND BOARD OF MANAGERS REPORTS**

- A. Budget Committee: ~ *Committee Chairperson*
- B. Construction Committee: ~ *Committee Chairperson*
- C. Board of Managers ~ *Chairperson*

**Item 9      GENERAL BUSINESS**

- A. Presentation and discussion of update on the status of CRWA's pending TWDB State Revolving Fund application for the Hays Caldwell WTP. (*Ardurra/ D. McMullen*)
- B. Presentation and discussion regarding the status of the proposed Water Supply Contract between Canyon Regional Water Authority, Springs Hill Water Supply Corporation, East Central Special Utility District and Green Valley Special Utility District. (*R. Barrera*)
- C. CRWA 24-09-004 Concerning an Agreement Between CRWA and ARWA for an Additional Delivery Point for County Line SUD. (*R. Barrera*)  
Discussion and possible action on Resolution 24-09-004 approving an agreement between CRWA and ARWA providing for an additional delivery point for County Line SUD water.
- D. CRWA 24-09-005 Concerning an Agreement Between CRWA and County Line SUD for an Additional Delivery Point for County Line SUD to receive ARWA Water. (*R. Barrera*)

Discussion and possible action on Resolution 24-09-005 approving an agreement between CRWA and County Line SUD for an additional delivery point for County Line SUD to receive water to be delivered by ARWA.

E. CRWA 24-09-007 Concerning Approval of an Agreement with Collaborative Water Resolution LLC for Recruitment Services to fill vacant Water Resources Manager position. (T. Wilson)

Discussion and possible action on Resolution 24-09-007 approving a "Retained Search Fee Agreement for Water Resources Manager Candidate" with Collaborative Water Resolution LLC for recruitment services to fill the vacant Water Resources Manager position, authorizing CRWA's President to execute such Agreement, and authorizing the General Manager to issue payment of the retainer fee of \$18,125.00.

**Item 10 EXECUTIVE SESSION**

The Board of Trustees may/shall meet in an executive session to discuss the following items pursuant to Chapter 551 of the Texas Government Code, including, where appropriate, Sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089, and 418.183(f) of the Texas Government Code. All formal action will occur in open session.

- A. Consultation with CRWA'S attorney(s) regarding legal issues related to the proposed Interlocal Agreement between CRWA, Martindale SUD and County Line SUD regarding the pass-through of costs associated with the amendment to the Wheeling Agreement between CRWA and Maxwell SUD as authorized by Section 551.071 of the Texas Government Code. NOTE: CRWA's Board of Trustees previously approved the Interlocal Agreement (prior to requested revisions by County Line SUD) by way of Resolution No. 24-07-006 dated July 8, 2024.
- B. Consultation with CRWA'S attorney(s) regarding legal issues involving the proposal from Nanostone to resolve performance issues at the Lake Dunlap WTP and settle controversies related thereto as authorized by Section 551.071 of the Texas Government Code.

The Board of Trustees Will Consult with CRWA's attorney(s) in a closed (executive) session, as authorized by Texas Government Code § 551.071(2), to discuss and seek advice upon one or more matter(s) in which the duty of the attorney(s) to CRWA under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Texas Government Code.

**Item 11 RETURN TO OPEN MEETING**

The Board of Trustees may consider, deliberate, and act on the items discussed in Executive Session, including without limitation the following:

- A. CRWA 24-09-003 Concerning Nanostone Proposal to Resolve Performance Issues at the Lake Dunlap WTP. (T. Wilson)  
Possible action on Resolution 24-09-003 accepting Nanostone's proposal to resolve performance issues at the Lake Dunlap WTP, authorizing the General Manager to execute a non-binding summary of settlement terms, and further authorizing CRWA's President to execute a settlement and release agreement with Nanostone after review by CRWA's legal counsel.
- B. CRWA 24-09-006 Concerning Proposed Revisions to Interlocal Agreement Between CRWA, County Line SUD, and Martindale SUD Regarding Pass-Through of Costs Associated with the 1<sup>st</sup> Amendment to Wheeling Agreement Between CRWA and Maxwell SUD. (T. Wilson)  
Possible action on Resolution 24-09-006 concerning proposed revisions by County Line SUD (as reflected in correspondence from CLSUD's legal counsel dated August 27, 2024) to the Interlocal Agreement between CRWA, County Line SUD, and Martindale SUD regarding pass-through of costs associated with the June 27, 2024, amended Wheeling Agreement between CRWA and Maxwell SUD.

**Item 12 FUTURE BOARD MEMBER AGENDA ITEMS**

- A. Potential Reschedule of October Board of Trustees Meeting.

**Item 13 Adjourn the meeting**



**CANYON REGIONAL WATER AUTHORITY  
BOARD COMMUNICATION**

<b>DATE</b>	<b>SUBJECT</b>	<b>AGENDA NUMBER</b>
09/09/2024	CONSENT AGENDA ITEM BOARD OF TRUSTEES MEETING MINUTES OF AUGUST 12, 2024	CRWA 24-09-001

**INITIATED BY** KERRY AVERYT / HANNA DIAZ

**STAFF RECOMMENDATION**

Approve the Minutes of the Regular Board Meeting of the Board of Trustees held on August 12, 2024, as amended, or not amended.

**BACKGROUND INFORMATION**

The minutes of the meeting are attached.

**FINANCIAL IMPACT**

None

**MOTION**

Motion to approve the following resolution.

\_\_\_\_\_

**CANYON REGIONAL WATER AUTHORITY**

**RESOLUTION No. 24-09-001**

BE IT RESOLVED that the Minutes of the Regular Meeting of the Board of Trustees held on August 12, 2024, as amended, or not amended, are approved.

Adopted this 9<sup>th</sup> day of September 2024

Ayes \_\_\_\_ Nays \_\_\_\_ Abstained \_\_\_\_ Absent \_\_\_\_

Approved by: \_\_\_\_\_  
Timothy D. Fousse, CPM  
President

Certified and attested by: \_\_\_\_\_  
Ted Gibbs  
Secretary

**MINUTES  
REGULAR BOARD MEETING  
CANYON REGIONAL WATER AUTHORITY  
BOARD OF TRUSTEES**

Regular meeting:

The Canyon Regional Water Authority (CRWA) Board of Trustees met for a regular meeting in person on Monday, August 12, 2024, at 6:00 p.m.

The following individuals attended the meeting:

<b>Board of Trustees:</b>		<b>CRWA Staff:</b>		<b>Board of Managers and Others:</b>	
Timothy Fousse	Brandon Rohan	David McMullen	Kerry Averyt	Trey Wilson	David Kneuper
Ted Gibbs	Nicholas Sherman	Fran Powers	Adam Telfer	Daniel Smith	Graham Moore
Martin Poore	Steve Cooper			Ruben Barrera	Greg Swoboda
Regina Franke	Doris Steubing			Brian Perkins	Phil Gage
Robert Snipes	Mabel Vaughn			Charlie Hickman	Tyler Hjorth
Paul Bricker	Clint Ellis				
Steven Fonville	Mike Andrews				
Gary Gilbert (online)	Tracy Scheel				
Al Suarez (online)	Humberto Ramos				

**Item 1 CALL TO ORDER**

» President Fousse opened the meeting at approximately 6:05 p.m.

**Item 2 BOARD ROLL CALL**

**Item 3 INVOCATION AND PLEDGE OF ALLEGIANCE**

**Item 4 ANNOUNCEMENTS**

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**Item 5 PUBLIC COMMENTS**

- A. Comments on non-agenda items - no discussion from the Board, 3-minute time limit.
- B. Comments on specific items on this agenda – discussion from/with the Board may be allowed; 3-minute time limit per citizen. Time may not be "shared or ceded" to another citizen.

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**Item 6 CONSENT ITEMS**

*All items listed below are considered to be routine and non-controversial by the Board and will be considered by one motion. There will be no separate discussion of these items unless a Board member requests, in which case the item will be removed from the consent agenda and will be considered as part of the order of business.*

- A. CRWA 24-08-001  
Adopt Resolution 24-08-001 approval of Board of Trustees meeting minutes of July 8, 2024.
- B. CRWA 24-08-002  
Adopt Resolution 24-08-002 approval of June 2024 Financial Report and Check Register Report until audited.

- » Doris Steubing made corrections to the July 8, 2024, minutes.
- » Vice President Brandon Rohan made a motion to approve the minutes as amended. Doris Steubing seconded the motion.
- » President Timothy Fousse called for a vote. The motion passed with 17 ayes.
- » Steve Cooper pulled item 6B for discussion. Mr. Cooper noted that “Network Expenses,” on page 20, was over budget, and requested an explanation. Mr. Averyt stated he would find out from Joan Wilkinson, CRWA Finance Manager. Mr. Cooper also noted on page 27, that two bills were paid to Collaborative Water Resolution for “General Manager Recruiter” at an amount of \$23,750.00 per payment. This budget amount was approved by the Board of Trustee’s. Mr. Cooper wants to ensure all the members of Ardurra that are working on the electrical engineering design are licensed electrical engineers.
- » Regina Franke made a motion to approve item 6 B. Steve Cooper seconded the motion.
- » President Fousse called for a vote. The motion passed with 17 ayes.
- » Gary Gilbert joined the meeting online after voting, so he is not counted for in the total.

**Item 7     REPORTS**

- A. Drought Report ~ *Staff*
- B. Consultant Updates
  - o Ardurra
  - o Garver
  - o UEG
- C. Water Treatment, Storage, and Transmission Operations ~ *Staff*
  - o Lake Dunlap WTP:
    - Production
    - Status of facility upgrades
    - Status of ARWA Interconnect
  - o Hays Caldwell WTP:
    - Production
    - Pall mobile membrane filtration
      - Pilot Study
      - Options for membrane filtration
    - Phase 1 Improvements
    - Phase 2 Improvements
  - o Wells Ranch WTP:
    - Production
- D. Wells Ranch III Project ~ *Staff*
- E. South Texas Regional Water Planning Group – Region L ~ *Staff*
- F. GMA 13 ~ *Staff*
- G. Groundwater Districts of Guadalupe and Gonzales Counties ~ *Staff*
- H. Legal and legislative matters ~ *Legal Counsel and Staff*
- I. Update on status of Guadalupe Blanco River Authority (GBRA) Water Secure Plan ~ *Brian Perkins, GBRA*
  - » **Drought Reports:** CRWA General manager, Kerry Averyt, stated the updates are in the packet. In the month period that was looked at, July-August, upstream from Canyon Lake received approximately 6.5 inches of rain. GBRA had just announced stage 4 water restrictions, and this boost of rain brought it back down to Stage 3. Adam Telfer will be preparing a curtailment plan so if Stage 4 is reached, CRWA will be prepared.
  - » **Ardurra:** Ardurra’s update is in the packet. Ardurra gave a presentation to the Hays Caldwell member entities on the status of the improvements.
  - » **Garver:** A task order has been executed for Garver for the pretreatment component of the Lake Dunlap Improvements. CRWA will finalize the scope and fee for the rest of the work to be done while the pretreatment work is on-going. Mr. Averyt would like to schedule a meeting with the Lake Dunlap member entities and Garver to discuss the schedule and have everyone updated.
  - » **Utility Engineering Group (UEG):** David Kneuper, with UEG, stated the report is in the packet and there is nothing additional to add.
  - » **Lake Dunlap WTP:** Mr. Averyt stated that production is running below the Plant production capabilities. CRWA is working with Garver on the facility upgrades. The most pressing issue is the pretreatment that was discussed earlier. The ARWA connection at the Lake Dunlap WTP should start receiving water by September 2024.
  - » **Hays Caldwell WTP:** Members have not been using their full amount of water, and the facility has been able to keep up. There was a meeting last week with the Hays Caldwell entities to discuss the improvements. The

Pilot Study will go out for bid.

- » **Wells Ranch WTP:** Production is increasing but is still below the curve for the yearly total. STV is working on the upgrades for Well #14 and Well #2. Well #14 will allow the ability to pump the additional 920 AF from Gonzales County. CRWA is pushing to have Well #14 up and running by Spring 2025.
- » **Wells Ranch III Project:** Mr. Averyt stated that he is going to get STV engaged on this project.
- » **Region L:** Humberto Ramos gave a Region L update. The Texas Water Development Board briefed the group on the Texas Water Fund. There are opportunities for certain utilities to take advantage of grants. The SWIFT funding was awarded to Canyon Regional Water Authority, GBRA, and Alliance Regional Water Authority. Region L is still working on water management strategies. There are a couple utilities that still need to submit their Drought Contingency Plan to Region L.
- » **GMA 13:** Mr. Averyt stated that the Groundwater Model is still not ready but hopes it to be completed in September.
- » **Groundwater Districts of Guadalupe and Gonzales Counties:** Gonzales County proposed rule changes, and they have already issued one set of proposed changes. There was a public meeting with concern over the increase in export fees. It is currently 2.5 cents per thousand gallons, and they are proposing to raise it to 10 cents per thousand gallons in 2025, 20 cents per thousand gallons in 2026, and raise it every year after by 3%. A second revision of the proposed changes was put out, and CRWA submitted comments on the changes.
- » **Legal and Legislative Matters:** there is no update from legal counsel.
- » **Water Secure Project:** Charlie Hickman gave a presentation on the GBRA Water Secure Project.

**Item 8 CRWA COMMITTEE REPORTS**

**Budget Committee:** ~ *Committee Chairwoman*

**Construction Committee:** ~ *Committee Chairman*

**Board of Managers:** ~ *Chairman*

- » **Budget Committee:** Regina Franke has nothing to add under the committee report.
- » **Construction Committee:** Nicholas Sherman gave the report. The two TxDOT projects are running behind schedule but are getting closer to being complete. The GIS project is almost complete, and the Engineering Standards and Specifications are complete as of July 3<sup>rd</sup>. There was a discussion about the upgrades at the Lake Dunlap WTP. Ardurra is working on the generator project at Wells Ranch WTP. The Hays Caldwell WTP Phase 1 Improvements are in progress. The temporary construction fence for the project is being put up. There was also discussion about the Wheeling Agreement during the meeting. There is a meeting scheduled for August 8<sup>th</sup> to discuss Phase 2 of the Hays Caldwell Improvement Project.
- » **Board of Managers:** The Board of Manger's recommends the passage of the FY 2025 budget.

**Item 9 GENERAL BUSINESS**

- A. Presentation and discussion of the dispute regarding the Regional Hays Caldwell Water Supply and Treatment Contract.
  - » This item will be discussed in the Executive Session.
- B. Presentation and discussion of proposed Interlocal Agreement between CRWA, Martindale SUD, and County Line SUD regarding pass-through of costs associated with the amendment to the Wheeling Agreement. Between CRWA and Maxwell SUD.
  - » This item will be discussed in the Executive Session.
- C. Presentation and discussion of the proposed Hays Caldwell pipeline.

Mr. Averyt reported that this pipeline has a line item in the FY 2025 budget to replace the first segment of the pipeline. Once an engineer is engaged and working, Mr. Averyt stated he can get them to also give a bid on the remainder of the pipeline and how to phase it.
- D. Presentation and discussion of update on the status of the Development Fund application for the Hays Caldwell WTP.
  - » Mr. Averyt stated a Development Fund (D-Fund) application was not submitted; it was a State Revolving Drinking Water Fund application that was submitted on March 1<sup>st</sup>. The status of that application is unknow, but Mr. Averyt will find out.
- E. Presentation and discussion of update on the status of the SWIFT Fund application for the Hays Caldwell WTP.
  - » CRWA has received the finance agreement for the SWIFT Fund application, once the agreement is

signed it will prevent CRWA from backing out. If the agreement is signed, it will be for \$1.5 million. This is not committing CRWA to the 2 following years, it is on a year-by-year basis. The deadline to sign or back out of the agreement is September 6, 2024. If CRWA does not sign by September 6<sup>th</sup>, then it is out for SWIFT Funding for this round and will have to reapply next year. Mr. Ramos stated that the Hays Caldwell member entities met and would like to utilize \$1.5 million of existing CRWA funds to get the project going and go out for SWIFT Funding next year.

- » The THM issue at Hays / Caldwell entities was discussed. Ozone would be a step forward to fixing the problem.
  - » Tyler Hjorth, with the City of San Marcos, stated that the city cannot sign off on SWIFT Funding by September 6<sup>th</sup>.
  - » It was decided to move forward with the funds that CRWA already has and forgo signing the financial agreement.
- F. Presentation and discussion of Gonzales County Underground Water Conservation District proposed rule amendments.
- » This item was discussed earlier in the meeting by Mr. Averyt.
- G. Presentation and discussion of proposal from Nanostone to resolve performance issues at the Lake Dunlap WTP.
- » This item will be discussed in the Executive Session.
- H. Presentation and discussion of a proposed agreement between CRWA and ARWA for an additional delivery point for County Line SUD.
- » Mr. Averyt stated that County Line SUD requested an additional delivery point from Alliance Regional Water Authority (ARWA), and for that to happen, CRWA is required to execute an agreement with ARWA for the additional delivery point. CRWA will also have to execute an agreement with County Line SUD for the additional delivery point. The agreements have been drafted and need to be finalized and sent to County Line SUD and ARWA for approval at their next meetings.
- I. Presentation and discussion of a proposed agreement between CRWA and County Line SUD for an additional delivery point for County Line SUD.
- » This was covered in discussion under item 9H.
- J. CRWA 24-08-003 Concerning Approval of the Fiscal Year 2025 budget  
Discussion and possible action on Resolution 24-08-003 approving the Fiscal Year 2025 budget.
- » Mr. Averyt gave a presentation over the FY 2025 budget highlights. The total budget for FY 2025 is approximately \$48.7 million. CRWA does have some accounts receivable with some participating members, there is a sheet in the packet that shows the accounts receivable, that are not reflected in the current total budget. Once CRWA has agreements with the participating members, CRWA will come back and request a budget amendment.
  - » CRWA will be switching insurance companies to Aetna. This will save approximately \$120,000 a year.
  - » Mike Andrews made a motion to approve Resolution 24-08-003. Regina Franke seconded the motion.
  - » President Fousse called for a roll call vote. The motion passed with 18 ayes.
- K. CRWA 24-08-004 Concerning Approval of the CRWA Investment Policy.  
Discussion and possible action on Resolution 24-08-004 approving the CRWA Investment Policy.
- » Vice President Rohan made a motion to approve Resolution 24-08-004 with the change of the page numbers being corrected. Secretary Gibbs seconded the motion.
  - » President Fousse called for a vote. The motion passed with 18 ayes.
- I. CRWA 24-08-005 Concerning Appointment of a CRWA representative to the ARWA Board of Directors.  
Discussion and possible action on Resolution 24-08-005 appointing a CRWA representative to the ARWA Board of Directors.

- » Regina Franke nominated Tracy Scheel. Humberto Ramos seconded this nomination.
- » Vice President Rohan made a motion to close nominations. Nick Sherman seconded the motion.
- » President Fousse called for a vote. The motion to appoint Tracy Scheel as a representative to the ARWA Board of Directors passed with 18 ayes.

**Item 10 EXECUTIVE SESSION**

The Board of Trustees will meet in a closed session to discuss the following items pursuant to Chapter 551 of the Texas Government Code, including, where appropriate, Sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089, and 418.183(f) of the Texas Government Code.

- » The Board of Trustee’s entered Executive Session at approximately 8:17 PM.

A. Consultation with CRWA’S attorney(s) regarding legal issues involving the proposed amendment to the Regional Hays-Caldwell Water Supply and Treatment Contract as authorized by Section 551.071 of the Texas Government Code.

B. Consultation with CRWA’S attorney(s) regarding legal issues involving the proposed Interlocal Agreement between CRWA, Martindale SUD and County Line SUD regarding the pass-through of costs associated with the amendment to the Wheeling Agreement between CRWA and Maxwell SUD as authorized by Section 551.071 of the Texas Government Code.

C. Consultation with CRWA’S attorney(s) regarding legal issues involving the proposal from Nanostone to resolve performance issues at the Lake Dunlap WTP as authorized by Section 551.071 of the Texas Government Code.

D. The Board of Trustees Will Consult with CRWA’s attorney(s) in a closed (executive) session, as authorized by Texas Government Code § 551.071(2), to discuss and seek advice upon one or more matter(s) in which the duty of the attorney(s) to CRWA under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Texas Government Code.

- » The Board of Trustee’s returned from executive Session at approximately 10:05 PM.

**Item 11 RETURN TO OPEN MEETING**

The Board may consider, deliberate, and take action on any item discussed in the Executive Session.

- » There was no action taken on any of the items discussed in the Executive Session.

**Item 12 FUTURE BOARD MEMBER AGENDA ITEMS**

**Item 13 Adjourn the meeting**

- » Martin Poore made a motion to adjourn the meeting. Nicholas Sherman seconded the motion.
- » The meeting was adjourned at approximately 10:07 PM.

Respectfully submitted

Ted Gibbs, Secretary

NOTICE: The Board of Trustees may meet in a closed session to discuss any item listed above pursuant to Chapter 551 of the Texas Government Code, including, where appropriate, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089, and 418.183(f) of the Texas Government Code. All deliberations and formal action will occur in open session.

**CANYON REGIONAL WATER AUTHORITY  
BOARD COMMUNICATION**

<b>DATE</b>	<b>SUBJECT</b>	<b>AGENDA NUMBER</b>
09/09/2024	FINANCIAL REPORT AND CHECK REGISTER REPORT	CRWA 24-09-002

**INITIATED BY** JOAN WILKINSON

**STAFF RECOMMENDATION**

Approve the July 2024 Financial Report and Check Register Report until audited.

**BACKGROUND INFORMATION**

The July 2024 Financial Report and Check Register Report are attached.

**FINANCIAL IMPACT**

None

**MOTION**

Motion to approve the following resolution.

\_\_\_\_\_



**CANYON REGIONAL WATER AUTHORITY**

**RESOLUTION No. 24-09-002**

BE IT RESOLVED that the July 2024 Financial Report and Check Register Report of Canyon Regional Water Authority are approved until audited.

Adopted this 9<sup>th</sup> day of September 2024

Ayes \_\_\_\_ Nays \_\_\_\_ Abstained \_\_\_\_ Absent \_\_\_\_

Approved by: \_\_\_\_\_  
Timothy D. Fousse, CPM  
President

Certified and attested by: \_\_\_\_\_  
Ted Gibbs  
Secretary

**CANYON REGIONAL WATER AUTHORITY**

**Balance Sheet**

As of July 31, 2024

Jul 31, 24

**ASSETS**

**Current Assets**

**Checking/Savings**

1001 · First United Bank	
1006 · First United Checking #5207	1,942,986.72
1010 · First United Special #7162	2,134.82
1015 · Money Market #2160	1,433,697.04
1017 · HC SM Capacity Buy-In #6744	630,914.85

**Total 1001 · First United Bank** 4,009,733.43

**1100 · First United Bank (Res)**

1105 · LD/MC Series 2016, #3017	1,116,284.91
1107 · HC 2005 #3603	626.60
1111 · HC Series 2017 #6074	105,255.50
1109 · HC Series 2021 #6663	203,352.58
1113 · HC Counties 2021 Ref #0636	47,754.55
1132 · Wells Ranch Series 2015, #6031	1,010,528.71
1133 · Wells Ranch Series 2016, #3009	852,582.30
1134 · Wells Ranch Series 2021 #0911	319,945.03
1140 · L/D Membrane Fund #5701	1,153,153.90
1140-01 · LD Membr-Nanostone Escrow #2545	295,537.87
1142 · H/C Membrane Fund #5693	550,883.76
1145 · Repair & Replacement Fund	5,077,236.90

**Total 1100 · First United Bank (Res)** 10,733,142.61

**1120 · Logic**

1121 · Logic, General Funds	1,256,224.96
1127 · Wells Ranch, Construction #027	813.07
1158 · HC Construction	17,739,467.88

**Total 1120 · Logic** 18,996,505.91

1160 · BOKF, NA, Austin,WR Series 2015	130,353.50
1161 · BOKF, NA,Austin, HC Series 2017	4,310,904.93

**Total Checking/Savings** 38,180,640.38

**Accounts Receivable**

1200 · Accounts Receivable	3,502,395.95
1205 · A/R, Alliance Water	
1205-01 · A/R, Alliance,Crystal Clear SUD	1,821,238.07
1205-02 · A/R, Alliance, Martindale WSC	21,838.05
1205-03 · A/R, Alliance, Green Valley SUD	1,134,207.53
1205-04 · A/R, Alliance, County Line SUD	189,827.00

**Total 1205 · A/R, Alliance Water** 3,167,110.65

**Total Accounts Receivable** 6,669,506.60

**Total Current Assets** 44,850,146.98

**Fixed Assets**

1491 · Right of Use Asset 612,153.36

**1400 · Capital Assets**

1404 · Administration Building	586,288.00
1406 · Capitalized Construction Intere	11,273,728.00
1410 · Equipment & Vehicles	511,773.50
1411 · Nanostone - Lake Dunlap	1,156,411.20
1416 · Hays Caldwell	6,437,579.37
1420 · Lake Dunlap Phase I	4,764,833.00
1422 · Mid-Cities Phase I	8,475,370.50
1424 · Office Equipment	50,372.66
1434 · Property Improvements	60,021.00
1436 · River Crossing	577,934.36
1441 · LD Ozone Project	3,677,549.16
1442 · Dunlap Water Treatment Plant	5,155,886.29
1443 · Dunlap Chemical Tanks	30,326.57

**CANYON REGIONAL WATER AUTHORITY**  
**Balance Sheet**

As of July 31, 2024

	Jul 31, 24
1444 · Hays Caldwell Phase 2	2,053,300.19
1445 · HC Chemical Tanks	5,293.13
1446 · Mid-Cities Phase 2	32,322,395.02
1447 · Hays Caldwell Expansion-2017	
1447-01 · HC Expansion, Capitalized Int	122,276.51
1447 · Hays Caldwell Expansion-2017 - Other	1,921,905.28
Total 1447 · Hays Caldwell Expansion-2017	2,044,181.79
1450 · Wells Ranch Project	
1450-01 · WellsRanch, Cap Interest	5,041,728.49
1450 · Wells Ranch Project - Other	40,885,863.75
Total 1450 · Wells Ranch Project	45,927,592.24
1451 · Wells Ranch Phase II-2011	
1451-01 · Capitalized Interest	1,872,118.97
1451 · Wells Ranch Phase II-2011 - Other	14,113,408.01
Total 1451 · Wells Ranch Phase II-2011	15,985,526.98
1452 · Wells Ranch Phase II-2015	
1452-01 · Capitalized Interest	1,930,053.69
1452 · Wells Ranch Phase II-2015 - Other	40,473,610.98
Total 1452 · Wells Ranch Phase II-2015	42,403,664.67
1453 · Wells Ranch III	
1453-01 · WR III, Phase I	58,167.05
1453 · Wells Ranch III - Other	514,092.57
Total 1453 · Wells Ranch III	572,259.62
1490 · Accumulated Depreciation	-51,878,246.19
Total 1400 · Capital Assets	132,194,041.06
Total Fixed Assets	132,806,194.42
<b>Other Assets</b>	
1805 · Deferred Outflow-Pension	276,952.66
1670 · Land	
1672 · Johnson Abstract #47	163,243.95
1673 · Hays Caldwell Project	
1673-01 · Carlisle - 2.009 Acres	549,930.44
1673-02 · Land Acquisition Consultant HC	5,698.00
Total 1673 · Hays Caldwell Project	555,628.44
1674 · Randolph Foster 10 Acres	290,837.56
1675 · Wells Ranch Project	62,061.82
1676 · Land & Land Rights	1,276,634.70
Total 1670 · Land	2,348,406.47
1703 · Water Rights	3,439,604.49
1800 · Deferred Loss on Debt Refunding	111,397.00
Total Other Assets	6,176,360.62
<b>TOTAL ASSETS</b>	<b>183,832,702.02</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
2000 · Accounts Payable	1,037,090.12
Total Accounts Payable	1,037,090.12

**CANYON REGIONAL WATER AUTHORITY**  
**Balance Sheet**

As of July 31, 2024

	Jul 31, 24
<b>Other Current Liabilities</b>	
2300 · Net Pension Liability	242,430.00
2451 · Current Portion of Capital Leas	462,805.24
2002 · A/P, Misc.	-240.00
2140 · Texas Workforce	66.74
2165 · TCDRS Retirement Payable	27,810.37
	732,872.35
<b>Total Other Current Liabilities</b>	
<b>Total Current Liabilities</b>	1,769,962.47
<b>Long Term Liabilities</b>	
2200 · Deferred Revenue - San Marcos	4,811,128.00
2450 · Long Term Capital Lease	159,471.36
2400 · Bonds Payable	
2408 · LD/MC Tax-Exempt Series 2016	13,685,000.00
2430 · Hays Caldwell Series 2017	3,815,000.00
2431 · Hays Caldwell TE Series 2021	11,340,000.00
2432 · Hays Caldwell Series 2021 Ref	1,840,000.00
2443 · Wells Ranch Series 2015	30,755,000.00
2446 · Wells Ranch Series 2016	19,425,000.00
2447 · Wells Ranch Series 2021	11,900,000.00
	92,760,000.00
<b>Total 2400 · Bonds Payable</b>	
2490 · Unamortized Premiums	5,073,612.00
	102,804,211.36
<b>Total Long Term Liabilities</b>	
<b>Total Liabilities</b>	104,574,173.83
<b>Equity</b>	
3810 · Restricted for Membranes	1,765,717.00
3820 · Restricted for Debt Service	4,966,441.00
3950 · Retained Earnings	12,162,281.73
3975 · Inv in Cap Asset, net of debt	50,192,310.93
Net Income	10,171,777.53
	79,258,528.19
<b>Total Equity</b>	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	183,832,702.02



**Canyon Regional Water Authority  
Profit Loss Budget vs. Actual  
October 2023 - July 2024**

	July 2024		October 2023 July 2024		Annual Budget	\$ Over/(Under) Annual Budget	% of Annual Budget
<b>Income</b>							
4000 · Revenues							
4002 · Debt Payments	991,247.36	10,029,795.91			11,992,805.46	-1,963,009.55	83.63%
4003 · Raw Water	551,172.93	5,541,026.25			6,643,637.11	-1,102,610.86	83.4%
4004 · Water-New Berlin	12,768.00	46,536.00			57,023.93	-10,487.93	81.61%
4009 · Membrane Replacement Fund	45,153.81	451,538.10			541,867.57	-90,329.47	83.33%
4010 · Line Use & Delivery Contracts	11,902.44	119,024.40			142,835.08	-23,810.68	83.33%
4011 · Line Use New Berlin	1,429.94	14,299.40			17,160.00	-2,860.60	83.33%
4012 · Raw Water Delivery Fees	36,286.67	320,194.49			496,318.63	-176,124.14	64.51%
4017 · Water Sales	604,455.48	5,500,330.90			6,229,853.33	-729,522.43	88.29%
4018 · Plant Operations	336,096.75	3,379,033.92			4,051,389.03	-672,355.11	83.4%
4020 · Repair & Replacement Funds	146,474.73	1,473,980.46			1,767,000.00	-293,019.54	83.42%
4022 · CRWA Administrative	196,810.82	1,979,645.73			2,373,362.17	-393,716.44	83.41%
4023 · Alliance Water	522,904.88	5,229,043.92			6,275,109.42	-1,046,065.50	83.33%
4024 · Interest Income General	44,220.70	396,464.75			0.00	396,464.75	100.0%
4026 · Interest Income Bond Accounts	51,889.42	349,690.10			0.00	349,690.10	100.0%
4028 · Interest Construction Accounts	98,525.33	967,225.51			0.00	967,225.51	100.0%
4039 · Team Building	0.00	400.00			0.00	400.00	100.0%
4030 · Other Income	2,221.51	14,707.33			0.00	14,707.33	100.0%
<b>Total 4000 · Revenues</b>	<b>3,653,540.77</b>	<b>35,812,937.17</b>			<b>40,588,361.73</b>	<b>-4,775,424.56</b>	<b>88.23%</b>
<b>Expense</b>							
5000 · Bond Repayments							
5005 · Bond Payments	1,055,989.84	10,559,896.87			11,992,805.46	-1,432,908.59	88.05%
<b>Total 5000 · Bond Repayments</b>	<b>1,055,989.84</b>	<b>10,559,896.87</b>			<b>11,992,805.46</b>	<b>-1,432,908.59</b>	<b>88.05%</b>
5500 · Water Purchases							
5501 · Raw Water Purchases	2,131,759.12	5,750,760.29			6,643,637.11	-892,876.82	86.56%
5502 · Water Purchases, New Berlin	12,768.00	46,536.00			57,023.93	-10,487.93	81.61%
<b>Total 5500 · Water Purchases</b>	<b>2,144,527.12</b>	<b>5,797,296.29</b>			<b>6,700,661.04</b>	<b>-903,364.75</b>	<b>86.52%</b>
5600 · Membrane Funds	40,284.00	402,840.00			541,867.57	-139,027.57	74.34%
5700 · Repair & Replacement Funds	0.00	829,428.53			1,767,000.00	-937,571.47	46.94%
6000 · Line Use & Delivery Costs							
6005 · Line Use Contract Maxwell	0.00	0.00			3,988.00	-3,988.00	0.0%
6008 · Line Use Contract New Berlin	0.00	0.00			17,160.00	-17,160.00	0.0%
6010 · Line Contract GBRA	11,570.59	115,705.90			138,847.08	-23,141.18	83.33%
6011 · GBRA Raw Water Delivery Fees	33,040.35	318,571.36			496,318.63	-177,747.27	64.19%
<b>Total 6000 · Line Use &amp; Delivery Costs</b>	<b>44,610.94</b>	<b>434,277.26</b>			<b>656,313.71</b>	<b>-222,036.45</b>	<b>66.17%</b>

**Canyon Regional Water Authority  
Profit Loss Budget vs. Actual  
October 2023 - July 2024**

	July 2024	October 2023 July 2024	Annual Budget	\$ Over/(Under) Annual Budget	% of Annual Budget
<b>7000 · Plant Expenses-Variable Costs</b>					
7005 · Plant Utilities	253,938.32	2,458,756.86	3,151,733.24	-692,976.38	78.01%
7010 · Chemicals	337,851.72	2,519,453.17	3,084,120.09	-564,666.92	81.69%
<b>Total 7000 · Plant Expenses-Variable Costs</b>	<b>591,790.04</b>	<b>4,978,210.03</b>	<b>6,235,853.33</b>	<b>-1,257,643.30</b>	<b>79.83%</b>
<b>7100 · Operating Expenses</b>					
7115 · Plant Maintenance & Supplies	58,380.72	1,129,859.47	1,220,200.00	-90,340.53	92.6%
7116 · Generator Maintenance	5,206.62	74,028.81	109,800.00	-35,771.19	67.42%
7117 · Equipment rental	7,941.70	44,919.11	40,360.00	4,559.11	111.3%
7120 · SCADA	15,611.00	54,356.95	205,000.00	-150,643.05	26.52%
7122 · Vehicle Operations	7,560.06	48,682.25	158,000.00	-109,317.75	30.81%
7125 · Grounds Maintenance	10,305.33	120,292.57	134,350.00	-14,057.43	89.54%
7131 · Permits and Fees	222.00	11,280.54	28,650.00	-17,369.46	39.37%
7135 · Lab Supplies & Testing Fees	9,323.43	120,220.73	126,600.00	-6,379.27	94.96%
7140 · Insurance	0.00	125,317.84	133,998.88	-8,681.04	93.52%
7150 · Meals & Functions	305.32	21,769.83	36,500.00	-14,730.17	59.64%
7155 · Memberships & Dues	0.00	5,111.00	10,550.00	-5,439.00	48.45%
7160 · Mileage	93.80	20,942.51	38,800.00	-17,857.49	53.98%
7162 · Office Supplies and Expense	2,911.00	24,760.51	30,000.00	-5,239.49	82.54%
7165 · Training	750.00	2,788.75	9,500.00	-6,711.25	29.36%
7170 · Clothing	0.00	5,000.00	7,000.00	-2,000.00	71.43%
7175 · Telephones	428.06	4,240.11	4,500.00	-259.89	94.23%
7180 · Mobile Telephones	1,011.05	11,466.79	18,500.00	-7,033.21	61.98%
7190 · Network Expenses	1,587.38	23,324.82	10,000.00	13,324.82	233.25%
7191 · Internet Domain	480.46	4,199.57	5,000.00	-800.43	83.99%
7195 · Contract Labor	0.00	0.00	4,000.00	-4,000.00	0.0%
7196 · GW Transport/Pumping Fees	17,719.17	247,671.97	400,000.00	-152,328.03	61.92%
<b>Total 7100 · Operating Expenses</b>	<b>139,837.10</b>	<b>2,100,234.13</b>	<b>2,731,308.88</b>	<b>-631,074.75</b>	<b>76.9%</b>
<b>7500 · Payroll Expenses</b>					
7505 · Annual Pay	123,312.80	1,205,117.30	1,862,317.62	-657,200.32	64.71%
7510 · Overtime	14,603.85	110,555.25	129,769.45	-19,214.20	85.19%
7530 · On Call	100.00	3,100.00	15,600.00	-12,500.00	19.87%
<b>Total 7500 · Payroll Expenses</b>	<b>138,016.65</b>	<b>1,318,772.55</b>	<b>2,007,687.07</b>	<b>-688,914.52</b>	<b>65.69%</b>
<b>7600 · Employee Benefits</b>					
7605 · Payroll Taxes	10,156.09	97,818.54	155,244.08	-57,425.54	63.01%
7610 · Insurance	26,215.89	234,200.93	439,220.28	-205,019.35	53.32%
7615 · Retirement	17,914.59	172,241.61	261,140.89	-88,899.28	65.96%
<b>Total 7600 · Employee Benefits</b>	<b>54,286.57</b>	<b>504,261.08</b>	<b>855,605.25</b>	<b>-351,344.17</b>	<b>58.94%</b>



**Canyon Regional Water Authority  
Profit Loss Budget vs. Actual  
October 2023 - July 2024**

	July 2024	October 2023 July 2024	Annual Budget	\$ Over/(Under) Annual Budget	% of Annual Budget
<b>7800 · Professional Fees</b>					
7801 · SEC Disclosure	0.00	2,250.00	2,250.00	0.00	100.0%
7802 · Bank Service Fees	9.95	9.95	200.00	-190.05	4.98%
7803 · 401(k) Plan Fees	0.00	2,372.50	2,500.00	-127.50	94.9%
7806 · Bond Fees	800.00	2,800.00	3,000.00	-200.00	93.33%
7805 · Legal Fees	2,921.50	317,926.27	400,000.00	-82,073.73	79.48%
7810 · Engineering	3,480.00	303,536.49	400,000.00	-96,463.51	75.88%
7815 · Director Bonds	0.00	0.00	1,200.00	-1,200.00	0.0%
7820 · Accounting & Audit	0.00	14,825.00	15,000.00	-175.00	98.83%
<b>Total 7800 · Professional Fees</b>	<b>7,211.45</b>	<b>643,720.21</b>	<b>824,150.00</b>	<b>-180,429.79</b>	<b>78.11%</b>
7823 · Alliance Water	1,375,517.35	5,861,327.41	6,275,109.42	-413,782.01	93.41%
<b>Total Expense</b>	<b>5,592,071.06</b>	<b>33,430,264.36</b>	<b>40,588,361.73</b>	<b>-7,158,097.37</b>	<b>82.36%</b>
<b>Net Ordinary Income</b>	<b>-1,938,530.29</b>	<b>2,382,672.81</b>	<b>0.00</b>	<b>2,382,672.81</b>	<b>100.0%</b>
<b>Other Income/Expense</b>					
<b>Other Income</b>					
7960 · Sale of Assets	0.00	22,438.00	0.00	0.00	100.0%
8000 · Bond Payment Principal	776,666.96	7,766,666.72	0.00	0.00	100.0%
<b>Net Other Income/Expense</b>	<b>776,666.96</b>	<b>7,789,104.72</b>	<b>0.00</b>	<b>7,789,104.72</b>	<b>100.0%</b>
<b>Net Income</b>	<b>-1,161,863.33</b>	<b>10,171,777.53</b>	<b>0.00</b>	<b>10,171,777.53</b>	<b>100.0%</b>

