

AGENDA FOR THE KERRVILLE CITY COUNCIL MEETING

TUESDAY, JANUARY 28, 2020, 6:00 P.M.

KERRVILLE CITY HALL, COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

The Community Vision

Kerrville will be a vibrant, welcoming and inclusive community that:

- *Respects and protects the natural environment that surrounds it;*
- *Seeks to attract economic growth and development;*
- *Provides opportunities for prosperity, personal enrichment and intellectual growth for people of all ages; and*
- *Does so while preserving the small-town charm, heritage, arts and culture of the community.*



Kerrville2050



KERRVILLE CITY COUNCIL MEETING AGENDA
JANUARY 28, 2020, 6:00 PM
701 MAIN STREET, KERRVILLE, TEXAS
CITY HALL, COUNCIL CHAMBERS



The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

Citizens may speak to the City Council on posted agenda items. Prior to speaking, each speaker must fill out the speaker request form and submit it to the City Secretary. The speaker request form must be submitted before the item is called or read into record. Each speaker is limited to four minutes.

CALL TO ORDER:

INVOCATION, AND PLEDGE OF ALLEGIANCE:

Led by Councilmember Judy Eychner

1 ANNOUNCEMENTS OF COMMUNITY INTEREST:

Announcement of items of community interest, including expressions of thanks, congratulations, or condolences; information regarding holiday schedules; honorary recognitions of city officials, employees, or other citizens; reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by city officials or employees; and announcements involving imminent threats to the public health and safety of the city. No action will be taken.

2 VISITORS/CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must fill out the speaker request form and give it to the City Secretary. The speaker request form must be submitted to the City Secretary before the item is called or read into record. City Council may not discuss or take any action on an item but may place the issue on a future agenda. Each speaker is limited to four minutes.

3 PRESENTATIONS:

3.A. Presentation of Officer of the Year Award: Officer Jaron Ince - Police Commendation Award.

Attachments:

[20200128_Commendation_Officer of the Year 2020.pdf](#)

[20200128_Police_Commendation_Award.pdf](#)

4 CONSENT AGENDA:

These items are considered routine and can be approved in one motion unless a Councilmember asks for separate consideration of an item. It is recommended that the City Council approve the following items which will grant the Mayor or City Manager the authority to take all actions necessary for each approval:

4.A. Purchase of a Kenworth T370 Series Conventional Grapple Truck through Sourcewell in an amount not to exceed \$142,013.44.

Attachments:

[20200128_Quote_Kenworth Grapple Truck for Parks-Rec.pdf](#)

4.B. Renewal of software subscription licenses with Microsoft through an Enterprise Enrollment Agreement.

4.C. Kerrville Long Range Water Supply Plan.
Attachments:
[20200128_Report_Kerrville Long Range Water Plan Final.pdf](#)

4.D. Minutes for the City Council workshop held January 14, 2020.
Attachments:
[20200128_Minutes_Council workshop on 1-14-20.pdf](#)

4.E. Minutes for the City Council meeting held January 14, 2020.
Attachments:
[20200128_Minutes_Council regular meeting 6pm on 1-14-20.pdf](#)

4.F. Minutes for the City Council workshop held January 21, 2020.
Attachments:
[20200128_Minutes_Council workshop on 1-21-20.pdf](#)

END OF CONSENT AGENDA

5 CONSIDERATION AND POSSIBLE ACTION:

5.A. Reappointment of Municipal Court Judges M. Patrick Maguire and Mark Prislovsky for two year terms to expire December 31, 2021.