**CANYON REGIONAL WATER AUTHORITY**  
**Profit & Loss Prev Year Comparison**  
**October 2023 through July 2024**

	Oct '23 - Jul 24	Oct '22 - Jul 23	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4000 · Revenues				
4002 · Debt Payments	10,029,795.91	10,737,814.40	-708,018.49	-6.6%
4003 · Raw Water	5,541,026.25	5,420,431.92	120,594.33	2.2%
4004 · Water-New Berlin	46,536.00	31,549.00	14,987.00	47.5%
4009 · Membrane Replacement Fund	451,538.10	451,538.10	0.00	0.0%
4010 · Line Use & Delivery Contracts	119,024.40	119,024.40	0.00	0.0%
4011 · Line Use New Berlin	14,299.40	14,299.40	0.00	0.0%
4012 · Raw Water Delivery Fees	320,194.49	290,454.60	29,739.89	10.2%
4017 · Water Sales	5,500,330.90	4,168,102.93	1,332,227.97	32.0%
4018 · Plant Operations	3,379,033.92	2,952,976.80	426,057.12	14.4%
4020 · Repair & Replacement Funds	1,473,980.46	1,451,608.50	22,371.96	1.5%
4022 · CRWA Administrative	1,979,645.73	1,541,082.60	438,563.13	28.5%
4023 · Alliance Water	5,229,043.92	4,156,761.70	1,072,282.22	25.8%
4024 · Interest Income General	396,464.75	300,095.10	96,369.65	32.1%
4026 · Interest Income Bond Accounts	349,690.10	275,160.94	74,529.16	27.1%
4028 · Interest Construction Accounts	967,225.51	780,750.21	186,475.30	23.9%
4030 · Other Income	14,707.33	12,884.95	1,822.38	14.1%
4032 · Team Building	400.00	0.00	400.00	100.0%
<b>Total 4000 · Revenues</b>	<b>35,812,937.17</b>	<b>32,704,535.55</b>	<b>3,108,401.62</b>	<b>9.5%</b>
<b>Total Income</b>	<b>35,812,937.17</b>	<b>32,704,535.55</b>	<b>3,108,401.62</b>	<b>9.5%</b>
<b>Gross Profit</b>	<b>35,812,937.17</b>	<b>32,704,535.55</b>	<b>3,108,401.62</b>	<b>9.5%</b>
<b>Expense</b>				
5000 · Bond Repayments				
5005 · Bond Payments	10,559,896.87	10,540,890.95	19,005.92	0.2%
<b>Total 5000 · Bond Repayments</b>	<b>10,559,896.87</b>	<b>10,540,890.95</b>	<b>19,005.92</b>	<b>0.2%</b>
5500 · Water Purchases				
5501 · Raw Water Purchases	5,750,760.29	5,234,790.44	515,969.85	9.9%
5502 · Water Purchases, New Berlin	46,536.00	31,549.00	14,987.00	47.5%
<b>Total 5500 · Water Purchases</b>	<b>5,797,296.29</b>	<b>5,266,339.44</b>	<b>530,956.85</b>	<b>10.1%</b>
5600 · Membrane Funds	402,840.00	243,979.00	158,861.00	65.1%
5700 · Repair & Replacement Funds	829,428.53	485,329.09	344,099.44	70.9%
6000 · Line Use & Delivery Costs				
6010 · Line Contract GBRA	115,705.90	115,705.90	0.00	0.0%
6011 · GBRA Raw Water Delivery Fees	318,571.36	290,390.36	28,181.00	9.7%
<b>Total 6000 · Line Use &amp; Delivery Costs</b>	<b>434,277.26</b>	<b>406,096.26</b>	<b>28,181.00</b>	<b>6.9%</b>
7000 · Plant Expenses-Variable Costs				
7005 · Plant Utilities	2,458,756.86	2,327,912.80	130,844.06	5.6%
7010 · Chemicals	2,519,453.17	2,116,700.68	402,752.49	19.0%
<b>Total 7000 · Plant Expenses-Variable Costs</b>	<b>4,978,210.03</b>	<b>4,444,613.48</b>	<b>533,596.55</b>	<b>12.0%</b>
7100 · Operating Expenses				
7115 · Plant Maintenance & Supplies	1,129,859.47	797,584.65	332,274.82	41.7%
7116 · Generator & Compressor Maint.	74,028.81	44,684.92	29,343.89	65.7%
7117 · Equipment rental	44,919.11	33,821.02	11,098.09	32.8%
7120 · SCADA	54,356.95	67,470.97	-13,114.02	-19.4%
7122 · Vehicle Operations	48,682.25	33,655.97	15,026.28	44.7%
7125 · Grounds Maintenance	120,292.57	101,159.34	19,133.23	18.9%
7131 · Permits and Fees	11,280.54	27,040.12	-15,759.58	-58.3%
7135 · Lab Supplies & Testing Fees	120,220.73	91,559.34	28,661.39	31.3%
7140 · Insurance	125,317.84	99,459.38	25,858.46	26.0%
7150 · Meals & Functions	21,769.83	30,447.18	-8,677.35	-28.5%
7155 · Memberships & Dues	5,111.00	9,467.00	-4,356.00	-46.0%
7160 · Mileage	20,942.51	32,502.47	-11,559.96	-35.6%
7162 · Office Supplies and Expense	24,760.51	22,749.28	2,011.23	8.8%
7165 · Training	2,788.75	2,458.19	330.56	13.5%
7170 · Clothing	5,000.00	3,300.00	1,700.00	51.5%
7175 · Telephones	4,240.11	3,658.30	581.81	15.9%
7180 · Mobile Telephones	11,466.79	12,098.20	-631.41	-5.2%
7190 · Network Expenses	23,324.82	5,632.85	17,691.97	314.1%
7191 · Internet Domain	4,199.57	3,769.75	429.82	11.4%
7196 · GW Transport/Pumping Fees	247,671.97	247,852.11	-180.14	-0.1%
<b>Total 7100 · Operating Expenses</b>	<b>2,100,234.13</b>	<b>1,670,371.04</b>	<b>429,863.09</b>	<b>25.7%</b>
7500 · Payroll Expenses				
7505 · Annual Pay	1,205,117.30	1,197,658.99	7,458.31	0.6%
7510 · Overtime	110,555.25	72,195.85	38,359.40	53.1%
7530 · On Call	3,100.00	2,850.00	250.00	8.8%
<b>Total 7500 · Payroll Expenses</b>	<b>1,318,772.55</b>	<b>1,272,704.84</b>	<b>46,067.71</b>	<b>3.6%</b>
7600 · Employee Benefits				
7605 · Payroll Taxes	97,818.54	92,385.52	5,433.02	5.9%
7610 · Insurance	234,200.93	134,802.09	99,398.84	73.7%
7615 · Retirement	172,241.61	162,683.92	9,557.69	5.9%
<b>Total 7600 · Employee Benefits</b>	<b>504,261.08</b>	<b>389,871.53</b>	<b>114,389.55</b>	<b>29.3%</b>



**CANYON REGIONAL WATER AUTHORITY**  
**Profit & Loss Prev Year Comparison**  
**October 2023 through July 2024**

	Oct '23 - Jul 24	Oct '22 - Jul 23	\$ Change	% Change
<b>7800 · Professional Fees</b>				
7801 · SEC Disclosure	2,250.00	0.00	2,250.00	100.0%
7802 · Bank Service Fees	9.95	193.00	-183.05	-94.8%
7803 · 401(k) Plan Fees	2,372.50	1,707.50	665.00	39.0%
7806 · Bond Fees	2,800.00	2,800.00	0.00	0.0%
7805 · Legal Fees	317,926.27	302,572.42	15,353.85	5.1%
7810 · Engineering	303,536.49	187,878.21	115,658.28	61.6%
7820 · Accounting & Audit	14,825.00	14,825.00	0.00	0.0%
<b>Total 7800 · Professional Fees</b>	<b>643,720.21</b>	<b>509,976.13</b>	<b>133,744.08</b>	<b>26.2%</b>
<b>7823 · Alliance Water</b>	<b>5,861,327.41</b>	<b>4,846,744.83</b>	<b>1,014,582.58</b>	<b>20.9%</b>
<b>Total Expense</b>	<b>33,430,264.36</b>	<b>30,076,916.59</b>	<b>3,353,347.77</b>	<b>11.2%</b>
<b>Net Ordinary Income</b>	<b>2,382,672.81</b>	<b>2,627,618.96</b>	<b>-244,946.15</b>	<b>-9.3%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
7960 · Sale of Assets	22,438.00	0.00	22,438.00	100.0%
8000 · Bond Payment Principal	7,766,666.72	7,462,499.90	304,166.82	4.1%
<b>Total Other Income</b>	<b>7,789,104.72</b>	<b>7,462,499.90</b>	<b>326,604.82</b>	<b>4.4%</b>
<b>Net Other Income</b>	<b>7,789,104.72</b>	<b>7,462,499.90</b>	<b>326,604.82</b>	<b>4.4%</b>
<b>Net Income</b>	<b>10,171,777.53</b>	<b>10,090,118.86</b>	<b>81,658.67</b>	<b>0.8%</b>

**CANYON REGIONAL WATER AUTHORITY**  
**Monthly General Account Check Register**

As of July 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
1001 - First United Bank						3,051,459.10
1006 - First United Checking #5207						3,051,459.10
Deposit	07/01/2024			Deposit	830,297.51	3,881,756.61
Bill Pmt -Check	07/02/2024	ACH	GVEC - Big Oaks	05/06/2024 - 06/06/2024	-28.00	3,881,728.61
Bill Pmt -Check	07/02/2024	ACH	GVEC - Bond East Well	05/06/2024 - 06/06/2024	-7,996.30	3,873,732.31
Bill Pmt -Check	07/02/2024	ACH	GVEC - Bond West Well	05/06/2024 - 06/06/2024	-4,372.09	3,869,360.22
Bill Pmt -Check	07/02/2024	ACH	GVEC - Bull Trap Well	05/06/2024 - 06/06/2024	-2,877.00	3,866,483.22
Bill Pmt -Check	07/02/2024	ACH	GVEC - Camphouse Well	05/06/2024 - 06/06/2024	-3,526.00	3,862,957.22
Bill Pmt -Check	07/02/2024	ACH	GVEC - Chicken House Well	05/06/2024 - 06/06/2024	-3,195.58	3,859,761.64
Bill Pmt -Check	07/02/2024	ACH	GVEC - Christian East Well	05/06/2024 - 06/06/2024	-3,700.30	3,856,061.34
Bill Pmt -Check	07/02/2024	ACH	GVEC - Christian West Well	05/06/2024 - 06/06/2024	-4,061.58	3,851,999.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Cibolo	05/06/2024 - 06/06/2024	-28.00	3,851,971.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Coastal Field Well	05/06/2024 - 06/06/2024	-3,277.00	3,848,694.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Damerau	05/06/2024 - 06/06/2024	-57.00	3,848,637.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Deadman Tank Well	05/06/2024 - 06/06/2024	-12,530.00	3,836,107.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Deer Stand Well	05/06/2024 - 06/06/2024	-13,849.00	3,822,258.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - FM 467	05/06/2024 - 06/06/2024	-30.00	3,822,228.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Green Valley	05/06/2024 - 06/06/2024	-29.00	3,822,199.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - GV 7293 IH 10	05/06/2024 - 06/06/2024	-30.00	3,822,169.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Hardy Road	05/06/2024 - 06/06/2024	-29.00	3,822,140.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Hickory Forest	05/06/2024 - 06/06/2024	-45.00	3,822,095.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Littlefield Well	05/06/2024 - 06/06/2024	-3,540.00	3,818,555.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Marion	05/06/2024 - 06/06/2024	-27.00	3,818,528.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Pig Trap Well	05/06/2024 - 06/06/2024	-2,722.00	3,815,806.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Pivot Irrigation	05/06/2024 - 06/06/2024	-62.00	3,815,744.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Tommys Well	05/06/2024 - 06/06/2024	-2,838.00	3,812,906.76
Bill Pmt -Check	07/02/2024	ACH	GVEC - Wagner Booster Stn #2	05/06/2024 - 06/06/2024	-2,661.72	3,810,245.04
Bill Pmt -Check	07/02/2024	ACH	GVEC - WR Generators	05/06/2024 - 06/06/2024	-1,190.65	3,809,054.39
Transfer	07/08/2024			Ingersoll Rand Compressor & Dryer Modi...	18,106.01	3,827,160.40
Bill Pmt -Check	07/08/2024	ACH	Texas Fleet Fuel	Vehicle & Equipment Fuel	-898.30	3,826,262.10
Bill Pmt -Check	07/08/2024	38231	5S Service Company LLC	Breaker @ LD	-956.20	3,825,305.90
Bill Pmt -Check	07/08/2024	38232	Anytime Fuel Pros LLC	Diesel for Generators	-4,625.03	3,820,680.87
Bill Pmt -Check	07/08/2024	38233	Archive Power Systems, Inc.	DocuXplorer Subscription Renewal	-731.00	3,819,949.87
Bill Pmt -Check	07/08/2024	38234	Avesis	Employee Vision Insurance	-219.43	3,819,730.44
Bill Pmt -Check	07/08/2024	38235	Barcom Technology Solutions	Backup Monitoring	-434.92	3,819,295.52
Bill Pmt -Check	07/08/2024	38236	Council Automotive Supply	Vehicle Supplies & Generator Maintenanc...	-676.24	3,818,619.28
Bill Pmt -Check	07/08/2024	38237	David McMullen	June Mileage & Phone Reimbursement	-1,652.55	3,816,966.73
Bill Pmt -Check	07/08/2024	38238	Evoqua Water Technologies LLC	Chemicals	-60,300.00	3,756,666.73
Bill Pmt -Check	07/08/2024	38239	Fluid Meter Service, Corp.	Test 10" Backflow Preventer	-750.00	3,755,916.73
Bill Pmt -Check	07/08/2024	38240	Garrison Conal Supply, LLC	Parts	-163.78	3,755,752.95
Bill Pmt -Check	07/08/2024	38241	Gold Star Exterminators	Pest Control	-260.00	3,755,492.95
Bill Pmt -Check	07/08/2024	38242	Grainger	Supplies	-24.96	3,755,467.99
Bill Pmt -Check	07/08/2024	38243	Guadalupe County Groundwater Cons D...	GW Transport/Pumping Fees	-17,719.17	3,737,748.82
Bill Pmt -Check	07/08/2024	38244	Hach Company	Lab Supplies	-2,229.94	3,735,518.88
Bill Pmt -Check	07/08/2024	38245	Hawkins	Chemicals	-28,387.80	3,707,131.08
Bill Pmt -Check	07/08/2024	38246	Hild Brothers, Inc.	Weed Killer	-330.00	3,706,801.08
Bill Pmt -Check	07/08/2024	38247	Hofmann's Supply	Cylinder Rental	-17.98	3,706,783.10
Bill Pmt -Check	07/08/2024	38248	Ingersoll Rand Company	Compressor & Dryer Upgrade WR	-35,724.60	3,671,058.50
Bill Pmt -Check	07/08/2024	38249	Law Offices of Patricia Erlinger Carls	GCUWCD Rule Amendments	-7,584.50	3,663,474.00
Bill Pmt -Check	07/08/2024	38250	Lhoist North America of Texas, LLC	Lime	-18,414.06	3,645,059.94
Bill Pmt -Check	07/08/2024	38251	Malheson Tri-Gas, Inc.	Cylinder Rental & Annual Tank Inspection	-4,243.11	3,640,816.83
Bill Pmt -Check	07/08/2024	38252	New Braunfels Welders Supply	Cylinder Rental & Supplies	-209.25	3,640,607.58
Bill Pmt -Check	07/08/2024	38253	PVS DX, INC	Cylinder Rental	-30.00	3,640,577.58
Bill Pmt -Check	07/08/2024	38254	Standard Insurance Company-Dental	Dental Insurance	-1,452.40	3,639,125.18
Bill Pmt -Check	07/08/2024	38255	Texas Excavation Safety System, Inc.	Texas 811	-257.60	3,638,867.58
Bill Pmt -Check	07/08/2024	38256	Texas Land and Right of Way Company,...	Wells Ranch Water Lease Acquisition	-4,820.00	3,634,047.58
Bill Pmt -Check	07/08/2024	38257	Waste Management	Garbage Disposal	-1,509.08	3,632,538.50
Bill Pmt -Check	07/08/2024	38258	Williams Supply Company	Supplies	-196.88	3,632,341.62
Deposit	07/09/2024			Deposit	311,279.85	3,943,621.47
Paycheck	07/12/2024	Direct Dep	Allman, Michael		-3,311.59	3,940,309.88
Paycheck	07/12/2024	Direct Dep	Andrews, Michael D		-1,521.04	3,938,788.84
Paycheck	07/12/2024	Direct Dep	Arreaga, Ivan R		-1,630.53	3,937,158.31
Paycheck	07/12/2024	Direct Dep	Flores, Jimmy		-2,432.87	3,934,725.44
Paycheck	07/12/2024	Direct Dep	Garcia, Jesus M		-1,956.29	3,932,769.15
Paycheck	07/12/2024	Direct Dep	Kirkland, Debra M		-2,084.79	3,930,684.36
Paycheck	07/12/2024	Direct Dep	McMullen, David W.		-3,886.78	3,926,797.58
Paycheck	07/12/2024	Direct Dep	Moreno, Joe		-4,808.82	3,921,988.76
Paycheck	07/12/2024	Direct Dep	Powers, Frantiska A		-1,830.85	3,920,157.91
Paycheck	07/12/2024	Direct Dep	Sarten, Donald		-2,326.17	3,917,831.74
Paycheck	07/12/2024	Direct Dep	Schnautz, Kelby D.		-944.99	3,916,886.75
Paycheck	07/12/2024	Direct Dep	Shirk, Austin		-2,604.72	3,914,282.03
Paycheck	07/12/2024	Direct Dep	Sims, Clarissa R		-2,358.00	3,911,924.03
Paycheck	07/12/2024	Direct Dep	Telfer, Adam C		-3,720.41	3,908,203.62
Paycheck	07/12/2024	Direct Dep	Wallace, Russell L		-1,870.35	3,906,333.27
Paycheck	07/12/2024	Direct Dep	Wilkinson, Joan A.		-3,464.98	3,902,868.29
Paycheck	07/12/2024	Direct Dep	Averyt, Kerry L		-5,117.82	3,897,750.47
Paycheck	07/12/2024	Direct Dep	Diaz, Hanna S		-1,581.47	3,896,169.00
Liability Check	07/12/2024	ACH	John Hancock	401(k) Retirement Plan	-673.25	3,895,495.75
Liability Check	07/12/2024	EFTPS	US Treasury	74-2586063	-16,070.40	3,879,425.35
Bill Pmt -Check	07/12/2024	38345	ADT	Security System (July-August)	-93.99	3,879,331.36
Bill Pmt -Check	07/12/2024	38346	Brenntag Southwest, Inc.	Chemicals	-12,070.34	3,867,261.02
Bill Pmt -Check	07/12/2024	38347	Charter Communications	HC Internet	-120.61	3,867,140.41
Bill Pmt -Check	07/12/2024	38348	Citibank, N.A.	Mastercard	-11,147.81	3,855,992.60
Bill Pmt -Check	07/12/2024	38349	DSHS Central Lab MC2004	Lab Testing Fees	-626.00	3,855,366.60
Bill Pmt -Check	07/12/2024	38350	Dynamic Mechanical Contracting	Replace Thermostat @ LD	-1,825.00	3,853,541.60
Bill Pmt -Check	07/12/2024	38351	GBRA-Raw Water & TM	VOID: 12613 A/F @ \$175 & Raw Water ...	0.00	3,853,541.60
Bill Pmt -Check	07/12/2024	38352	Helping Hand Hardware	Supplies	-32.38	3,853,509.22
Bill Pmt -Check	07/12/2024	38353	Ingersoll Rand Company	Annual Maintenance Agreement	-4,517.80	3,848,991.42
Bill Pmt -Check	07/12/2024	38354	Kuriita America Inc.	Media Test Kit WR	-89.76	3,848,901.66
Bill Pmt -Check	07/12/2024	38355	Lhoist North America of Texas, LLC	Lime	-8,650.22	3,840,251.44



**CANYON REGIONAL WATER AUTHORITY**  
**Monthly General Account Check Register**  
As of July 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
Bill Pmt -Check	07/12/2024	38356	PVS DX, INC	Chemicals & Cylinder Rental	-14,942.96	3,825,308.48
Bill Pmt -Check	07/12/2024	38357	Redhead Auto Parts	Battery for Filter Cartridge Lift	-227.99	3,825,080.49
Bill Pmt -Check	07/12/2024	38358	Tri-County A/C & Heating Inc.	A/C Filters @ WR	-90.00	3,824,990.49
Bill Pmt -Check	07/12/2024	38359	Wastewater Transport Services LLC	Sludge Removal	-16,467.46	3,808,523.03
Deposit	07/12/2024			Deposit	712,648.66	4,521,171.69
Liability Check	07/15/2024	ACH	TCDRS		-12,735.89	4,508,435.80
Liability Check	07/15/2024	ACH	TCDRS		-13,152.36	4,495,283.44
Check	07/15/2024	ACH	Acker Family Partnership, LP	Semi-Annual Water Lease Payment	-87,514.89	4,407,768.55
Check	07/15/2024	ACH	Larry G. & Brenda K. Miles	Semi-Annual Water Lease Payment	-7,446.81	4,400,321.74
Check	07/15/2024	ACH	Brown Trust	Semi-Annual Water Lease Payment	-119,500.97	4,280,820.77
Check	07/15/2024	ACH	Bruce J. & Marcille D. Patteson	Semi-Annual Water Lease Payment	-85,571.28	4,195,249.49
Check	07/15/2024	ACH	Carol L. Dodger	Semi-Annual Water Lease Payment	-5,873.35	4,189,376.14
Check	07/15/2024	ACH	Carrie Neal Haner Howington	Semi-Annual Water Lease Payment	-583.07	4,188,793.07
Check	07/15/2024	ACH	Clayton L. Hines	Semi-Annual Water Lease Payment	-142.42	4,188,650.65
Check	07/15/2024	ACH	Craig L. Hines - Water Lease	Semi-Annual Water Lease Payment	-7,505.96	4,181,144.69
Check	07/15/2024	ACH	Dennis L. Harris	Semi-Annual Water Lease Payment	-240.01	4,180,904.68
Check	07/15/2024	ACH	Diane Ritchie	Semi-Annual Water Lease Payment	-16,737.73	4,164,166.95
Check	07/15/2024	ACH	Donald G. Tenberg	Semi-Annual Water Lease Payment	-25,905.22	4,138,261.73
Check	07/15/2024	ACH	Dwayne A. Cusick	Semi-Annual Water Lease Payment	-239.06	4,138,022.67
Check	07/15/2024	ACH	Dwight L. Muelker	Semi-Annual Water Lease Payment	-11,108.34	4,126,914.33
Check	07/15/2024	ACH	Garrett L. Muelker	Semi-Annual Water Lease Payment	-5,531.42	4,121,382.91
Check	07/15/2024	ACH	Gary D. Howell	Semi-Annual Water Lease Payment	-1,158.21	4,120,224.70
Check	07/15/2024	ACH	Georganna P. Sherbert	Semi-Annual Water Lease Payment	-583.07	4,119,641.63
Check	07/15/2024	ACH	Gordon N. Houston	Semi-Annual Water Lease Payment	-602.40	4,119,039.23
Check	07/15/2024	ACH	Gretchen Hill	Semi-Annual Water Lease Payment	-1,243.10	4,117,796.13
Check	07/15/2024	ACH	Helene B. Murphy	Semi-Annual Water Lease Payment	-423.22	4,117,372.91
Check	07/15/2024	ACH	Hines Family Liquids Trust	Semi-Annual Water Lease Payment	-86,389.40	4,030,983.51
Check	07/15/2024	ACH	HMTM, Limited Partnership	Semi-Annual Water Lease Payment	-1,949.98	4,029,033.53
Check	07/15/2024	ACH	James B. Harris	Semi Annual Water Lease Payment	-29,714.91	3,999,318.62
Check	07/15/2024	ACH	James R. Elliott III	Semi-Annual Water Lease Payment	-16,163.83	3,983,154.79
Check	07/15/2024	ACH	Jesse R. Trevino, Jr.	Semi-Annual Water Lease Payment	-258.50	3,982,896.29
Check	07/15/2024	ACH	Jesse Trevino III	Semi-Annual Water Lease Payment	-239.69	3,982,656.60
Check	07/15/2024	ACH	James D Bailey	Semi-Annual Water Lease Payment	-904.85	3,981,751.75
Check	07/15/2024	ACH	Rosemary Mauermann	Semi-Annual Water Lease Payment	-33,296.37	3,948,455.38
Check	07/15/2024	ACH	KP Ranch, LLC	Semi-Annual Water Lease Payment	-11,696.22	3,936,759.16
Check	07/15/2024	ACH	Lewis Patteson	Semi-Annual Water Lease Payment	-1,749.21	3,935,009.95
Check	07/15/2024	ACH	Lyman S. Davis, Trustee	Semi-Annual Water Lease Payment	-1,041.41	3,933,968.54
Check	07/15/2024	ACH	Mark M. Howell	Semi-Annual Water Lease Payment	-382.02	3,933,586.52
Check	07/15/2024	ACH	Michael D & Mitzi Whorton	Semi-Annual Water Lease Payment	-670.36	3,932,916.16
Check	07/15/2024	ACH	Michael L. & Patti R. Ewing	Semi-Annual Water Lease Payment	-3,219.15	3,929,697.01
Check	07/15/2024	ACH	Michelle Lemoine	Semi Annual Water Lease Payment	-3,031.30	3,926,665.71
Check	07/15/2024	ACH	MRJR, Ltd.	Semi-Annual Water Lease Payment	-61,859.80	3,864,805.91
Check	07/15/2024	ACH	Garrett L. Muelker.	Semi-Annual Water Lease Payment	-255.43	3,864,550.48
Check	07/15/2024	ACH	Rafe Jackson	Semi-Annual Water Lease Payment	-12,372.45	3,852,178.03
Check	07/15/2024	ACH	Rebecca Harris	Semi Annual Water Lease Payment	-3,031.30	3,849,146.73
Check	07/15/2024	ACH	Richard L. Lott	Semi-Annual Water Lease Payment	-10,317.58	3,838,829.15
Check	07/15/2024	ACH	Robert and Nichole Roberts	Semi-Annual Water Lease Payment	-908.50	3,837,920.65
Check	07/15/2024	ACH	Robert Yuras	Semi-Annual Water Lease Payment	-296.61	3,837,624.04
Check	07/15/2024	ACH	Ronald B. Arama	Semi-Annual Water Lease Payment	-352.55	3,837,271.49
Check	07/15/2024	ACH	Sandra Dingler	Semi-Annual Water Lease Payment	-7,644.48	3,829,627.01
Check	07/15/2024	ACH	Teresa or Jack Anderson	Semi-Annual Water Lease Payment	-2,552.79	3,827,074.22
Check	07/15/2024	ACH	Terry Mauermann	Semi-Annual Water Lease Payment	-19,439.91	3,807,634.31
Check	07/15/2024	ACH	Tuna Rosa LP	Semi-Annual Water Lease Payment	-37,953.82	3,769,680.49
Check	07/15/2024	ACH	William & Vernelle Jones	Semi-Annual Water Lease Payment	-1,112.57	3,768,567.92
Check	07/15/2024	38259	Arlynn H & Nancy A Hartfiel	Semi-Annual Water Lease Payment	-5,131.09	3,763,436.83
Check	07/15/2024	38260	Carol Ann Lakey	Semi-Annual Water Lease Payment	-2,446.41	3,760,990.42
Check	07/15/2024	38261	Chandra S. Kalragadda	Semi-Annual Water Lease Payment	-6,774.03	3,754,216.39
Check	07/15/2024	38262	Charles W. Cowey, Jr.	Semi-Annual Water Lease Payment	-10,244.68	3,743,971.71
Check	07/15/2024	38263	Cheryl J. Moore	Semi-Annual Water Lease Payment	-9,419.21	3,734,552.50
Check	07/15/2024	38264	Craig A. McClain	Semi-Annual Water Lease Payment	-1,345.08	3,733,207.42
Check	07/15/2024	38265	Barbara A. Howard	Semi-Annual Water Lease Payment	-2,581.32	3,730,626.10
Check	07/15/2024	38266	Beth's Boys, LLC	Semi-Annual Water Lease Payment	-1,749.21	3,728,876.89
Check	07/15/2024	38267	Brauntex Materials Inc.-Water Lease	Semi-Annual Water Lease Payment	-10,245.94	3,718,630.95
Check	07/15/2024	38268	Brenda S. Robinson	Semi-Annual Water Lease Payment	-25,836.09	3,692,794.86
Check	07/15/2024	38269	D. Lee Edwards	Semi-Annual Water Lease Payment	-32,232.83	3,660,562.03
Check	07/15/2024	38270	Dale Koehler	Semi-Annual Water Lease Payment	-1,367.13	3,659,194.90
Check	07/15/2024	38271	Darren & Laurie Yates	Semi-Annual Water Lease Payment	-1,464.36	3,657,730.54
Check	07/15/2024	38272	Juan C. Rios & Debbie T. Rios	Semi-Annual Water Lease Payment	-4,698.61	3,653,031.93
Check	07/15/2024	38273	Deborah A. Mc Cabe	Semi-Annual Water Lease Payment	-115.68	3,652,916.25
Check	07/15/2024	38274	Debra P. Springs	Semi-Annual Water Lease Payment	-6,982.91	3,645,933.34
Check	07/15/2024	38275	Donald D. Dashiell	Semi-Annual Water Lease Payment	-8,338.62	3,637,594.72
Check	07/15/2024	38276	Donna G. Kolhmann	Semi-Annual Water Lease Payment	-1,041.54	3,636,553.18
Check	07/15/2024	38277	Douglas L Morton Exempt TR 2 UW DMM	Semi-Annual Water Lease Payment	-22,482.85	3,614,070.33
Check	07/15/2024	38278	Ecleto Creek Properties LLC	Semi-Annual Water Lease Payment	-9,946.86	3,604,123.47
Check	07/15/2024	38279	Edward & Adeline Zunker Family Trust	Semi-Annual Water Lease Payment	-1,042.93	3,603,080.54
Check	07/15/2024	38280	Edward K Morton Exempt TR 2 UW DMM	Semi-Annual Water Lease Payment	-22,482.85	3,580,597.69
Check	07/15/2024	38281	Frost Bank Successor Trustee	Semi-Annual Water Lease Payment	-9,104.75	3,571,492.94
Check	07/15/2024	38282	GRTR Ranch Properties	Semi-Annual Water Lease Payment	-4,894.01	3,566,598.93
Check	07/15/2024	38283	H. Paul Dingler, Sr.	Semi-Annual Water Lease Payment	-8,841.49	3,557,757.44
Check	07/15/2024	38284	Harold E. Alves, Jr.	Semi-Annual Water Lease Payment	-6,053.43	3,551,704.01
Check	07/15/2024	38285	Hilmar D. Blumberg	Semi-Annual Water Lease Payment	-123,575.96	3,428,128.05
Check	07/15/2024	38286	Howard Williamson III	Semi Annual Water Lease Payment	-152,560.23	3,275,567.82
Check	07/15/2024	38287	Isom L. Cowey	Semi-Annual Water Lease Payment	-7,507.67	3,268,060.15
Check	07/15/2024	38288	James and Janie Streety	Semi-Annual Water Lease Payment	-4,101.81	3,263,958.34
Check	07/15/2024	38289	James D. Lakey	Semi-Annual Water Lease Payment	-644.38	3,263,313.96
Check	07/15/2024	38290	James D. Weidner	Semi-Annual Water Lease Payment	-2,690.15	3,260,623.81
Check	07/15/2024	38291	James M. McClain	Semi-Annual Water Lease Payment	-1,345.08	3,259,278.73
Check	07/15/2024	38292	Bobby B. Allen	Semi-Annual Water Lease Payment	-9,553.82	3,249,724.91
Check	07/15/2024	38293	Janelle Trammell	Semi-Annual Water Lease Payment	-17,771.60	3,231,953.31
Check	07/15/2024	38294	Javier Jimenez	Semi-Annual Water Lease Payment	-1,088.54	3,230,864.77



**CANYON REGIONAL WATER AUTHORITY**  
**Monthly General Account Check Register**

As of July 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
Check	07/15/2024	38295	Javier Ramirez & Velma Montalvo	Semi-Annual Water Lease Payment	-2,860.21	3,228,004.56
Check	07/15/2024	38296	Jay Patton White	Semi-Annual Water Lease Payment	-6,144.63	3,221,859.93
Check	07/15/2024	38297	Jennifer S. McGee	Semi-Annual Water Lease Payment	-1,539.88	3,220,320.05
Check	07/15/2024	38298	Jessie D. Perez, Jr.	Semi-Annual Water Lease Payment	-2,909.40	3,217,410.65
Check	07/15/2024	38299	Jesus G. Tristan	Semi-Annual Water Lease Payment	-727.35	3,216,683.30
Check	07/15/2024	38300	Joan Torstrick	Semi-Annual Water Lease Payment	-240.01	3,216,443.29
Check	07/15/2024	38301	John B. & Georgia A. Hernandez	Semi-Annual Water Lease Payment	-14,053.12	3,202,390.17
Check	07/15/2024	38302	John Charles Dubose Jr 2012 Trust	Semi-Annual Water Lease Payment	-8,034.52	3,194,355.65
Check	07/15/2024	38303	Ronald Whit Dubose Jr 2012 Trust	Semi-Annual Water Lease Payment	-8,034.52	3,186,321.13
Check	07/15/2024	38304	John M. Cowey	Semi-Annual Water Lease Payment	-7,958.08	3,178,363.05
Check	07/15/2024	38305	John C. Pannell	Semi-Annual Water Lease Payment	-10,912.88	3,167,450.17
Check	07/15/2024	38306	John H. Brite	Semi-Annual Water Lease Payment	-10,290.98	3,157,159.19
Check	07/15/2024	38307	Jordan T. Blumberg 1994 IRR. TR.	Semi-Annual Water Lease Payment	-24,541.60	3,132,617.59
Check	07/15/2024	38308	Joseph Anthony Burris	Semi-Annual Water Lease Payment	-4,480.19	3,128,137.40
Check	07/15/2024	38309	Joyce Soefje	Semi-Annual Water Lease Payment	-10,184.94	3,117,952.46
Check	07/15/2024	38310	Kelli Jo Volek	Semi Annual Water Lease Payment	-152,560.23	2,965,392.23
Check	07/15/2024	38311	Larry & Alice Moltz	Semi-Annual Water Lease Payment	-22,813.11	2,942,579.12
Check	07/15/2024	38312	Lawrence O. & Camille T. Schwab	Semi Annual Water Lease Payment	-7,798.36	2,934,780.76
Check	07/15/2024	38313	Leroy John Skloss	Semi-Annual Water Lease Payment	-727.35	2,934,053.41
Check	07/15/2024	38314	Linda Lou Odom	Semi-Annual Water Lease Payment	-2,008.94	2,932,044.47
Check	07/15/2024	38315	Louie E. Soefje	Semi-Annual Water Lease Payment	-2,008.94	2,930,035.53
Check	07/15/2024	38316	Luis or Carmen Rivera	Semi-Annual Water Lease Payment	-251.22	2,929,784.31
Check	07/15/2024	38317	Luke W. Griffith	Semi-Annual Water Lease Payment	-10,912.88	2,918,871.43
Check	07/15/2024	38318	Marvin L. Miles	Semi-Annual Water Lease Payment	-7,446.88	2,911,424.55
Check	07/15/2024	38319	Mary Lorna Dezell	Semi-Annual Water Lease Payment	-8,039.11	2,903,385.44
Check	07/15/2024	38320	Matthew J. Breidenbaugh	Semi-Annual Water Lease Payment	-1,908.55	2,901,476.89
Check	07/15/2024	38321	Matthew L. Tenberg	Semi-Annual Water Lease Payment	-1,617.36	2,899,859.53
Check	07/15/2024	38322	Michael L. Cowey	Semi-Annual Water Lease Payment	-12,267.39	2,887,592.14
Check	07/15/2024	38323	Mike W. Bond or Connie L. Bond	Semi-Annual Water Lease Payment	-21,483.89	2,866,108.25
Check	07/15/2024	38324	Molly Neal Patteson	Semi-Annual Water Lease Payment	-583.07	2,865,525.18
Check	07/15/2024	38325	Mund Grandchildren's Trust of 2022	Semi-Annual Water Lease Payment	-13,836.07	2,851,689.11
Check	07/15/2024	38326	Nelda J. Patteson	Semi-Annual Water Lease Payment	-1,749.21	2,849,939.90
Check	07/15/2024	38327	Olto E. Soefje	Semi-Annual Water Lease Payment	-2,008.94	2,847,930.96
Check	07/15/2024	38328	Quest Trust FBO Sean M Halloran	Semi-Annual Water Lease Payment	-840.05	2,847,090.91
Check	07/15/2024	38329	Ray M. Brite	Semi-Annual Water Lease Payment	-11,211.29	2,835,879.62
Check	07/15/2024	38330	Roger A. & Susan J. Edwards	Semi-Annual Water Lease Payment	-6,931.33	2,828,948.29
Check	07/15/2024	38331	Roland B. Blumberg 1994 IRR. TR.	Semi-Annual Water Lease Payment	-24,541.60	2,804,406.69
Check	07/15/2024	38332	Rolling Butler, LLC	Semi-Annual Water Lease Payment	-5,244.66	2,799,162.03
Check	07/15/2024	38333	Ronald T. Lakey	Semi-Annual Water Lease Payment	-538.31	2,798,623.72
Check	07/15/2024	38334	Shannon Harris	Semi Annual Water Lease Payment	-3,031.30	2,795,592.42
Check	07/15/2024	38335	Sidney Allen Littlefield	Semi-Annual Water Lease Payment	-102,261.91	2,693,330.51
Check	07/15/2024	38336	Spillers Farm & Ranch, LLC	Semi-Annual Water Lease Payment	-11,787.26	2,681,543.25
Check	07/15/2024	38337	Thomas P. Taggart	Semi-Annual Water Lease Payment	-1,631.45	2,679,911.80
Check	07/15/2024	38338	Truitt Land Holdings, LLC	Semi-Annual Water Lease Payment	-7,493.14	2,672,418.66
Check	07/15/2024	38339	Wilbon P. Davis	Semi-Annual Water Lease Payment	-11,480.18	2,660,938.48
Check	07/15/2024	38340	William Ray Engvall	Semi-Annual Water Lease Payment	-22,483.69	2,638,454.79
Check	07/15/2024	38341	William Brent Christian	Semi-Annual Water Lease Payment	-17,771.60	2,620,683.19
Check	07/15/2024	38342	William E. Pape	Semi-Annual Water Lease Payment	-7,190.06	2,613,493.13
Check	07/15/2024	38343	Willard James Stewart	Semi-Annual Water Lease Payment	-33,162.04	2,580,331.09
Check	07/15/2024	38344	Zappe River Ranch, LLC	Semi-Annual Water Lease Payment	-26,125.99	2,554,205.10
Deposit	07/15/2024			Deposit	464,250.46	3,018,455.56
Deposit	07/15/2024			Deposit	63,742.21	3,082,197.77
Bill Pmt -Check	07/17/2024	ACH	CPS - I 10	I-10 Utilities	-12.05	3,082,185.72
Liability Check	07/19/2024	ACH	Texas Workforce Commission	99-882188-6	-375.57	3,081,810.15
Check	07/19/2024	38360	Lisa Bibbs	Semi Annual Water Lease Payment	-1,077.54	3,080,732.61
Check	07/19/2024	ACH	Roy H. Nolte, Jr.	Initial Prorated Water Lease Payment	-3,663.66	3,077,068.95
Bill Pmt -Check	07/19/2024	ACH	Texas Fleet Fuel	Vehicle & Equipment Fuel	-1,416.28	3,075,652.67
Transfer	07/19/2024			Trojan Technologies #18	40,284.00	3,115,936.67
Bill Pmt -Check	07/19/2024	38361	5S Service Company LLC	600 amp Siemens Breaker	-3,555.60	3,112,381.07
Bill Pmt -Check	07/19/2024	38362	ACT Pipe and Supply, Inc.	Parts	-1,183.55	3,111,197.52
Bill Pmt -Check	07/19/2024	38363	AT&T Mobility	Mobile Telephones	-1,011.05	3,110,186.47
Bill Pmt -Check	07/19/2024	38364	Austin Armature Works, LP	3 HP Pump @ WR	-3,416.40	3,106,770.07
Bill Pmt -Check	07/19/2024	38365	Bleck Electric Company	Sewage & Trash Pump @ WR	-2,495.60	3,104,274.47
Bill Pmt -Check	07/19/2024	38366	Council Automotive Supply	2024 Dodge Supplies	-193.67	3,104,080.80
Bill Pmt -Check	07/19/2024	38367	David McMullen	May Mileage & Phone Reimbursement	-2,413.00	3,101,667.80
Bill Pmt -Check	07/19/2024	38368	Dex Imaging	Admin Copier	-814.93	3,100,852.87
Bill Pmt -Check	07/19/2024	38369	Garrison Comal Supply, LLC	Parts	-262.38	3,100,590.49
Bill Pmt -Check	07/19/2024	38370	Guadalupe-Blanco River Authority..	Lab Testing Fees	-1,457.00	3,099,133.49
Bill Pmt -Check	07/19/2024	38371	GVEC - Internet	Internet @ WBS, LBS, LD	-359.85	3,098,773.64
Bill Pmt -Check	07/19/2024	38372	Hawkins	Chemicals	-30,899.20	3,067,874.44
Bill Pmt -Check	07/19/2024	38373	Hild Brothers, Inc.	Weed Killer	-110.00	3,067,764.44
Bill Pmt -Check	07/19/2024	38374	Langley & Banack	General Matters	-6,087.70	3,061,676.74
Bill Pmt -Check	07/19/2024	38375	Lhoist North America of Texas, LLC	Lime	-17,361.72	3,044,315.02
Bill Pmt -Check	07/19/2024	38376	New Braunfels Utilities	46 Standpipe Utilities	-37.64	3,044,277.38
Bill Pmt -Check	07/19/2024	38377	New Braunfels Welders Supply	Nitrogen	-44.43	3,044,232.95
Bill Pmt -Check	07/19/2024	38378	Pollution Control Services	Lab Testing Fees	-1,934.00	3,042,298.95
Bill Pmt -Check	07/19/2024	38379	R.W Harden & Associates, Inc.	Wells Ranch Development	-6,329.26	3,035,969.69
Bill Pmt -Check	07/19/2024	38380	Seguin Auto Parts, Inc.	2019 Dodge	-199.44	3,035,770.25
Bill Pmt -Check	07/19/2024	38381	Trojan Technologies Corp.	Pall Trailer Installment #18	-40,284.00	2,995,486.25
Bill Pmt -Check	07/19/2024	38382	Utility Engineering Group, PLLC	Engineering Fees	-3,165.00	2,992,321.25
Bill Pmt -Check	07/19/2024	38383	Verve Cloud, Inc.	Telephones	-428.06	2,991,893.19
Bill Pmt -Check	07/19/2024	38384	Williams Supply Company	Supplies	-54.84	2,991,838.35
Bill Pmt -Check	07/22/2024	ACH	Bluebonnet Electric	HC Utilities - 5000057123	-17,466.83	2,974,371.52
Bill Pmt -Check	07/22/2024	ACH	GVEC - Lake Dunlap	05/25/2024 - 06/25/2024	-63,958.11	2,910,413.41
Bill Pmt -Check	07/22/2024	ACH	GVEC - Leissner Booster Stn #2	05/25/2024 - 06/25/2024	-24,300.49	2,886,112.92
Bill Pmt -Check	07/22/2024	ACH	GVEC - Leissner Rd Booster Station	05/25/2024 - 06/25/2024	-14,560.22	2,871,552.70
Bill Pmt -Check	07/22/2024	ACH	GVEC - Wagner Booster	05/25/2024 - 06/25/2024	-14,896.36	2,856,656.34
Bill Pmt -Check	07/22/2024	ACH	GVEC - WR Plant	05/25/2024 - 06/25/2024	-20,585.53	2,836,070.81
Bill Pmt -Check	07/22/2024	ACH	GVEC - WR Plant #2	05/25/2024 - 06/25/2024	-24,259.63	2,811,811.18
Transfer	07/23/2024			Funds Transfer	-45,603.64	2,766,207.54



**CANYON REGIONAL WATER AUTHORITY**  
**Monthly General Account Check Register**

As of July 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
Transfer	07/23/2024			Funds Transfer	-28,969.53	2,737,238.01
Transfer	07/23/2024			Funds Transfer	-53,344.44	2,683,893.57
Transfer	07/23/2024			Funds Transfer	-18,557.12	2,665,336.45
Transfer	07/23/2024			LD-Monthly Bond Payment Transfer	-138,517.18	2,526,819.27
Transfer	07/23/2024			Bond Payment Transfer	-22,760.70	2,504,058.57
Transfer	07/23/2024			MC-Bond Payment Transfer	-145,347.66	2,358,710.91
Transfer	07/23/2024			Bond Payment Transfer	0.00	2,358,710.91
Transfer	07/23/2024			Bond Payment Transfer	-33,595.19	2,325,115.72
Transfer	07/23/2024			Bond Payment Transfer	-54,926.41	2,270,189.31
Transfer	07/23/2024			Bond Payment Transfer	-13,416.02	2,256,773.29
Transfer	07/23/2024			Bond Payment Transfer	-242,307.58	2,014,465.71
Transfer	07/23/2024			Bond Payment Transfer	-231,700.11	1,782,765.60
Transfer	07/23/2024			Bond Payment Transfer	-86,196.58	1,696,569.02
Transfer	07/23/2024			Bond Payment Transfer	-22,479.93	1,674,089.09
Transfer	07/23/2024			Monthly Membrane Transfer	-5,155.41	1,668,933.68
Transfer	07/23/2024			Monthly Membrane Transfer	-39,998.40	1,628,935.28
Transfer	07/23/2024			Funds Transfer	-196.80	1,628,738.48
Deposit	07/23/2024			Deposit	232,295.48	1,861,033.96
Bill Pmt -Check	07/24/2024	ACH	CPS - 1518	Utilities	-134.16	1,860,899.80
Bill Pmt -Check	07/25/2024	ACH	Aflac	Employee Voluntary Insurance	-1,060.90	1,859,838.90
Deposit	07/25/2024			Deposit	446,776.89	2,306,615.79
Bill Pmt -Check	07/26/2024	ACH	CPS - 1604	Utilities	-28,204.98	2,278,410.81
Paycheck	07/26/2024	Direct Dep	Allman, Michael		-3,486.73	2,274,924.08
Paycheck	07/26/2024	Direct Dep	Andrews, Michael D		-1,773.06	2,273,151.02
Paycheck	07/26/2024	Direct Dep	Arreaga, Ivan R		-1,779.66	2,271,371.36
Paycheck	07/26/2024	Direct Dep	Flores, Jimmy		-2,388.85	2,268,982.51
Paycheck	07/26/2024	Direct Dep	Garcia, Jesus M		-2,000.18	2,266,982.33
Paycheck	07/26/2024	Direct Dep	Kirkland, Debra M		-1,815.60	2,265,166.73
Paycheck	07/26/2024	Direct Dep	Moreno, Joe		-4,520.58	2,260,646.15
Paycheck	07/26/2024	Direct Dep	Sarten, Donald		-3,786.50	2,256,859.65
Paycheck	07/26/2024	Direct Dep	Schnautz, Kelby D.		-998.44	2,255,861.21
Paycheck	07/26/2024	Direct Dep	Shirk, Austin		-2,959.91	2,252,901.30
Paycheck	07/26/2024	Direct Dep	Sims, Clarissa R		-1,593.47	2,251,307.83
Paycheck	07/26/2024	Direct Dep	Wallace, Russell L		-3,147.50	2,248,160.33
Paycheck	07/26/2024	Direct Dep	Wilkinson, Joan A.		-3,426.96	2,244,733.37
Paycheck	07/26/2024	Direct Dep	Averyt, Kerry L		-5,117.82	2,239,615.55
Paycheck	07/26/2024	Direct Dep	Diaz, Hanna S		-1,581.47	2,238,034.08
Paycheck	07/26/2024	Direct Dep	McMullen, David W.		-3,886.77	2,234,147.31
Paycheck	07/26/2024	Direct Dep	Powers, Frantiska A		-1,830.84	2,232,316.47
Paycheck	07/26/2024	Direct Dep	Telfer, Adam C		-3,720.40	2,228,596.07
Liability Check	07/26/2024	ACH	John Hancock	401(k) Retirement Plan	-705.83	2,227,890.24
Liability Check	07/26/2024	EFTPS	US Treasury	74-2586063	-17,069.30	2,210,820.94
Check	07/26/2024	38385	Charles C. Bailey	Monthly Governmental Consulting Servic...	-2,000.00	2,208,820.94
Bill Pmt -Check	07/26/2024	38386	Alliance Regional Water Authority	July Operations & July- Sept 2024 Debt ...	-1,375,517.35	833,303.59
Bill Pmt -Check	07/26/2024	38387	Austin Armature Works, LP	Parts	-604.22	832,699.37
Bill Pmt -Check	07/26/2024	38388	B&B Family Partnership	Baugh Water Lease 320 AF @ \$75.00	-2,000.00	830,699.37
Bill Pmt -Check	07/26/2024	38389	Brenntag Southwest, Inc.	Chemicals	-10,874.20	819,825.17
Bill Pmt -Check	07/26/2024	38390	FedEx	Mail Signed Resolution/Documents	-9.75	819,815.42
Bill Pmt -Check	07/26/2024	38391	Grainger	Supplies	-1,058.34	818,757.08
Bill Pmt -Check	07/26/2024	38392	Guadalupe County Tax A/C	2013 Ford F150	-7.50	818,749.58
Bill Pmt -Check	07/26/2024	38393	Hild Brothers, Inc.	Weed Killer	-110.00	818,639.58
Bill Pmt -Check	07/26/2024	38394	Hill Country Electric Supply	Parts	-122.54	818,517.04
Bill Pmt -Check	07/26/2024	38395	PVS DX, INC	Chlorine	-294.25	818,222.79
Bill Pmt -Check	07/26/2024	38396	Standard Insurance Company	Employee Life, STD, & LTD Insurance	-1,208.54	817,014.25
Bill Pmt -Check	07/26/2024	38397	TX Health Benefits Pool	Employee Health Insurance	-28,817.55	788,196.70
Bill Pmt -Check	07/26/2024	38398	Vantage Pump and Compressor, Ltd.	Parts	-738.97	787,457.73
Bill Pmt -Check	07/26/2024	38399	Waste Connections	Garbage Disposal	-414.89	787,042.84
Deposit	07/29/2024			Deposit	321,373.80	1,108,416.64
Deposit	07/31/2024			Deposit	832,988.86	1,941,405.50
Deposit	07/31/2024			Interest	1,581.22	1,942,986.72
Total 1006 - First United Checking #5207					-1,108,472.38	1,942,986.72
Total 1001 - First United Bank					-1,108,472.38	1,942,986.72
<b>TOTAL</b>					<b>-1,108,472.38</b>	<b>1,942,986.72</b>

**CANYON REGIONAL WATER AUTHORITY**

**Legal Fees by Payee**

October 2023 through July 2024

Type	Date	Num	Name	Memo	Amount	Balance
<b>Attorney R. L. Wilson</b>						
Bill	10/31/2023	3756	Attorney R. L. Wilson	General Matters 10/01/2023 - 10/31/2023	5,685.00	5,685.00
Bill	10/31/2023	3759	Attorney R. L. Wilson	Wells Ranch 10/01/2023 - 10/31/2023	645.00	6,330.00
Bill	10/31/2023	3757	Attorney R. L. Wilson	Hays Caldwell 10/01/2023 - 10/31/2023	4,995.00	11,325.00
Bill	11/30/2023	3760	Attorney R. L. Wilson	General Matters 11/01/2023 - 11/30/2023	6,837.00	18,162.00
Bill	11/30/2023	3763	Attorney R. L. Wilson	Wells Ranch 11/01/2023 - 11/30/2023	840.00	19,002.00
Bill	11/30/2023	3761	Attorney R. L. Wilson	Hays Caldwell 11/01/2023 - 11/30/2023	1,545.00	20,547.00
Gen...	12/31/2023	1099...	Attorney R. L. Wilson	Form 1099 Adj from WR II	16,754.60	37,301.60
Gen...	12/31/2023	1099...	Attorney R. L. Wilson	Reverse of GJE 1099-Adj 2 - Form 1099 Adj from ...	-16,754.60	20,547.00
Bill	01/31/2024	3777	Attorney R. L. Wilson	General Matters 12/01/2023 - 01/31/2024	24,435.00	44,982.00
Bill	01/31/2024	3778	Attorney R. L. Wilson	Hays Caldwell 12/01/2023 - 01/31/2024	6,270.00	51,252.00
Bill	01/31/2024	3781	Attorney R. L. Wilson	Wells Ranch 12/01/2023 - 01/31/2024	3,720.00	54,972.00
Bill	01/31/2024	3779	Attorney R. L. Wilson	Lake Dunlap/Nanostone 12/01/2023 - 01/31/2024	120.00	55,092.00
Bill	02/29/2024	3795	Attorney R. L. Wilson	General Matters 02/01/2024 - 02/29/2024	8,481.00	63,573.00
Bill	02/29/2024	3796	Attorney R. L. Wilson	Hays Caldwell 02/01/2024 - 02/29/2024	2,742.00	66,315.00
Bill	02/29/2024	3799	Attorney R. L. Wilson	Wells Ranch 02/01/2024 - 02/29/2024	3,735.00	70,050.00
Bill	03/31/2024	3812	Attorney R. L. Wilson	General Matters 03/01/2024 - 03/31/2024	8,145.00	78,195.00
Bill	03/31/2024	3813	Attorney R. L. Wilson	Hays Caldwell 03/01/2024 - 03/31/2024	3,495.00	81,690.00
Bill	03/31/2024	3815	Attorney R. L. Wilson	Wells Ranch 03/01/2024 - 03/31/2024	3,450.00	85,140.00
Bill	04/30/2024	3830	Attorney R. L. Wilson	General Matters (04/01/2024 - 04/30/2024	7,785.00	92,925.00
Bill	04/30/2024	3832	Attorney R. L. Wilson	Lake Dunlap 04/01/2024 - 04/30/2024	405.00	93,330.00
Bill	04/30/2024	3834	Attorney R. L. Wilson	Wells Ranch 04/01/2024 - 04/30/2024	1,635.00	94,965.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	HC Mediation	3,840.00	98,805.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	Hays Caldwell 04/01/2024 - 04/30/2024	7,035.00	105,840.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	HC Mediation	30.00	105,870.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	Hays Caldwell 04/01/2024 - 04/30/2024	30.00	105,900.00
Bill	05/16/2024		Attorney R. L. Wilson	HC Mediation - Jackson Walker	1,650.00	107,550.00
Bill	05/31/2024	3849	Attorney R. L. Wilson	General Matters 05/01/2024 - 05/31/2024	2,565.00	110,115.00
Bill	05/31/2024	3849	Attorney R. L. Wilson	General Matters 05/01/2024 - 05/31/2024	120.00	110,235.00
Bill	05/31/2024	3850	Attorney R. L. Wilson	HC Mediation & Contracts	18,861.56	129,096.56
Bill	06/30/2024	3868	Attorney R. L. Wilson	General Matters & Contracts (06/01/2024 - 06/30/2...	660.00	129,756.56
Bill	06/30/2024	3868	Attorney R. L. Wilson	General Matters & Contracts (06/01/2024 - 06/30/2...	4,185.00	133,941.56
Bill	06/30/2024	3871	Attorney R. L. Wilson	GCUWCD Rule Amendments (06/01/2024 - 06/30/...	2,880.00	136,821.56
Bill	06/30/2024	3869	Attorney R. L. Wilson	HC Mediation & Contracts (06/01/2024 - 06/30/2024)	4,875.00	141,696.56
<b>Total Attorney R. L. Wilson</b>					<b>141,696.56</b>	<b>141,696.56</b>
<b>Bryant Law PC</b>						
Bill	10/31/2023	2091	Bryant Law PC	RE: Louis Rosenberg	5,058.10	5,058.10
Bill	10/31/2023	2092	Bryant Law PC	RE: Louis Rosenberg-Hays Caldwell Contract Wat...	3,181.50	8,239.60
Bill	10/31/2023	2093	Bryant Law PC	RE: Louis Rosenberg	2,259.60	10,499.20
Bill	11/30/2023	2212	Bryant Law PC	RE: Louis Rosenberg	5,551.10	16,050.30
Bill	11/30/2023	2212	Bryant Law PC	Hays-Caldwell Contract Water Rights Issues	824.00	16,874.30
Bill	11/30/2023	2212	Bryant Law PC	RE: Louis Rosenberg	2,561.60	19,435.90
Bill	12/31/2023	2303	Bryant Law PC	RE: Louis Rosenberg	4,480.10	23,916.00
Bill	12/31/2023	2303	Bryant Law PC	Hays Caldwell Contract Water Rights Issues	660.00	24,576.00
Bill	12/31/2023	2303	Bryant Law PC	RE: Louis Rosenberg	2,427.10	27,003.10
Bill	01/24/2024	2389	Bryant Law PC	RE: Louis Rosenberg	3,769.60	30,772.70
Bill	01/24/2024	2389	Bryant Law PC	Policy and Legislative	190.00	30,962.70
Bill	01/31/2024	2454	Bryant Law PC	RE: Louis Rosenberg	137.50	31,100.20
Bill	02/29/2024	2504	Bryant Law PC	RE: Louis Rosenberg	1,439.50	32,539.70
Bill	02/29/2024	2504	Bryant Law PC	Policy Committee	7,012.10	39,551.80
Bill	03/31/2024	2622	Bryant Law PC	RE: Louis Rosenberg	334.50	39,886.30
Bill	03/31/2024	2622	Bryant Law PC	Policy and Legislative Committee	4,008.50	43,894.80
Bill	04/23/2024	2707	Bryant Law PC	RE: Louis Rosenberg	1,834.40	45,729.20
Bill	04/23/2024	2707	Bryant Law PC	Policy & Legislative Committee	1,015.40	46,744.60
Bill	05/17/2024	2793	Bryant Law PC	RE: Louis Rosenberg	1,548.14	48,292.74
<b>Total Bryant Law PC</b>					<b>48,292.74</b>	<b>48,292.74</b>
<b>Charles C. Bailey</b>						
Check	11/03/2023	37342	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00	2,000.00
Check	12/08/2023	37468	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00	4,000.00
Check	12/15/2023	37501	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00	6,000.00
Check	01/26/2024	37706	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00	8,000.00
Check	03/01/2024	37811	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00	10,000.00
Check	03/28/2024	37921	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00	12,000.00
Check	05/03/2024	38019	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00	14,000.00
Check	06/07/2024	38134	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00	16,000.00
Check	06/25/2024	38189	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00	18,000.00
Check	07/26/2024	38385	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00	20,000.00
<b>Total Charles C. Bailey</b>					<b>20,000.00</b>	<b>20,000.00</b>



**CANYON REGIONAL WATER AUTHORITY**

**Legal Fees by Payee**

**October 2023 through July 2024**

Type	Date	Num	Name	Memo	Amount	Balance
<b>Collaborative Water Resolution, LLC</b>						
Bill	01/08/2024		Collaborative Water Resolution, LLC	General Manager Recruiter	23,750.00	23,750.00
Bill	04/01/2024		Collaborative Water Resolution, LLC	General Manager Recruiter	23,750.00	47,500.00
Total Collaborative Water Resolution, LLC					47,500.00	47,500.00
<b>Langley &amp; Banack</b>						
Bill	03/31/2024	568898	Langley & Banack	General Matters	8,355.80	8,355.80
Bill	04/28/2024	569849	Langley & Banack	General, HC Mediation, & WR Contract	560.00	8,915.80
Bill	04/28/2024	569849	Langley & Banack	HC Mediation	1,480.00	10,395.80
Bill	04/28/2024	569849	Langley & Banack	Digital Imaging	15.00	10,410.80
Bill	04/28/2024	569849	Langley & Banack	General, HC Mediation, & WR Contract	440.00	10,850.80
Bill	05/31/2024	571440	Langley & Banack	General, HC Mediation, & Contracts	880.00	11,730.80
Bill	05/31/2024	571440	Langley & Banack	HC Mediation	11,320.00	23,050.80
Bill	05/31/2024	571440	Langley & Banack	General, HC Mediation, & Contracts	80.00	23,130.80
Bill	05/31/2024	571440	Langley & Banack	HC Mediation - Hotel, Travel, Meal, Digital Imaging	672.80	23,803.60
Bill	06/26/2024	572660	Langley & Banack	General Matters	6,040.00	29,843.60
Bill	06/26/2024	572660	Langley & Banack	Travel to BOT Meeting	47.70	29,891.30
Total Langley & Banack					29,891.30	29,891.30
<b>Law Offices of Patricia Erlinger Carls</b>						
Bill	05/31/2024	1150	Law Offices of Patricia Erlinger Carls	GCUWCD Rule Amendment	612.50	612.50
Bill	05/31/2024	1151	Law Offices of Patricia Erlinger Carls	GCUWCD Rule Amendment	1,213.33	1,825.83
Bill	06/30/2024	1177	Law Offices of Patricia Erlinger Carls	GCUWCD Rule Amendment	4,105.50	5,931.33
Bill	06/30/2024	1176	Law Offices of Patricia Erlinger Carls	GCUWCD Rule Amendment	3,479.00	9,410.33
Bill	07/31/2024	1204	Law Offices of Patricia Erlinger Carls	GCUWCD Rule Amendment	382.50	9,792.83
Bill	07/31/2024	1203	Law Offices of Patricia Erlinger Carls	GCUWCD Rule Amendment	539.00	10,331.83
Total Law Offices of Patricia Erlinger Carls					10,331.83	10,331.83
<b>Morales, Fletcher Law, P.C.</b>						
Bill	12/31/2023	16	Morales, Fletcher Law, P.C.	Employee Handbook Review	3,060.00	3,060.00
Bill	02/29/2024	943	Morales, Fletcher Law, P.C.	Employee Handbook Review	552.50	3,612.50
Bill	03/31/2024	964	Morales, Fletcher Law, P.C.	Employee Handbook Review	680.00	4,292.50
Bill	04/30/2024	990	Morales, Fletcher Law, P.C.	Employee Handbook Review	340.00	4,632.50
Total Morales, Fletcher Law, P.C.					4,632.50	4,632.50
<b>Strategic Government Resources, Inc.</b>						
Bill	11/29/2023	2023-...	Strategic Government Resources, I...	Assistant General Manager Recruiter	8,165.67	8,165.67
Bill	11/29/2023	2023-...	Strategic Government Resources, I...	Project Engineer Recruiter	7,415.67	15,581.34
Total Strategic Government Resources, Inc.					15,581.34	15,581.34
<b>TOTAL</b>					<b>317,926.27</b>	<b>317,926.27</b>

**CANYON REGIONAL WATER AUTHORITY**

**Legal Fees by Category**

October 2023 through July 2024

Type	Date	Num	Name	Memo	Amount
<b>Other Charges</b>					
<b>Legal &amp; professional fees</b>					
<b>Contracts</b>					
Bill	10/31/2023	2092	Bryant Law PC	RE: Louis Rosenberg-Hays Caldwell Contr...	3,181.50
Bill	10/31/2023	3757	Attorney R. L. Wilson	Hays Caldwell 10/01/2023 - 10/31/2023	4,995.00
Bill	11/30/2023	2212	Bryant Law PC	Hays-Caldwell Contract Water Rights Issues	824.00
Bill	11/30/2023	3761	Attorney R. L. Wilson	Hays Caldwell 11/01/2023 - 11/30/2023	1,545.00
Bill	12/31/2023	2303	Bryant Law PC	Hays Caldwell Contract Water Rights Issues	660.00
Bill	01/31/2024	3778	Attorney R. L. Wilson	Hays Caldwell 12/01/2023 - 01/31/2024	6,270.00
Bill	01/31/2024	3779	Attorney R. L. Wilson	Lake Dunlap/Nanostone 12/01/2023 - 01/3...	120.00
Bill	02/29/2024	3796	Attorney R. L. Wilson	Hays Caldwell 02/01/2024 - 02/29/2024	2,742.00
Bill	03/31/2024	3813	Attorney R. L. Wilson	Hays Caldwell 003/01/2024 - 03/31/2024	3,495.00
Bill	04/28/2024	569849	Langley & Banack	General, HC Mediation, & WR Contract	440.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	Hays Caldwell 04/01/2024 - 04/30/2024	7,035.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	Hays Caldwell 04/01/2024 - 04/30/2024	30.00
Bill	05/16/2024		Attorney R. L. Wilson	HC Mediation - Jackson Walker	1,650.00
Bill	05/31/2024	571440	Langley & Banack	General, HC Mediation, & Contracts	880.00
Bill	05/31/2024	3849	Attorney R. L. Wilson	General Matters 05/01/2024 - 05/31/2024	120.00
Bill	05/31/2024	3850	Attorney R. L. Wilson	HC Mediation & Contracts	18,861.56
Bill	06/30/2024	3868	Attorney R. L. Wilson	General Matters & Contracts (06/01/2024 - ...	660.00
Bill	06/30/2024	3869	Attorney R. L. Wilson	HC Mediation & Contracts (06/01/2024 - 06...	4,875.00
<b>Total Contracts</b>					<b>58,384.06</b>
<b>Committee Matters</b>					
Bill	10/31/2023	2093	Bryant Law PC	RE: Louis Rosenberg	2,259.60
Bill	11/30/2023	2212	Bryant Law PC	RE: Louis Rosenberg	2,561.60
Bill	12/31/2023	2303	Bryant Law PC	RE: Louis Rosenberg	2,427.10
Bill	12/31/2023	16	Morales, Fletcher Law, P.C.	Employee Handbook Review	3,060.00
Bill	01/24/2024	2389	Bryant Law PC	Policy and Legislative	190.00
Bill	02/29/2024	943	Morales, Fletcher Law, P.C.	Employee Handbook Review	552.50
Bill	02/29/2024	2504	Bryant Law PC	Policy Committee	7,012.10
Bill	03/31/2024	964	Morales, Fletcher Law, P.C.	Employee Handbook Review	680.00
Bill	03/31/2024	2622	Bryant Law PC	Policy and Legislative Committee	4,008.50
Bill	04/23/2024	2707	Bryant Law PC	Policy & Legislative Committee	1,015.40
Bill	04/30/2024	990	Morales, Fletcher Law, P.C.	Employee Handbook Review	340.00
<b>Total Committee Matters</b>					<b>24,106.80</b>
<b>Wells Ranch</b>					
Bill	10/31/2023	3759	Attorney R. L. Wilson	Wells Ranch 10/01/2023 - 10/31/2023	645.00
Bill	11/30/2023	3763	Attorney R. L. Wilson	Wells Ranch 11/01/2023 - 11/30/2023	840.00
Bill	01/31/2024	3781	Attorney R. L. Wilson	Wells Ranch 12/01/2023 - 01/31/2024	3,720.00
Bill	02/29/2024	3799	Attorney R. L. Wilson	Wells Ranch 02/01/2024 - 02/29/2024	3,735.00
Bill	03/31/2024	3815	Attorney R. L. Wilson	Wells Ranch 03/01/2024 - 03/31/2024	3,450.00
Bill	04/30/2024	3834	Attorney R. L. Wilson	Wells Ranch 04/01/2024 - 04/30/2024	1,635.00
<b>Total Wells Ranch</b>					<b>14,025.00</b>
<b>General</b>					
Bill	10/31/2023	2091	Bryant Law PC	RE: Louis Rosenberg	5,058.10
Bill	10/31/2023	3756	Attorney R. L. Wilson	General Matters 10/01/2023 - 10/31/2023	5,685.00
Bill	11/29/2023	2023-...	Strategic Government Resource...	Assistant General Manager Recruiter	8,165.67
Bill	11/29/2023	2023-...	Strategic Government Resource...	Project Engineer Recruiter	7,415.67
Bill	11/30/2023	2212	Bryant Law PC	RE: Louis Rosenberg	5,551.10
Bill	11/30/2023	3760	Attorney R. L. Wilson	General Matters 11/01/2023 - 11/30/2023	6,837.00
Bill	12/31/2023	2303	Bryant Law PC	RE: Louis Rosenberg	4,480.10
Bill	01/08/2024		Collaborative Water Resolution, ...	General Manager Recruiter	23,750.00
Bill	01/24/2024	2389	Bryant Law PC	RE: Louis Rosenberg	3,769.60
Bill	01/31/2024	2454	Bryant Law PC	RE: Louis Rosenberg	137.50
Bill	01/31/2024	3777	Attorney R. L. Wilson	General Matters 12/01/2023 - 01/31/2024	24,435.00
Bill	02/29/2024	2504	Bryant Law PC	RE: Louis Rosenberg	1,439.50
Bill	02/29/2024	3795	Attorney R. L. Wilson	General Matters 02/01/2024 - 02/29/2024	8,481.00
Bill	03/31/2024	2622	Bryant Law PC	RE: Louis Rosenberg	334.50
Bill	03/31/2024	568898	Langley & Banack	General Matters	8,355.80
Bill	03/31/2024	3812	Attorney R. L. Wilson	General Matters 03/01/2024 - 03/31/2024	8,145.00
Bill	04/01/2024		Collaborative Water Resolution, ...	General Manager Recruiter	23,750.00
Bill	04/23/2024	2707	Bryant Law PC	RE: Louis Rosenberg	1,834.40
Bill	04/28/2024	569849	Langley & Banack	General, HC Mediation, & WR Contract	560.00
Bill	04/28/2024	569849	Langley & Banack	HC Mediation	1,480.00



**CANYON REGIONAL WATER AUTHORITY**

**Legal Fees by Category**

October 2023 through July 2024

Type	Date	Num	Name	Memo	Amount
Bill	04/28/2024	569849	Langley & Banack	Digital Imaging	15.00
Bill	04/30/2024	3830	Attorney R. L. Wilson	General Matters (04/01/2024 - 04/30/2024	7,785.00
Bill	04/30/2024	3832	Attorney R. L. Wilson	Lake Dunlap 04/01/2024 - 04/30/2024	405.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	HC Mediation	3,840.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	HC Mediation	30.00
Bill	05/17/2024	2793	Bryant Law PC	RE: Louis Rosenberg	1,548.14
Bill	05/31/2024	1150	Law Offices of Patricia Erlinger ...	GCUWCD Rule Amendment	612.50
Bill	05/31/2024	1151	Law Offices of Patricia Erlinger ...	GCUWCD Rule Amendment	1,213.33
Bill	05/31/2024	571440	Langley & Banack	HC Mediation	11,320.00
Bill	05/31/2024	571440	Langley & Banack	General, HC Mediation, & Contracts	80.00
Bill	05/31/2024	571440	Langley & Banack	HC Mediation - Hotel, Travel, Meal, Digital I...	672.80
Bill	05/31/2024	3849	Attorney R. L. Wilson	General Matters 05/01/2024 - 05/31/2024	2,565.00
Bill	06/26/2024	572660	Langley & Banack	General Matters	6,040.00
Bill	06/26/2024	572660	Langley & Banack	Travel to BOT Meeting	47.70
Bill	06/30/2024	1177	Law Offices of Patricia Erlinger ...	GCUWCD Rule Amendment	4,105.50
Bill	06/30/2024	1176	Law Offices of Patricia Erlinger ...	GCUWCD Rule Amendment	3,479.00
Bill	06/30/2024	3868	Attorney R. L. Wilson	General Matters & Contracts (06/01/2024 - ...	4,185.00
Bill	06/30/2024	3871	Attorney R. L. Wilson	GCUWCD Rule Amendments (06/01/2024 ...	2,880.00
Bill	07/31/2024	1204	Law Offices of Patricia Erlinger ...	GCUWCD Rule Amendment	382.50
Bill	07/31/2024	1203	Law Offices of Patricia Erlinger ...	GCUWCD Rule Amendment	539.00
<b>Total General</b>					<b>201,410.41</b>
<b>Legislation</b>					
Check	11/03/2023	37342	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00
Check	12/08/2023	37468	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00
Check	12/15/2023	37501	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00
Check	01/26/2024	37706	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00
Check	03/01/2024	37811	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00
Check	03/28/2024	37921	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00
Check	05/03/2024	38019	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00
Check	06/07/2024	38134	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00
Check	06/25/2024	38189	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00
Check	07/26/2024	38385	Charles C. Bailey	Monthly Governmental Consulting Services	2,000.00
<b>Total Legislation</b>					<b>20,000.00</b>
<b>Total Legal &amp; professional fees</b>					<b>317,926.27</b>
<b>Total Other Charges</b>					<b>317,926.27</b>
<b>TOTAL</b>					<b>317,926.27</b>

**Wells Ranch Project - Phase II**  
**Bond Series 2015**  
**Budget vs. Actual**  
**July 31, 2024**

	TOTAL	TOTAL	%
	BUDGET	DISBURSEMENTS	Complete
Wells Ranch Series 2015 Bond Proceeds	42,000,000.00	42,000,000.00	100.00%
Bond Issue Costs	420,840.00	420,840.00	100.00%
Capitalized Interest	1,664,000.00	1,664,000.00	100.00%
Beginning Cash Available for Project	39,915,160.00	39,915,160.00	100.00%
Preliminary Engineering Report	25,000.00	25,000.00	100.00%
Environmental Services	54,080.82	54,080.82	100.00%
Engineering Add'l Services (RCE Inspections)	317,067.50	317,067.50	100.00%
Inspection Services (HOT)	37,510.00	37,510.00	100.00%
SCADA Engineering Services	50,000.00	50,000.00	100.00%
Legal Notices	22,940.45	22,940.45	100.00%
Prof Services-TWDB Assistance	15,887.86	15,887.86	100.00%
Santa Clara Road TM	4,545,112.65	4,545,112.65	100.00%
Crystal Clear TM	3,102,090.36	3,102,090.36	100.00%
Wagner Booster Station Expansion	4,472,598.27	4,472,598.25	100.00%
Wells Ranch Plant Improvements	7,678,408.73	7,678,407.73	100.00%
Leissner Booster Station Imp.			
Legal Fees	110,925.31	110,925.31	100.00%
Basic Engineering Services	227,160.00	227,160.00	100.00%
Engineering Add'l Services	50,078.25	48,272.75	96.39%
Construction Costs - 2 MG Tank (Preload)	1,533,365.90	1,533,365.90	100.00%
Construction Costs - Facility (Payton)	1,185,478.00	1,185,478.00	100.00%
SCADA	16,000.00	16,000.00	100.00%
Total Leissner Booster Stn Expansion	3,123,007.46	3,121,201.96	99.94%
Oak Tree Elevated Storage Tank	2,778,256.00	2,778,256.02	100.00%
Well Field (7 wells)	10,812,545.17	10,812,544.67	100.00%
Generator Installation Project			
Legal, Consultant Fees	81,492.35	81,492.35	100.00%
Legal Notices	5,864.16	5,864.16	100.00%
Basic Engineering Services	203,320.00	172,822.00	85.00%
Engineering Add'l Services	9,000.00	9,000.00	100.00%
Generator Project Rework	28,169.20	28,169.20	100.00%
Deadman Well Site			
Generator Cost	71,265.00	71,265.00	100.00%
Generator Installation	202,500.00	202,500.00	100.00%
Total Deadman Well Site	273,765.00	273,765.00	100.00%
Deer Stand Well Site			
Generator Cost	71,265.00	71,265.00	100.00%
Generator Installation	202,500.00	202,500.00	100.00%
Total Deer Stand Well Site	273,765.00	273,765.00	100.00%
Wells Ranch WTP Site			
Generator Cost-WTP	317,295.00	317,295.00	100.00%
Generator Cost-MCC-2	279,140.00	279,140.00	100.00%
Generator Installation-WTP	412,350.00	412,350.00	100.00%
Generator Installation-MCC-2	376,140.00	376,140.00	100.00%
Total Wells Ranch WTP Site	1,384,925.00	1,384,925.00	100.00%
Leissner BPS Site			
Generator Cost	212,200.00	212,200.00	100.00%
Generator Installation	337,000.00	337,000.00	100.00%
Total Leissner BPS Site	549,200.00	549,200.00	100.00%
Wagner Booster Station			
Generator Cost	212,200.00	212,200.00	100.00%
Generator Installation	259,000.00	259,000.00	100.00%
Total Wagner Booster Station	471,200.00	471,200.00	100.00%
Well #5 & Well #13 Generator Cost	71,710.00	71,710.00	100.00%
Mobilization, Bonds & Insurance	119,000.00	119,000.00	100.00%
Total Generator Installation Project	3,471,410.71	3,440,912.71	99.12%
Total Phase II - 2015	40,505,915.98	40,473,610.98	99.92%
Unallocated Contingency	-590,755.98		
Total Expenditures		40,473,610.98	
Interest Income		446,529.24	
Cash from General Funds		243,088.31	
Cash from General Funds		0.00	
Ending Cash		131,166.57	

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08/26/24

Accrual Basis

**Wells Ranch Phase II - 2015**  
**Account QuickReport**  
**As of July 31, 2024**

Type	Date	Num	Name	Memo	Amount	Balance
BOKF, NA, Austin - Escrow						129,851.83
Deposit	07/01/2024			Interest	501.67	130,353.50
Total BOKF, NA, Austin - Escrow					501.67	130,353.50
Logic-Construction Acct						809.35
Deposit	07/31/2024			Interest	3.72	813.07
Total Logic-Construction Acct					3.72	813.07
<b>TOTAL</b>					<b>505.39</b>	<b>131,166.57</b>



**Hays Caldwell WTP Improvements  
Budget vs. Actual  
July 31, 2024**

	TOTAL <u>BUDGET</u>	TOTAL <u>DISBURSEMENTS</u>	<u>%</u>
Hays Caldwell Series 2017 Bond Net Proceeds	4,801,596.00	4,801,596.00	100.00%
Hays Caldwell Series 2021 Bond Net Proceeds	12,355,000.00	12,355,000.00	100.00%
City of San Marcos Cash Contribution	511,593.00	511,593.00	100.00%
City of San Marcos Cash Contribution	4,634,982.00	4,634,982.00	100.00%
Beginning Cash Available for Project	22,303,171.00	22,303,171.00	100.00%
Land Purchase - 2.009 Acres	555,628.44	555,628.44	100.00%
Advertisement for Bids	3,598.90	3,598.90	100.00%
TWDB D-Fund Application Services	35,700.00	35,700.00	100.00%
HMGF Application	12,000.00	12,000.00	100.00%
<b>Basic Engineering Services:</b>			
Preliminary Phase	403,700.00	403,700.00	100.00%
Design Phase	728,400.00	728,400.00	100.00%
Bid Phase	73,900.00		0.00%
Construction Phase	458,800.00		0.00%
Total Basic Engineering Services	1,664,800.00	1,132,100.00	68.00%
<b>Additional Engineering Services:</b>			
Grant Application Services	6,927.90	6,927.90	100.00%
Environmental Review & Permitting	121,200.00	107,838.80	88.98%
Topographic Survey	36,900.00	32,950.00	89.30%
Warranty Phase	30,900.00		0.00%
Start-Up Services	59,000.00		0.00%
O&M Manual Update	16,900.00		0.00%
Water Treatment Plant Audit	0.00		0.00%
Flood Protection	0.00		0.00%
CT Study & TCEQ Update	17,000.00	16,954.00	99.73%
Constr Observation & Resident	174,000.00		0.00%
Geotechnical Investigation	76,200.00	76,186.25	99.98%
TWDB & TCEQ Coordination	102,500.00	102,617.49	100.11%
Power System Study	55,000.00	55,000.00	100.00%
City of San Marcos Permitting	104,200.00	104,270.89	100.07%
City of San Marcos Platting	28,900.00	30,032.00	103.92%
Ozone Bldg Upgrade to CMU	49,800.00	46,813.60	94.00%
TCEQ Pilot Study	4,000.00		0.00%
Preconstruction T&E Surveys-Terrestrial	2,600.00		0.00%
Preconstruction T&E Surveys-Mussels	8,500.00		0.00%
Dewatering Aquatic Resources	27,600.00		0.00%
Geotechnical Baseline for River Intake	4,800.00	4,782.50	99.64%
Cultural Resources Constr Monitoring	42,500.00		0.00%
OSSF Irrigation Reconfig & Permitting	9,000.00		0.00%
Total Additional Engineering Services	978,427.90	584,373.43	59.73%
HCWTP Ozone Deman & Decay Testing	9,992.00	9,992.00	100.00%
Caldwell County Permits	51,950.00	51,950.00	100.00%
City of San Marcos-Permits	19,323.14	19,323.14	100.00%
<b>SCADA</b>			
Design Fees	20,000.00	3,963.75	19.82%
Construction Costs	150,000.00		0.00%
Total SCADA Costs	170,000.00	3,963.75	2.33%
Bluebonnet Electric Coop - Service Entrances & Easement	61,512.02	61,512.02	100.00%
Miscellaneous Fees	3,077.04	3,077.04	100.00%

**Hays Caldwell WTP Improvements  
Budget vs. Actual  
July 31, 2024**

	TOTAL	TOTAL	
	<u>BUDGET</u>	<u>DISBURSEMENTS</u>	<u>%</u>
<b>Construction Costs</b>			
New 1 MG GST (DN Tanks)	4,590,000.00		0.00%
<b>Probable Construction Costs</b>			
Raw Water Pump Station & Intake	3,210,643.00		0.00%
Raw Water Electrical Building	346,491.00		0.00%
Yard Piping	1,160,146.00		0.00%
Clarifier Upgrades	2,656,275.00		0.00%
Splitter Box	760,340.00		0.00%
Chemical Feed & Storage	372,721.00		0.00%
Ozone Improvements	4,209,987.00		0.00%
Existing GST Rehab	311,740.00		0.00%
HSPS Improvements	698,145.00		0.00%
Recycle Pump Station	113,687.00		0.00%
Decant Pump Station	179,174.00		0.00%
Decant Ponds	611,499.00		0.00%
Site Civil Paving, etc.	1,961,807.00		0.00%
Electrical Improvement	4,842,702.00		0.00%
Instrumentations & Controls	1,372,320.00		0.00%
Subtotal	22,807,677.00	0.00	0.00%
Additive Alternate: 200kW Generator	813,704.00		0.00%
Additive Alternate: 350kW Generator	1,260,262.00		0.00%
Additive Alternate: Motorized Gates	60,480.00		0.00%
Additive Alternate: Security System Integ.	36,000.00		0.00%
<b>Total Probable Construction Costs</b>	<b>24,978,123.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>Total Hays Caldwell WTP Improvements</b>	<b>33,134,132.44</b>	<b>2,473,218.72</b>	<b>7.46%</b>
<b>Unallocated Contingency</b>	<b>-10,830,961.44</b>		<b>0.00%</b>
<b>Total Expenditures</b>		<b>2,473,218.72</b>	
<b>Interest Income</b>		<b>2,219,420.53</b>	
<b>Paid from General Funds-Electrical Easement</b>		<b>1,000.00</b>	
<b>Ending Cash</b>		<b>22,050,372.81</b>	

8:36 AM

08/26/24

Accrual Basis

### Hays Caldwell WTP Improvements

## Banking Activity

As of July 31, 2024

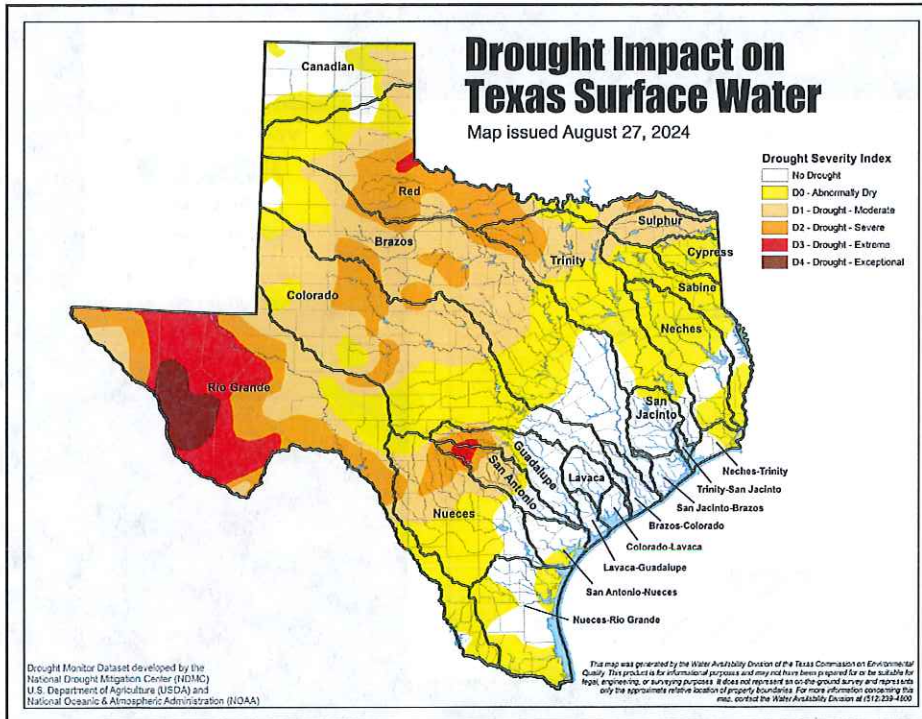
Type	Date	Num	Name	Memo	Amount	Balance
Logic, Construction Acct						17,658,434.92
Deposit	07/31/2024			Interest	81,032.96	17,739,467.88
Total Logic, Construction Acct					81,032.96	17,739,467.88
BOKF, NA						4,293,917.95
Deposit	07/01/2024			Interest	16,986.98	4,310,904.93
Total BOKF, NA					16,986.98	4,310,904.93
<b>TOTAL</b>					<b>98,019.94</b>	<b>22,050,372.81</b>



CRWA  
Board of Trustees  
Drought Report  
September 9, 2024



1



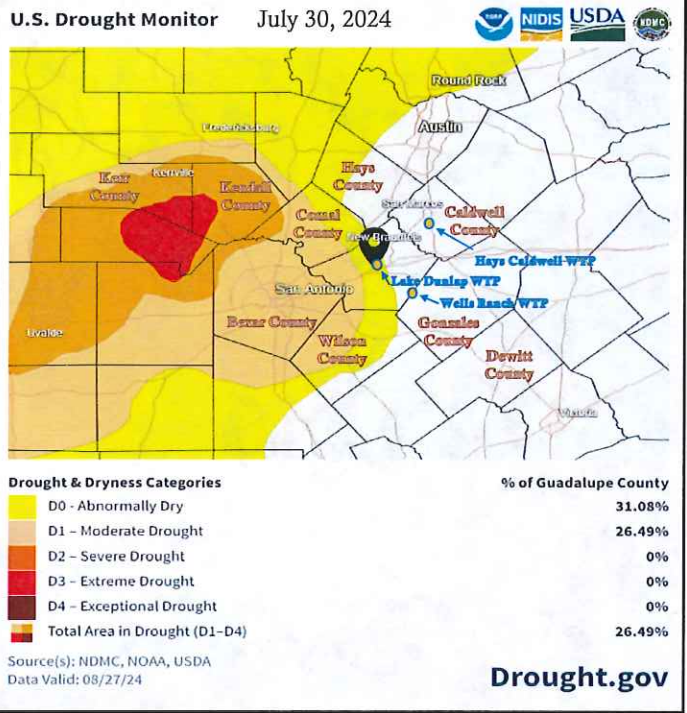
Extreme Drought  
Conditions continue  
in Upper San Antonio  
and Guadalupe  
Basins.