K
KERRVILLE
2050

5.B. Interlocal Cooperation Agreement between City of Kerrville, Texas and Headwaters Groundwater Conservation District: Ellenberger Groundwater Well.
Attachments:
[20200128_Interlocal Agreement_HGCD_groundwater well_012420 DRAFT.pdf](#)
[20200128_Interlocal Agreement_HGCD_Exhibit A.pdf](#)

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5.C. Development and Incentive Agreement between the City of Kerrville, Texas and Vintage Heights LLC.
Attachments:
[20200128_Development Incentive Agreement_Vintage Heights 012420 DRAFT.pdf](#)
[20200128_Agreement_Vintage Heights Development Deal Points.pdf](#)
[20200128_Housing_Study_Executive_Summary.pdf](#)

6 ORDINANCES, SECOND READING:

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6.A. Ordinance No. 2020-03. Second Reading. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas, which adopted zoning regulations, use districts, and a zoning map in accordance with the City's Comprehensive Plan, such chapter more commonly known as the City's Zoning Code; by changing the zoning and classification of a property generally located east of and adjacent to State Highway 16 South, south of Riverhill Boulevard, and comprising approximately 225.69 acres; from a single-family residential zoning district (R-1) to a medium density residential zoning district (R-2); amending the Comprehensive Plan (Kerrville 2050) to make it consistent with such amendment; providing a cumulative clause; providing for severability; providing an effective date; ordering publication; and providing other matters relating to the subject.
Attachments:
[20200128_Ordinance_2020-03 Zoning Change Vintage Heights second reading.pdf](#)
[20200114_Appeal_Letter_Vintage Heights 2019_12_05_1130am.pdf](#)

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KERRVILLE
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6.B. Ordinance No. 2020-04. An Ordinance amending Ordinance No. 2018-19 which created Tax Increment Reinvestment Zone Number One, City of Kerrville, Texas, by amending the composition of the Board of Directors for the Zone; containing a cumulative clause; containing a savings and severability clause; and providing other matters relating to this subject.
Attachments:
[20200128_Ordinance_2020-04 TIRZ Board - amending Ord 2018-19 second reading.pdf](#)

7 INFORMATION & DISCUSSION:

7.A. Financial update for the month ended December 31, 2019.

Attachments:

[20200128_Presentation_December 2019 Financial Presentation.pdf](#)

[20200128_Presentation_December 2019 Financial Summary.pdf](#)

8 ITEMS FOR FUTURE AGENDAS:

City Council may suggest items or topics for future agendas.

9 EXECUTIVE SESSION:

City Council may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above including if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel/officers), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code.

10 ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:

ADJOURN



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Presentation of Officer of the Year Award: Officer Jaron Ince - Police Commendation Award.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 22, 2020

SUBMITTED BY: David Knight

EXHIBITS: [20200128_Commendation_Officer of the Year 2020.pdf](#)
[20200128_Police_Commendation_Award.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Officer Jaron Ince is currently assigned to Patrol Unit, Field Operations Division and his overall performance for 2019 was exemplary, exceeding that of his peers. Officer Ince has taken on multiple operational and leadership roles over the last year that have distinguished him as a leader in the department. Officer Ince is an assigned Field Training Officer entrusted with training newly hired officers in addition to his regular duties. He is an Intoxylizer Operator and serves on the Hill Country Combined Special Operations Unit (SOU).

When not training a new officer, Officer Ince is normally in the top 3 for overall field activity. Officer Ince made 96 arrests, issued 177 citations, issued 240 warnings, responded to 1228 calls for service and completed 151 incident reports. In 2019, Officer Ince spent two and a half months training new officers. He has demonstrated excellent investigative abilities, making over 20 narcotics related arrests and working with other department

investigators on cases where larger amounts of narcotics and cash were seized.

As a member of the Special Operations Unit Officer Ince recently took on the additional role of Precision Marksman. Officer Ince has embraced the specialty role and is constantly looking for ways to improve. In his role as a Field Training Officer he takes every opportunity to utilize his abilities to mentor new officers in a positive way. Officer Ince attended specialized training to evaluate individuals who are under the influence of a multitude of substances, which has enhanced the safety of our community through his role as an Intoxilyzer operator. Through his dedication to duty, ability to reason and make sound decisions and his motivation to build strong relationships with our community he has demonstrated an understanding of how important community policing is to the Department.

The Department has received positive feedback from multiple citizens throughout the year regarding Officer Ince, citing how professional he was during their encounters.

Officer Ince responded to a critical incident involving a barricaded murder suspect in a 38,500 square foot commercial building. Officer Ince provided over watch from a sniper position covering other tactical members on their approach. Officer Ince also provided intelligence on the suspect's movements, which helped incident commanders plan tactical operations. Once the team secured a portion of the building, Officer Ince donned his entry gear and joined the rest of the team as the search continued. Officer Ince's patience and perseverance during the 14 hour incident, played a critical role for the safety of everyone involved.

Officer Ince has a strong relationship with this community and understands how important community policing is to the department. Officer Ince participated in several community events throughout the year and voluntarily serves as a member of the board for the Police vs. Fire charity flag football game, Officer acting as a liaison for the various agencies involved in the charity event.

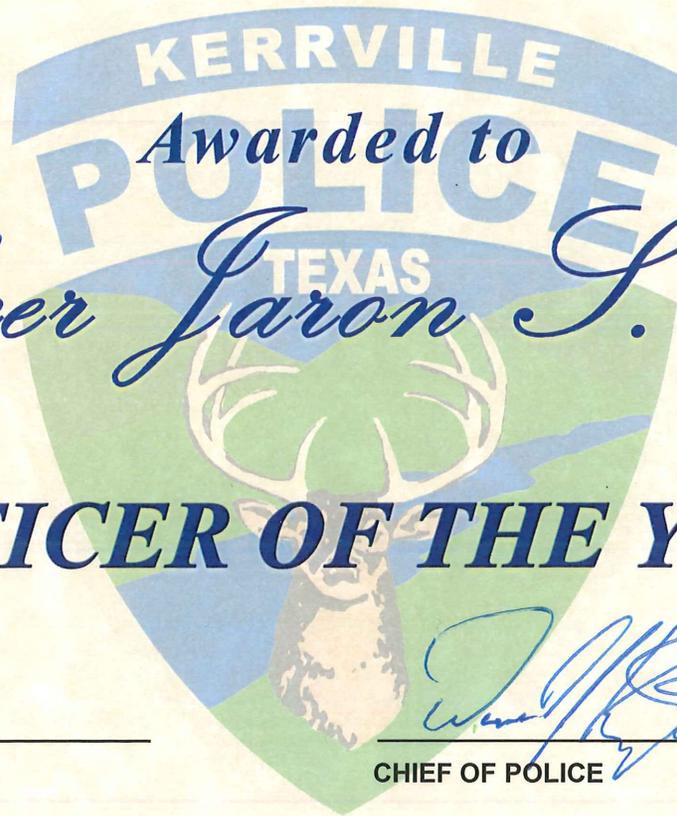
It is for these reasons we selected Officer Jaron Ince as "Officer of the Year" for the Kerrville Police Department.

RECOMMENDED ACTION:

Officer Jaron Ince will be awarded the Kerrville Police Department Police Commendation Award for his selection as Police Officer of the Year.

POLICE COMMENDATION

KERRVILLE POLICE DEPARTMENT



Awarded to

Officer Jaron J. Ince

OFFICER OF THE YEAR

January 28, 2020

DATE

CHIEF OF POLICE





City of Kerrville
Police Department
429 Sidney Baker
Kerrville, Texas
78028-5069
830.792.2700 (O)
830.792.2702 (F)
David.knight@kerrvilletx.gov

MEMORANDUM

TO: **ALL PERSONNEL**

FROM: David J. Knight, Chief of Police

DATE: January 6, 2020

SUBJECT: Officer of the Year Selection

The Meritorious Conduct Board met and reviewed division nominations for the Kerrville Police Department Officer of the Year. After review and discussion, the board has selected Officer Jaron Ince as the Kerrville Officer of the Year. Officer Ince will be recognized on January 28, 2020 at the Kerrville City Council meeting.

Please take the opportunity to extend your congratulations to Officer Jaron Ince.