2

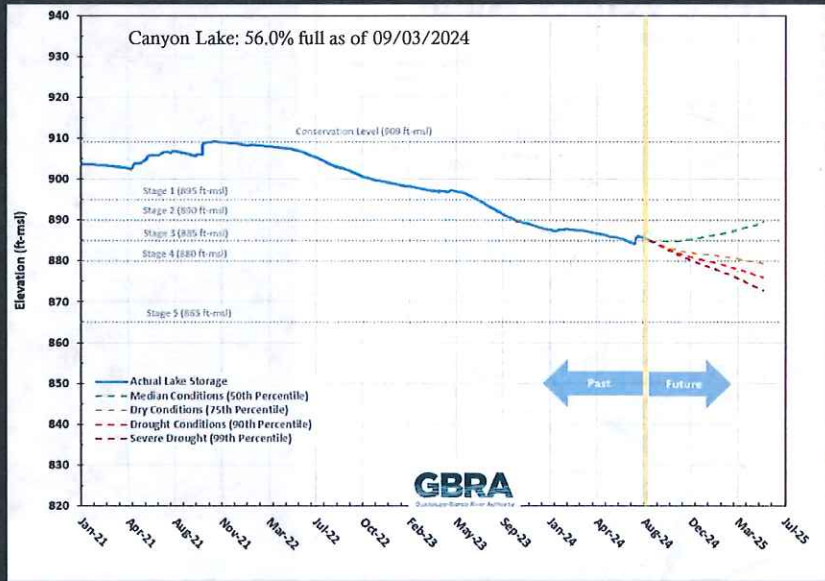


# Drought Intensity by County



3

# Canyon Lake Water Level Trends



**WATER LEVEL**  
**884.69**  
Feet MSL

Tuesday, September 3, 2024  
12:15:00 AM  
Level is 24.31 feet below full pool of 909.00

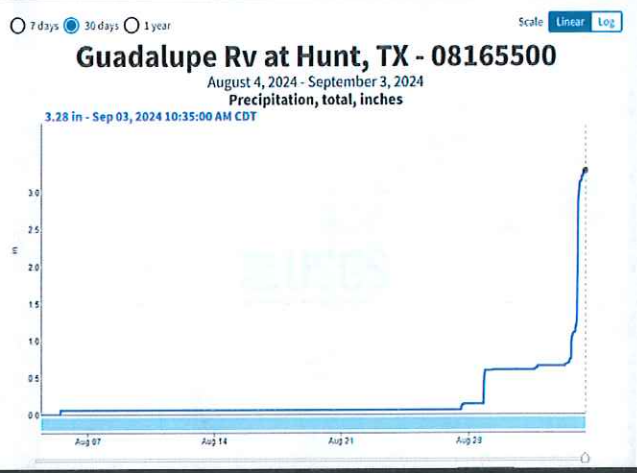
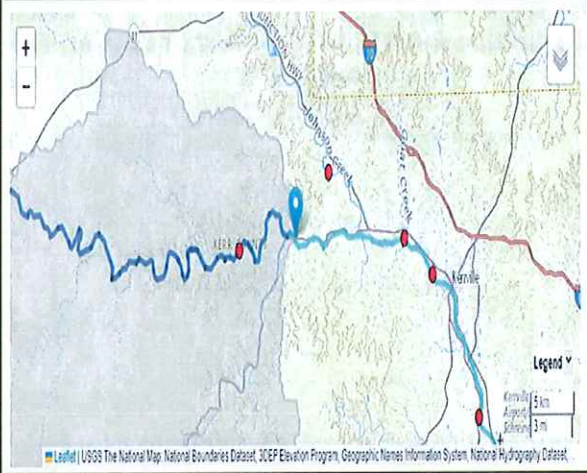
- Drought Trigger Levels**
- Stage 1 (Mild Conditions) - 895 feet (msl)  
Action - Voluntary 5% reduction
  - Stage 2 (Moderate Conditions) - 890 feet (msl)  
Action - Voluntary 10% reduction
  - Stage 3 (Severe Conditions) - 885 feet (msl)  
Action - Voluntary 15% reduction
  - Stage 4 (Critical Conditions) - 880 (msl)  
Action - Pro Rata Share Mandatory 15% reduction

\*Mean Sea Level

4

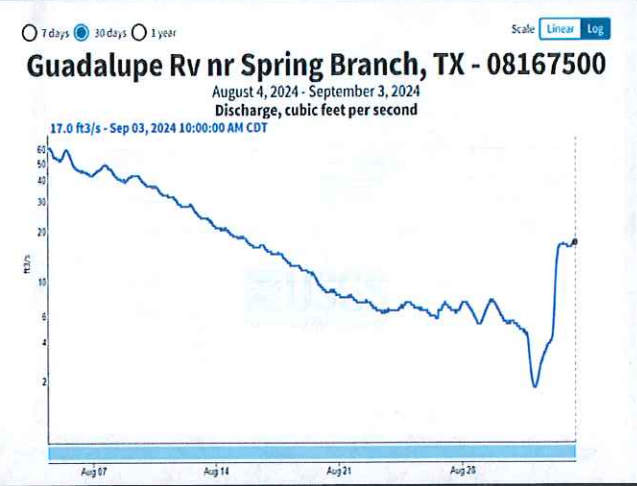
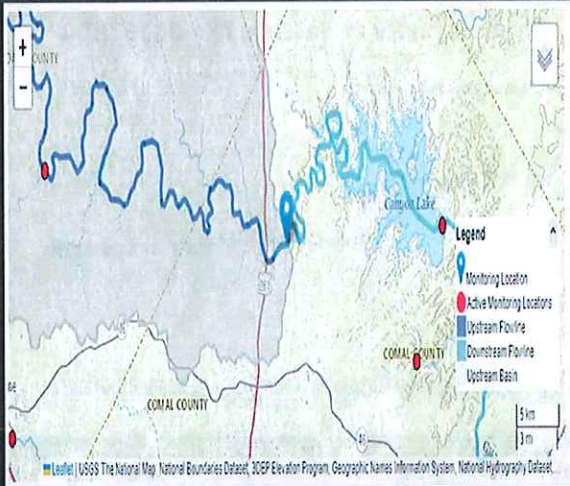


# Precipitation above Canyon Lake – Kerr County



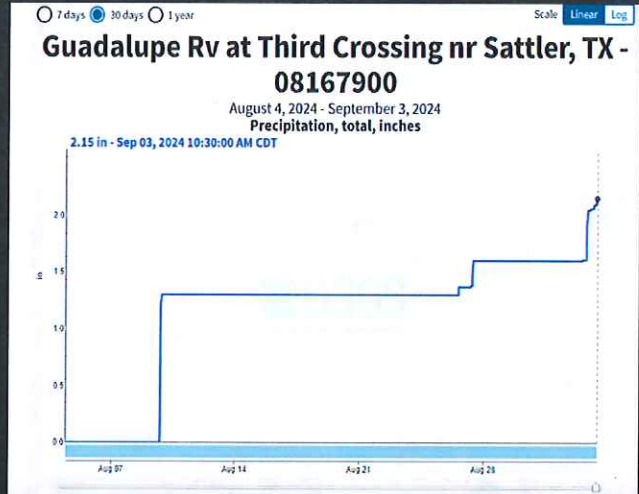
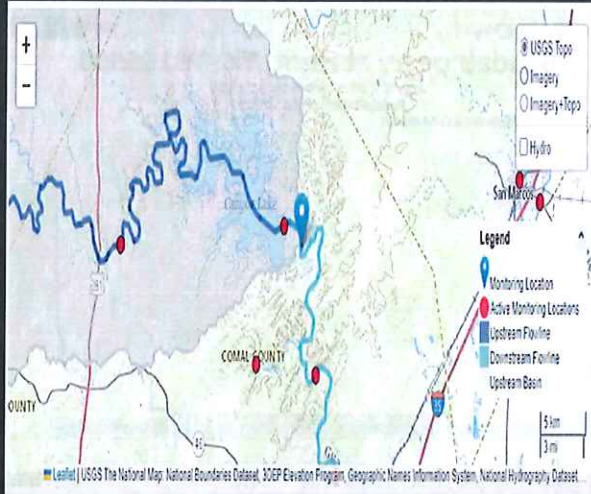
5

# Canyon Lake In-Flow (ft<sup>3</sup>/s)



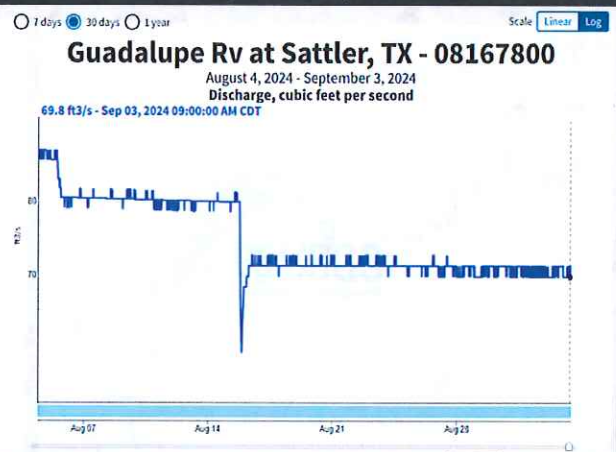
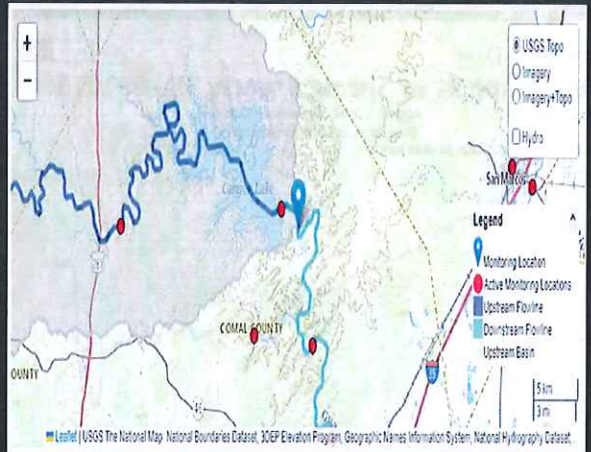
6

# Precipitation below Canyon Lake



7

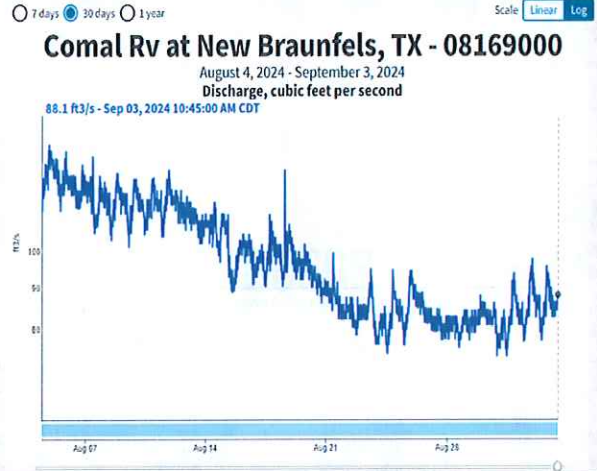
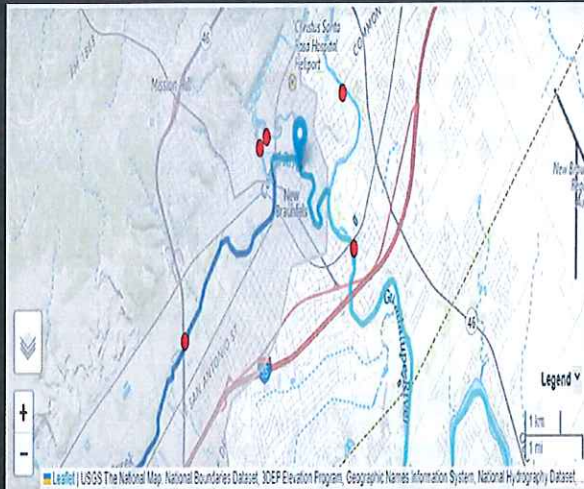
# Canyon Lake Out-Flow (ft<sup>3</sup>/s)



8

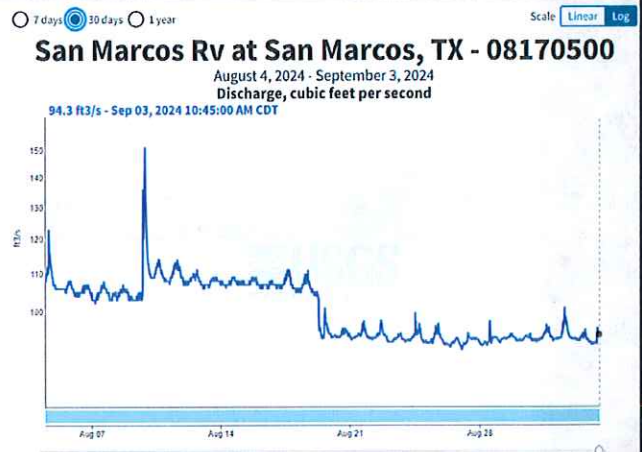
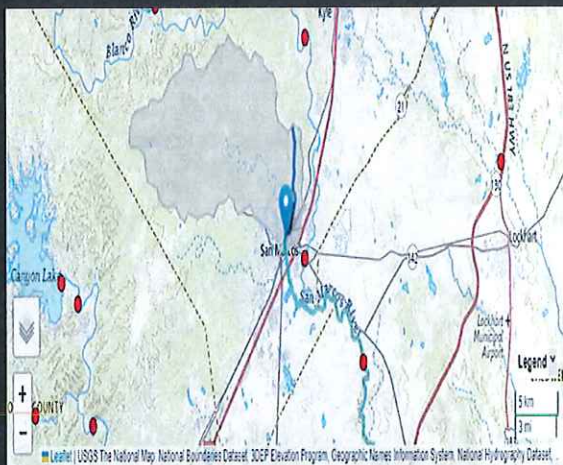


## Comal River Flow (ft<sup>3</sup>/s)



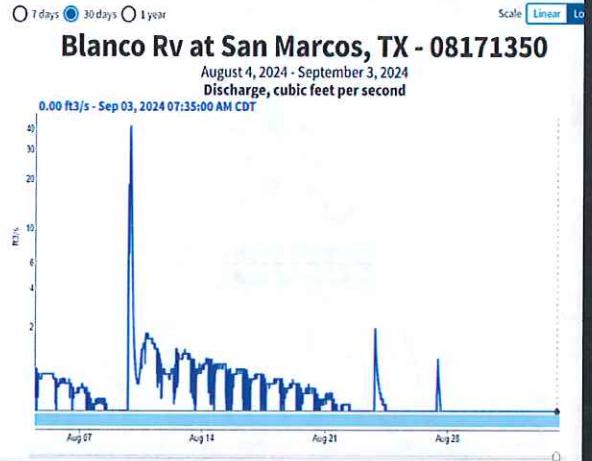
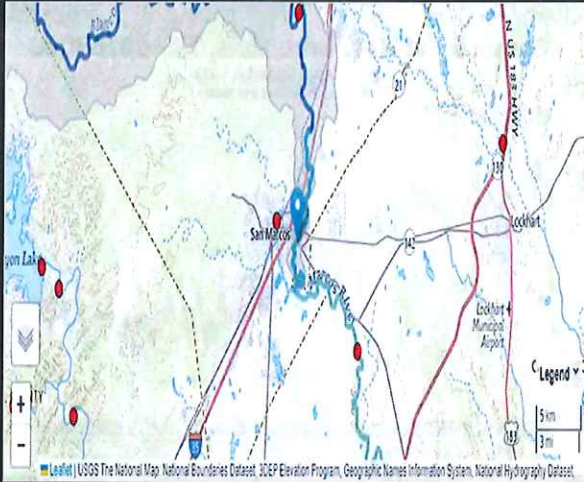
9

## San Marcos Spring Flow (ft<sup>3</sup>/s)



10

# Blanco River Flow at San Marcos (ft<sup>3</sup>/s)



11



12



13750 San Pedro Ave.  
Suite 350  
San Antonio, TX 78232  
TEL 210.447.6250  
[www.GarverUSA.com](http://www.GarverUSA.com)

## **Canyon Regional Water Authority Lake Dunlap WTP Improvements**

To: Kerry Averyt, PE,  
General Manager  
Canyon Regional Water Authority

From: Greg Swoboda, PE

Date: August 23, 2024

RE: Lake Dunlap WTP Imp Project  
Project Status Report

**Below is a status update for the Lake Dunlap WTP Improvements.**

### **Strainer Improvements**

1. Work order for the strainer improvements executed August 12, 2024.
  - a. Garver mobilized a team to work on the project.
2. Corresponded with TCEQ about the strainer project August 16, 2024.
  - a. Critical question: Is TCEQ approval required.
  - b. Craig Stowell-TCEQ indicated to submit plans for review and approval to construct since the strainer design is likely to change system.
    - i. Small design memo is planned to support a small plan and spec package.
3. Garver and Gupta visited the site on August 20, 2024. Met with CRWA Team to survey the strainer area and to discuss potential electrical and I&C improvements.
  - a. Garver used a NAVIS Laser Scanner to do a point cloud of the membrane building and surrounding structures.
  - b. The team discussed potential options for emergency strainer replacement.
    - i. Challenges are primarily related to space, maintenance of operations during construction, access to the existing equipment during future demolition and potential plans for expansion.
    - ii. Power is available if a strainer wash pump is needed. The power can be provided from the neighboring UF Feed pump room, where existing MCC buckets and VFD cabinets are available for the existing/abandoned UF recirc pumps.
    - iii. The team discussed integration of new controls. The control system for the strainers will be supplied with the strainer package. Minor integration work

will be required to tie the new panel into the existing plant SCADA system. The work can be performed by a few different integration companies because CRWA holds the license for the old Koch control software.

4. Meeting planned for August 27, with CRWA Team to further discuss the project.
  - a. Planned discussion includes potential options and strainer equipment being considered.
5. Upcoming Work
  - a. Garver is converting the point cloud survey into as-built drawings.
  - b. Garver is working with the strainer supplier to finalize sizing.
  - c. Garver is verifying hydraulic capacity for the strainers in the existing UF Feed system.
  - d. Garver plans to hold regular Teams meetings to update progress and discuss critical items.
6. See project schedule.

#### **Membrane Improvements**

1. Scope of work and fee being finalized with CRWA.
2. Planned scope of work includes.
  - a. Topographic survey.
  - b. Membrane improvements evaluation for consideration for 14.4 to 16.0 mgd.
  - c. Pre-treatment evaluation.
    - i. Clarifier and plate/tube settler evaluation.
    - ii. Ozone relocation.
    - iii. Coagulant evaluation.
  - d. Membrane improvements design-preliminary and final.
    - i. Membrane skids.
    - ii. Membrane feed pumps.
    - iii. Membrane backwash pump and yard piping.
    - iv. Backwash plant drain system.
    - v. Electrical and I&C improvements.
    - vi. Correspondence with TCEQ.
    - vii. OPCC
  - e. Bid phase services.
  - f. Construction phase services.

Xc: David McMullen, CRWA  
Buddy Boysen, Garver





# PROJECT STATUS REPORTS

## PROJECT STATUS REPORT SUMMARY

REPORT DATE

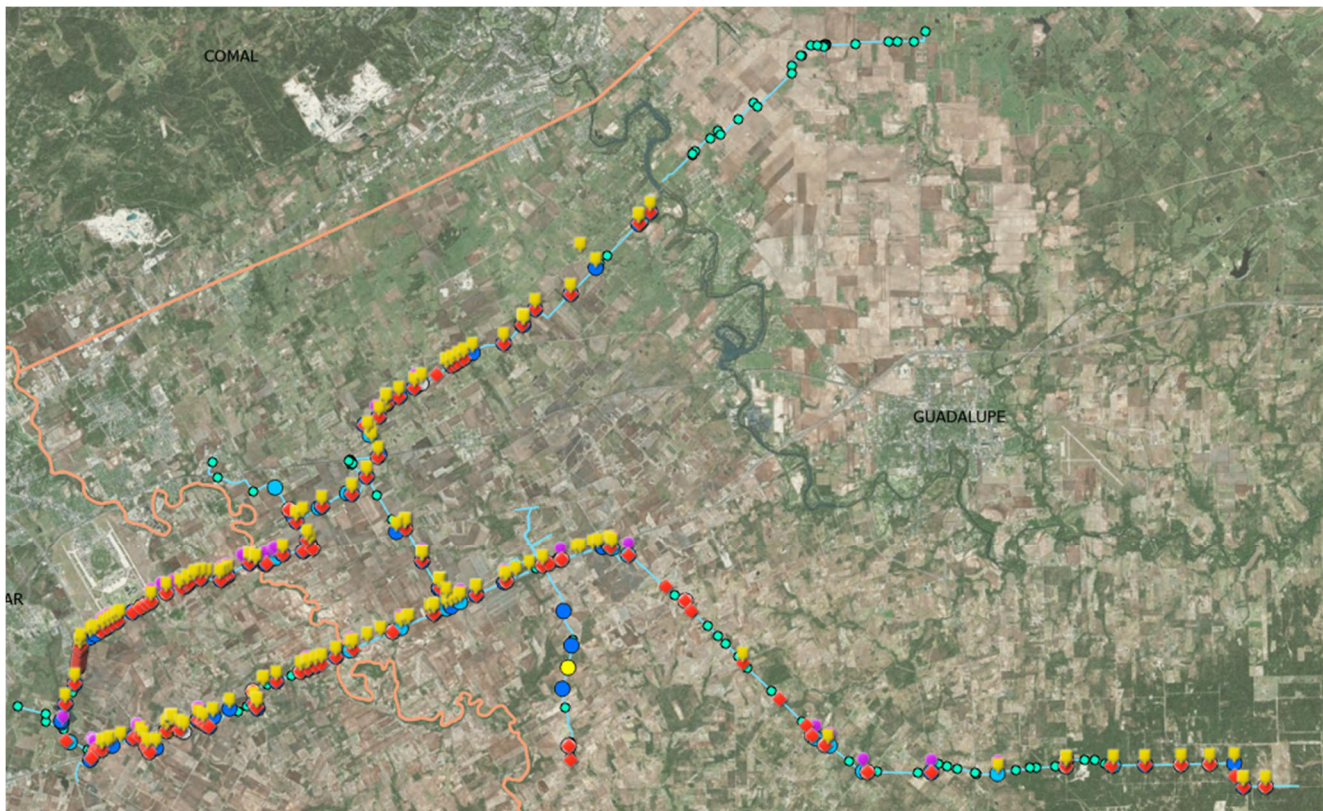
September 4, 2024

PREPARED BY

David Kneuper, P.E. – Utility Engineering Group

## CRWA GIS SYSTEM STATUS SUMMARY

Since the last project status report to CRWA, the GPS field verification data collection has been completed. The data has been compiled and reviewed. UEG met with CRWA Staff on 8/29 to review the data collected, any missing or inaccessible transmission main above ground appurtenances, and determine the preferred method of displaying the information on the site. Based on that meeting, UEG is in the process of making the final requested changes to the site. Additionally, the project base scope of services is complete with the additional Hays Caldwell transmission main system final as-built uploads (completed the week of 4/29). Below is a location map showing the assets that have been verified.



Currently, \$113,265.36 (99%) of the Phase 4 overall total budget (\$114,807.50) has been invoiced.

## TXDOT/CRWA IH-10 (SANTA CLARA & ZUEHL) TRANSMISSION LINE ENCASEMENT STATUS SUMMARY

The project includes the addition of approximately 190 LF of steel split casing on the existing CRWA transmission main at Santa Clara Road and the relocation and encasement of approximately 200 LF of the transmission main at Zuehl Road. The project is required due to the reconstruction of the two intersections by the Texas Department of Transportation (TxDOT) with their IH-10 expansion project.

The project pre-construction meeting was held on 2/27. The project Notice-to-Proceed has been issued for 2/29, giving the Contractor 120 calendar days to reach Substantial Completion and 150 calendar days (total) to reach Final Project Completion. The Contractor mobilized to the site and started work on 4/23. As of 5/23, the Contractor has completed the split casing and pavement restoration work at the Santa Clara intersection. The Contractor provided an updated schedule on 9/3 to complete the work at the Zuehl intersection. According to the schedule provided, the work at the Zuehl intersection will begin on 9/9 and will be completed on 10/1. UEG provided a notice to the Contractor on 7/16, and again on 8/29, of the final completion date and outlined the requirements of delays in Contractor's progress as provided in the contract documents. Finally, pipeline connection timing will be dependent on coordination with CRWA on timing of the tie-ins.

The contract amount is currently \$541,424.21, which includes the original bid and approved Change Order's No. 1 and No. 2, all of which are fully reimbursable.

## TXDOT/CRWA FM 1518 TRANSMISSION LINE RELOCATION STATUS SUMMARY

The project includes the offset and bore of a new section of 30-Inch CRWA transmission main, approximately 250 LF, across FM 1518 at the intersection with Lower Seguin Road. The project is required due to the TxDOT widening of FM 1518 and associated drainage improvements.

The project Notice-to-Proceed was issued for 2/13, giving the Contractor 120 calendar days to reach Substantial Completion and 150 calendar days (total) to reach Final Project Completion. The project bore and carrier pipe installation was completed on 5/24. A meeting was held on-site on 5/20 to discuss the pipeline connections. Following the meeting UEG prepared a draft tie-in work plan template for the Contractor to complete and submit for review and approval. Additionally, UEG prepared and submitted to the Contractor a project work area notice letter for their continued use of adjacent property outside of the identified project construction limits and CRWA easement. A second project work area notice was issued on 6/28. Following submission of the tie-in work plan, a second on-site meeting was held on 6/12. UEG provided a notice to the Contractor on 7/15, and again on 8/29, of the final completion date and outlined the requirements of delays in Contractor's progress as provided in the contract documents. An on-site meeting was held on 7/19 to discuss the final completion items and schedule for the project. The tie-in work was completed on 7/31. The Contractor provided an updated schedule on 9/3 to complete the work. According to the schedule provided, the final abandonment work will begin on 9/9 and will be completed on 9/26.

The current construction contract amount is \$634,121.15 based on Change Order No. 1 (-106,537.24) and Change Order No. 2 (\$9,237.60).



# Wells Ranch – Wells 2 & 14 Upgrades

## ▶ Background

- Scope – Increase Well 2 and Well 14 pumping capacity up to approx. 1,000 gpm to Wells Ranch WTP
- Includes new well pumps, motors, variable frequency drives, and electrical service



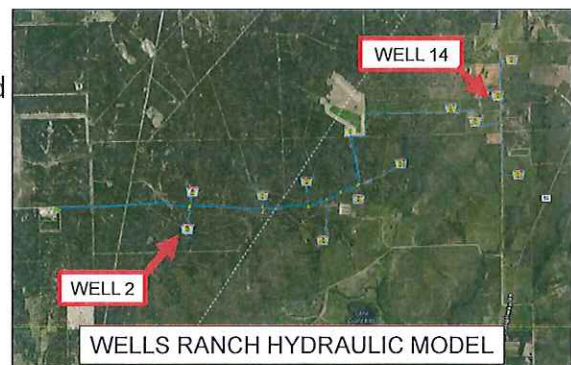
# Wells Ranch – Wells 2 & 14 Upgrades (cont'd)

## ▶ August 2024 Accomplishments

- STV under contract for engineering services
- Kick-Off Meeting & Initial Site Visit held
- Hydraulic model of existing well field system
- Proposed sizing and typical pump recommended for Wells 2 & 14
- Meeting to discuss Wells Ranch expansion planning and permitting

## ▶ September '24 Goals

- 90% Plan submittal to CRWA



**STV Contact**

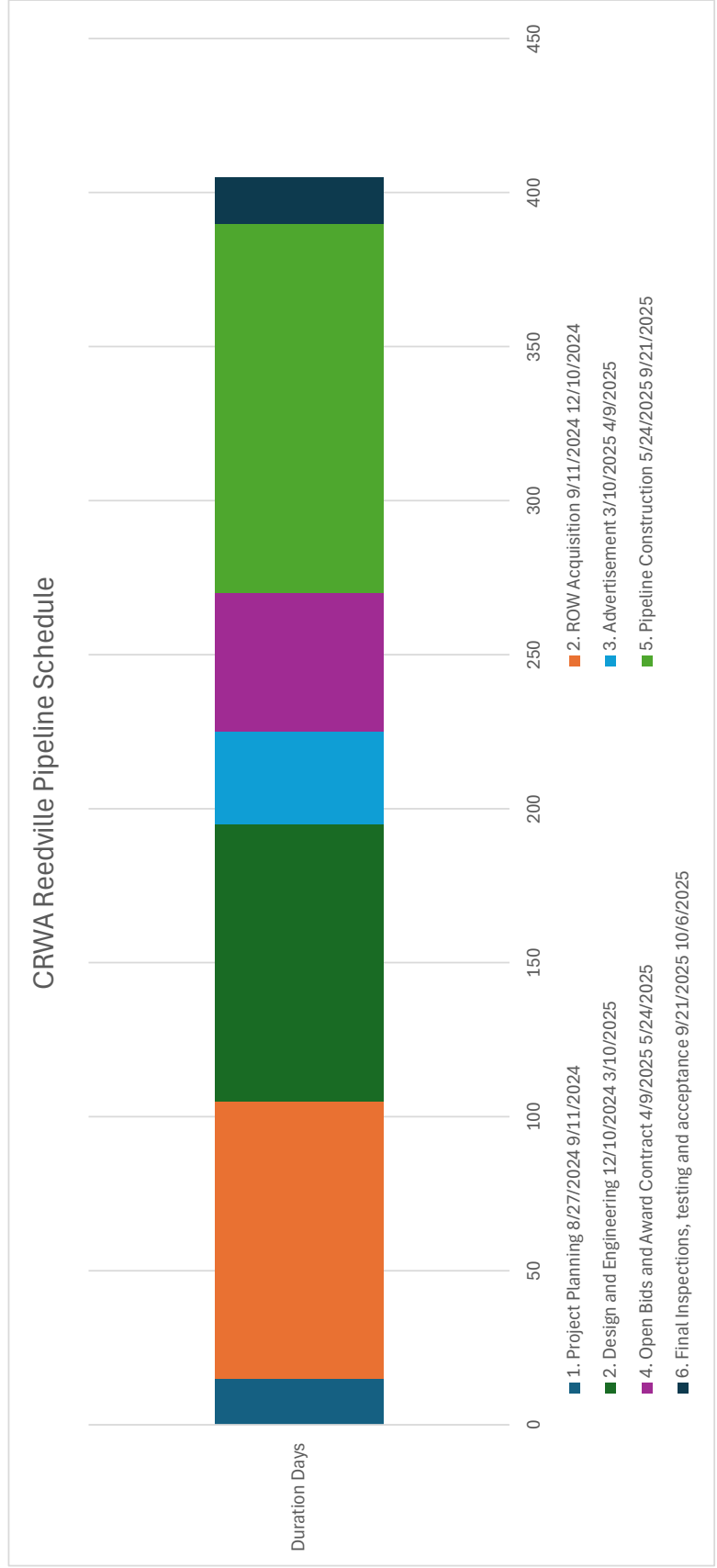
**Marisa Vergara, PE**  
**Marisa.Vergara@stvinc.com**



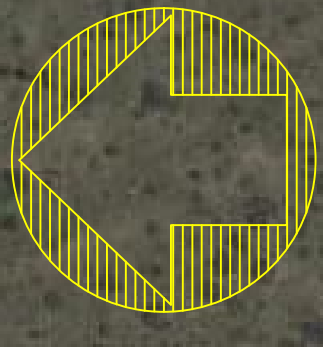
September 2024

## CRWA REEDVILLE 12" PIPELINE PROJECT SCHEDULE

Color	Task	Start Date	End Date	Duration Days
Blue	1. Project Planning	8/27/2024	9/11/2024	15
Orange	2. ROW Acquisition	9/11/2024	12/10/2024	90
Green	2. Design and Engineering	12/10/2024	3/10/2025	90
Light Blue	3. Advertisement	3/10/2025	4/9/2025	30
Purple	4. Open Bids and Award Contract	4/9/2025	5/24/2025	45
Light Green	5. Pipeline Construction	5/24/2025	9/21/2025	120
Dark Blue	6. Final Inspections, testing and acceptance	9/21/2025	10/6/2025	15







SCALE: 1" = 200'

PROPOSED 12"  
5,300 LF

EXISTING 12"

EXISTING 12"

EXISTING 12"

EXISTING 16"

EXISTING 16"



# Lake Dunlap WTP / Wells Ranch WTP / Hays Caldwell WTP Usage Report

## CRWA Monthly Production, Daily Average and Peak Day

2024	Lake Dunlap WTP			Wells Ranch WTP			Hays Caldwell WTP		
Date	Total Monthly Production MG	Production Daily Average MG	Production Peak Day MG	Total Monthly Production MG	Production Daily Average MG	Production Peak Day MG	Total Monthly Production MG	Production Daily Average MG	Production Peak Day MG
Jan-24	240.44	7.76	11.16	269.09	8.68	11.58	71.51	2.31	2.62
Feb-24	227.34	7.84	11.67	252.82	8.72	11.58	61.70	2.13	2.49
Mar-24	268.13	8.65	10.19	244.64	7.89	10.52	65.38	2.11	2.49
Apr-24	247.40	8.25	10.07	256.18	8.54	11.11	62.39	2.08	2.52
May-24	288.43	9.30	11.95	274.79	8.86	11.29	69.20	2.23	2.53
Jun-24	304.60	10.15	11.92	270.84	9.03	11.13	61.21	2.04	2.52
Jul-24	289.12	9.33	11.98	291.73	9.41	11.42	63.39	2.04	2.58
Aug-24	344.59	11.12	13.42	322.86	10.41	11.56	58.96	1.90	2.46
Sep-24									
Oct-24									
Nov-24									
Dec-24									
<b>YTD</b>	<b>2,210.03</b>	<b>9.05</b>	<b>13.42</b>	<b>2,182.95</b>	<b>8.94</b>	<b>11.58</b>	<b>513.74</b>	<b>2.11</b>	<b>2.62</b>

**Comments:**

Acronyms:

WTP = Water Treatment Plant

MG = Million Gallons

**CANYON REGIONAL WATER AUTHORITY  
BOARD COMMUNICATION**

<b>DATE</b>	<b>SUBJECT</b>	<b>AGENDA NUMBER</b>
09/09/2024	AGREEMENT BETWEEN CANYON REGIONAL WATER AUTHORITY ("CRWA") AND ALLIANCE REGIONAL WATER AUTHORITY ("ARWA") FOR AN ADDITIONAL DELIVERY POINT FOR COUNTY LINE SPECIAL UTILITY DISTRICT ("COUNTY LINE SUD")	CRWA 24-09-004

**INITIATED BY**

KERRY AVERYT

**STAFF RECOMMENDATION**

Approve an agreement between CRWA and ARWA providing for an additional delivery point for water to County Line SUD ("Agreement").

**BACKGROUND INFORMATION**

ARWA is developing a Carrizo-Wilcox Aquifer water supply project ("Project") for the public purpose of supplying wholesale water to its sponsors, including CRWA. County Line SUD is a member entity of CRWA. Under the Agreement, ARWA will add an additional delivery point that will enable CRWA to supply Project water to County Line SUD. A second delivery point will allow County Line SUD to meet the growth in demand in a particular part of its service area.

**FINANCIAL IMPACT**

County Line SUD will assume all financial responsibility under the Agreement for the additional delivery point.

**MOTION**

Motion to approve the following resolution.

\_\_\_\_\_



**CANYON REGIONAL WATER AUTHORITY**

**RESOLUTION No. 24-09-004**

BE IT RESOLVED that the CRWA Board of Trustees approve an agreement with Alliance Regional Water Authority for an additional delivery point for County Line SUD.

Adopted this 9<sup>th</sup> day of September 2024

Ayes \_\_\_\_ Nays \_\_\_\_ Abstained \_\_\_\_ Absent \_\_\_\_

Approved by: \_\_\_\_\_  
Timothy D. Fousse, CPM  
President

Certified and attested by: \_\_\_\_\_  
Ted Gibbs  
Secretary

**AGREEMENT FOR ADDITION OF DELIVERY POINT  
BETWEEN  
ALLIANCE REGIONAL WATER AUTHORITY  
AND  
CANYON REGIONAL WATER AUTHORITY**

This Agreement for the Addition of a Delivery Point (the "Agreement") is made and entered into by and between Alliance Regional Water Authority ("ARWA") and Canyon Regional Water Authority ("CRWA") (cumulatively "Parties" and, individually "Party" depending upon the context), both which are Texas conservation and reclamation districts organized and operating under Article 16, Section 59 of the Texas Constitution and their respective enabling legislation and other applicable laws. The Effective Date of this Agreement is \_\_\_\_\_, 2024.

**RECITALS**

WHEREAS, ARWA is developing a Carrizo-Wilcox Aquifer water supply project (the "Project") for the public purpose of supplying wholesale water to its Sponsors, including CRWA, pursuant to ARWA's enabling act, Chapter 11010 of the Texas Special District Local Laws Code; and

WHEREAS, CRWA desires that ARWA add an additional delivery point that would enable CRWA to supply water from the Project ("Delivery Point") to CRWA's member entity, County Line Special Utility District ("County Line SUD"); and

WHEREAS, the Parties desire to work together to facilitate the design and construction of the Delivery Point and have determined that it would be in the best interest of each Party to enter into this Agreement.