City of Kerrville
Police Department
429 Sidney Baker
Kerrville, Texas 78028-5069
830.792.2721 (O)
830.896.0717 (F)
Hal.degenhardt@kerrvilletx.gov

MEMORANDUM

TO: Meritorious Conduct Board

FROM: Sergeant Ryan Cockrell

DATE: November 25, 2019

SUBJECT: Officer of the Year Nomination

Officer Jaron Ince's overall performance for 2019 exceeds that of his peers. Officer Ince has taken on multiple roles over the last year that has been an overall benefit for the department. When not training a new officer, Officer Ince is normally in the top 3 for overall field activity. Officer Ince made 96 arrests, issued 177 citations, issued 240 warnings, responded to 1228 calls for service and completed 151 incident reports. In 2019, Officer Ince spent two and a half months training new officers.

Officer Ince is a member of the Special Operations Unit and recently took on the role of sniper. Officer Ince has embraced the additional role and is always looking for ways improve. Officer Ince is a Field Training Officer and I have witnessed firsthand his abilities to mentor new officers in a positive way. Officer Ince attended a specialized training to evaluate individuals who are under the influence of a multitude of substances and is also an Intoxilyzer operator. Officer Ince has matured into an exceptional leader and I relied on him as a shift supervisor in my absence. Officer Ince is self-motivating and displays very good investigative abilities. I received positive feedback from multiple citizens throughout the year regarding Officer Ince and how professional he was during their encounters.

Officer Ince displayed exemplary performance over the last year. Officer Ince made over 20 narcotics related arrests. Several cases were later handled by SCU where larger amounts of narcotics and cash were seized. Several examples are listed below.

- Case #1900099, Officer Ince turned a simple traffic stop into a manufacture/delivery case due to his ability to detect other criminal activity that many in many cases would have been overlooked. The stop resulted in the seizure of over 11 grams of methamphetamine and 12 Hydrocodone pills.

- Case #1901376 Officer Ince again detected criminal activity through proactive police work. A minor traffic stop resulted in an arrest for possession of nearly 4 grams of methamphetamine.
- Case #1902579 Officer Ince stopped a subject for a minor traffic violation (no headlamp bicycle). Officer Ince issued a warning to the subject based on the information the subject provided. The subject indicated he's never had a driver's license or Identification card. Officer Ince issued the warning using the name provided by the subject however Officer Ince suspected the subject was not being truthful. Officer Ince noticed the subject was wearing a shirt indicating he worked at a local fast food restaurant. Officer Ince snapped a photo of the subject and released him. Officer Ince traveled to the fast food restaurant and spoke with the manager who identified the subject by another name. Officer Ince confirmed the subject's identity and obtained a warrant for his arrest for Fail to ID.
- Case #1902917 Officer Ince responded to a critical incident involving a barricaded murder suspect in a 36,000 square foot commercial building. Officer Ince provided over watch from a sniper position covering other tactical members on their approach. Officer Ince also provided intelligence on the suspect's movements which helped incident commanders plan tactical operations. Once the team secured a portion of the building, Officer Ince donned his entry gear and joined the rest of the team as the search continued. Officer Ince's patience and perseverance during the 14 hour incident, played a critical role for the safety of everyone involved.

Officer Ince's attendance over the last year has been exemplary. I can rely on Officer Ince and he's always at work at least thirty minutes early. Officer Ince's punctuality improved overall patrol staff preparation. In 2019, Officer Ince only used 4 hours of sick time.

Officer Ince has a strong relationship with this community and understands how important community policing is to the department. Officer Ince participated in various community events throughout the year. Officer Ince was also a member of the board for the Police VS. Fire charity flag football game. Officer Ince also acted as a liaison for the various agencies involved in the event.

I cannot express Officer Ince's dedication to the City of Kerrville and the citizens he serves simply by writing this letter. I witness Officer Ince's actions on a daily basis and believe he deserves the right to be considered for officer of the year.



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Purchase of a Kenworth T370 Series Conventional Grapple Truck through Sourcewell in an amount not to exceed \$142,013.44.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Dec 20, 2019

SUBMITTED BY: Ashlea Boyle

EXHIBITS: [20200128_Quote_Kenworth Grapple Truck for Parks-Rec.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$142,013.44	N/A	\$136,900	18-1800-5200; 01-0154-5200

PAYMENT TO BE MADE TO: Kenworth of South Florida

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Pursuant to the FY20 adopted budget, funding was approved for the purchase of a grapple truck for the Parks and Recreation Department. The City currently has one grapple truck within the Public Works Department that is utilized on a regular basis, and thus unavailable for use by other departments when needed. After storm events, this type of vehicle is in high demand from multiple departments. The grapple truck will be utilized on a routine basis for park maintenance and projects, in addition to storm / flood cleanup as needed. Eleven quotes were received, none of which were local. This quote came in over budget by \$5,113.44 which will be covered by the Parks department's operating budget.

RECOMMENDED ACTION:

Authorize purchase of Grapple Truck as presented.



KENWORTH OF SOUTH FLORIDA
2909 S Andrews Avenue
Fort Lauderdale, FL 33316
954.523.5484

7 November 2019

City of Kerrville
310 McFarland
Kerrville, TX 78028

Attention: Shannon Scott Flowers

OFFER PRESENTED UNDER SOURCEWELL CONTRACT 081716-KTC

T370 TRUCK CHASSIS, LIST PRICE, PER ATTACHED SPECS:	\$113,468.00
LESS: SOURCEWELL DISCOUNT	(40,848.48)
SOURCEWELL DISCOUNTED PRICE (.640%)	\$ 72,619.52
LESS: ADDITIONAL DISCOUNT	(1,000.00)
FLOORPLAN CHARGES ON STOCK UNIT	1,692.00
NET SOURCEWELL PRICE, T370 CHASSIS:	\$ 73,311.52
LOCALLY INSTALLED GRAPPLE & BODY:	68,701.92
(Includes Sourcewell's 5% Body Markup)	
TOTAL SOURCEWELL PRICE T370 4X2 GRAPPLE TRUCK:	<u>\$142,013.44</u>

Nelson A. Martinez
Director
Export & Government Sales

Fort Lauderdale

Fort Pierce

Naples

Riviera Beach



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Renewal of software subscription licenses with Microsoft through an Enterprise Enrollment Agreement.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 09, 2020

SUBMITTED BY: Charvy Tork

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$61,000	N/A	\$61,000	01-0107-2300

PAYMENT TO BE MADE TO:

Kerrville 2050 Item?	Yes
Key Priority Area	F - Public Facilities and Services
Guiding Principle	F1. Commit to maintaining high-quality, cost-effective public services and facilities consistent with anticipated growth and ensure cost-effective use and maintenance of these assets
Action Item	F1.2 - Enhance the use of technology for work order tracking, inspections, etc.

SUMMARY STATEMENT:

The Information Technology (IT) Department is requesting to renew the existing Microsoft Enterprise Agreement for an additional three years. With changing technology, the use of the Microsoft Enterprise Agreement is recommended as the most effective and economical mean of managing licenses and new purchases of Microsoft products. The largest cost savings utilizing this approach will be realized as our desktops and laptops are upgraded to current versions of Microsoft products on a regular interval.

The proposed Microsoft Enterprise Agreement includes all desktops, laptops and servers with the current IT system which are required to be covered. The Microsoft Enterprise Agreement will be purchased from SHI, under a cooperative contract of the Texas Department of Information Resources (DIR).

A copy of the full Agreement is available in the City Secretary's Office for viewing by request.

RECOMMENDED ACTION:

City Manager to execute a contract to renew the City's Microsoft Enterprise Agreement in an amount not to exceed \$61,000 for the first year. The cost for year one has been included in the IT Department budget for FY20. Future annual costs will be budgeted accordingly.