NOW, THEREFORE, ARWA and CRWA hereby agree as follows:

**ARTICLE I  
DEFINITIONS**

1.1 "Property" means the +/-0.585-acres located on County Road 229 (Misty Lane) approximately 1,000-ft southeast of Highway 21.

+/- 29°55'37"N 97°49'29"W

1.2 "Completion Date" means October 31, 2025. The parties will coordinate to create a design and construction timeline with milestones for completion of the Delivery Point by the Completion Date.

1.3 "Delivery Point" means the valves, meters, pipe, electrical, instrumentation and controls and related appurtenances necessary to control and transmit water from the transmission

pipeline to the member entity. The attached Exhibit A is an approximate layout for the delivery point at the Property identified and Exhibit B is a generic layout for the delivery point.

1.4 For purposes of this Agreement, when not inconsistent with the context, words used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural. The words “shall” and “will” are mandatory and the word “may” is permissive. Words not defined in this Agreement shall be given their common and ordinary meaning.

## **ARTICLE II ADDITION OF DELIVERY POINT**

2.1 **Specific Location and Engineering Design.** The Parties will cooperate in determining the specific site of the Delivery Point on the Property. County Line SUD is responsible for the engineering design of the Delivery Point with input from ARWA. ARWA will provide County Line SUD with plans, specifications, recommendations, and other information as needed to complete the engineering design of the Delivery Point.

2.2 **Costs for Engineering Design.** County Line SUD is responsible for all costs related to the engineering design of the Delivery Point.

2.3 **Bids.** All components of the engineering design and construction of the Delivery Point will be bid out in accordance with applicable law.

2.4 **Construction of the Delivery Point and Responsibility for Construction Costs.** County Line SUD is responsible for constructing the entire infrastructure necessary for the Delivery Point on the Property in accordance with the engineering design approved by ARWA. Likewise, County Line SUD is responsible for payment of any and all costs incurred in relation to the construction of the Delivery Point as set forth in the construction contract for the Delivery Point.

2.5 **Limitation of Terms.** The terms of this Agreement are limited to the design and construction of the Delivery Point. ARWA is fully responsible for the construction and design of all necessary infrastructure to provide water to the Delivery Point. County Line SUD is fully responsible for the construction and design of any necessary infrastructure to receive and distribute water from the Delivery Point.

2.6 **Limitation of Obligations of CRWA.** The Parties understand, acknowledge and agree that CRWA shall have no obligation for (a) the engineering design including, but not limited to plans, specifications, recommendations and other information as needed to complete the engineering design of the Delivery Point; (b) any and all costs for the engineering design including, but not limited to plans, specifications, recommendations and other information as needed to complete the engineering design of the Delivery Point; and (c) any and all costs for the construction of the Delivery Point and all infrastructure related to the construction of the Delivery Point.





enumerated or otherwise, that are not within the control of the Party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing Party if the settlement is unfavorable to it in the judgment of the Party having the difficulty.

**3.5 Execution in Counterparts.** This Agreement may be executed in multiple identical counterparts, each of which shall be deemed an original for all purposes.

**3.6 Entire Agreement.** This Agreement contains the entire agreement of the Parties and supersedes any and all prior agreements, arrangements, or understandings between the Parties related to the subject matter of this Agreement. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist. This Agreement cannot be amended, changed, modified, or terminated orally. No oral agreement or conversation with any officer, agent, or employee of either Party, either before or after the execution of this Agreement, shall modify or affect any terms or obligations hereunder.

**3.7 Amendments.** The terms and conditions of this Agreement may not be modified except by the mutual consent of both Parties in writing and with the approval of the respective governing bodies of each Party.

**3.8 Third-party Beneficiaries.** Although the Parties recognize that County Line SUD and possibly one or more developers may contribute to the costs and/or may enter one or more contracts separately with one or more of the Parties, there are no third-party beneficiaries to this Agreement.

**3.9 Breach and Opportunity to Cure.** Prior to any claim for breach of this Agreement being made, the Party claiming breach must provide written notice of the alleged breach to the purportedly breaching party. The party accused of breach shall then have thirty (30) days to cure the alleged breach.

**3.10 Mediation and Rights & Remedies.** In the event a dispute shall arise between the Parties to this Agreement, the Parties agree to participate in at least eight (8) hours of mediation with a mutually agreed mediator. The parties agree to share equally in the costs of the mediation. If the mediator declares the mediation is at an impasse, the Parties shall have all rights and remedies available to it at law or in equity in all matters including this Agreement, including but not limited to the interpretation and/or enforcement of this Agreement.

**3.11 Venue.** The actions performed under this Agreement shall be deemed to have occurred in Guadalupe County, Texas. Therefore, venue for any action between the Parties for this Agreement involving this Agreement shall be in Guadalupe County, Texas.

3.12 **Authority.** The governing bodies of each Party have approved this Agreement and authorized the person signing this Agreement to act on behalf of each Party.

3.13 **Assignment.** This Agreement shall not be assignable by any Party without the prior written consent of the other Party.

3.14 **Captions.** All captions of the Sections of this Agreement have been inserted for reference only, and shall in no way affect the interpretation of any provisions of this Agreement.

3.15 **Severability.** The provisions of this Agreement are severable, and if any provision or part of this Agreement shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement shall not be affected.

3.16 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties, their successors, personal representative and/or assigns.

3.17 **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of Texas and any applicable Federal laws, rules and regulations.

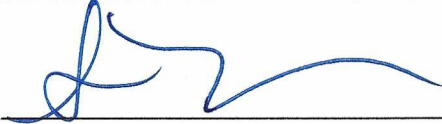
3.18 **Waiver.** Failure of any Party, at any time, to enforce a provision of this Agreement shall in no way constitute a waiver of that provision nor in any way affect the validity of this Agreement, any part hereof, or the right of any Party thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived or breach excused unless the waiver shall be in writing and signed by both Parties. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

3.19 **Governmental Immunity.** CRWA is a political subdivision of the state and, therefore, enjoys governmental immunity. By entering into this Agreement, CRWA does not (1) consent to suit; (2) waive its governmental immunity or the limitations as to damages under the Texas Tort Claims Act; (3) waive prohibitions on indemnity and/or lien provisions; and/or (4) waive any other immunities, rights and remedies entitled to CRWA under law.

SIGNED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2024.

ALLIANCE REGIONAL WATER AUTHORITY

CANYON REGIONAL WATER AUTHORITY

by:   
Graham Moore, P.E., Executive Director

by: \_\_\_\_\_  
Kerry Averyt, P.E., General Manager



STATE OF TEXAS                    §  
   §  
COUNTY OF \_\_\_\_\_ §

Before me, the undersigned notary public in and for said state, on this day personally appeared GRAHAM MOORE, P.E., EXECUTIVE DIRECTOR of ALLIANCE REGIONAL WATER AUTHORITY, known to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS  
My Commission Expires:\_\_\_\_\_

STATE OF TEXAS                    §  
   §  
COUNTY OF \_\_\_\_\_ §

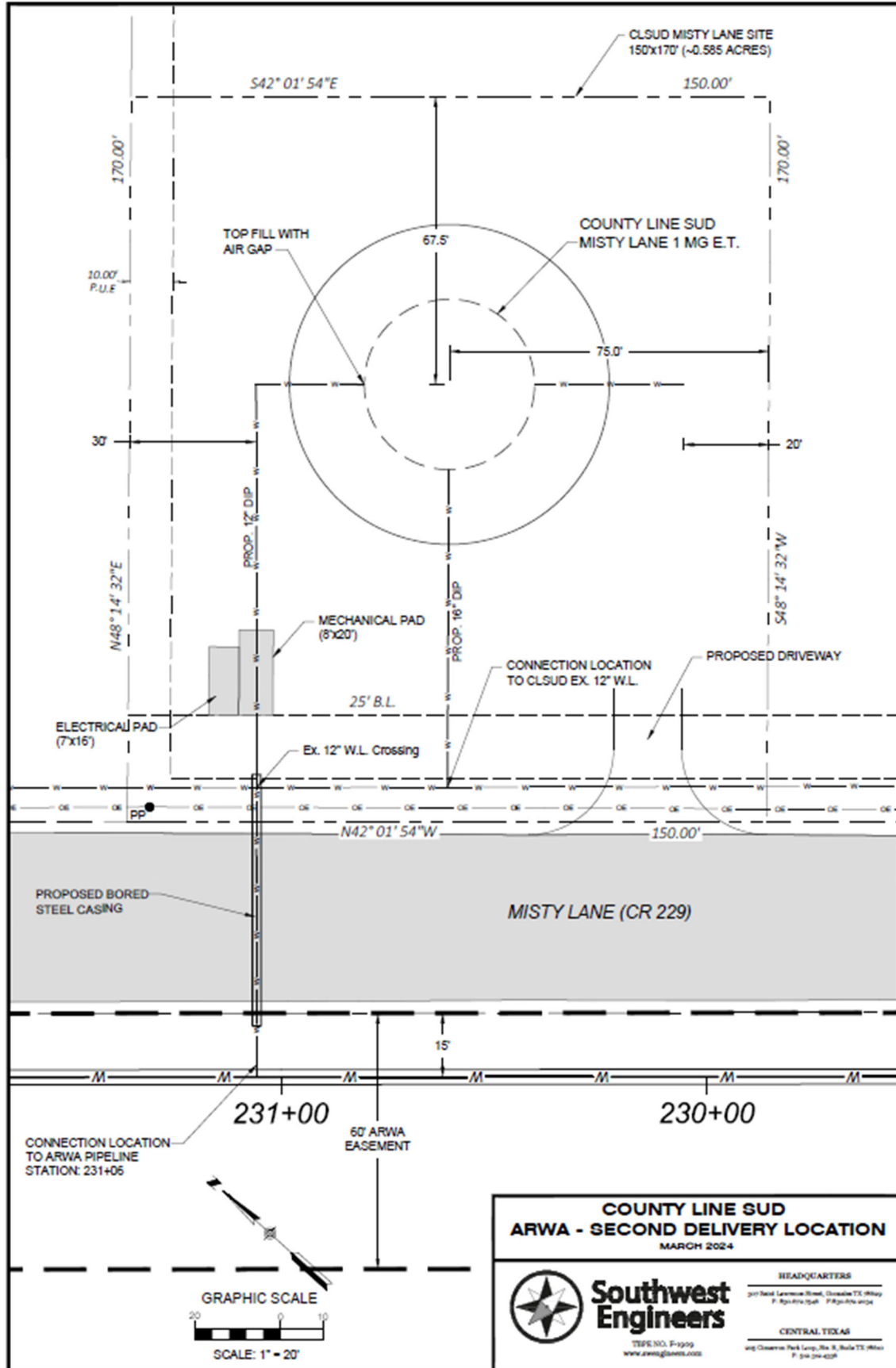
Before me, the undersigned notary public in and for said state, on this day personally appeared KERRY AVERYT, P.E., GENERAL MANAGER of CANYON REGIONAL WATER AUTHORITY, known to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS  
My Commission Expires:\_\_\_\_\_

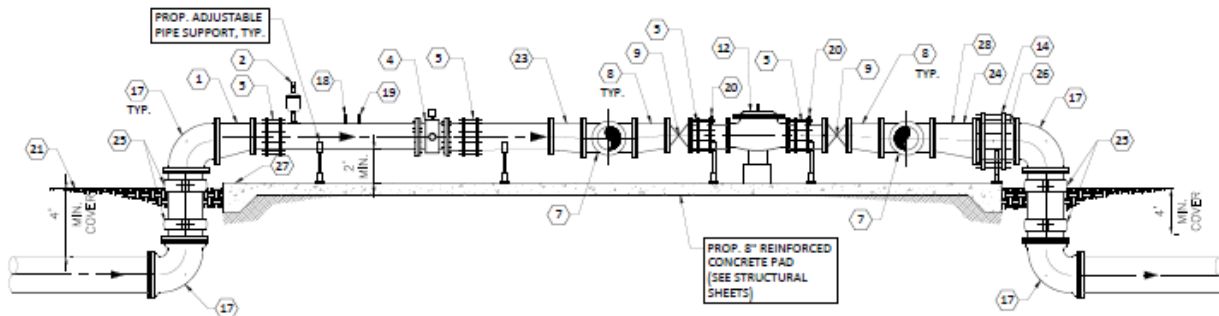
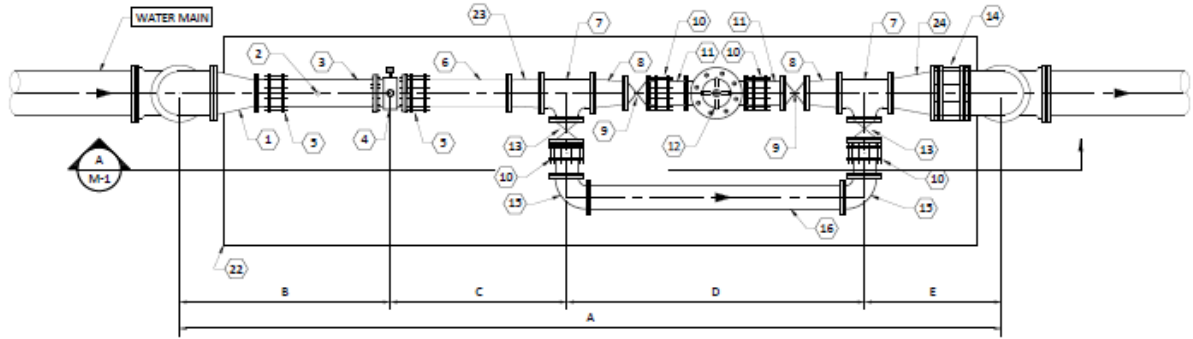
## EXHIBIT A – APPROXIMATE DELIVERY POINT LAYOUT

# EXHIBIT B – GENERIC DELIVERY POINT LAYOUT

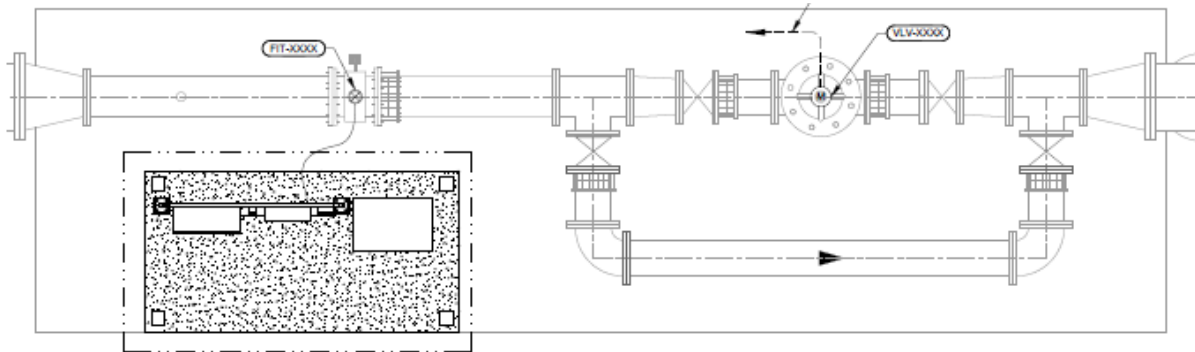




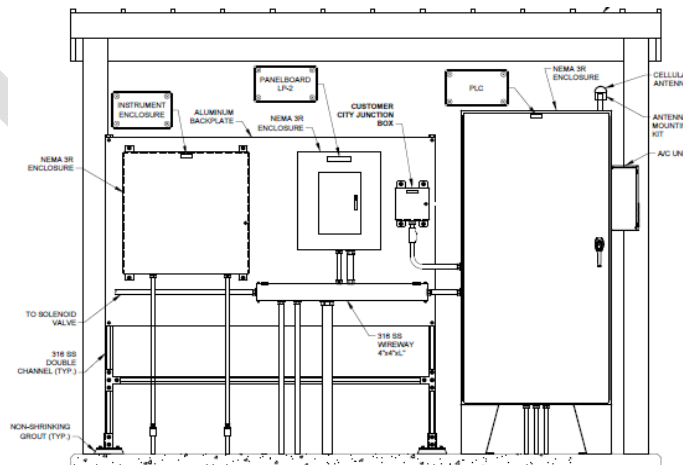
# EXHIBIT B – GENERIC DELIVERY POINT LAYOUT



A MECHANICAL SECTION  
1/4"=1'-0"



1 TYPICAL STATION CONTROL PLAN  
3/8"=1'-0"



2 MOUNTING DETAIL  
NTS

**CANYON REGIONAL WATER AUTHORITY  
BOARD COMMUNICATION**

<b>DATE</b>	<b>SUBJECT</b>	<b>AGENDA NUMBER</b>
09/09/2024	AGREEMENT BETWEEN CANYON REGIONAL WATER AUTHORITY ("CRWA") AND COUNTY LINE SPECIAL UTILITY DISTRICT ("COUNTY LINE SUD")	CRWA 24-09-005

**INITIATED BY**

KERRY AVERYT

**STAFF RECOMMENDATION**

Approve an agreement between CRWA and County Line SUD providing for an additional delivery point for water to County Line SUD ("Agreement").

**BACKGROUND INFORMATION**

ARWA is developing a Carrizo-Wilcox Aquifer water supply project ("Project") for the public purpose of supplying wholesale water to its sponsors, including CRWA. CRWA has contracted with ARWA to enable CRWA to supply water from the Project to County Line SUD. County Line SUD is a member entity of CRWA. Under the Agreement, County Line SUD will obtain a second delivery point to meet the growth demand in a particular part of its service area. County Line SUD has requested to partner with CRWA in establishing this second delivery point.

**FINANCIAL IMPACT**

County Line SUD will assume all financial responsibility under the Agreement for the additional delivery point.

**MOTION**

Motion to approve the following resolution.

\_\_\_\_\_

**CANYON REGIONAL WATER AUTHORITY**

**RESOLUTION No. 24-09-005**

BE IT RESOLVED that the CRWA Board of Trustees approve an agreement with County Line SUD for an additional delivery point.

Adopted this 9<sup>th</sup> day of September 2024

Ayes \_\_\_\_ Nays \_\_\_\_ Abstained \_\_\_\_ Absent \_\_\_\_

Approved by: \_\_\_\_\_  
Timothy D. Fousse, CPM  
President

Certified and attested by: \_\_\_\_\_  
Ted Gibbs  
Secretary



**CANYON REGIONAL WATER AUTHORITY  
BOARD COMMUNICATION**

DATE	SUBJECT	AGENDA NUMBER
09/09/2024	RECRUITMENT SERVICES	CRWA 24-09-007

**INITIATED BY** TIMOTHY FOUSSE

**STAFF RECOMMENDATION**

Approve a "Retained Search Fee Agreement for Water Resources Manager Candidate" with Collaborative Water Resolution, LLC to engage such firm to perform an executive search and related services in connection with CRWA's efforts to recruit a Water Resources Manager at a cost not to exceed \$36,250, with 50% of such cost (\$18,125) payable as an advance retainer.

**BACKGROUND INFORMATION**

The position of Water Resources Manager is critical to CRWA's success. This position has been vacant for an extended period, and CRWA's direct efforts to secure qualified candidates have not proven fruitful.

CRWA has advertised the position on its website and with trade associations as follows:

- CRWA Website
  - Date Posted: July 26, 2024
  - Status: Active
  - Expires: When position is filled
- Texas Rural Water Association (TRWA)
  - Date Posted: July 26, 2024
  - Status: Active
  - Expires: January 22, 2025
- Texas American Water Works Association (Texas AWWA)
  - Date Posted: July 29, 2024
  - Status: Inactive
  - Expired: August 28, 2024

CRWA engaged the services of Collaborative Water Resolution, LLC to secure General Manager candidates, and was satisfied with the pool of candidates supplied and the timeliness of its services.

CRWA staff has discussed the Water Resources Manager position with the principal of Collaborative Water Resolution, LLC, and believes that the firm is suited to secure qualified Water Resources Manager candidates.

CRWA management initially determined that the salary for this position should be approximately \$110,000.00. However, Collaborative Water Resolution, LLC has indicated that \$145,000 is likely a more appropriate salary that would attract qualified applicants. Accordingly, staff also seeks Board of Trustees approval to advertise a salary of up to \$145,000 for qualified candidates.

Collaborative Water Resolution, LLC charges a fee equal to 25% of the annual salary of a candidate that it successfully delivers. Fifty percent of this fee is characterized as a retainer and is payable in advance at the time that Collaborative Water Resolution, LLC is engaged.

**FINANCIAL IMPACT**

The financial impact of this resolution is \$36,250.

**MOTION**

Motion to approve the following resolution.

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**CANYON REGIONAL WATER AUTHORITY**

**RESOLUTION No. 24-09-007**

BE IT RESOLVED that the Board of Trustees approves entry into a "Retained Search Fee Agreement for General Manager Candidate" with Collaborative Water Resolution, LLC to perform an executive search and related services in connection with CRWA's efforts to recruit a General Manager at a cost not to exceed \$36,250.00;

BE IT FURTHER RESOLVED that the Board of Trustees authorizes CRWA's Board President to execute the a "Retained Search Fee Agreement for General Manager Candidate" with Collaborative Water Resolution, LLC, and authorizes CRWA's General Manager to issue payment of a retainer in the amount of \$18,125.00.

BE IT FURTHER RESOLVED that the Board of Trustees authorizes CRWA staff and Collaborative Water Resolution, LLC to advertise \$145,000 as the salary for the Water Resources Manager position.

Adopted this 9<sup>th</sup> day of September 2024

Ayes \_\_\_\_ Nays \_\_\_\_ Abstained \_\_\_\_ Absent \_\_\_\_

Approved by: \_\_\_\_\_  
Timothy D. Fousse, CPM  
President

Certified and attested by: \_\_\_\_\_  
Ted Gibbs  
Secretary



July 31, 2024

Retained Search Fee Agreement for Water Resources Manager Candidate

This retained search fee agreement for a Water Resources Manager candidate is effective upon the date of execution between Collaborative Water Resolution, LLC and Canyon Regional Water Authority. By executing this Agreement, Canyon Regional Water Authority confirms its understanding of the terms contained herein.

The following brief statement of work outlines Canyon Regional Water Authority's overall expectations:

- A. Collaborative Water Resolution, LLC will review any key documents provided by Canyon Regional Water Authority related to the candidate search;
- B. Collaborative Water Resolution, LLC will conduct an in-depth meeting or meetings with the Canyon Regional Water Authority Board of Director's Search Committee to jointly develop timelines, goals, priorities and expectations for the recruitment processes and to develop pertinent and effective questions to be used by Collaborative Water Resolution, LLC in interviews of candidates;
- C. Collaborative Water Resolution, LLC will, as needed, develop a recruitment strategy, position profiles and marketing materials for the candidate, based on the initial research and in-depth meetings;
- D. Collaborative Water Resolution, LLC will start implementing the search strategy for the candidate;
- E. Collaborative Water Resolution, LLC will screen candidates based on Canyon Regional Water Authority's, goals and expectations and interview the most viable candidates, in person or remotely, to develop a candidate list for Canyon Regional Water Authority's consideration; and

F. It is the primary objective of Collaborative Water Resolution, LLC to refer in writing (includes email) up to three suitable candidates to Canyon Regional Water Authority 60 days after the execution of this agreement and receipt of the retainer fee (as described below) by Collaborative Water Resolution, LLC.

Canyon Regional Water Authority is under no obligation to select any referral presented to it by Collaborative Water Resolution, LLC. Canyon Regional Water Authority may terminate this Agreement at any time upon written notice and without further obligation to Collaborative Water Resolution, LLC, except as otherwise provided for in this Agreement.

The total fee for Collaborative Water Resolution, LLC's retained service is \$36,250, which was calculated based on 25% of an assumed guaranteed first-year salary of \$145,000. This total fee is subject to an increase only if Canyon Regional Water Authority negotiates a higher salary with the candidate. The retainer fee for this search is \$18,125, or 1/2 of the total fee. The retainer fee is due within 7 calendar days of the date of execution of this retained search fee agreement. Collaborative Water Resolution, LLC shall commence the search upon receipt of the retainer fee. The retainer fee is non-refundable. The balance of the total fee would be due 15 calendar-days after the hired candidate's start date (the first day of work for Canyon Regional Water Authority) to initiate the guarantee period. If collection activities are necessary, Canyon Regional Water Authority agrees to pay all expenses thereof, including reasonable attorney's fees. This agreement shall be governed by the courts and laws of the State of Texas.

Canyon Regional Water Authority's prior receipt of a candidate's resume or other material from the candidate or any other source, shall not affect Canyon Regional Water Authority's obligation to pay Collaborative Water Resolution, LLC's total fee. The only exception to this requirement is any candidate that was under active consideration by Canyon Regional

Water Authority for this position at the time of the effective date of this agreement as evidenced in a written list of active candidates that Canyon Regional Water Authority provides to Collaborative Water Resolution, LLC by the effective date of this agreement. Candidates are referred to Canyon Regional Water Authority in confidence. Canyon Regional Water Authority shall not refer or identify such a candidate to another company.

Collaborative Water Resolution, LLC appreciates that it is sometimes difficult to determine if someone is truly qualified for a specific position in a few interviews. Collaborative Water Resolution, LLC offers the following 90-calendar-day guarantee period if Canyon Regional Water Authority's final payment of the non-retained fee (\$18,125) is received within 15 calendar days of the hired candidate's start date (there is no guarantee when payment is received after 15 calendar days). The guarantee period begins on the candidate's start date. If the service relationship between Canyon Regional Water Authority and the candidate is terminated for any reason during the first 90 calendar days, provided that Canyon Regional Water Authority notifies Collaborative Water Resolution, LLC in writing of the termination of the relationship within five 5 business days after its termination, Collaborative Water Resolution, LLC will refer one or more additional suitable candidates to Canyon Regional Water Authority within 60 days of receiving written notice from Canyon Regional Water Authority of the termination of the relationship with the candidate.

Any referral(s) made by Collaborative Water Resolution, LLC to Canyon Regional Water Authority shall be considered effective for a period of 12 months after the date the referral is provided to Canyon Regional Water Authority and subject to the terms of this Agreement. If Canyon Regional Water Authority hires a referral within 12 months after the date the referral is provided to Canyon Regional Water Authority, Canyon Regional Water Authority shall pay CWR in accordance with terms of this Agreement. This provision can be waived by a written agreement executed by both Collaborative Water Resolution, LLC and Canyon Regional Water Authority.

Collaborative Water Resolution, LLC adheres to an equal employment opportunity policy. All applicants are referred based on their qualifications only, without regard for their race, gender, sex, age, religion, national origin, sexual orientation, marital status, veteran status or disability.

Resumes submitted to Canyon Regional Water Authority by Collaborative Water Resolution, LLC contain information furnished by individual candidates. Canyon Regional Water Authority acknowledges that all information on resumes has not been independently verified by Collaborative Water Resolution, LLC. All final reference checks and other background information verifications, unless otherwise specified, are the responsibility of Canyon Regional Water Authority.

If Collaborative Water Resolution, LLC refers a candidate to Canyon Regional Water Authority and Canyon Regional Water Authority wants to hire that candidate in a temporary or contract capacity, Collaborative Water Resolution, LLC will be paid by Canyon Regional Water Authority on a weekly basis 12.5% of the pay rate that Canyon Regional Water Authority pays to the candidate for a 12-month period.

Please indicate the type of search that Canyon Regional Water Authority wants (please initial):

\_\_\_\_\_ This is a CONFIDENTIAL search and will not be advertised. Candidates will not be informed of the company name until candidate has indicated an interest. In the case of a confidential search, while the utmost of care will be taken to protect the confidentiality of the company and this search, Collaborative Water Resolution, LLC cannot guarantee that employees or others will not become aware of this search during the search process.





# Collaborative Water Resolution, LLC

10604 Natick Lane  
Austin, Texas 78739

Phone: (512) 970-9840

E-Mail: [votteler@waterdisputes.org](mailto:votteler@waterdisputes.org) Web: [waterdisputes.org](http://waterdisputes.org)

\_\_\_\_\_ This is an OPEN search and will be advertised. Methods used in the search will be chosen by Collaborative Water Resolution, LLC. Unless given written instructions to the contrary, those resources may include print advertising and/or Internet postings.

Collaborative Water Resolution, LLC reserves the right to editorial control of any marketing collateral created for the recruitment of positions beyond typical print advertising and Internet postings. Canyon Regional Water Authority will be provided the opportunity to review, comment, edit, and approve postings prior to their release.

By signing this agreement the undersigned represents that they are an authorized representative of Canyon Regional Water Authority and agree to the terms and conditions as stated herein. Please sign, then scan this agreement and email it to Collaborative Water Resolution, LLC at [Votteler@waterdisputes.org](mailto:Votteler@waterdisputes.org).

\_\_\_\_\_  
Todd H. Votteler, Ph.D.  
President | Collaborative Water Resolution, LLC

\_\_\_\_\_  
Date

Authorized Approval on Behalf of:  
Canyon Regional Water Authority

\_\_\_\_\_  
Kerry Averyt, P.E.  
General Manager

\_\_\_\_\_  
Date

# **Canyon Regional Water Authority**

## **Job Description**

**Position Title:** Water Resources Manager

**Salary:** Commensurate with Experience; Minimum \$110,000 Annually

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### **JOB SUMMARY**

The Water Resources Manager is a senior-management level professional responsible for strategic policy and programs related to the development and management of water supplies. S/he leads all aspects of water resource planning and project development from initial planning and conceptual development through project design and construction. S/he interprets laws and formulates recommendations to the General Manager regarding rules, regulations, policies and programs, including local and regional community impacts. S/he reports to the General Manager.

### **ESSENTIAL FUNCTIONS**

- Manages the planning, development, implementation, and evaluation of water resource projects.
- Oversees the development and implementation of effective practices to ensure responsible development and management of the system's water supplies. Applies advanced knowledge of biology, ecology, environmental science, engineering, and/or hydrology to ensure sustainable development of water supply projects.
- Applies and interprets local, state and federal laws, and regulatory programs.
- Oversees water supply acquisition and leasing program.
- Develops, recommends, and implements Authority policies and procedures.
- Develops relationships within the community as well as with stakeholders, entities and agencies at the local, regional, state, and federal levels.
- Identifies potential local, regional, state, and federal partnership opportunities to develop, expand or modify applicable water resource projects.
- Identifies and manages emerging regional authority issues associated with water resource projects.
- Communicates complex issues both within the agency as well as to community groups, elected officials, and the general public by acting as spokesperson for CRWA water resources policies, programs and projects.
- Assist with managing the Authority's operating and capital budgets.
- Applies negotiation strategies for contract development.
- Develops and executes strategic plans in a complex legal, financial, and economic environment.
- Performs other duties as assigned.

### **DECISION MAKING**

- The Water Resources Manager works under limited supervision.

### **MINIMUM REQUIREMENTS**

- Bachelor's Degree in Urban Planning, Engineering, Environmental Science, Biological Science, Geology, or other related field from an institution accredited by a nationally recognized accrediting agency.
- Five years progressive experience in budgeting, management, supervision, design operations and

construction of water infrastructure projects including two years of supervising personnel, project development, budgeting water resource development, and public policy.

- Able to use word processing, spreadsheet, database, and presentation software.
- Valid Class “C” Texas Drivers License consistent with CRWA driving policies.

### **PREFERRED QUALIFICATIONS**

- Master’s Degree in appropriate field.
- Experience in water resources or environmental/conservation management field.
- Direct project management experience.

### **JOB DIMENSIONS**

- Contact with internal and external customers, consultants, and stakeholders.
- Extensive public interaction with local and regional regulatory entities and stakeholders.
- Communicates effectively, verbally and in writing.
- May be required to work hours other than the regular schedule including nights and weekends. Some travel may be required.

### **PHYSICAL DEMANDS AND WORKING CONDITIONS**

- Working conditions are primarily in an office environment. Frequent field visits may be required.

**CANYON REGIONAL WATER AUTHORITY  
BOARD COMMUNICATION**

DATE	SUBJECT	AGENDA NUMBER
09/09/2024	NANOSTONE PROPOSAL TO RESOLVE PERFORMANCE ISSUES AT THE LAKE DUNLAP WATER TREATMENT PLANT	CRWA 24-09-003

**INITIATED BY** KERRY AVERYT

**STAFF RECOMMENDATION**

Accept the proposal from Nanostone to resolve the performance issues at the Lake Dunlap Water Treatment Plant; authorize the General Manager to execute a non-binding summary of settlement terms; authorize the CRWA Board President to execute a settlement and release agreement with Nanostone after review by CRWA's legal counsel; and approve release of escrow funds representing unpaid invoices to Nanostone, less \$25,000.

**BACKGROUND INFORMATION**

On July 9, 2018, CRWA issued its Solicitation of Competitive Sealed Bids concerning the Lake Dunlap Water Treatment Plant Membrane Filtration System Replacement, Project #608-410-500, together with Addendum 1 dated July 27, 2018, and Addendum 2 dated August 3, 2018 (the "Project Documents"). The Project Documents called for bids from filtration vendors to replace the then-existing Lake Dunlap Koch UF Membranes.

On August 6, 2018, CRWA received a bid submitted by Nanostone Water, Inc. ("Nanostone"). In its bid, Nanostone used the results from their 90-day pilot test, completed earlier in 2018.

Shortly before the Nanostone bid was submitted, the Texas Commission of Environmental Quality ("TCEQ") issued its approval letter dated 7-30-2018, which revised production numbers from the pilot results. The TCEQ-approved pilot results were a lower capacity rating than the 14.4 MGD (Million Gallon per Day) of the existing Koch Membrane Filtration System (MFS). Nanostone unsuccessfully attempted to "correct" the TCEQ evaluation, but did obtain approval to retest with a single full-scale filter rack to demonstrate compliance with the stated filter performance in the Nanostone bid.

Ultimately, CRWA and Nanostone agreed to terms and a Contract with total Price of \$1,425,000.00, was entered with effective date of December 3, 2018. The Contract expressly incorporates the Project Documents and further contains a detailed description of the work to be provided by Nanostone (the "Work").

CRWA made its initial payment of \$142,500 to Nanostone on December 7, 2018. On February 8, 2019, CRWA issued its written Notice to Proceed, and Nanostone commenced the Work on March 15, 2019.

CRWA made its second payment of \$142,500 to Nanostone on June 7, 2019.



Despite the schedule and fourteen-week deadline for Substantial Completion laid out in the Contract, a full-scale filter rack was not available for pilot test production until February 2020. As required by the Contract, performance and direct integrity testing were completed and submitted to TCEQ on June 5, 2020. The Nanostone-developed test protocol was approved by TCEQ on April 29, 2019 and on October 16, 2020, TCEQ approved the test results, with a revised Nanostone plant rating.

On April 14, 2020, Nanostone delivered to CRWA its Certificate of Substantial Completion, and on November 6, 2020, Nanostone delivered to CRWA its certification that the Work has reached final completion in accordance with the Contract and related Contract Documents.

CRWA issued its first quarterly payment to Nanostone on November 6, 2020. On that same date, CRWA was issued and began the 36-month performance warranty for the Project set-forth in the Contract.

During this ongoing time and continuing to the very recent past, several ceramic filter modules had damage or defects discovered, that required manufacturer replacement. Those modules were isolated, coordination was done with Nanostone, and new modules were shipped and installed per the warranty provisions of the Contract.

After TCEQ approval in Fall 2020, and full plant operation, CRWA experienced problems with the operating performance of the system. TCEQ-required Daily Integrity Test ("DIT's") were not regularly able to be completed, particularly after Clean-In-Place ("CIP") procedures. Nanostone-established CIP test procedures had to be modified, equipment recalibrated, and chemical cleaning "recipes" adjusted to achieve test results. Additionally, occasional wet weather events, with higher-than-average turbidity events (but still within levels demonstrated during previous pilot testing) caused high trans membrane pressures ("TMP"), that resulted in lower production rates and more frequent backwash and chemical cleans. Those results lowered overall plant production capabilities.

This information was continuously relayed to the on-site Nanostone start-up technicians and factory engineers. Initially attributed to plant start-up and operator training, the continued operational problems were regularly reported and revised Nanostone procedures were provided and incorporated to address these issues.

Nanostone project staffing and management have changed throughout the project. New personnel were continuously updated, and documentation and orientation / follow-up conversations have continued with what became weekly virtual meetings to review operating data, and plant procedures. At one time a proposed standalone pilot plant to address these issues was proposed by Nanostone.

CRWA and Trihydro spent numerous hours modifying plant operations, performing extensive laboratory testing (both in-house and third party), and changed operating and cleaning chemical procedures to address the problems with moderate success.

During this period, CRWA made all quarterly payments to Nanostone.

On June 6, 2022, Trihydro Corporation dispatched formal written notice of CRWA's *Notice of membrane Module Warranty Claim, Notice of Default and request for Direct Settlement Discussions/Presuit Mediation* in accordance with the Contract. In December 2022, Nanostone engaged Black & Veatch to perform an analysis and issue a Technical Memorandum concerning the performance issues.

In February 2023, CRWA's Board of Trustees took action to withhold further payment to Nanostone and to place the invoiced amounts into an escrow account. The total balance of the escrow account is currently \$289,192.80, representing the total balance invoiced by Nanostone, exclusive of interest or late payment penalties.

In response to CRWA's action, Nanostone engaged in further extensive dialogue with CRWA staff, and has made multiple prior offers that CRWA has rejected. Following CRWA's August Board of Trustees meeting, Nanostone submitted a new settlement proposal, in the form of a letter dated September 9, 2024. The letter serves as a summary of settlement terms, and expressly calls for a "definitive agreement" that would contain the material terms of the agreement to resolve CRWA's claims.

Under the September 9, 2024 proposal, Nanostone has agreed to provide up to 194 cartridges (value per cartridge is \$5,000) at no charge to Canyon Regional Water Authority, together with 120 hours of support. The cartridges that are not immediately used will be able available to CRWA for up to 3 years for use on other projects. Nanostone has also agreed to contribute up to \$25,000 toward the engineering cost of implementing the replacement cartridges. This amount would be subtracted from the escrowed amount that CRWA has been withholding from Nanostone. The total value of Nanostone's contribution is a total of \$970,000.

**FINANCIAL IMPACT**

Implementing the replacement cartridges into the plant will involve significant engineering/design and construction costs. The total cost is dependent upon the scope of modifications made to the Lake Dunlap Plant.

**MOTION**

Motion to approve the following resolution.

\_\_\_\_\_

**CANYON REGIONAL WATER AUTHORITY**

**RESOLUTION No. 24-09-003**

BE IT RESOLVED that the CRWA Board of Trustees approves the General Manager to execute the September 9, 2024 non-binding summary of settlement terms with Nanostone, for the Board President to execute a settlement and release agreement with Nanostone after review by CRWA's legal counsel, and for the General Manager to contemporaneously therewith release to Nanostone escrowed funds in the amount of \$264,192.80 (\$289,192.80 less \$25,000) representing the unpaid balance to Nanostone under the December 3, 2018 Contract.

Adopted this 9<sup>th</sup> day of September 2024

Ayes \_\_\_\_ Nays \_\_\_\_ Abstained \_\_\_\_ Absent \_\_\_\_


Approved by: \_\_\_\_\_  
Timothy D. Fousse, CPM  
President

Certified and attested by: \_\_\_\_\_  
Ted Gibbs  
Secretary

**AGREEMENT BETWEEN CANYON REGIONAL WATER AUTHORITY  
AND NANOSTONE WATER, INC. FOR LAKE DUNLAP WATER  
TREATMENT PLANT MEMBRANE FILTRATION SYSTEM RETROFIT**

Job Number: 00674


Account Code: [ ]

This Agreement (a.k.a. Contract) is made this <sup>30<sup>th</sup></sup> ~~24<sup>th</sup>~~ day of ~~October, 2018~~ <sup>November 30, 2018</sup> by and between the Parties below named which shall be effective the <sup>3<sup>rd</sup></sup> day of ~~October~~ <sup>December</sup>, 2018. Upon signature of both Parties, Owner shall make an initial payment of \$142,500.00 to Constructor. 

OWNER, Canyon Regional Water Authority is a governmental agency of the State of Texas, a statutory district and political subdivision created by Special Act, Chapter 670, Acts of the 71<sup>st</sup> Legislature, Regular Session 1989 (the "Act"), as Amended, pursuant to Article XVI, Section 59, of the Constitution of the State of Texas.<sup>1</sup>

and

CONSTRUCTOR, Nanostone Water, Inc., 1432 Main Street, Suite 240, Waltham, MA 02451

Tax identification number (TIN) [ ]. Contractor License No., if applicable [ ]   
*45-4463186* 

Owner and Constructor are collectively the "Parties."

PROJECT: Lake Dunlap Water Treatment Plant Membrane Filtration System Retrofit, 850 Lakeside Pass, New Braunfels, Texas 78130. (See Binder and bid documents labeled "Canyon Regional Water Authority Lake Dunlap Water Treatment Plant Membrane Filtration System Replacement, July 9, 2018, Project #608-410-500," containing CRWA Lake Dunlap Water

<sup>1</sup> Pursuant to the Texas Utilities Code, Section 186.002 as a duty to maintain continuous and adequate service at all times to protect the safety and health against the danger inherent in the interruption of service.

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Agreement for Lake Dunlap Water Treatment Plant Membrane Filtration System Retrofit  
Owner: CRWA / Constructor: Nanostone Water, Inc.  
November 29, 2018  
Page 1 of 27



Treatment Plant Membrane Filtration System Retrofit, Addendum 1, July 27, 2018, Project; 608-410-500, and CRWA Lake Dunlap Water Treatment Plant Membrane Filtration System Retrofit, Addendum 2, August 3, 2018, Project; 608-410-500 all of which documents are included herein by reference).