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Kerrville Long Range Water Supply Plan.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 22, 2020

SUBMITTED BY: Stuart Barron

EXHIBITS: [20200128_Report_Kerrville Long Range Water Plan Final.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	Yes
Key Priority Area	W - Water / Waste-Water / Drainage
Guiding Principle	W1. Develop and maintain long-range water plans that prioritize infrastructure needs and identify funding sources.
Action Item	W1.2 - Determine short- and long-range timelines for increasing water supply (i.e., the amount to be added per period in accordance with the master plan)

SUMMARY STATEMENT:

Lloyd Gosselink, Rocheelle, & Townsend, P.C., and their subcontractor HDR Engineering, were hired to develop the City of Kerrville's first long range water supply plan (LRWSP) with a 100 year outlook to the future. The plan evaluates thirteen different strategies to source reliable water supply for the Kerrville community and its anticipated growth, based off of growth assumptions adopted as part of the Kerrville 2050 Comprehensive Plan. As part of the study effort, HDR also updated the City's surface water model to include both the 1950's drought of record, as well as the most recent drought. The thirteen strategies were evaluated for feasibility and cost, and then prioritized. Of the thirteen possible water source source strategies evaluated, five were identified as top options: promoting additional conservation, exploring a new groundwater well in the Ellenberger aquifer, exploring a remote Ellenberger well field, and surface water right acquisitions and/or amendments. These results were presented to the City Council, our key community

water-stakeholders, and the community in general during the July 23, 2019 City Council meeting. HDR has also met with individual community stakeholders (HGCD, UGRA, Kerr County) to answer any specific questions they had about the LRWSP and the recommended strategies.

In addition to promoting continued conservation measures, a key action item coming out of the study is the exploration of a new groundwater well. Later in the January 28th City Council Agenda you will find a proposed Interlocal Partnership Agreement with the Headwaters Groundwater Conservation District to explore the Ellenberger Aquifer. The interlocal agreement spells out the willingness of the City to work with Headwaters to prove up the volume of the Ellenberger Aquifer via an exploratory well, which will then further direct the additional strategies the City should pursue as part of the LRWSP.

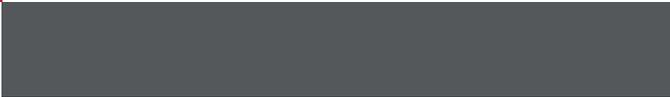
RECOMMENDED ACTION:

Adopt 2018 Kerrville Long Range Water Supply Plan.



2018 Kerrville Long Range Water Supply Plan

Kerrville, Texas
January 24, 2020



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2018 Kerrville Long Range Water Supply Plan

Prepared for:

City of Kerrville, Texas

Prepared by:

HDR Engineering

Texas Firm P.E. Registration No. F-754

January 2020



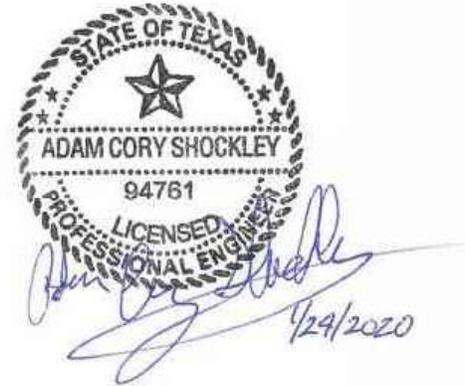
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2018 Kerrville Long Range Water Supply Plan Signature Page

HDR Engineering – Texas Firm P.E. Registration No. F-754



Zachary A. Stein, P.E.



Adam Cory Shockley, P.E.



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Acknowledgements

HDR and the City of Kerrville acknowledge and appreciate the valuable contributions of the following stakeholder organizations and individuals in the development of the 2018 Kerrville Long Range Water Supply Plan:

Headwaters Groundwater Conservation District – Gene Williams

Upper Guadalupe River Authority – Ray Buck, Bob Waller

Kerr County Commissioners – Jonathan Letz, Tom Moser

Headwaters Kerr Basin Paleozoic Exploration Team



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Executive Summary

The City of Kerrville (City) continually strives to provide reliable, high quality water supplies to its citizens as part of its mission to create an environment that fosters prosperity and opportunity. In June 2018, the City presented its 30-year economic development goals as part of the Kerrville 2050 Comprehensive Plan¹. The 2018 Long Range Water Supply Plan (LRWSP) provides a plan for the City to meet the water supply needs associated with the economic development goals of the Comprehensive Plan. The LRWSP includes future demands, estimates of Kerrville’s existing reliable supply, and compares them to obtain future needs for additional water supplies during the 2020 to 2120 planning horizon. Additionally, the LRWSP includes evaluations of twelve potential water supply strategies and recommends implementation of five of these strategies to meet future water supply needs of the City.