## **ARTICLE 1 THE WORK**

**THE WORK:** Upon receipt of all insurance requirements and advice to Owner of site review, Owner shall issue notice to proceed, and at this time Owner shall return the bid bond to Constructor. Constructor shall use its diligent efforts to perform the "Work," as described herein and per **Exhibit A**, in an expeditious manner consistent with the Contract Documents described in **Exhibit B**. Constructor shall provide all labor, materials, equipment, and services necessary to complete the Work in full accord with the Contract Documents.

Work shall, generally, include use of Owner's existing metal racks, skids, software controls of system operations and install Constructor's Nanostone product as substitute CM 151 ceramic filter system pursuant to the Nanostone proposal, Option 2. Retrofit shall include specifications and related warranties provided herein and Constructor agrees that if it cannot use the existing Koch software program, Constructor Nanostone must provide a software program or modification to the Koch open software program, and transfer any or all rights, if any, to said software program to the Owner to enable Owner to make proper use of the installed retrofit equipment.

The location of Worksite shall be the Lake Dunlap Treatment Plant site of CRWA (Owner) including, but not limited to, the Membrane Room, Control Feed Room and related Pump Room and any ancillary location required for contract performance.

## ARTICLE 2 PRICE

PRICE: As full compensation for performance by Constructor of the Work, Owner shall pay Constructor the total price of one million four hundred twenty-five thousand dollars (\$1,425,000). The "Contract Price," shall be paid in accordance with **Article 13** and is subject to adjustment as provided in this Agreement including by Change Order or Contract Amendment, which, if involving money, shall require CRWA's Board of Trustees' approval.

## ARTICLE 3 EXHIBITS

EXHIBITS: The following attached exhibits are made part of this Agreement and shall exist and be dated and initialed by the parties' agents at the time this Agreement is effective:

- (a) Exhibit A: The Work, consisting of the Technical Proposal with Option #1 deleted, dated August 2, 2018, consisting of 7 pages.  
[Nanostone Proposal]
- (b) Exhibit B: Contract Progress Schedule, 2 pages.
- (c) Exhibit C: Performance Warranty Policy, 3 pages
- (d) Exhibit D: Lifetime Warranty Policy, 4 pages
- (e) Exhibit E: The Electronic Protocol for Data and Information dated November 19, 2018

Notwithstanding anything to the contrary contained in this Agreement, in the event of any conflict between or among terms and conditions, the order of precedence for performance is: (a) the Lifetime Warranty Policy, (b) the Performance Warranty, and (c) the Technical Proposal.

## ARTICLE 4 ETHICS

ETHICS: Each Party shall perform their respective obligations with integrity. Each shall: (a) avoid conflicts of interest; (b) promptly disclose to the other Party any conflicts that arise; and (c) warrant that it has not and shall not pay nor receive any contingent fees or gratuities to or from the other Party, including its agents, officers, and employees, subcontractors, suppliers, or others to secure preferential treatment.

## **ARTICLE 5 CONSTRUCTOR'S RESPONSIBILITIES**

**5.1 CONSTRUCTOR'S RESPONSIBILITIES:** Constructor shall be responsible for supervision and coordination of the Work, including the construction means, methods, techniques, sequences, and procedures utilized, consistent with this Agreement.

5.1.1 Constructor shall pay for all transportation and costs of delivery of product and equipment to the Worksite.

5.1.2 Constructor shall pay any applicable taxes for the Work provided by Constructor, if any are required for a Texas Political Subdivision.

5.1.3 Owner may elect to perform work outside the scope of this Agreement at the Worksite directly or by others retained by Owner; provided, however, the Parties shall coordinate the activities of all forces at the Worksite and shall agree upon fair and reasonable schedules and operational procedures for Worksite activities. Owner shall require each separate contractor to cooperate with Constructor's priorities specified in this Agreement and to subordinate activities and the review of construction schedules and operations to facilitate and support Constructor's timely performance. Contract Price and Contract Time may be equitably adjusted in accordance with this Agreement for changes authorized by Owner if made necessary by the coordination of construction activities. The construction schedule shall only be revised upon Owner approval of any change.

5.1.4 Before commencing the Work, Constructor shall examine and compare the drawings and specifications with information furnished in the Contract Documents, relevant field measurements made by Constructor, and any visible conditions at the Worksite affecting the Work. The Owner shall be advised and consent is required before any changes are made in this Agreement.

5.1.5 Upon reaching Substantial Completion, i.e. the 14 Week Progress Point, the Constructor shall:

- 5.1.5.1 Provide operating manuals to Owner;
- 5.1.5.2 Provide "as built" drawings as of the 14<sup>th</sup> Week to Owner (substantial completion-all membranes installed/started up) for approval as to accuracy. "As built" drawings are defined as engineer drawings to scale reflecting physical installation of membranes and describing connections for control, electrical service and any other connecting requirements essential for performance; and
- 5.1.5.3 Report on Direct Integrity Test ("DIT") by Constructor to Owner based on TCEQ criteria for such determination. *See Texas Administrative Code §290.42(g)(3)(B) that is applicable at time of construction and thereafter.*

5.1.6 COMPLIANCE WITH LAWS: Constructor shall comply with all laws at its own costs. Constructor shall be liable to Owner for all loss, cost, or expense, attributable to any acts or omissions by Constructor, its employees, subcontractors, suppliers, and agents for failure to comply with laws, including fines, penalties, or corrective measures.

#### 5.1.7 WARRANTY

##### INSTALLATION WARRANTY:

5.1.7.1 For all Work **other than the Membrane Modules** (the "Installation"), Constructor warrants that all materials and equipment shall be new unless otherwise specified, of good quality, in conformance with the Contract Documents, and free from defective workmanship and materials. Constructor further warrants that the Installation will be free from material defects not intrinsic in the design or materials required in the Contract Documents. Constructor shall review and adapt electrical service as necessary to make retrofit installation operate per specifications of this project. Software installation is governed by Exhibit "E" Electronic Protocol for Data and Information. Constructor's warranty of the Installation does not include remedies for defects or damages caused by normal wear and tear during normal usage, use for a purpose for which the Project



was not intended, improper or insufficient maintenance, modifications performed by Owner or others retained by Owner, or abuse.

If, prior to the Date of Substantial Completion of the Installation and within one year after the date of Substantial Completion of the Installation, any portion of the Installation is found to be not in conformance with the Contract Documents ("Defective Work"), Owner shall promptly notify Constructor in writing. Unless Owner provides written acceptance of the condition, Constructor shall promptly correct the Defective Work at its own cost and time and bear the expense of additional services required for correction of any Defective Work for which it is responsible. Materials and equipment furnished pursuant to this Agreement are warranted only to the extent of the original manufacturer's or supplier's warranty. The warranty period for each covered product and each replacement product shall begin on the later to occur of its delivery to Owner or its placement into service.

#### **MEMBRANE MODULE WARRANTY:**

5.1.7.2 Constructor shall furnish, as part of the Work, certain Ceramic Monolith Membrane Modules CM-151 described in Exhibit A (the "Membrane Modules"). Constructor warrants to Owner that the Membrane Modules, and any replacements, will be free from material defects in material and workmanship, under normal and proper use, per Exhibit C, Performance Warranty Policy (as proposed by Nanostone) and Exhibit D Lifetime Warranty Policy (as proposed by Nanostone).

5.1.7.3 Constructor warrants performance as per Exhibit C, Performance Warranty Policy (as proposed by Nanostone) and Exhibit D, Lifetime Warranty Policy (as proposed by Nanostone) in its proposal.

5.1.7.4 Constructor warrants performance as per Exhibit C and Exhibit D plus product warranties for materials or products

manufactured by a third party attached to or packaged together with the membrane modules which constructor has included as a necessary component for its product's operation as selected and installed by constructor.

**5.1.7.5 Constructor shall not be liable for a breach of the warranties set forth in this section unless: (i) Owner gives written notice of the defect, reasonably described, to Constructor within five (5) days of the time when Owner discovers or ought to have discovered the defect; (ii) if applicable, Constructor is given a reasonable opportunity after receiving the notice of breach of the warranty set forth in §5.1.7 above, to examine such Membrane Modules (if requested to do so by Constructor) returns such Membrane Modules to Constructor's place of business for the examination to take place there; and (iii) Constructor reasonably verifies Owner's claim that the Membrane Modules are defective. Constructor must be responsible for warranty issues; provided, however, Section 5.1.7.7 shall apply with respect to causation on warranty issues and liability.**

**5.1.7.6 Constructor shall not be liable for a breach of the warranty set forth in this section if: (i) Owner makes any further use of such Membrane Module after giving such notice; (ii) the defect arises because Owner failed to follow Constructor's written instructions as to the storage, installation, commissioning, use or maintenance of the Membrane Modules; (iii) Owner alters or repairs such Membrane Module without the prior written consent of Constructor; or (iv) any system, component or membrane elements fails due to damage from Owner's mishandling, misuse, substandard feed water, improper maintenance or neglect of maintenance, poor or improper installation or incorrect electrical supply. In addition, the warranty set forth in this section will be considered null and void if the Membrane Modules are operated with malfunctioning components or controls which result in the Membrane Modules being unable to meet their designed purpose and/or performance; provided, further, that constructor, shall comply with the progress schedule provided for in Exhibit B and shall demonstrate the installation's direct integrity test ("DIT")**

performance and submittal of operating/maintenance manuals item E, Exhibit B.

**5.1.7.7 Owner shall be entitled to enforce terms of the contract pursuant to mediation, or injunctive relief or monetary damage as may be available under applicable law to secure the benefits of this agreement.**

**5.1.8 SAFETY:** Constructor shall have overall responsibility for safety precautions and programs in the performance of the Work at the Worksite(s), including Constructor's subcontractors, which shall also be responsible for the safety of persons or property in the performance of their work, and for compliance with the provisions of laws. Constructor shall prevent against injury, loss, or damage to persons or property by taking reasonable steps to protect its employees and other persons at the Worksite; materials and equipment stored at on-site or off-site locations for use in the Work; and property located at the Worksite and adjacent to Work areas, whether or not the property is part of the Work.

**5.1.9 HAZARDOUS MATERIALS:** A Hazardous Material is any substance or material identified now or in the future as hazardous under any federal, state, or local law or regulation, or any other substance or material which may be considered hazardous or otherwise subject to statutory or regulatory requirement governing handling, disposal, or clean-up. Constructor shall not be obligated to commence or continue work until any Hazardous Material not contributed by Constructor discovered at the Worksite has been removed, or rendered or determined to be harmless by Owner as certified by an independent testing laboratory and approved by the appropriate government agency. If Constructor incurs additional costs or is delayed due to the non-contributory presence or remediation of Hazardous Material, Constructor shall be entitled to an equitable adjustment in the Contract Price or the Contract Time.

**5.1.10 MATERIALS BROUGHT TO THE WORKSITE:** Constructor shall be responsible for the proper delivery, handling, application, storage, removal, and disposal of all materials and substances brought to the

Worksite by Constructor in accordance with the Contract Documents and used or consumed in the performance of the Work. No hazardous material may be brought to the Worksite by Constructor or its subcontractors.

**5.1.11 SUBMITTALS:** Constructor shall submit to Owner for review and approval all shop drawings, samples, product data, and similar submittals required by the Contract Documents and make such submission for review within twenty (20) business days after the effective date of this Agreement. Submittals shall be submitted in electronic form. Constructor shall be responsible to Owner for the accuracy and conformity of its submittals to the Technical Proposal attached as an Exhibit. Constructor shall prepare and deliver its submittals to Owner in a manner consistent with Article 3 and the Schedule of the Work and in such time and sequence so as not to delay the performance of the Work or the work of Owner and others retained by Owner. Upon receipt of Constructor's submittals, the Owner shall prepare drawings and specifications describing the Work, which shall upon acceptance by Constructor constitute the Contract Documents referenced herein.

**5.1.12** The approval of any Constructor submittal shall not be deemed to authorize deviations, substitutions, or changes in the requirements of the Technical Proposal. To the extent a change, deviation, or substitution causes an impact to the Contract Price or Contract Time, such approval shall be memorialized in a Change Order no later than seven (7) days following approval by Owner. Owner shall not make any change, deviation, or substitution through the submittal process without specifically identifying and authorizing such deviation to Constructor and unless Constructor agrees in writing to such change, deviation, or substitution. Owner shall be responsible for review and approval of submittals with reasonable promptness to avoid causing delay. Constructor shall perform all Work strictly in accordance with approved submittals. Owner's approval does not relieve Constructor from responsibility for Defective Work resulting from errors or omissions of any kind on the approved or subsequently amended shop drawings.



**5.1.13 CONCEALED OR UNKNOWN SITE CONDITIONS:** If a condition encountered in changing filters at the Worksite is (a) a subsurface or other physical condition which is materially different from those indicated in the Contract Documents, or (b) an unusual and unknown physical condition which is materially different from conditions ordinarily encountered and generally recognized as inherent in the Work provided for in the Contract Documents, Constructor shall stop Work and give prompt written notice of the condition to Owner. Owner shall investigate and then issue an Interim Directive specifying the extent to which Owner agrees that a concealed or unknown condition exists and directing how Constructor is to proceed. Constructor shall not be required to perform any Work relating to the condition without the written mutual agreement of the Parties. Any change in the Contract Price or Contract Time as a result of the unknown condition shall be made by Change Order.

**5.1.14 CUTTING, FITTING, AND PATCHING:** Constructor shall perform cutting, fitting, and patching necessary to install the various parts of the Work and to prepare its Work for its installation pursuant to the requirements of this Agreement.

**5.1.15 CLEANING UP THE WORKSITE:** Constructor shall daily remove debris and waste materials at the Worksite resulting from the Work daily. Prior to discontinuing Work in an area, Constructor shall clean the area and remove all rubbish and its construction equipment, tools, machinery, waste, and surplus materials; provided, however, that Owner shall be responsible for disposal of pre-existing filter membranes, including all related connecting materials and equipment. Constructor shall minimize and confine dust and debris resulting from construction activities. At the completion of the Work, Constructor shall remove from the Worksite all construction equipment, tools, surplus materials, waste materials, and debris.

## **ARTICLE 6 OWNER'S RESPONSIBILITIES**

**6.1 OWNER'S RESPONSIBILITIES:** Owner shall be responsible for providing any information required pursuant to this Agreement in a timely manner (electronically).

**6.1.1 PRECEEDING AWARD:** Owner has budgeted the multiyear repair and replacement funds required for this Agreement and will provide a copy of its Minutes adopting the Budget providing for this Contract financing.

**6.1.2 WORKSITE INFORMATION** To the extent Owner has obtained, or is required to obtain the following Worksite information, then Owner shall provide Constructor the following within ten (10) working days of the effective date of the agreement:

6.1.2.1 information describing the physical characteristics of the Worksite, including surveys, Worksite evaluations, legal descriptions, data, or drawings depicting existing conditions, subsurface, and environmental studies, reports, and investigations;

6.1.2.2 information describing the physical characteristics of the Worksite, including surveys, Worksite evaluations, legal descriptions, data, or drawings depicting existing conditions, subsurface, and environmental studies, reports, and investigations;

6.1.2.3 tests, inspections, and other reports dealing with environmental matters, hazardous material, and other existing conditions, including structural, mechanical, and chemical tests required by the Contract Documents or by law;

6.1.2.4 the limits of Pollution Liability Insurance covering the Worksite held by Owner; and any other information or services requested in writing by Constructor which are required for Constructor's performance of the Work and under Owner's control.

**6.1.3 BUILDING PERMIT, FEES, AND APPROVALS** Except for those required of Constructor pursuant to this Agreement, Owner shall secure and pay for all other permits, approvals, easements, assessments, and fees required for the development, construction, use, or occupancy of

permanent structures or for permanent changes in existing facilities, including the building permit.

6.1.4 Constructor has inspected the Owner's plant, facilities and Worksite before executing this Agreement.

6.1.5 DOCUMENTS IN ELECTRONIC FORM: If Owner requires that Owner and Constructor exchange documents and data in electronic or digital form, before any such exchange, Owner, and Constructor shall agree on and follow a written protocol governing all exchanges.

## **ARTICLE 7 SUBCONTRACTS**

**SUBCONTRACTS:** Constructor agrees to bind every subcontractor and supplier (and require every subcontractor to so bind its subcontractors and suppliers) to all the provisions of this Agreement and the Contract Documents as they apply to the subcontractor's and supplier's portions of the Work.

## **ARTICLE 8 CONTRACT TIME**

8.1 DATE OF COMMENCEMENT: The Date of Commencement is set forth below as provided by the Notice to Proceed and thereafter as provided by Progress Schedule, aka CRWA Membrane Retrofit Specifications, Exhibit B.

8.2 TIME: Substantial Completion of the Work shall be achieved in fourteen (14) weeks of the Notice to Proceed. See Item #8, Exhibit B. The Work shall be finally complete within the timeframe set out in the Progress Schedule, Exhibit B, subject to any adjustments through Change Order. Time is of the essence for the Constructor's obligations.

## **ARTICLE 9 SCHEDULE OF THE WORK**

9.1 SCHEDULE OF THE WORK: Before submitting its first application for payment, Constructor shall submit to Owner a **Revised** Schedule of the Work for approval if different from the Progress Schedule set forth in Exhibit

B as provided by the Constructor in response to the request for performance schedule.

## **ARTICLE 10 DELAYS AND EXTENSIONS OF TIME**

10.1 If Constructor is delayed at any time in the commencement or progress of the Work by any cause beyond the control of Constructor, Constructor shall be entitled to an equitable extension of the Contract Time. Examples of causes beyond the control of Constructor include, but are not limited to, the following: (a) acts or omissions of Owner, Design Professional, or others; (b) changes in the Work or the sequencing of the Work ordered by Owner or arising from an Owner decision that impacts Contract Time; (c) encountering Hazardous Materials, or concealed and unknown conditions; (d) delay authorized by Owner pending dispute resolution or suspension by Owner; (e) transportation delays not reasonably foreseeable; (f) labor disputes not involving Constructor; (g) general labor disputes impacting the Project but not specifically related to the Worksite; (h) fire; (i) terrorism, (j) epidemics, (k) adverse governmental actions, (l) unavoidable accidents or circumstances; (m) adverse weather conditions not reasonably anticipated. Constructor shall process any requests for equitable extensions of Contract Time in accordance with the provisions of ARTICLE 12.

10.2 In addition, if Constructor incurs additional costs as a result of a delay that is caused by items (b) or (d) in §10.1, Constructor may be entitled to an equitable adjustment in the Contract Price subject to ARTICLE 12.

10.3 In the event delays to the Work are encountered for any reason, Constructor shall provide prompt written electronic notice to Owner of the cause of such delays after Constructor first recognizes the delay. The Parties each agree to undertake reasonable steps to mitigate the effect of such delays.

## **ARTICLE 11 ALLOWANCES**

11.1 ALLOWANCES: All requirements stated in the Contract Documents shall be included in the Contract Price. Owner may not direct the amounts of, and particular suppliers or subcontractors for, specific allowance items.



Constructor's overhead and profit for any allowances shall be included in the Contract Price.

## **ARTICLE 12 CHANGES/CHANGE ORDERS**

12.1 Constructor or Owner may request changes in the Work or the timing or sequencing of performance of the Work that impacts the Contract Price or the Contract Time. All such changes in the Work that affect the Contract Time or Contract Price shall be mutually agreed to and formalized in a written Change Order formally approved and subject to requirements of 5.1.3 (Timing, Schedules).

## **ARTICLE 13 PAYMENT SCHEDULE AND DURATION**

13.1 FIRST AND SECOND PAYMENT: The Owner shall make an initial payment of \$142,500 upon execution of the Agreement. A second payment of \$142,500 shall be paid subject to all contract membranes delivery upon the happening of which event, Owner shall make immediate payment by wire or overnight Federal Express delivery of cashier's check, conditioned upon (as a condition subsequent subject to disgorgement) such installation, performance testing, and direct integrity test at section 5.1.3 which shall be performed by Constructor as required by the deadlines provided in Exhibit B, Items H.8 and H.9, as determined acceptable in conjunction with performance approval by Owner and TCEQ. See 13.5.

13.2 INSTALLMENT PAYMENTS: Remaining quarterly payments of \$95,000 each shall begin ninety (90) days after the successful acceptance test provided in section 13.1 above (Exhibit B, H.9) and thereafter for each 90-day period for the remaining twelve (12) quarterly contract payments pursuant to the total contract price of \$1,425,000. Owner shall pay the quarterly \$95,000 amount due on any payment application no later than within five (5) business days of each quarter, after Constructor has submitted a complete and accurate payment application demonstrating Constructor's performance, including performance of its warranty obligations and requirements under Exhibits C and D, that meets contract requirements. The Exhibit B, Contract Progress Schedule, shall control over any Exhibit containing a payment schedule conflicting herewith, if any.

**13.3 NO RETAINAGE:** No retainage shall be withheld from any payments owed hereunder.

**13.4 PAYMENT DELAY:** If for any reason not the fault of Constructor, Constructor does not receive a quarterly payment from Owner within seven business (7) days after the such invoice has been electronically submitted, Constructor, upon giving written notice to Owner, and without prejudice to and in addition to any other legal remedies, may stop Work until payment of the incremental amount owing to Constructor has been received. Payments may be made by wire transfer, or any other electronic means acceptable to the Parties that will minimize delay. If Constructor incurs costs or is delayed resulting from shutdown, not the result of Constructor's fault, Constructor may seek an equitable adjustment in the Contract Price or Contract Time.

**13.5 SUBSTANTIAL COMPLETION SUBJECT TO SCHEDULES IN ARTICLES 8 & 9:** When Constructor achieves Substantial Completion of the Work, Constructor shall prepare a Certificate of Substantial Completion and submit to Owner for approval and testing and acceptance. Upon substantial completion (all membranes installed/started up) and Owner's approval pursuant to 13.1, Constructor shall be notified of concurrence in substantial completion which shall mark the beginning of the start period for quarterly installments of \$95,000 each quarter pursuant to 13.2. [Exhibit B, Contract Progress Schedule.]

**13.5.1** Upon acceptance by Owner of the Certificate of Substantial Completion, uncompleted items and equipment installation remaining, including any software modifications required for successful operation of the Nanostone Membrane Filtration System, shall be completed by Constructor.

**13.6 FINAL COMPLETION:** When final completion has been achieved, Constructor shall prepare for Owner's acceptance a certificate stating that to the best of Constructor's knowledge, and based on Owner's inspections, the Work has reached final completion in accordance with the Agreement and related Contract Documents.

13.6.1 Constructor shall provide the following submissions with its ***final certificate***.

- (a) an affidavit declaring any indebtedness connected with the Work to have been paid, satisfied, or to be paid with the proceeds of final payment;
- (b) updated as-built drawings, manuals for operation per Constructor's warranty, copies of warranties, and all other close-out documents required by the Contract Documents incorporated into this Agreement shall be provided to Owner; and
- (c) any outstanding known and unreported accidents or injuries experienced by Constructor or its subcontractors at the Worksite including disclosure of any insurance claims not previously concluded shall be disclosed and assurances to Owner provided with respect to disposition at no cost to Owner.

13.7 LATE PAYMENT: Payments due from either Party but unpaid shall bear interest from the date payment is due at the monthly rate of 1.5% from the due date, compounded monthly. Payments made after the due date shall be applied first to accrued unpaid interest, and then to outstanding amounts due.

## **ARTICLE 14 INDEMNITY**

14.1 Constructor shall provide that Owner is a named insured on all liability policies of insurance purchased in connection with performance of this Agreement. To the fullest extent permitted by law, Constructor shall indemnify and hold harmless Owner, Owner's officers, directors, members, consultants, agents, and employees (the "Indemnitees") from all claims for bodily injury and property damage, other than to the Work itself and other property insured under §15.3, including reasonable attorneys' fees, costs, and expenses, that may arise from the performance of the Work but only to the extent caused by the negligent or intentionally wrongful acts or omissions of Constructor, subcontractors, suppliers, or anyone employed directly or indirectly any of them or by anyone for whose acts any of them may be liable. Constructor shall be entitled to reimbursement of any defense

costs paid above Constructor's percentage of liability for the underlying claim to the extent provided in the section immediately below.

14.2 To the fullest extent permitted by law, Owner shall indemnify and hold harmless Constructor, its officers, directors, or members, subcontractors, suppliers, or anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable from all claims for bodily injury and property damage, other than property insured under §15.3, including reasonable attorneys' fees, costs, and expenses, that may arise from the performance of work by Owner or others retained by Owner, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of Owner or others retained by Owner. Owner shall be entitled to reimbursement of any defense costs paid above Owner's percentage of liability for the underlying claim to the extent provided in the section immediately above.

14.3 LIMITATION ON LIABILITY FOR WORKER'S COMPENSATION: In any and all claims against the Indemnitees by any employee of Constructor, anyone directly or indirectly employed by Constructor or anyone for whose acts Constructor may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Constructor under Workers' Compensation acts, disability benefit acts, or other employment benefit acts.

**14.4 LIMITATION OF LIABILITY:**

(a) **SUBJECT TO SECTION 16.1, SUBJECT TO PROVISIONS OF ARTICLE 16, IN NO EVENT SHALL CONSTRUCTOR'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO CONSTRUCTOR FOR THE WORK HEREUNDER.**

(b) The limitation of liability set forth in subsection (a) above shall not apply to (i) liability resulting from Constructor's gross negligence or willful misconduct, and (ii) death or bodily injury resulting from Constructor's acts or omissions.



## **ARTICLE 15 INSURANCE**

15.1 Before commencing the Work, Constructor shall procure and maintain Texas licensed insurance carriers to provide for Workers' Compensation Insurance, Employers' Liability Insurance, Business Automobile Liability Insurance, and Commercial General Liability Insurance (CGL). The CGL policy shall include coverage for liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, contractual liability, and broad form property damage. Constructor shall maintain completed operations liability insurance for the duration of the Contract. Constructor shall provide Owner with and name Owner as an additional insured by endorsement or certificates of the insurance coverage required. Constructor's Employers' Liability, Business Automobile Liability, and CGL policies, as required in this article, shall be written with at least the following limits of liability:

### **15.1.1 Employers' Liability Insurance:**

- (a) \$1,000,000/\$3,000,000 bodily injury by accident per accident;
- (b) \$1,000,000/\$3,000,000 bodily injury by disease policy limit;
- (c) \$1,000,000/\$3,000,000 bodily injury by disease per employee.

15.1.2 Business Automobile Liability Insurance \$2,000,000 per accident.

### **15.1.3 CGL Insurance:**

- (a) \$1,000,000 per occurrence;
- (b) \$3,000,000 general aggregate;
- (c) \$1,000,000/\$3,000,000 products/completed operations aggregate;
- (d) \$1,000,000/\$3,000,000 personal and advertising injury limit.

15.2 Employers' Liability, Business Automobile Liability, and CGL coverage required in the subsection above may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or umbrella liability policies. Constructor shall

maintain required insurance in effect *at all times by furnishing a certificate of insurance providing all insurance coverage required* in the section immediately above with insurance companies lawfully authorized to do business in Texas where the Project is located. If Constructor fails to obtain or maintain any insurance coverage required under this Agreement, Owner may purchase such coverage and charge the expense to Constructor, or terminate this Agreement. To the extent commercially available to Constructor from its current insurance company, insurance policies required under §15.1 shall contain a provision that the insurance company or its designee must give Owner written notice transmitted in paper or electronic format: (a) 30 Days before coverage is nonrenewed or for any reason lapses by the insurance company and (b) if applicable, immediately after cancelation of coverage by the insurance company. Prior to commencing the Work and upon renewal or replacement of the insurance policies, Constructor shall furnish Owner with certificates of insurance until the Constructor demobilizes from the Worksite. In addition, if any insurance policy required under §15.1 is not to be immediately replaced without lapse in coverage when it expires, exhausts its limits, or is to be cancelled, Constructor shall give Owner prompt written notice upon actual or constructive knowledge of such condition.

**15.3 PROPERTY INSURANCE:** Before starting the Work, Constructor shall obtain and maintain a Builder's Risk Policy upon the entire Project for the full cost of replacement at the time of loss, **INCLUDING EXISTING STRUCTURES**. This insurance shall also: (a) name Owner, Constructor, subcontractors, subsubcontractors and suppliers as insureds; (b) be written in such form as to cover all risks of physical loss except those specifically excluded by the policy. The Builder's Risk Policy shall insure at least against and not exclude: (a) the perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft (except aircraft, including helicopter, operated by or on behalf of the Constructor) and vehicles, riot and civil commotion, theft, vandalism, malicious mischief, debris removal, flood, earthquake, earth movement, water damage, wind damage, testing if applicable, collapse however caused; (b) damage resulting from defective design, workmanship, or material; (c) coverage extension for damage to existing buildings, plant, or other structures at the Worksite, when the Project is contained within or attached to such existing buildings, plant or structures. Coverage shall be to the extent

loss or damage arises out of Constructor's activities or operations at the Project; (d) equipment breakdown, including mechanical breakdown, electrical injury to electrical devices, explosion of steam equipment, and damage to steam equipment caused by a condition within the equipment; (e) testing coverage for running newly installed machinery and equipment at or beyond the specified limits of their capacity to determine whether they are fit for their intended use; and (f) physical loss resulting from terrorism.

15.3.1 The Owner shall be responsible for any deductible amounts of Builder's Risk insurance required by §15.3 required during the period of construction pursuant to this contract. See Exhibit B, H.9. This policy shall provide for a waiver of subrogation. This insurance shall remain in effect until no person or entity other than Owner has an insurable interest in the property to be covered by this insurance, whichever is sooner. Partial occupancy or use of the Worksite by Owner shall not invalidate coverage. Owner shall secure consent of the insurance company or companies providing the coverage required in this subsection for Owner to enter upon, use and benefit from Constructor's installation of modules. *Owner shall coordinate insurance coverage through the Texas Municipal League Risk Pool to ensure acceptable coverage and coordination for benefit of the owner of the modules received for the term of the contract and thereafter for period of warranty.*

15.3.2 Constructor shall give written notice to the insurers before the Work is commenced and provide a copy of the property policy or policies obtained in compliance with §15.3 to Owner. Owner may then provide insurance to protect its interests and the interests of Constructor, Subcontractors, Suppliers, and Subsubcontractors. If Owner fails to purchase or maintain such insurance, Owner shall be responsible for costs reasonably attributed to such failure.

15.3.3 The Parties each waive all rights against each other and their respective employees, agents, contractors, subcontractors, suppliers, and subsubcontractors for damages caused by risks covered by the property insurance except such rights as they may have to the proceeds of the insurance.

15.3.4 To the extent of the limits of Constructor's CGL specified in §15.1, Constructor shall indemnify and hold harmless Owner against any and all liability, claims, demands, damages, losses, and expenses, including attorneys' fees, in connection with or arising out of any damage or alleged damage to any of Owner's existing adjacent property that may arise from the performance of the Work, to the extent caused by the negligent acts or omissions of Constructor, Subcontractor, Supplier, Subsubcontractor, or anyone employed directly or indirectly by any agent or by anyone for whose acts any of them may be liable.

15.3.5 RISK OF LOSS: Except to the extent a loss is covered by applicable insurance, risk of loss from damage to the Work shall be upon the Party obtaining and maintaining the Builder's Risk Policy pursuant to §15.3 until the Date of Final Completion.

## **ARTICLE 16 LIMITED MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES**

**16.1 LIMITED MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES** Except for (a) losses covered by insurance required by the Contract Documents, or (b) specific items of damages excluded from this waiver as mutually agreed upon by the Parties and identified below, the Parties agree to waive all claims against each other for any consequential damages that may arise out of or relate to this Agreement. This article shall also apply to the termination of this Agreement and shall survive such termination. The Parties shall require similar waivers in contracts with subcontractors and others retained for the project.

## **ARTICLE 17 NOTICE TO CURE AND TERMINATION**

**17.1 NOTICE TO CURE A DEFAULT:** If Constructor persistently fails to supply enough qualified workers, proper materials, or equipment to maintain the approved Schedule of the Work or fails to make prompt payment to its workers, Subcontractors, or Suppliers, disregards law or orders of any public authority having jurisdiction, or is otherwise guilty of a material breach of a provision of this Agreement, Constructor may be deemed in default. If Constructor fails to commence and to continue satisfactory correction of such



default with diligence and promptness within seven (7) days after written notification, then Owner shall give Constructor a second written notice to correct the default within a three (3) business Day period. If Constructor fails to promptly commence and continue satisfactory correction of the default following receipt of such second notice, Owner, without prejudice to any other rights or remedies, including offsets against quarterly payments unpaid, shall have the right to take reasonable steps it deems necessary to correct deficiencies and charge the cost to Constructor, who shall be liable for such payments including reasonable overhead, profit, and attorneys' fees.

**17.2 TERMINATION BY OWNER:** Upon expiration of the second notice for default period pursuant to §17.1, Owner may terminate this Agreement by written notice. Termination for default is in addition to any other remedies available to Owner. If Owner's costs arising out of Constructor's failure to cure, including the costs of completing the Work and reasonable attorneys' fees, exceed the unpaid Contract Price, Constructor shall be liable to Owner for such excess costs. If Owner's costs are less than the unpaid Contract Price, Owner shall pay the difference to Constructor. If Owner exercises its rights under this section, upon the request of Constructor, Owner shall furnish to Constructor a detailed accounting of the costs incurred by Owner.

**17.2.1** Owner and Constructor shall make reasonable efforts to mitigate damages arising from Constructor default and shall promptly invoice Constructor for all amounts due.

**17.3 TERMINATION BY CONSTRUCTOR:** Seven (7) business days after Owner's receipt of written notice from Constructor, Constructor may terminate this Agreement if the Work has been stopped for a thirty (30) day period through no fault of Constructor for any of the following reasons: (a) under court order or order of other governmental authorities having jurisdiction; (b) as a result of the declaration of a national emergency or other governmental act during which, through no act or fault of Constructor, materials are not available.

**17.3.1** In addition, upon seven (7) business days' written notice to Owner, and an opportunity to cure within three (3) business days,

Constructor may terminate the Agreement if Owner does any of the following: (a) fails to furnish reasonable evidence that sufficient funds are available and committed for the entire cost of the Project; (b) assigns this Agreement over Constructor's reasonable objection; (c) fails to pay Constructor in accordance with this Agreement and Constructor has stopped work in compliance with applicable notice provisions; or (d) otherwise materially breaches this Agreement.

17.3.2 Upon termination by Constructor pursuant to this Agreement, Constructor shall be entitled to recover from Owner payment for all Work executed and for any proven loss, cost, or expense in connection with the Work, plus reasonable overhead and profit not to exceed overall contract amount, including change orders, if any.

17.4 OBLIGATIONS ARISING BEFORE TERMINATION: Even after termination, the provisions of this Agreement still apply to any Work performed, payments made, events occurring, costs charged or incurred, or obligations arising before the termination date, including all warranty terms and periods provided herein.

## **ARTICLE 18 DISPUTE RESOLUTION**

18.1 CLAIMS FOR ADDITIONAL COST OR TIME: Except as provided in § 10.3 for any claim for an increase in the Contract Price or the Contract Time, Constructor shall give Owner written notice of the claim within fourteen (14) business days after the occurrence giving rise to the claim or within fourteen (14) business days after Constructor first recognizes the condition giving rise to the claim, whichever is later. Except in an emergency, notice shall be given before beginning the Work. Any change in the Contract Price or the Contract Time resulting from such claim shall be authorized by Change Order.

18.2 WORK CONTINUANCE AND PAYMENT: Constructor shall continue the Work and maintain the Schedule of the Work during any dispute resolution proceedings. If Constructor continues to perform, Owner shall continue to make payments in accordance with the Agreement.

**18.3 DIRECT SETTLEMENT DISCUSSIONS / PRESUIT MEDIATION:** If a dispute arises out of or relates to this Agreement or its breach, the Parties shall endeavor to settle the dispute through direct discussions.<sup>2</sup> Within five (5) business days, the Parties' representatives, who shall possess the necessary authority to resolve such matter and who shall record the date of first discussions shall conduct direct discussions and make a good faith effort to resolve such dispute. If the parties cannot resolve any issue, the parties shall select a mediator upon the expiration of 30 days or less and agree to a date for mediation. Such mediation shall be required before any party commences litigation. Mediation shall be at each party's own expense and the cost of the mediator shall be shared 50-50.

**18.4 POST-SUIT MEDIATED DISPUTE RESOLUTION:** Pursuant to Chapter 154 of Civil Practice and Remedies Code, in the event suit has been filed following the period specified in section 18.3, or direct settlement has not been successful and suit has been filed, the provisions of the Civil Practice and Remedies Code §154.021 shall be implemented upon agreement of both parties. If successful, any mediated settlement agreement between the Parties must be approved by a court of competent jurisdiction, if suit has been filed.

**18.4.1 VENUE:** For purposes of venue, any suit shall be filed in Guadalupe County, Texas.

**18.4.2 COSTS** The costs of any dispute resolution procedure and reasonable attorney's fees shall be borne by each party.

## **ARTICLE 19 MISCELLANEOUS**

**19.1 EXTENT OF AGREEMENT AND MERGER CLAUSE:** This Agreement contains the entire agreement between the Parties to this Agreement relating to the transaction contemplated hereby, and supersedes any and all prior agreements, understandings, representations, and statements between the Parties, whether oral or written, and whether by a Party or such Party's

<sup>2</sup> Civil Practice and Remedies Code §154.002 Policy, "It is the policy of this state to encourage peaceable resolution of disputes . . . and the settlement of pending litigation through voluntary settlement procedures.

legal counsel. The Parties are entering into this Agreement based solely on the representations and warranties herein and not based on any promises, representations, and/or warranties not found herein. No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing.

**19.2 ASSIGNMENT:** Except as to the assignment of proceeds, neither Party shall assign its interest in this Agreement, in whole or in part, without the written consent of the other Party. The terms and conditions of this Agreement shall be binding upon both Parties, their partners, successors, assigns, and legal representatives.

**19.3 GOVERNING LAW:** The law in effect at the location of the Project shall govern.

**19.4 NOTICE:** Unless changed in writing, a Party's address indicated in the section prior to Article 1 shall be used when delivering notice to a physical address. Except for Agreement termination and as otherwise specified in the Contract Documents, notice is effective upon transmission by any effective means, including U.S. postal service and overnight delivery service and shall be measured in business days with day of dispatch excluded if not sent electronically.

**19.5 JOINT DRAFTING:** The Parties expressly agree that this Agreement was jointly drafted, and that they both had opportunity to negotiate terms and to obtain assistance of counsel in reviewing terms before execution. This Agreement shall be construed neither against nor in favor of either Party, but shall be construed in a neutral manner.

**19.6 EXHIBITS ATTACHED:**

- Exhibit A: The Work, consisting of the Technical Proposal with Option #1 deleted. dated August 2, 2018, consisting of 7 pages. [Nanostone Proposal]
- Exhibit B: Contract Progress Schedule, 2 pages.
- Exhibit C: Performance Warranty Policy, 3 pages

Exhibit D: Lifetime Warranty Policy, 4 pages  
Exhibit E: Electronic Protocol for Data and Information per Agreement dated November 19, 2018.

Upon motion of Martin Poore, seconded by Mike Taylor, with the following 13 voting in the affirmative, 0 voting in the negative, 9 absent, and 0 abstaining, the above Agreement was duly PASSED and APPROVED this 8<sup>th</sup> day of October, 2018.


**OWNER:**

**CANYON REGIONAL WATER  
AUTHORITY**

By: 

David Davenport  
General Manager  
Authorized Signatory

Attest:

  
Joan Wilkinson  
Assistant Secretary

---




**CONSTRUCTOR:**

NANOSTONE WATER, INC.

BY:  \_\_\_\_\_

NAME: IMRAN M. JAREEM

TITLE: .CCO  
30 NOV 2018

WITNESS/ATTEST:  \_\_\_\_\_

NAME: BILL MVSIAK

TITLE: VP IF GLOBAL SALES  
11 | 30 | 2018

# Exhibit A

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## TECHNICAL PROPOSAL CANYON REGIONAL WATER AUTHORITY LAKE DUNLAP WATER TREATMENT PLANT MEMBRANE FILTRATION SYSTEM REPLACEMENT (PROJECT# 608-410-500)

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Rev.1



**AUGUST 2, 2018**

**By Nanostone Water**

Initialed for Identification: JD 12-3-18 J 30/10/2018  
CRWA Date NANOSTONE Date

Nanostone Water (NSW) proposes the following technical designs for Canyon Regional Water Authority (CRWA) Lake Dunlap Water Treatment Plant's Membrane Filtration System Replacement. Two technical solutions are proposed to fulfill Option 1: Replace the existing six (6) membrane filter racks with six (6) new membrane filter racks, and Option 2: Replace the existing membrane fiber with six (6) new sets of membrane fiber with no modifications to the filter rack. Pricing information is submitted as part of the bid package.

The basis for the design used the following key assumptions:

1. Design assumes the feed has the following characteristics:
  - a. 14.4 MGD treatment capacity
  - b. 6 skids total
2. Feed water characteristics:
  - a. Post-Settled water quality characteristics as provided in 201807\_CRWA Membrane Spec Instruction to Bidders on July 9, 2018.
  - b. 5 NTU average feed turbidity
  - c. 54-77 °F design temperature for winter and summer
3. The process train understood to be implemented includes the following unit operations:
  - a. Surface water from Lake Dunlap is pretreated with copper sulfate and chlorine dioxide at the pump intake, followed by coagulant addition and clarification.
  - b. Post-settled water is sent to UF treatment as feed water
  - c. Waste streams from UF is allowed to settle and recycled to the front of the clarifier.

#### Design core parameters:

A detailed design projection, including flux, water recovery, coagulant dose, membrane counts, skid arrangements, cleaning chemicals, cleaning frequency, pump sizing, etc, is provided along with this proposal. A summary of the key design parameters for both options is given below for reference:

1. Design Gross Flux ~ 177 GFD, Gross Peak Flux ~ 208 gfd at 20°C
2. Physical flux maintenance: backwash and feed flush. No air scour.
3. Treated volume between backwash cycle = 29,967 gallons
4. Backwash flow rate at 40gpm/module, 30 second duration.
5. Feed flush following backwash at 1x service flow, for 30 sec.
6. Water recovery: ~ 94%
7. Cleaning process setpoints:
  - a. Maintenance cleaning once a week. Maintenance cleaning is performed at ambient temperatures for 30 mins recirculation per event. Event = caustic-hypo clean and acid clean.

- b. Recovery cleaning every 30 days. CIP solution heated to 95-110 °F and recirculated for 60 mins per event. Event = caustic-hypo clean and acid clean.
  - c. Cleaning chemical concentrations assume: 3715 mg/L NaOH @ 50%, 713mg/L NaOCl @ 10%, and 0.4% citric acid.
  - d. Chemical cleaning pH targets are pH 12 for high pH clean, and pH 2.5 for low pH clean.
8. 6 total skids, each skid with 44 CM-151 membrane modules.

### Membrane Filtration System Replacement Options

Nanostone membrane skids are similar to other polymeric UF skids in that the materials of construction are similar (PVC pipe, PE tank, SS316 pumps and wetted instruments, etc). All other equipment for CIP system, feed pumps and strainers, and backwash system is standard per typical equipment sizing and can be determined from the process sizing in the detailed UF design projection after project is awarded.

The key process changes in switching to Nanostone CM-151 membranes are outlined below.

1. **No air scour is required during the physical flux maintenance step (backwash sequence)**  
Reduced energy consumption compared to typical polymeric hollow fiber membranes. Air consumption is only required for daily integrity testing at site.
2. **Hardware and other components required**
  - Steel riser clamps for the CM-151 modules will be used to support the modules on the skid frame.
  - NSW CM-151 module dimensions can fit on the existing Koch skid frame, however, new fittings and hose connections to tap into the feed/filtrate pipe will be required. A list of detailed bill of materials will be confirmed once a fit-up is done onsite.

#### Option 1: Installation of 6 new UF Membrane Skids

The design for 6 new Nanostone UF skids will utilize the existing pipe manifolds in the plant. Exact connection points from the overhead existing pipe manifolds to individual skids will be determined in the detailed design stage. This option includes new feed pumps, backwash pumps, pre-filter screens, instrumentation, skid frames, controls/HMI, and new CIP system. Compared to the retrofit option (Option 2), this option will incur longer periods of design, construction, fabrication, existing equipment tear-down and disposal site work. Each skid will be designed for 2.4 mgd capacity at 20°C, and consist of 44 CM-151 membrane modules.

Examples of commercial UF installations in the U.S. with Nanostone CM-151 modules are seen in Figures 1 to 2.

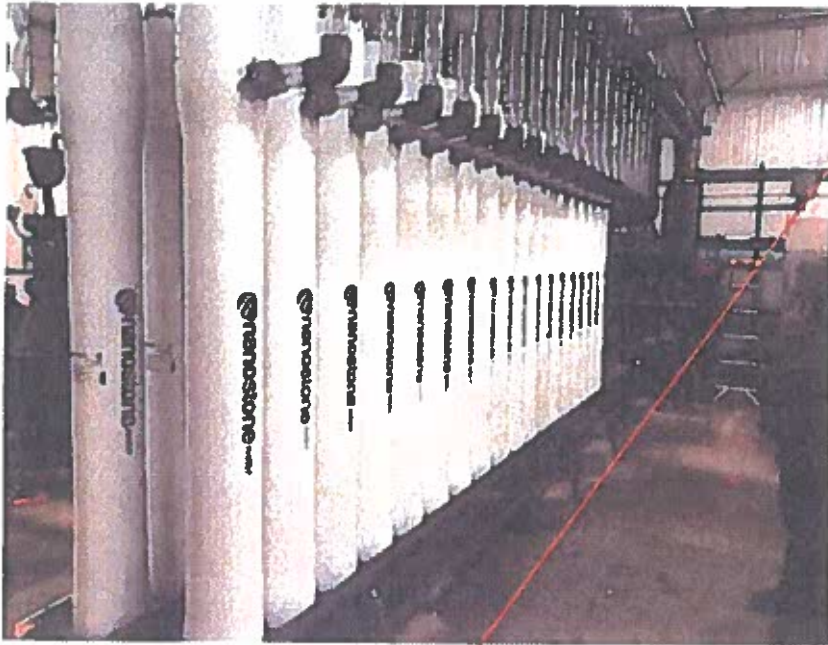


Figure 1. Surface Water Installation (36 modules/skid) at Rapid Valley Sanitary District

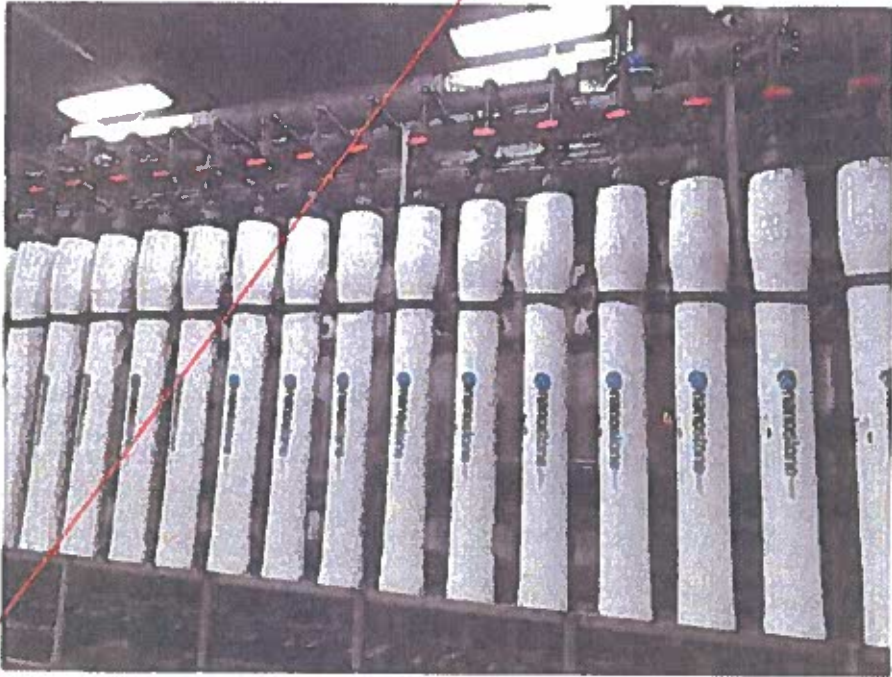


Figure 2. Surface Water UF Installation (44 modules/skid) at Randall Community Water District

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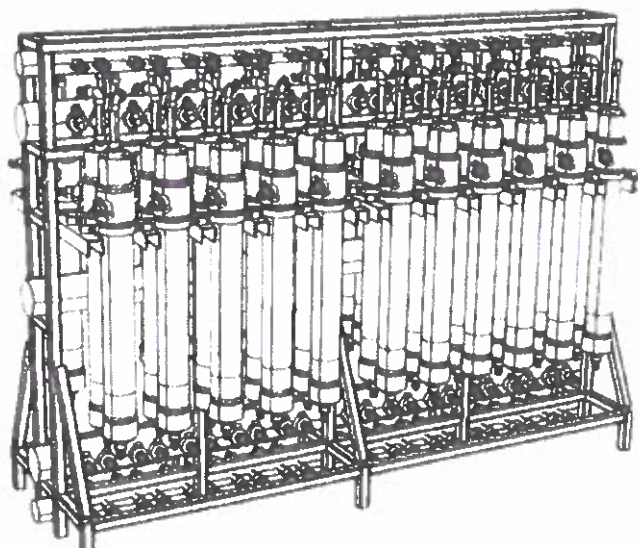


**Option 2: Retrofit existing 6 Koch System Skids with Nanostone CM-151 modules**

This option is a one-to-one replacement of the existing 44 Koch UF modules per skid with 44 Nanostone CM-151 modules per skid. No additional modification to the rack will be required, other than blinding excess feed/filtrate ports on the feed/filtrate pipes, and adding fittings and hoses to connect the feed/drain/filtrate ports from the CM-151 modules to existing feed/drain/filtrate pipes on the skid.

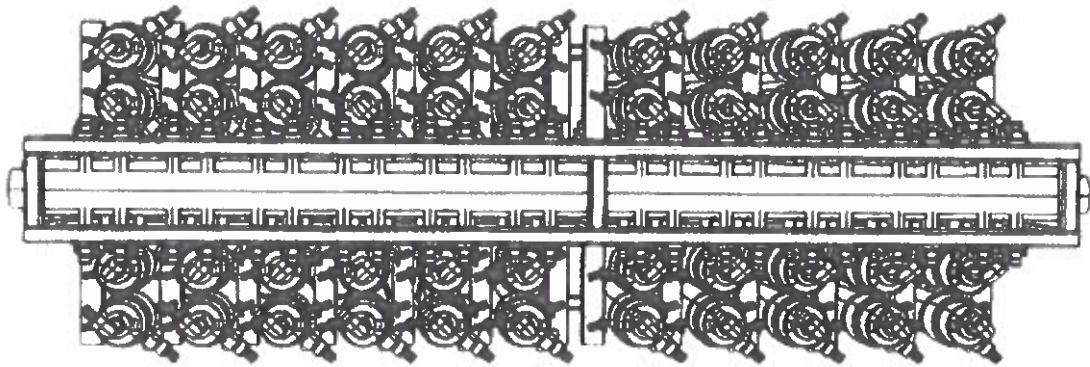
Existing equipment such as feed pumps, backwash pumps, and CIP system will be utilized. Compared to Option 1, the retrofit option can be executed much faster since the major activities involve only removing/disposing the old Koch UF modules, installing the new Nanostone UF modules, and editing the existing membrane program in the PLC to allow new operating setpoints for Nanostone.

Each skid is rated for 2.4 mgd capacity at 20°C, and consist of 44 CM-151 membrane modules arranged in a 2-wide configuration (4 modules across) similar to the existing Koch System UF Skids. Total treatment capacity is 14.4 MGD. Figure 3 is a 3-D mockup of how the Nanostone CM-151 modules will look on the existing Koch frame.



*Figure 3. 44-module CM-151 UF Skid on existing Koch skid frame*

As seen in Figure 4, the modules are laid out 4-across, with 2 modules on either side of the feed/filtrate pipes on the skid. The permeate side ports will be connected via hose to the top/bottom permeate pipe on the existing Koch skid for even flow distribution.



*Figure 4. Top View of the 44-module UF Skid*

**Exhibit B**  
**Contract Progress Schedule**  
**a.k.a. CRWA Membrane Retrofit Specifications**

Item	Description of Item	Total Amount
<b>OPTION 2</b>	<b>Lake Dunlap Membrane Filtration System Replacement 6 Membrane Fiber Replacement Only</b>	
A.	Capital Cost for Design, Fabrication, and Delivery as detailed and specified	\$1,298,000.00
B.	Capital Cost for Installation of Membrane System as detailed and specified	\$127,000.00
C.	Capital Cost for Providing Manufacturer's Representative Services during Design and Construction as detailed and specified	Included
D.	Capital Cost for Providing Manufacturer's Representative Services after Construction as detailed and specified	Included
E.	Capital Cost for Operation and Maintenance Manual as detailed and specified	Included
F.	<b>TOTAL INSTALLED COST (Sum of Items 1.A-1.E)</b>	\$1,425,000.00 \$0.099/gpd (installed capex)
G.	Proposed Financing Schedule	3 years
1.	Initial Payment <i>per \$13.1</i>	\$142,500.00 + <i>\$142,500.00</i>
2.	Quarterly Installment Payment Amount of \$95,000/Quarter per §§13.2 and 13.5 and Exhibit B, H.9	\$95,000.00
3.		
4.		
H.	Project Duration	Weeks after Order
1.	Shop Drawings Submitted	2 weeks
2.	Final Drawings Submitted	6 weeks
3.	1 <sup>st</sup> Set of Membranes Delivered	8 weeks
4.	1 <sup>st</sup> Set of Membranes Installed / Started up	10 weeks
5.	2 <sup>nd</sup> Set of Membranes Delivered	12 weeks
6.	2 <sup>nd</sup> Set of Membranes Installed / Started up	14 weeks
7.	All Membranes Delivered	12 weeks
8.	Substantial Completion – all membranes installed / started up	14 weeks
9.	30-day Performance / Acceptance Test (All Six (6) Skids)	18 weeks (Payment of \$142,500)

201807\_Bid Forms\_ATT 4 CRWA BID FORMS

Initialed for Identification:

*DP*  
CRWA

*12-3-18*  
Date

*ij*  
NANOSTONE

*30th 2018*  
Date

**CRWA MEMBRANE RETROFIT SPECIFICATION  
BID FORMS**

Item	Brief Description of Item	Total Amount
<b>OPTION 2</b>	<b>Lake Dunlap Membrane Filtration System Replacement 6 Membrane Fiber Replacement Only</b>	
i.	Operation and Maintenance as detailed and specified	
1	Power (Operational) - includes feed TMP, backwash TMP, CIP pump, CIP heater	\$0.0085/1,000 Gal
2	Labor – one full time operator	\$0.016/1,000 Gal
3		
4	Chemicals (Cleaning)	
5	Chlorine – 10% NaOCl \$2.24/gallon	\$0.0011/1,000 Gal
6	Sodium Hydroxide – 50% \$0.2285/lb	\$0.0015/1,000 Gal
7	Citric Acid – 50% \$0.64/lb	\$0.0045/1,000 Gal
		#/1,000 Gal
	Proprietary Chemical to be inserted by MFSM - add more rows as needed	
J.	Membrane Replacement as detailed and specified	
1	Guaranteed Cost Per Module (Years 2019-2021)	In Cliff Warranty
2	Guaranteed Cost per Module (Year 2022)	\$700/each
3	Guaranteed Cost Per Module (Year 2023)	\$875/each
4	Guaranteed Cost Per Module (Year 2024 - 2029)	Add \$175 per year
5		
6		



# Exhibit C



## PERFORMANCE WARRANTY POLICY FOR NANOSTONE CM-151 CERAMIC MONOLITH MEMBRANE

Thank you for purchasing Ceramic Monolith Membrane Modules CM-151 (the "Product") from Nanostone Water, Inc. ("Nanostone"). This Performance Warranty Policy (this "Performance Warranty Policy") sets out the performance warranty for the Product given by Nanostone to you, the person or entity that purchased the Product from Nanostone ("you" and "your"). This Performance Warranty Policy does not extend to any subsequent owner or other transferee of the Product.

This Performance Warranty Policy (a) is a part of the contract package between Nanostone and you, (b) is the "Performance Warranty Policy" included by reference in such contract package, and (c) supplements the limited warranties set forth in the accompanying Standard Terms and Conditions for the Sale of Goods and Services (the "Terms and Conditions") and the Lifetime Warranty Policy. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Terms and Conditions.

1. Performance Warranty: Subject to the terms of this Performance Warranty Policy and the other Contract Documents, Nanostone warrants to you—its direct customer—that the system incorporating the Product will, during the Initial Performance Test (defined below), produce filtered water that meets the quantity and quality specifications described in Table 1 below (the "Performance Warranty"). Compliance with the Performance Warranty shall be conclusively demonstrated by the successful completion of the Initial Performance Test as described below.

Table 1: Warranty Parameters

Parameter	Value	Comments
Flow (MGD)	14.4	Instantaneous Feed Flow
Overall Recovery (%)	93.5%	
Turbidity (NTU)	<0.3	
LRV	4-log	

2. Initial Performance Test Protocol:

(a) The "Initial Performance Test" is a testing protocol performed by Nanostone to determine if a Product, when installed in your membrane system into which the Product is installed at your premises (the "System"), produces permeate that meets the water quality and overall flow specifications set forth in Table 1 above.

(b) The Initial Performance Test is based upon average operating rates, excluding non-process related mechanical downtime, when the System is configured and operated in accordance with Nanostone's written recommendations including (i) Nanostone's Operation and Maintenance Manual (the "Manual"), and (ii) the written process guidelines and controls sequences ("Engineering Deliverables") provided by Nanostone.

(c) The Initial Performance Test will be conducted over 30 days of operation subject to the following conditions: (i) the process influent ("Influent") meets the feed water quality conditions ("Conditions") provided in the Technical Proposal; and (ii) you maintain and operate the System in accordance with the Manual, the Engineering Deliverables and any other instructions provided to you in writing by Nanostone.

(d) Product performance will be based upon average operating rates, excluding mechanical downtime. The average operating rate is defined as the average of all data collected during the duration of the Initial Performance Test. Any mechanical downtime occurring during performance of the Initial Performance Test will not void the Initial

Nanostone Confidential

Page 1 of 3

Initialed for Identification: DD 12.3.18 J 30 Nov 2018  
CRWA Date NANOSTONE Date



Performance Test, and will be excluded from the average performance determination, and the lost time will be excluded from the total test time to ensure a full two (2) month test is performed.

(e) Nanostone will provide a certificate upon completion of the Initial Performance Test. The Initial Performance Test shall start within one (1) month of the completion of commissioning of the System ("System Commissioning"). Nanostone will utilize its best efforts to complete the Initial Performance Test within four (4) months of System Commissioning. If for reasons solely outside of the control of Nanostone, the Initial Performance Test is not completed on time, the Product shall be deemed to have passed the Initial Performance Test.

3. Warranty Conditions:

(a) You are responsible for providing Influent within the process feed water parameters (as defined in the Technical Proposal Section 2.2 to the System for the duration of Initial Performance Test.

(b) Influent must be free of antifoams of a silicone nature.

(c) All utility and process rates, concentrations, temperatures and pressures (including chemicals supplied by you) must be used by you in accordance with the Manual, the Engineering Deliverables or any other instructions provided to you by Nanostone in writing.

(d) The composition of the Influent, permeate and concentrate must be monitored, sampled and documented in writing by you in accordance with the Manual. A daily integrity test should also be performed.

(e) Analysis will be performed on each sample and will be performed on site by you using methods that are consistent with the guidelines in the Manual. You will have discretion to select samples for off-site analysis using your standard existing off-site, independent accredited laboratory services.

(g) Nanostone will use your off-site, independent accredited laboratory for analysis of the Influent samples if necessary, when parameters are not able to be effectively or accurately measured, at Nanostone's discretion, at your on-site laboratory. The samples will be tested in accordance with the testing procedures used to develop the data provided as part of the Influent specification contained in the Agreement.

(h) If testing is performed at an independent laboratory for any reason, the cost will be paid by Nanostone if the results agree with the test performed by you. If the results do not agree with those obtained by you, then you will pay the costs for the independent test work. The tests performed at the independent laboratory will be used as the basis for the performance in this case. Any samples taken for Nanostone will be retained by Nanostone for testing at its laboratory, at Nanostone's discretion.

(i) Other arrangements and procedures, which might become necessary to conduct the Initial Performance Test, and which are not otherwise provided in this Performance Policy or the Agreement may be defined later to the extent agreed by both you and Nanostone in writing.

(j) For all measured values, a five percent (5%) tolerance shall be allowed.

(k) Nanostone or a designated representative must be present during and oversee all process fluid testing of the Product that occurs prior to the Initial Performance Test is complete, unless otherwise agreed to by Nanostone in writing.

Nanostone, together with your support and cooperation, will perform the Initial Performance Test promptly after installation using a test protocol ("Test Protocol") to be supplied by Nanostone, and agreed upon with you prior to

Initiation of the Test Protocol. The Initial Performance Test will not begin until all conditions are met per Section 3 of this Performance Warranty Policy, unless otherwise agreed in writing by both parties.

4. **Remedy:**

(a) If the Initial Performance Test demonstrates that the Product does not meet the Customer Specifications, then this event is a "System Failure".

(b) In the event of any System Failure during the Initial Performance Test, Nanostone will advise of process changes to be made to address the problems, and re-perform the Test Protocol. In the event that the System Failure cannot be addressed through process changes, Nanostone will, at its sole discretion, either (i) repair the Product (or the defective part) at its own expense, or (ii) replace the Product (or the defective part) with a new product (which product will be deemed the "Product", but which may be a different membrane product having substantially similar functionality of the replaced Product).

5. **Disclaimers and Limitation of Liability:**

(a) EXCEPT FOR ANY EXPRESS WRITTEN WARRANTY MADE BY NANOSTONE TO YOU IN THE CONTRACT, NANOSTONE MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE PRODUCTS, INCLUDING ANY (i) WARRANTY OF MERCHANTABILITY; (ii) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (iii) WARRANTY OF TITLE; OR (iv) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.

(b) THE REMEDIES SET FORTH HEREIN SHALL BE YOUR SOLE AND EXCLUSIVE REMEDY AND NANOSTONE'S ENTIRE LIABILITY WITH RESPECT TO ANY FAILURE TO MEET THE PERFORMANCE WARRANTY.

(c) NANOSTONE'S LIABILITY SHALL UNDER NO CIRCUMSTANCES EXCEED THE ACTUAL AMOUNT PAID BY YOU FOR THE DEFECTIVE PRODUCT, NOR SHALL NANOSTONE UNDER ANY CIRCUMSTANCES BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES OR LOSSES, WHETHER DIRECT OR INDIRECT.

(d) The Performance Warranty is made directly to you, and no other person or entity. No other person or entity may enforce this Performance Warranty Policy against Nanostone, and there are no third party beneficiaries to this Performance Warranty Policy.

# Exhibit D



## **LIFETIME WARRANTY POLICY FOR NANOSTONE CM-151 CERAMIC MONOLITH MEMBRANE**

Thank you for purchasing a Ceramic Monolith Membrane Module CM-151 (the "Product") from Nanostone Water, Inc. ("Nanostone"). This Lifetime Warranty Policy (this "Lifetime Warranty Policy") sets out the express warranty for the Product given by Nanostone to you, the person or entity that purchased the Product from Nanostone ("you" and "your"). This Lifetime Warranty Policy does not extend to any subsequent owner or other transferee of the Product.

This Lifetime Warranty Policy (a) is a part of the contract package between Nanostone and you, (b) is the "Lifetime Warranty Policy" included by reference in such contract package, and (c) supplements the limited warranties set forth in the accompanying Standard Terms and Conditions for the Sale of Goods and Services (the "Terms and Conditions") and the Performance Warranty Policy. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Terms and Conditions.

1. Lifetime Warranty:

(a) Subject to the terms of this Lifetime Warranty Policy and other Contract Documents, Nanostone warrants to you—our direct customer—that the Product will maintain membrane integrity with a pressure decay test value not to exceed the quality control release value ("OCRV") defined independently by the NSF standard 419 for an individual membrane module (the "Lifetime Warranty"). OCRV defined independently by a standard test method filed with NSF and Nanostone (the "Standard Membrane Test").

(b) The Lifetime Warranty is effective for either (i) two hundred forty six (246) months from the date of shipment by Nanostone, or (ii) two hundred forty (240) months from the date Product is first installed in the System (defined below) and ready for use, whichever event occurs first ("Lifetime Warranty Period"). To make a claim under the Lifetime Warranty, you must notify Nanostone of the claim (A) no later than fifteen (15) days following a claimed defect and (B) prior to the expiration of the Lifetime Warranty Period. Your notice must specify the claimed defect, as well as the Product serial number. The Lifetime Warranty is managed in two parts: (1) the initial non-prorated period (the "Non-Prorated Period"), and (2) the balance prorated period (the "Prorated Period"). The Non-Prorated Period is sixty (60) months from the date the Product is first installed in the System (defined below) and ready for use. The Prorated Period begins upon the expiration of the Non-Prorated Period and continues until the expiration of the Lifetime Warranty Period.

(c) Subject to the last sentence of this Section 1(c), the Lifetime Warranty will be effective only if Nanostone is present to observe and inspect the actual start-up and commissioning of your membrane system into which the Product is installed ("System"). You must notify your Nanostone representative in writing at least thirty (30) days in advance of the scheduled time for System start-up (which time shall be during ordinary business hours), and Nanostone will use commercially reasonable efforts to notify you

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within seven (7) days of receipt of such notice whether or not Nanostone personnel will attend the start-up. If Nanostone elects, in its decision, not to attend System start-up, it will notify you, and this will not void the Lifetime Warranty.

(d) The Lifetime Warranty is conditioned upon, among other things, your maintenance of comprehensive and accurate plant operating records from the initial start-up date throughout the Lifetime Warranty Period. If you make a claim under the Lifetime Warranty, you must make those records available to Nanostone, at your place of business, upon Nanostone's request. To be sufficient, the records must be provided in the detail as specified in Paragraph 5, and must enable Nanostone to (i) verify your uninterrupted compliance with Nanostone's Operating and Maintenance Manual ("Manual"), and (ii) evaluate Product performance.

2. Warranty Claims and Testing:

(a) If you notify Nanostone during the Lifetime Warranty Period that the Product does not meet the Lifetime Warranty then Nanostone will perform the Standard Membrane Test on that Product. The testing will occur on site, if on site testing is deemed practical in Nanostone's sole discretion. If Nanostone requests the Operating Data (defined below), then you must promptly provide that to Nanostone. If the Standard Membrane Test is inconclusive at the testing site, as determined by Nanostone in its sole discretion, then Nanostone may request that you return the Product for examination at your expense to a designated US facility for additional testing.

(b) If the Standard Membrane Test demonstrates that the Product does not meet the Lifetime Warranty, then this qualifies as a "Module Failure." If the Standard Membrane Test demonstrates that the Product does meet the Lifetime Warranty, then this will constitute sufficient proof that the Product meets the Lifetime Warranty. In this case, you will reimburse Nanostone for its reasonable costs and expenses associated in performing the Lifetime Warranty investigation, including all inspections, tests, and out of pocket travel expenses.

3. Remedy and MMRP:

(a) In the event of any Module Failure during the Lifetime Warranty Period, Nanostone will, at its sole discretion, either (i) repair the Product (or the defective part) or (ii) replace the Product (or the defective part) with a new product (which product will be deemed the "Product"), but which may be a different membrane product having substantially similar functionality of the replaced Product).

(b) For any Module Failure during the Non-Prorated Period, Nanostone will repair or replace the Product, as more particularly set forth in Section 3(a) above, at Nanostone's sole cost and expense.

(c) For any Module Failure during the Prorated Period, you will pay for replacement Product at the Membrane Module Replacement Price ("MMRP"), multiplied by the number of months remaining on the Lifetime Warranty Period ("Replacement Price"). You will pay the Replacement Price within thirty (30) days of Nanostone's invoice therefor.

(d) The MMRP is Nanostone's current membrane replacement price for the replacement Product that is in effect on date of the demonstrated Module Failure (Module Failure Date"). However, if the MMRP is set forth in the Contract Documents ("Quoted MMRP"), then the MMRP shall instead be the Quoted MMRP, plus the rate of inflation compounded monthly based on the U.S. Consumer Price Index as calculated by the U.S. Bureau of Labor Statistics, unless another inflation index has been specified in the Agreement. By way of example only, if the Quoted MMRP is \$5,000 in January 2016, and the Module Failure Date is in January 2021, and if the cumulative rate of inflation is 10%, then the MMRP is \$5,500.



(e) During the Prorated Period, you shall pay Nanostone for Product supplied under the terms of this Lifetime Warranty to replace modules originally shipped as part of Project Lake Dunlap Water Treatment Plant Membrane Filtration System Retrofit. The amount to be paid by you to Nanostone for such replacement Products during the Prorated Period shall be determined in accordance with the following price calculation formula:

$$\text{Price} = \frac{\text{[number of whole months elapsed between Module Failure Date and Lifetime Warranty Start Date]} \times (\text{MMRP})}{\text{[Lifetime Warranty Period (in months)]}}$$

(f) Nanostone will ship replacement Product to you, FCA designated US location (Incoterms 2010), and you will be responsible for a nominal handling fee, all freight charges and any applicable taxes. Nanostone will perform the Standard Membrane Test on any Product that it replaces under this Lifetime Warranty.

(g) The Lifetime Warranty Period for any repaired or replaced Product will have the same period remaining as the Lifetime Warranty Period for the original Product (meaning the Lifetime Warranty Period is not extended if Nanostone repairs or replaces the Product). Nanostone may change the availability of this Lifetime Warranty at its discretion, but any changes will not be retroactive.

(h) If Nanostone instructs you to return the Product, you must first obtain a Return Materials Authorization (RMA) number from Nanostone. Products shipped to Nanostone for warranty examination must be shipped freight prepaid by Nanostone, and you are responsible for decontamination and preparation of the Products before shipping in strict compliance with the manual. You will be responsible for any damage to the Product, including but not limited to damage before, during, or after transit to Nanostone due to freezing of wet membranes inside the Product. You must, at the time of Product return, inform Nanostone of the feed water constituents to which the Product was subject. You must package any Product returned to for repair or replacement under this Lifetime Warranty Policy in accordance with Nanostone's written instructions. If you return a Product for warranty examination and would like a temporary replacement Product, then Nanostone will be responsible for the cost associated with such replacement. If the examined Product meets the Lifetime Warranty, then Nanostone will deliver the Product back to you, and Nanostone will be responsible for the return shipping costs.

4. Additional Warranty Conditions:

(a) The Lifetime Warranty is conditional upon the shipping, storage, installation, operation and maintenance of the Product in strict accordance with Manual. You authorize Nanostone to conduct any reasonable review of your System design, or to inspect facilities where Products are installed, upon prior reasonable notice. Such reviews and/or inspections are intended to assist you and Nanostone in detection of system faults and to optimize the care and operation of the Product.

(b) Occurrence of any of the following, as reasonably determined by Nanostone, shall void the Lifetime Warranty:





- Physical abuse or misuse of the Product;
- Faulty installation or installation of the Product other than in accordance with the Manual;
- Unauthorized alteration of any parts originally supplied by Nanostone with the Product;
- Failure to strictly and exclusively adhere to Nanostone's written Product cleaning procedures, including the use of anything other than Nanostone's-approved Product cleaning agents;
- Mixing Nanostone modules with those of any other supplier in the system;
- Failure to adhere to feed water specifications defined in the Contract at all times;
- Failure to install and maintain an automatic data collection and diagnostics system to monitor overall System performance and Product status as required in the Manual (data collection parameters and frequency are defined in the Manual);
- Failure to strictly adhere to the maintenance program as defined in the Manual; and
- Failure to maintain complete and accurate operating data at all times as described in Paragraph 5.

(c) In addition, the Lifetime Warranty does not cover any damage due to transportation, storage, or external causes such as accidents or other actions or events beyond Nanostone's reasonable control.

(d) YOU ACKNOWLEDGE AND AGREE THAT YOU MAY NOT MAKE ANY CLAIMS UNDER THIS LIFETIME WARRANTY POLICY IF THE PRODUCT HAS NOT BEEN OPERATED IN STRICT ACCORDANCE WITH THE MANUAL.

5. Warranty Records: You must maintain a daily account of Product operating data during its production use in accordance with the requirements set forth in the Manual ("Operating Data"). Nanostone reserves the right to require additional data as necessary to validate claims filed.

6. Disclaimers and Limitation of Liability:

(a) EXCEPT FOR ANY EXPRESS WRITTEN WARRANTY MADE BY NANOSTONE TO YOU IN THE CONTRACT, NANOSTONE MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE PRODUCTS, INCLUDING ANY (i) WARRANTY OF MERCHANTABILITY; (ii) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (iii) WARRANTY OF TITLE; OR (iv) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.

(b) THE REMEDIES SET FORTH HEREIN SHALL BE YOUR SOLE AND EXCLUSIVE REMEDY AND NANOSTONE'S ENTIRE LIABILITY WITH RESPECT TO ANY PRODUCTS THAT DO NOT MEET THE LIFETIME WARRANTY.

(c) NANOSTONE'S LIABILITY SHALL UNDER NO CIRCUMSTANCES EXCEED THE ACTUAL AMOUNT PAID BY YOU FOR THE DEFECTIVE PRODUCT, NOR SHALL NANOSTONE UNDER ANY CIRCUMSTANCES BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES OR LOSSES, WHETHER DIRECT OR INDIRECT.

(d) The Lifetime Warranty is made directly to you, and no other person or entity. No other person or entity may enforce this Lifetime Warranty Policy against Nanostone, and there are no third party beneficiaries to this Lifetime Warranty Policy.

# Exhibit E

## Electronic Protocol For Data and Information

The Koch open software shall be the Operative Software Protocol for operation of the Nanostone (Constructor) installation; provided, however, if the Koch Open Software Program and its control mechanism and procedures are not capable of modification by Constructor for proper operation of retrofit installation, and its successful operation and control as required by this Agreement, the Constructor shall be responsible for providing, at no additional expense to Owner, of Software and its Operating Protocol to effectively provide System Control and Data Acquisition and operational information to Owner for continuous use of the installed Nanostone modular filter system and its operation at required performance levels and speeds.

November 19, 2018

Initialed for Identification: DD 12-3-18 ij 30-Nov-2018  
CRWA Date NANOSTONE Date

**CANYON REGIONAL WATER AUTHORITY  
BOARD COMMUNICATION**

DATE	SUBJECT	AGENDA NUMBER
09/09/2024	INTERLOCAL AGREEMENT BETWEEN CRWA, COUNTY LINE SUD, AND MARTINDALE SUD	CRWA 24-09-006

**INITIATED BY** TREY WILSON

**STAFF RECOMMENDATION**

Staff does not have a recommendation on this item.

**BACKGROUND INFORMATION**

On June 27, 2024 CRWA and Maxwell SUD entered into the 1<sup>st</sup> Amendment to the 2001 Water Wheeling Agreement. The 1<sup>st</sup> Amendment: (i) extends CRWA’s right to wheel treated water from the Hays Caldwell WTP through certain Maxwell-owned line segments for up to two (2) years (based upon CRWA meeting certain performance standards); (ii) increases the transportation cost/“rent” payable to Maxwell SUD under the Wheeling Agreement; and (iii) increases the volume of water CRWA is permitted to transport through the Maxwell-owned line segments. Under the Amendment, rent is calculated on a volumetric basis, as opposed to a linear foot basis, and is anticipated to increase by \$100,000+ annually.

CRWA’s approval of the 1<sup>st</sup> Amendment was strictly conditioned upon Martindale WSC and County Line SUD entering into an Interlocal Agreement providing for payment of the transportation cost/“rent” payable to Maxwell SUD under the Wheeling Agreement as a pass-through. See CRWA Board Resolution dated July 8, 2024.

CRWA approved the Interlocal Agreement on July 8, 2024.

Martindale WSC approved the Interlocal Agreement on August 14, 2024.

At its meeting of August 19, 2024, County Line SUD approved the Interlocal Agreement *subject to certain revisions*. On August 27, 2024, CLSUD’s attorney sent correspondence outlining requested revisions to the Interlocal Agreement as follows:

- (1) Reedville Line replacement: add language committing CRWA to construct the replacement “bypass” for the Reedville Line within the term of the agreement (as described in Kerry Averyt’s August 12, 2024 letter, including (a) the funding reference as a “Repair and Replacement” expense and use of \$2 million from CRWA’s approved 2025 budget).
- (2) Alternate Transportation: delete second sentence in ¶ 4.4 (“This covenant shall neither constitute a representation by CRWA that it will be responsible for the cost of any such line, nor a guarantee that such line will be constructed during the Term hereof or otherwise.”) and substitute it with language committing CRWA to replace Maxwell SUD’s “Proposed

Transmission Lines" (as defined in the Wheeling Agreement) before CRWA loses access when the Wheeling Agreement expires in January 2041.

- (3) Expenses: All expenditures to be incurred based on each Original Participating Members' pro rata share.

Because County Line SUD's requested revisions are material, CRWA's Board of Trustees should determine whether to accept them.

Notably, in the event that no agreement can be reached on the Interlocal Agreement, the condition of CRWA's approval of the 1<sup>st</sup> Amendment to Wheeling Agreement with Maxwell SUD will not be satisfied.

**FINANCIAL IMPACT**

The financial impact is unknown at this time.

**MOTION**

Motion to approve the following resolution.

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**CANYON REGIONAL WATER AUTHORITY**

**RESOLUTION No. 24-09-006**

BE IT RESOLVED that the CRWA Board of Trustees approves the following revisions to the proposed Interlocal Agreement between CRWA, County Line SUD and Martindale WSC:

- ☒ add language committing CRWA to construct the replacement “bypass” for the Reedville Line within the term of the agreement (as described in Kerry Averyt’s August 12, 2024 letter, including (a) the funding reference as a “Repair and Replacement” expense and use of \$2 million from CRWA’s approved 2025 budget).
- ☒ delete second sentence in ¶ 4.4 (~~“This covenant shall neither constitute a representation by CRWA that it will be responsible for the cost of any such line, nor a guarantee that such line will be constructed during the Term hereof or otherwise.”~~)
- ☒ substitute second sentence in ¶ 4.4 with language committing CRWA to replace Maxwell SUD’s “Proposed Transmission Lines” (as defined in the Wheeling Agreement) before CRWA loses access when the Wheeling Agreement expires in January 2041.
- ☒ add language providing that all expenditures to be incurred based on each Original Participating Members’ pro rata share.

BE IT FURTHER RESOLVED that the CRWA Board of Trustees authorizes the Board President to execute a version of the Interlocal Agreement between CRWA, County Line SUD and Martindale WSC which contains the revisions approved above, following review and approval by CRWA’s legal counsel.

Adopted this 9<sup>th</sup> day of September 2024

Ayes \_\_\_\_ Nays \_\_\_\_ Abstained \_\_\_\_ Absent \_\_\_\_

Approved by: \_\_\_\_\_  
Timothy D. Fousse, CPM  
President

Certified and attested by: \_\_\_\_\_  
Ted Gibbs  
Secretary



**CANYON REGIONAL WATER AUTHORITY  
BOARD COMMUNICATION**

DATE	SUBJECT	RESOLUTION NUMBER
07/08/2024	INTERLOCAL COOPERATION AGREEMENT WITH CLSUD AND MWSC	CRWA 24-07-006

**INITIATED BY**

KERRY AVERYT, P.E.

**STAFF RECOMMENDATION**

Approve an Interlocal Cooperation Agreement by and between CRWA, County Line Special Utility District ("CLSUD") and Martindale Water Supply Corporation ("MWSC") providing for pass through of CRWA's costs associated with wheeling treated surface water produced by the Hays Caldwell Project (the "Project") through Maxwell Special Utility District's ("Maxwell") distribution system.

**BACKGROUND INFORMATION**

CRWA and Maxwell have negotiated an amendment to that certain *Water Transportation and Wheeling Agreement* dated January 8, 2001 (the "Wheeling Agreement").

The Wheeling Agreement, as amended, significantly increases both the volume of Project water that Maxwell will wheel and the Rental Payment due to Maxwell. Under the Amendment, the Rental Payment will be based on gallonage delivered to CLSUD and MWSC, as opposed to linear feet of pipeline which is the methodology used in the Original Contract.

CRWA's approval of the amended Wheeling Agreement was strictly conditioned upon CLSUD and MWSC approving an Interlocal Cooperation Agreement providing that the costs of Maxwell's wheeling services (including Rental Payments) will be passed to and paid by CLSUD and MWSC.

In the event that CLSUD and/or MWSC decline to promptly enter into the Interlocal Cooperation Agreement, CRWA should notify Maxwell that the condition of CRWA's approval of the amended Wheeling Agreement has failed.

**FINANCIAL IMPACT**

The financial impact on CRWA will be minimal because the intent of the Interlocal Cooperation Agreement is to contractually obligate CLSUD and MWSC to reimburse CRWA's costs associated with the Wheeling Agreement, as amended.

**MOTION**

Motion to approve the following resolution.

**CANYON REGIONAL WATER AUTHORITY**


**RESOLUTION No. 24-07-006**

BE IT RESOLVED that the CRWA Board of Trustees:

- 1) Approves the attached Interlocal Cooperation Agreement providing for reimbursement to CRWA for all costs of Maxwell's wheeling services to be provided under the Wheeling Agreement, as amended; and
- 2) authorizes the President of the Board of Trustees to execute such document.

Adopted this 8<sup>th</sup> day of July 2024

Ayes 18 Nays 0 Abstained 0 Absent 4

Approved by:  CPM  
Timothy D. Fousse, CPM  
President

Certified and attested by:   
Ted Gibbs  
Secretary

Friday, August 9, 2024 at 11:43:57 Central Daylight Time

---

**Subject:** Re: CRWA- Maxwell Wheeling Agreement and Proposed Interlocal Agreement for Pass Through Costs (CRWA HC)  
**Date:** Monday, July 15, 2024 at 9:14:55 AM Central Daylight Time  
**From:** Trey Wilson - R L WILSON LAW  
**To:** martwsc@austin.rr.com, 'Hunter Hudson'  
**CC:** Doug Scheid  
**Attachments:** image001.png, image002.png, Interlocal Agreement re Wheeling rates 070224 CLEAN.pdf

Good morning all:

Want to be sure we're all working off of the latest and greatest version.

Attached is the updated Proposed Interlocal Agreement as approved by CRWA's Board of Trustees.

Thank you.



Trey Wilson  
**R L WILSON LAW FIRM**  
16607 Blanco Rd., Suite 501  
San Antonio, Texas 78232  
Phone: 210-223-4100  
Fax: 210-223-4200  
[www.SanAntonioRealEstateLawyer.com](http://www.SanAntonioRealEstateLawyer.com)  
[www.sa-law.com](http://www.sa-law.com)

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**From:** [martwsc@austin.rr.com](mailto:martwsc@austin.rr.com) <[martwsc@austin.rr.com](mailto:martwsc@austin.rr.com)>  
**Date:** Friday, July 12, 2024 at 9:53 AM  
**To:** 'Hunter Hudson' <[hudson@wfaustin.com](mailto:hudson@wfaustin.com)>  
**Cc:** Doug Scheid <[dougscheid@yahoo.com](mailto:dougscheid@yahoo.com)>, Trey Wilson - R L WILSON LAW <[trey@sa-law.com](mailto:trey@sa-law.com)>  
**Subject:** RE: CRWA- Maxwell Wheeling Agreement and Proposed Interlocal Agreement for Pass Through Costs (CRWA HC)

Morning Hunter, Yes, they signed the engagement letter, It's attached. The original signature one is in the mail to you.

Also attached:

1. Interlocal agreement between Canyon Regional Water Authority (CRWA), County Line Special Utility District (CLSUD), & Martindale Water Supply Corp. (Martindale). This agreement is for reimbursement to CRWA for fee charged by Maxwell SUD for the right to pass water through Maxwell system to both Martindale and CLSUD at 27 cents per 1,000 gallons.
2. President Doug Scheid's mark-up of same above agreement highlighting issues Doug has with the document.
3. Wheeling agreement between CRWA and Maxwell SUD.

Doug would like your assistance in working out the issues he has indicated on the highlighted or marked-up pages of the Interlocal agreement.

Both documents need legal review in order to protect Martindale's interests.

Trey Wilson, legal advisor to CRWA, has offered to assist you in understanding the background details related to both contracts/documents. I have included his email and also Doug's as a Cc

Doug Scheid – 605-351-1957

Trey Wilson – 210-223-4100

Also, our Board voted last night to change back to the old historical day of the monthly Board meetings – Wednesday. I am hoping this is not a conflict for you.

Thanks for your offer to assist us. I am glad to have your help. Many changes/challenges for Martindale in the next 10 yrs.

Steve

---

**From:** Hunter Hudson <[hudson@wfaustin.com](mailto:hudson@wfaustin.com)>

**Sent:** Friday, July 12, 2024 8:38 AM

**To:** [martwsc@austin.rr.com](mailto:martwsc@austin.rr.com); Doug Scheid <[dougscheid@yahoo.com](mailto:dougscheid@yahoo.com)>

**Subject:** RE: CRWA- Maxwell Wheeling Agreement and Proposed Interlocal Agreement for Pass Through Costs (CRWA HC)

Hi Steve,

Did the Board approve our engagement letter yesterday? If yes, could you please send me a copy? I am ready to begin assisting on the proposed interlocal agreement whenever directed to do so.

Best,

*Hunter Hudson*

**Willatt & Flickinger, PLLC**  
**Attorneys at Law**  
**12912 Hill Country Blvd., Ste. F-232**  
**Austin, Texas 78738**

**Phone:** (512) 476-6604

**Facsimile:** (512) 469-9148

**Email:** [hudson@wfaustin.com](mailto:hudson@wfaustin.com)

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---

**From:** [martwsc@austin.rr.com](mailto:martwsc@austin.rr.com) <[martwsc@austin.rr.com](mailto:martwsc@austin.rr.com)>

**Sent:** Tuesday, July 2, 2024 2:15 PM

**To:** Doug Scheid <[dougscheid@yahoo.com](mailto:dougscheid@yahoo.com)>

**Cc:** Hunter Hudson <[hudson@wfaustin.com](mailto:hudson@wfaustin.com)>

**Subject:** FW: CRWA- Maxwell Wheeling Agreement and Proposed Interlocal Agreement for Pass Through Costs (CRWA HC)

---

**From:** Trey Wilson - R L WILSON LAW <[trey@sa-law.com](mailto:trey@sa-law.com)>

**Sent:** Tuesday, July 2, 2024 1:58 PM

**To:** Steven Fonville <[martwsc@austin.rr.com](mailto:martwsc@austin.rr.com)>; Humberto Ramos <[Humberto@clsud.com](mailto:Humberto@clsud.com)>

**Cc:** Mike Gershon <[mgershon@jglawfirm.com](mailto:mgershon@jglawfirm.com)>; Kerry Averyt <[kaveryt@crwa.com](mailto:kaveryt@crwa.com)>; David McMullen <[mcmullen@crwa.com](mailto:mcmullen@crwa.com)>

**Subject:** Re: CRWA- Maxwell Wheeling Agreement and Proposed Interlocal Agreement for Pass Through Costs (CRWA HC)

All:

I had a brief call with Mr. Fonville a few minutes ago. Based on that call I will send an updated version of the proposed Interlocal Agreement later today. Specifically I will update the effective date and fill in the rate to be charged by Maxwell.

Thanks,



Trey Wilson

**R L WILSON LAW FIRM**

16607 Blanco Rd., Suite 501

San Antonio, Texas 78232

Phone: 210-223-4100

Fax: 210-223-4200

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**From:** Trey Wilson - R L WILSON LAW <[trey@sa-law.com](mailto:trey@sa-law.com)>

**Date:** Tuesday, July 2, 2024 at 12:30 PM

**To:** Steven Fonville <[martwsc@austin.rr.com](mailto:martwsc@austin.rr.com)>, Humberto Ramos <[Humberto@clsud.com](mailto:Humberto@clsud.com)>

**Cc:** Mike Gershon <[mgershon@lglawfirm.com](mailto:mgershon@lglawfirm.com)>, Kerry Averyt <[kaveryt@crwa.com](mailto:kaveryt@crwa.com)>, David McMullen <[mcmullen@crwa.com](mailto:mcmullen@crwa.com)>

**Subject:** CRWA- Maxwell Wheeling Agreement and Proposed Interlocal Agreement for Pass Through Costs (CRWA HC)

Good afternoon Gentlemen:

As you may already know, Maxwell SUD's Board approved an Amendment to the Wheeling Agreement that will extend the wheeling arrangement for successive periods (up to 2 years total) based upon CRWA's performance of certain defined metrics. I have attached a copy of the version of the Amendment that Maxwell approved for your review.

It is CRWA staff's intention to ask the BOT to consider and approve the Amendment at the July 8 meeting, and to recommend that BOT approval is conditioned upon MWSC's and CLSUD's approval of the proposed Interlocal Agreements that I previously sent to you (another copy is attached for ease of reference). To my understanding based upon prior discussion with you, it is your preference that CRWA's BOT approves the proposed Interlocal Agreement before you take such Agreement to your respective boards for consideration. For this reason, CRWA staff also intends to ask the BOT to consider and approve the Interlocal Agreement at the July 8 meeting. If I have misunderstood your desire in this respect, please let me know ASAP. Also, Maxwell has advised us that the rate to be inserted in Section 1.1(a) is \$1.27 per thousand, which I understand conforms to your December 2023 direct discussions with Maxwell.

To be candid, CRWA hoped for an amendment containing a longer extension of the wheeling arrangement than is contained in the attached.

However, we believe that Maxwell negotiated in good faith and that CRWA can make the attached Amendment work in a way that alleviates some of the wheeling-related strain on Maxwell's system in the reasonably near future and also enables delivery of your entities' water from the HC Project.

CRWA recognizes the desire and undisputed need for a dedicated line for delivery of HC water to CLSUD. As you know, CRWA has taken steps to secure funding for such a line, but there remains considerable disagreement among the HC Contracting Parties over who will ultimately be responsible for those costs. CRWA staff and its mediation team intends to continue working through the cost-allocation disagreement (with your help) as part of the discussion of the overall HC contract disputes.

Thank you, and please call me if you have any questions or concerns.

So that it's handy, my mobile number is 210-618-6865.



Trey Wilson

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[www.sa-law.com](http://www.sa-law.com)

Tuesday, September 3, 2024 at 17:10:26 Central Daylight Time

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**Subject:** Re: Hays-Caldwell water line and associated infrastructure and contracted-for volume of water (CRWA HC)  
**Date:** Tuesday, August 13, 2024 at 4:47:14 PM Central Daylight Time  
**From:** Trey Wilson - R L WILSON LAW  
**To:** Mike Gershon  
**CC:** Kerry Averyt  
**Priority:** High  
**Attachments:** image403992.png, image786937.png, image855494.png, image832257.png, image001.png

Mike:

I received your email below. I was in out of town depositions all day today, but will send you a letter response tomorrow (Wednesday). We would like a little clarification, though.

In the email below, you state that CLSUD would like to insert a recital into the ILA generally stating that a new/dedicated pipeline will be online “before expiration of the wheeling arrangement.” The original 2001 Wheeling Agreement with Maxwell does not expire until January 2041 – almost 17 years from now.

Is CLSUD looking for a recital that a new/dedicated pipeline will be online before 2041 (when the Wheeling Agreement expires), or within the two year (maximum) extension of CRWA’s right to use Maxwell’s Reedville Line as set forth in the 1<sup>st</sup> Amendment to Wheeling Agreement (June 27, 2026)?

As you can imagine, clarity on this point is hugely important to understanding the feasibility of entertaining CLSUD’s requested language.

Thanks,



Trey Wilson  
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San Antonio, Texas 78232  
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[www.sa-law.com](http://www.sa-law.com)

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**From:** Mike Gershon <[mgershon@lglawfirm.com](mailto:mgershon@lglawfirm.com)>  
**Date:** Monday, August 12, 2024 at 12:34 PM  
**To:** General Manager <[generalmanager@clsud.com](mailto:generalmanager@clsud.com)>, Trey Wilson - R L WILSON LAW <[trey@sa-law.com](mailto:trey@sa-law.com)>  
**Cc:** Kerry Averyt <[kaveryt@crwa.com](mailto:kaveryt@crwa.com)>  
**Subject:** Re: Hays-Caldwell water line and associated infrastructure and contracted-for volume of water

Trey, Kerry:

Following up on my call with Trey late last week and Humberto's email below, we have an opportunity to add a recital to the interlocal agreement recognizing (1) that the agreement coupled with the wheeling agreement between CRWA and MSUD are a temporary solution for CRWA to meet its contractual annual water supply commitment and (2) that during the term of the agreement steps will be taken to complete the design for the pipeline, secure ROW, arrange financing, and have the pipeline on-line (specif., before expiration of the wheeling arrangement).

I hope this is helpful and constructive. I know that at our Board meeting this coming Monday our Board is expecting to see realistic progress and momentum on a commitment with the pipeline.

Mike



**MICHAEL A. GERSHON**

Principal

[512.322.5872](tel:512.322.5872) Direct

[512.750.9628](tel:512.750.9628) Cell

Lloyd Gosselink Rochelle & Townsend, P.C.

816 Congress Ave., Suite 1900, Austin, TX 78701

[www.lglawfirm.com](http://www.lglawfirm.com) | 512.322.5800

[News](#) | [vCard](#) | [LinkedIn](#) | [Bio](#)

**Subject:** Amendment to Wheeling Agreement  
**Date:** Monday, August 12, 2024 at 3:55:11 PM Central Daylight Time  
**From:** Zachariah Evans  
**To:** Trey Wilson - R L WILSON LAW  
**CC:** Justin Ivicic (Other)

Trey: I hope and genuinely believe that the following will turn out not to be an issue. However, Maxwell does want to make clear their position on the status of the Amendment to the Wheeling Agreement, given the amount of time that has passed since CRWA's July board meeting.

As you are aware, CRWA's approval of the Amendment was "strictly conditioned" upon County Line and Martindale entering interlocal agreements with CRWA, in which CRWA would recoup its costs relating to the Agreement. However, Maxwell did not agree to these conditions precedent – not within the Agreement, the Amendment, or otherwise. Therefore, given that these conditions precedent have not yet occurred, Maxwell maintains the right to withdraw its approval of the Amendment and may choose to do so should County Line, Martindale, and CRWA not make significant progress to approve interlocal agreements during their respective upcoming board meetings.

Again, Maxwell does not want this outcome, and nothing herein is intended to be a threat of any kind. Maxwell's only intent here is to communicate its position on the Amendment.

To the extent that you are able, please keep Justin and I apprised of any progress on the interlocals. Hopefully we can finally put this thing to bed soon.

Thank you,

ZTE

Law Office of Zachariah T. Evans, PLLC  
2900 W. Anderson Lane  
Suite C-200, #354  
Austin, Texas 78757  
(512) 537-1641  
[zac@ztevanslaw.com](mailto:zac@ztevanslaw.com)

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August 15, 2024

*Via Email to: [mgershon@lglawfirm.com](mailto:mgershon@lglawfirm.com)*

Michael A. Gershon  
Lloyd Gosselink Rochelle Townsend, P.C.  
816 Congress Ave., Suite 1900  
Austin, Texas 78701

Re: **Proposed Interlocal Agreement for Pass Through of Rentals  
Accruing Under 1<sup>st</sup> Amendment to Wheeling Agreement Between  
CRWA and Mawell SUD (the “ILA”)**

Dear Mike:

This correspondence is sent on behalf of Canyon Regional Water Authority (“CRWA”) in response to your email communication dated August 12, 2024, concerning the proposed ILA referenced above. By way of your communication and our phone conversation prior thereto, you, on behalf of County Line Special Utility District (“CLSUD”) have requested that CRWA agree to revise the ILA to “recognize” the following (quoted verbatim from your email):

(1) that the agreement coupled with the wheeling agreement between CRWA and MSUD are a temporary solution for CRWA to meet its contractual annual water supply commitment and

(2) that during the term of the agreement steps will be taken to complete the design for the pipeline, secure ROW, arrange financing, and have the pipeline on-line (specif., before expiration of the wheeling arrangement).

Please know that CRWA has acknowledged and continues to acknowledge CLSUD’s desire for a dedicated pipeline to deliver CLSUD’s annual allocation of treated water (1,308 acre feet) from the Hays Caldwell WTP to CLSUD’s point of delivery. However, the ILA is not the proper vehicle to address that desire, and CRWA simply cannot commit to constructing such line at this time.

Earlier this week, CRWA’s General Manager, Kerry Averyt, P.E., dispatched the enclosed correspondence describing CRWA’s preliminary plan for delivery of the CLSUD allocation in the immediate future. Mr. Averyt’s correspondence, which was issued at the specific request of CLSUD, describes certain contractual, financial and practical factors which presently inhibit CRWA’s ability to covenant to construct a dedicated pipeline. Those same factors prevent CRWA from accepting the second proposed revision refenced in your email and pasted above.

The first recital requested by CLSUD – that the ILA is a “temporary solution” is not controversial but is unnecessary. By its express terms, the ILA expires, *at the latest*, contemporaneously with the expiration or termination of the 1<sup>st</sup> Amendment to the Wheeling Agreement between CRWA and Maxwell SUD. As you know, that Amendment has a maximum term of two (2) years from June 27, 2024. Accordingly, while CRWA recognizes that the ILA is a “temporary solution,” there is no discernable benefit to adding such language to the document, and we are too late in the process to make that requested revision.

On August 14, 2024, Martindale WSC adopted the ILA in the form attached hereto. This form is also acceptable to CRWA and was previously (conditionally) approved by CRWA’s Board of Trustees. **Request is made that CLSUD adopts the ILA in the form attached hereto at its board meeting scheduled for August 19, 2024 without further revision.**

Thank you for the opportunity for CRWA to respond to CLSUD’s request for the proposed revisions. Please contact me if I may be of further assistance.

Sincerely,



Trey Wilson

CC: Kerry Averyt, P.E.  
CRWA General Manager

Ruben Barrera  
CRWA General Counsel

Encl:

- Final Version of ILA (approved by Martindale WSC on 8/14/24);
- Letter from CRWA General Manager to CLSUD General Manager dated August 12, 2024.

**INTERLOCAL AGREEMENT**  
**Between**  
**CANYON REGIONAL WATER AUTHORITY,**  
**COUNTY LINE SPECIAL UTILITY DISTRICT**  
**and**  
**MARTINDALE WATER SUPPLY CORPORATION**

This INTERLOCAL AGREEMENT (this “Agreement”) is entered by and between CANYON REGIONAL WATER AUTHORITY (“CRWA”), COUNTY LINE SPECIAL UTILITY DISTRICT (“CLSUD”) and MARTINDALE WATER SUPPLY CORPORATION (“Martindale”). CRWA, CLSUD and Martindale are each sometimes referred to herein as a “Party” and collectively as the “Parties.”

**RECITALS**

WHEREAS, the Parties hereto are also parties to that certain *Amended and Restated Regional (Hays/Caldwell Counties Area) Water Supply and Treatment Contract* effective February 9, 2021 (the “HC Project Contract”); and

WHEREAS, pursuant to the HC Project Contract and its prior iterations including without limitation the *Regional (Hays/Caldwell Counties Area) Taxable Water Supply Contract* dated August 1, 1998, CRWA has agreed to supply to CLSUD and Martindale, respectively, defined quantities of treated surface water produced by the Hays Caldwell Plant (the “Plant”); and

WHEREAS, for purposes of facilitating delivery of treated water from the Plant to CLSUD and Martindale, on January 8, 2001, CRWA entered into that certain *Water Transportation and Wheeling Agreement* (the “Wheeling Agreement”) with Maxell Special Utility District f/k/a Maxwell Water Supply Corporation (“Maxwell”); and

WHEREAS, pursuant to the terms and conditions of the Wheeling Agreement, Maxwell agreed to, *inter alia*, wheel treated water from the Plant to the respective delivery points for CLSUD and Martindale via certain shared and wholly owned water transmission lines; and

WHEREAS, pursuant to the terms and conditions of the Wheeling Agreement, CRWA has paid Maxwell rent, fees and costs as consideration for its wheeling services, and passed such rents and costs to CLSUD and Martindale, respectively; and

WHEREAS, on June 27, 2024, CRWA and Maxwell entered into that certain *First Amendment to Water Transportation and Wheeling Agreement* (the “First Amendment to Wheeling Agreement”) to, *inter alia*, amend the Wheeling Agreement by increasing the volume of treated water to be wheeled by Maxwell and to increase the rent to be paid by CRWA in consideration therefore; and

WHEREAS, CLSUD and Martindale each and jointly recognize the benefit of the wheeling services provided by Maxwell, the desirability of the First Amendment to Wheeling Agreement, and the reasonableness of the increased rent to be paid to Maxwell thereunder; and

WHEREAS, in the interest of providing a funding mechanism for CRWA to pay Maxwell the increased rent under the First Amendment to Wheeling Agreement, CLSUD and Martindale desire to enter into this interlocal cooperative agreement as authorized by the Interlocal Cooperation Act located at Chapter 791 of the Texas Government Code; and

WHEREAS, adoption of this Agreement is hereby found and determined to be in the best interest of CRWA, CLSUD and Martindale.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set forth, CRWA, CLSUD and Martindale, intending to be bound, agree as follows:

### **Article 1. Payment for Wheeling Services.**

1.1 CLSUD and Martindale acknowledge that the First Amendment to Wheeling Agreement obligates CRWA to compensate Maxwell for wheeling services as follows:

(a) **Rental Payment.** CRWA will pay to Maxwell, on a monthly basis, a fee equal to twenty-seven cents (\$0.27) per thousand gallons of treated water wheeled through the Maxwell water system (the "Rental Payment"). The Rental Payment for each month shall be calculated as the sum of the gallonage delivered to Martindale and CLSUD during that month, as determined by meters located at MWSC's and CLSUD's respective delivery points set-forth in Section 1.05 of the Wheeling Agreement. CLSUD and Martindale acknowledge that the Rental Fee described herein represents a substantial increase in the rental payment described in Section 1.04(B) of the Wheeling Agreement.

(b) **Reimbursement of Maintenance and Repair Costs.** CRWA will continue to reimburse Maxwell for required maintenance and repair costs as set-forth in Section 2.01 of the Wheeling Agreement.

(c) **Administrative Fee.** CRWA will continue to pay to Maxwell the administrative fee set-forth in Section 2.01 of the Wheeling Agreement.

1.2 CRWA will make payment directly to Maxwell for the Rental Payment and other costs due of CRWA under the First Amendment to Wheeling Agreement; provided, however, that each such payment from CRWA shall be considered an advance, which such advance CRWA would not agree to make but for the reimbursement covenants of CLSUD and Martindale as provided in Article 2 of this Agreement.

### **Article 2. Reimbursement.**

2.1 As material inducement for CRWA to enter the First Amendment to Wheeling Agreement and this Agreement, CLSUD and Martindale agree to reimburse CRWA for all costs paid to Maxwell for wheeling services as follows:

(a) **Reimbursement by CLSUD.** CLSUD agrees to reimburse and pay to CRWA, upon demand which may in the form of an invoice, all Rental Payments and other costs reasonably incurred and advanced by CRWA to Maxwell in connection with delivery of treated water from the Plant to CLSUD.

(b) **Reimbursement by Martindale.** Martindale agrees to reimburse and pay to CRWA, upon demand, all Rental Payments and other costs reasonably incurred and advanced by CRWA to Maxwell in connection with delivery of treated water from the Plant to Martindale.

(c) **Invoicing.** Each month during the Term (as defined below), CRWA shall calculate the reimbursement due from each CLSUD and Martindale for the preceding month and issue to such Party a written invoice reflecting CRWA's methodology for calculating the payment.

(d) **Payment.** CLSUD and Martindale respectively agree to make payment in full to CRWA within thirty (30) days following receipt of each invoice for Rental Payments and other costs reasonably incurred and advanced by CRWA in connection with delivery of treated water from the Plant.

2.2 The respective payment and reimbursement covenants of CLSUD and Martindale set-forth in Section 2.1 of this Agreement are absolute, unconditional, valid, and binding covenants and obligations of such Party so long as the Wheeling Agreement or any amendment thereof is in force and effect. Particularly, the obligation of the CLSUD and Martindale to make, promptly when due, all payments specified in this Agreement shall be absolute and unconditional which may be enforced by CRWA through an action for specific performance or as otherwise provided in this Agreement.

### **Article 3. Term.**

3.1 Unless earlier terminated pursuant to Section 3.2, this Agreement shall commence on the date upon which the last of CLSUD and Martindale, acting through their respective governing bodies, approve this Agreement, and automatically expire upon expiration or termination of the First Amendment to Water Transportation and Wheeling Agreement, dated June 27, 2024.

3.2 CLSUD or Martindale may terminate this Agreement upon ninety (90) days' written notice of termination delivered to CRWA at the address set-forth in Section 4.10.

### **Article 4. Miscellaneous.**

4.1 **Entire Agreement.** This Agreement sets forth the entire understanding of the Parties with respect to reimbursement to CRWA of Rental Payments and other costs advanced for water wheeling services to be paid to Maxwell. This Agreement supersedes all prior understandings, representations, correspondence and discussions, whether written or oral, concerning the subject matter of this Agreement.

4.2 **Modification** This Agreement may be amended or modified only by a separate writing executed by the Parties and approved by their respective governing bodies at a meeting conducted in accordance with the Texas Open Meetings Act.

4.3 **No Conveyance of Ownership Interests; No Water Rights.** This Agreement is not intended, nor shall it be construed, to effectuate a conveyance or transfer of the Parties' respective ownership interests in any line, facility, personal property, equipment or line capacity. The Parties acknowledge and agree that this Agreement does not create any rights to water or grant to a Party more water from the Plant or the Hays Caldwell project than is otherwise set-forth in the HC Project Contract.

4.4 **CRWA To Seek Alternate Transportation.** CRWA covenants that, during the Term of this Agreement, it will diligently investigate, evaluate and pursue potential options for the design, finance and construction of a new water transmission line dedicated to transporting and delivering treated surface water from the Project to



CLSUD. This covenant shall neither constitute a representation by CRWA that it will be responsible for the cost of any such line, nor a guarantee that such line will be constructed during the Term hereof or otherwise.

- 4.5 **Force Majeure.** If by reason of Force Majeure CRWA shall be rendered wholly or partially unable to carry out its obligations under this Agreement, then if CRWA gives notice and full particulars of such Force Majeure in writing to the another Party within a reasonable time after occurrence of the event or cause relied on, the obligation of CRWA hereunder, so far as it is affected by Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and CRWA shall endeavor to remove or overcome such inability with all reasonable diligence and dispatch. 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 of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery or pipelines, partial or entire failure of water supply, or on account of any other causes not reasonably within control of the Party claiming such inability.
- 4.6 **Mandatory Mediation.** Anything to the contrary herein notwithstanding, it is agreed that, prior to and as a condition precedent to commencing any action, suit or legal proceeding (collectively called a “Proceeding”) for the enforcement or interpretation of this Agreement, save and except an action for specific performance of a Party’s payment obligations under Sections 2.1(a) or 2.1(b), the Parties shall, first participate in non-binding mediation. It is agreed that in the event that a Party commences any Proceeding other than an action seeking specific performance as described in the preceding sentence, then the Court shall abate such proceeding until such time as mediation is completed and shall further assess against the Party that filed the Proceeding in violation of this provision all costs and reasonable attorney’s fees incurred by the Party who did not bring the Proceeding.
- 4.7 **Remedies.** In the event that a Party hereto is determined by the other Party to be in default of an obligation under this Agreement, and such Party fails to cure the alleged breach within ten (10) days following delivery of written notice from the non-defaulting Party specifying the default, then the non-defaulting Party may, strictly subject to the mandatory provisions of Section 4.6, exercise any rights and remedies available at law. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, and all remedies (other than termination) existing at law or in equity may be availed of by any Party hereto and shall be cumulative. Further, in the event that CRWA commences an action for specific performance, the filing of such action shall neither constitute an election of remedies nor operate as a waiver of any other legal or equitable remedies which may also be available.
- 4.8 **Venue.** It is specifically agreed by the Parties to this Agreement that in the event that any legal proceeding is brought to enforce or interpret this Agreement or any provision hereof, the same shall be brought in Guadalupe County, Texas, strictly subject to the provisions of Article 4.6.
- 4.9 **Attorney’s Fees and Costs.** The prevailing Party in any Proceeding or action for specific performance that arises out of this Agreement or the rights or remedies of

any Party hereto shall recover from each non-prevailing Party all costs and reasonable attorney's fees.

- 4.10 **Notices.** Any notice, communication, request, or reply (collectively called "Notice") required or permitted to be given, made or accepted by any Party must be in writing and may be given by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to the General Manager of such Party, addressed to the party to be notified. Notice deposited in the mail in the manner described herein shall be conclusively deemed to be effective from and after the expiration of three (3) days after it is so deposited. For the purposes of notice, the addresses of the parties hereto shall, until changed as hereinafter provided, be as follows:

If to CRWA, to:

Canyon Regional Water Authority  
850 Lakeside Pass  
New Braunfels, Texas 78130

If to CLSUD, to:

County Line Special Utility District  
8870 Camino Real  
Uhland, Texas 78640-6482

If to Martindale, to:

Martindale Water Supply Corporation  
Post Office Box 175  
Martindale, Texas 78655

The Parties shall have the right at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least ten (10) days' written notice to the other Party hereto.

- 4.11 **Approvals and Consents.** Unless otherwise provided herein, any approval or consent required by the provisions of this Agreement by a Party shall be evidenced by a written resolution adopted by the governing body of the Party giving such approval or consent. Upon receipt of such written resolution duly certified by the appropriate Party, the opposite Party may conclusively act on the matter requiring such approval.
- 4.12 **No Waiver.** No waiver or waivers of any breach or default by a Party hereto or of performance by any other Party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character, or description, under any circumstance.
- 4.13 **Severability.** The Parties agree that in case any one or more of the articles, sections, subsections, provisions, clauses, or words of this Agreement are, should be, or are held to be, for any reason, invalid or unconstitutional under the laws of Texas or the United States of America, or in contravention of any such laws, then such

invalidity, unconstitutionality, or contravention shall not affect any other articles, sections, subsections, provisions, clauses, or words of this Agreement or the application of the same to any other situation or circumstance, and it is intended that this Agreement shall be severable and shall be construed and applied as if any such invalid or unconstitutional article section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the Parties shall be construed and remain in force accordingly.

- 4.14 **No Assignment.** No Party may assign any right, duty, obligation or interest it may have under this Agreement to any other person, entity or party.
- 4.15 **State or Federal Laws, Roles, Orders, or Regulations.** This Agreement is subject to all applicable federal and state laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction.
- 4.16 **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Amendment to be duly executed as of the Effective Date first above written.

**CANYON REGIONAL WATER  
AUTHORITY**

By: \_\_\_\_\_  
President, Board of Trustees

ATTEST:

\_\_\_\_\_  
Secretary, Board of Trustees

**COUNTY LINE SPECIAL UTILITY  
DISTRICT**

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**MARTINDALE WATER SUPPLY  
CORPORATION**

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)



August 12, 2024

County Line Special Utility District  
Attn: Humberto Ramos  
General Manager  
8870 Camino Real  
Uhland, TX 78640

Re: Canyon Regional Water Authority Preliminary Plan for Design and Construction of Water Transmission Facilities to County Line Special Utility District

Dear Mr. Ramos,

This correspondence is sent in response to your request that the General Manager of Canyon Regional Water Authority (CRWA) articulates CRWA's preliminary plan for design and construction of water transmission facilities (the Project) to ensure delivery of County Line Special Utility District's (CLSUD) allocation of treated water from the Hays Caldwell Water Treatment Plant (the HCWTP). In addition to setting forth CRWA's preliminary plan, this letter also outlines what we believe are necessary steps to deliver the Project.

Please keep in mind that successful Project delivery is contingent upon numerous factors beyond CRWA's control. The ultimate scope, timing, cost allocation and funding mechanism for the Project will be heavily reliant upon collaboration and teamwork from all CRWA member entities, and particularly the Contracting Parties comprising the Hays Caldwell group. Existing contractual obligations concerning shared facilities, recent termination of certain aspects of the 2001 Wheeling Agreement with Maxwell SUD, the need for expansion of HCWTP treatment capacity as contemplated by the 2021 Restated Hays Caldwell Water Supply Contract, public bidding requirements and dissension among the Contracting Parties further complexify Project delivery and interpose timing challenges. Nevertheless, CRWA is committed to asserting leadership in Project management, once the participants reach a consensus on Project scope.

To the extent that the final scope of the Project incorporates a dedicated pipeline from the HCWTP to CLSUD's point of delivery (the "Dedicated Pipeline Scenario"), phased construction would be required due to the Project's magnitude. Conversely, if the Project participants determine that a reduced scope is more appropriate or desirable, then Project delivery may be significantly expedited and can likely be completed in a single phase.



Prior to addressing specific ideas for developing the Project, I believe that all concerned parties would benefit from a better understanding of the historical events and documents that have resulted in the present circumstances and challenges. The following summary is included for relevant background:

### **1. Present and Historical Delivery of HCWTP Water to CLSUD**

For the entirety of CLSUD's participation in the Hays Caldwell Project, its allocation of treated water has been delivered from the HCWTP through a series of water transmission lines controlled or owned by Maxwell SUD, but within which CRWA owns or leases capacity. This arrangement for "wheeling" CLSUD's water through the Maxwell-controlled lines is governed by a 2001 "Wheeling Agreement" to which **only** CRWA and Maxwell SUD are parties. Except as to certain line segments as described below, the Wheeling is presently in effect, and expires in January 2041.

The practice of delivering CLSUD's water via wheeling through Maxwell SUD's system has remained unchanged since the original Hays Caldwell Project Water Supply Contract was executed in 1998. However, review of the original Contract and its various amendments reveals that CLSUD's annual allocation of treated water from the HCWTP has increased from 218 acre feet to 1,308 acre feet (beginning in May 2003 and continuing through 2061). Despite the 500%+ increase in CLSUD's allocation more than 20 years ago, modifying the means for delivery of CLSUD's water inexplicably went unaddressed each time the Water Supply Contract was amended, including in 2021 when the entire Contract was "restated and amended."

### **2. Partial Termination and Subsequent Amendment of the Wheeling Agreement.**

The 2001 Wheeling Agreement reserved for Maxwell the right to unilaterally terminate CRWA's use of certain line segments in which CRWA does not own capacity (the Reedville and Finley Lines). Maxwell exercised this right on August 9, 2023, thereby giving CRWA one year to cease use of those segments, including for purposes of wheeling HCWTP water to CLSUD. To avert disruptions in delivery of HCWTP water to CLSUD and/or Martindale WSC, in June 2024, CRWA and Maxwell agreed to amend the 2001 Wheeling Agreement (the 1<sup>st</sup> Amended Wheeling Amendment), including by extending the date by which CRWA must cease using the relevant line segments.

As you know from your service as a CRWA Trustee, approval of the 1<sup>st</sup> Amended Wheeling Agreement by CRWA's Board of Trustees was conditional. At this time, CRWA expects that all conditions of such approval (including CLSUD's approval a proposed Interlocal Agreement to absorb increased costs of wheeling its water) will be met, and that the 1<sup>st</sup> Amended Wheeling Agreement will govern the relationship between CRWA and Maxwell for the next two years.

The 1<sup>st</sup> Amended Wheeling Agreement expressly obligates CRWA to design and construct water transmission facilities that will permit CRWA to cease use of Maxwell's "Reedville Line" segment by no later than June 26, 2026, *at the latest*. CRWA fully intends to meet this deadline and its other obligations under the 1<sup>st</sup> Amended Wheeling Agreement, thereby ensuring that future non-use of the Reedville Line will not disrupt delivery of CLSUD's water from the HCWTP.

### **3. Replacement of Reedville Line – "Phase One" Pipeline Segment.**

Immediacy of CRWA's obligations under the 1<sup>st</sup> Amended Wheeling Agreement dictate that priority be assigned to replacing the Reedville Line to ensure continuous delivery of HCWTP water to CLSUD.

CRWA presently proposes to replace the Reedville Line by constructing a new inch line segment that extends roughly parallel to FM 1984 and within its existing right-of-way. The new/replacement line segment will circumvent the existing Reedville Line and, together with existing lines in which CRWA retains usage rights under the 2001 Wheeling Agreement, have capability to convey CLSUD's annual allocation of 1,308 acre feet of HCWTP. If CLSUD believes that this is incorrect, please provide the basis for such understanding.

At this time, CRWA estimates that the total cost of the replacement line segment (which CRWA staff now refers to as the "Phase One" segment) will be \$2,000,000.00. A line item has been included in CRWA's proposed 2025 Budget to fund design and construction of this proposed line segment, and characterizes the item as a "Repair and Replacement" expense. The proposed 2025 Budget will be recommended for approval at the August 12, 2024 meeting of the CRWA Board of Trustees. At this time, staff is unaware of any Member Entity or individual Trustee opposed to this particular line item, or its characterization as a "Repair and Replacement" expense.

Upon approval of the 2025 budget as proposed, CRWA staff will promptly engage an Engineer to begin preliminary design for the Phase One segment. Once the design has been approved, CRWA will promptly engage a contractor. The minimum estimated timeline for design and construction of the Phase One segment is approximately two calendar years from the start of design.

### **4. Potential for Future Phases and Completion of Dedicated Line Scenario.**

Once design of the Phase One segment has been completed and the pressure associated with impending termination of CRWA's use of the Reedville Line has abated, CRWA staff will focus on design and construction of the remaining phases of a more expansive Project scope that may ultimately realize the Dedicated Line Scenario desired by CLSUD.

*This does not mean that discussion concerning a Dedicated Line Scenario should be postponed!* Instead, I intend to continue strongly advocating for meaningful discussion



among the Contracting Parties *now* and will also insist on formulating a plan for future delivery of CLSUD's supply of water from the HCWTP once the Wheeling Agreement expires in just 17 years.

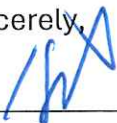
Even as a relative newcomer to CRWA, the complexities presented by the numerous, disparate and sometimes conflicting contracts related to the Hays Caldwell Project are evident to me. So too are the problems that seem to result from historical lack of foresight. Thus, while the Contracting Parties may appear to presently lack consensus on the need for a pipeline dedicated to delivery of CLSUD water and/or how such a facility should be financed, it is incontrovertible that the group must not fail to plan.

With regard to potential financing of the Dedicated Pipeline Scenario, CRWA's Interim General Manager spearheaded submission of an application for funding under the Texas Water Development Board's DFund. The application was submitted shortly before I joined CRWA, so I was not involved in its preparation or submission. However, pursuant to your recent request, I have inquired with the relevant CRWA consultants and will provide the Hays Caldwell Project participants with a near term update of the status and contents of that application. If that funding mechanism becomes available to CRWA and a consensus on the scope of future Project Phases is reached at or during the time of Phase One construction, CRWA fully intends to expedite planning, design and construction for future phases so that we may avoid construction delays and duplication of mobilization and other costs.

No matter the ultimate scope of the Project, CRWA will work with the Engineer, CLSUD, and other Contracting Parties as applicable to analyze options for the alignments of the future segments, develop the timeline for design and construction of the selected option, and proceed with execution. The minimum estimated timeline for design and construction of all segments to deliver the Dedicated Line Scenario is approximately three calendar years from the start of design.

CRWA looks forward to working with CLSUD and all Contracting Parties to successfully deliver the Project and continue to provide safe, affordable, and sustainable drinking water for all our customers. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



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Kerry Averyt, P.E.  
General Manager  
Canyon River Authority

Mr. Gershon's direct line: 512.322.5872  
Email: mgershon@lglawfirm.com

August 27, 2024

Mr. R.L. "Trey" Wilson  
R.L. Wilson Law Firm  
16607 Blanco Road, Suite 501  
San Antonio, Texas 78232

Re: Proposed *Interlocal Agreement for Pass-Through of Rentals Accruing under First Amendment to Wheeling Agreement between CRWA and Maxwell SUD*

Dear Trey:

As you know, County Line SUD's most recent Board of Directors' meeting ran late into the evening, in significant part to discuss the above-referenced interlocal agreement. During this meeting, our full Board of Directors unanimously acted to approve the interlocal agreement with three edits:

- (1) Reedville Line replacement: add language committing CRWA to construct the replacement "bypass" for the Reedville Line within the term of the agreement (as described in Kerry Averyt's August 12, 2024 letter, including (a) the funding reference as a "Repair and Replacement" expense and use of \$2 million from CRWA's approved 2025 budget).
- (2) Alternate Transportation: delete second sentence in ¶ 4.4 ("~~This covenant shall neither constitute a representation by CRWA that it will be responsible for the cost of any such line, nor a guarantee that such line will be constructed during the Term hereof or otherwise.~~") and substitute it with language committing CRWA to replace Maxwell SUD's "Proposed Transmission Lines" (as defined in the Wheeling Agreement) before CRWA loses access when the Wheeling Agreement expires in January 2041.
- (3) Expenses: All expenditures to be incurred based on each Original Participating Members' pro rata share.

Please share this letter with CRWA's General Manager and leadership and convey our Board's appreciation for the effort and coordination with Maxwell SUD to arrange the

immediate workaround for the Reedville Line. If these terms are acceptable, we will be glad to immediately coordinate edits to the agreement.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Gershon", with a stylized flourish at the end.

Mike Gershon

MAG/dsr  
8883953

cc: Mr. Zac Evans, Attorney for Maxwell SUD  
Mr. Hunter Hudson, Attorney for Martindale WSC

Ms. Toni Brewer, Board President  
Ms. Tracy Scheel, Board Vice President  
Mr. Humberto Ramos, General Manager  
County Line Special Utility District





August 30, 2024

Via Email to: [mgershon@lglawfirm.com](mailto:mgershon@lglawfirm.com)

Michael A. Gershon  
Lloyd Gosselink Rochelle Townsend, P.C.  
816 Congress Ave., Suite 1900  
Austin, Texas 78701

Re: **Proposed Interlocal Agreement for Pass Through of Rentals  
Accruing Under 1<sup>st</sup> Amendment to Wheeling Agreement Between  
CRWA and Mawell SUD (the “ILA”)**

Dear Mike:

Thank you for your letter dated August 27, 2024 concerning County Line SUD’s requested revisions to the proposed ILA referenced above.

As you know, on July 8, 2024, the CRWA Board of Trustees approved a version of the ILA that does not contain CCLSUD’s requested edits identified in your letter. As part of this approval, the CRWA Board delegated to CRWA’s General Manager authority to approve **non-substantive** revisions to the ILA which may proposed by CLSUD and/or Martindale WSC.

Unfortunately, CCLSUD’s proposed revisions cannot be characterized as non-substantive. Therefore, the General Manager is not authorized to accommodate CCLSUD’s requested language but will present CLSUD’s requested revisions to CRWA’s Board of Trustees at their September meeting.

Please contact me if I may be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Trey Wilson", with a long horizontal flourish extending to the right.

Trey Wilson

CC: Kerry Averyt, P.E., CRWA General Manager  
Ruben Barrera, CRWA General Counsel  
Hunter Hudson, Attorney for Martindale WSC  
Zachariah Evans, Attorney for Maxwell SUD