Water Demand Projections

Water demand projections are based on current customer account data provided by City staff and annual growth projections included in the Kerrville 2050 Comprehensive Plan. The projections assume that growth rates and average water use rates by account remain constant throughout the planning period. To sustain growth rates presented in the Comprehensive Plan, it is assumed that the City will annex adjacent property and expand its current distribution system to deliver supplies to these customers.

Figure ES-1 shows projected raw water demands by use type for the 2020-2050 period. It is anticipated that City growth will increase raw water demands to almost 6,700 acre-feet per year (acft/yr) by 2050. Should projected growth rates continue to 2120, raw water demands could increase to over 14,000 acft/yr. Texas Water Development Board (TWDB) water demand projections for Kerrville approved for use in the 2022 State Water Plan are shown in Figure ES-1 for reference. The TWDB demand projections suggest no significant population or economic growth over the next 50 years for the City.

¹ Kerrville 2050 Comprehensive Plan. Kimley-Horn and Associates, June 2018. www.kerrville2050.com

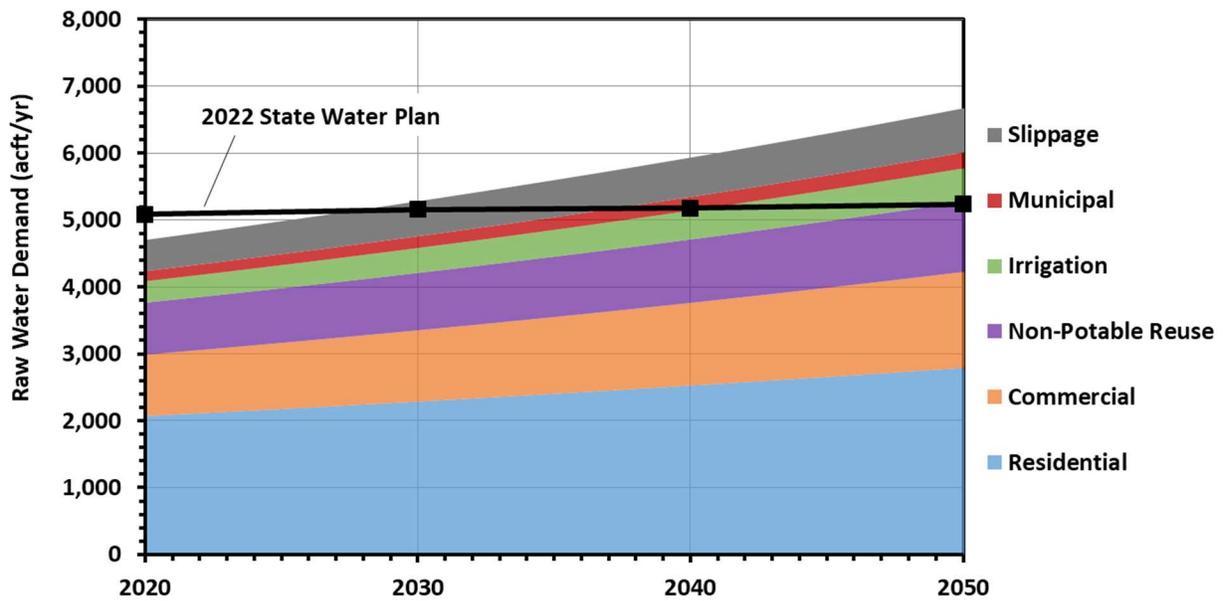


Figure ES-1. Projected Water Demand by Account Type for 2020-2050 Period

Existing Supplies

Currently, the City obtains its water supplies from surface and groundwater sources, reuse of treated wastewater, and the aquifer storage and recovery (ASR) of surface water. Figure ES-2 summarizes historical raw water production by source for the 2010-2017 period. The figure shows that the majority of water production during this period came from surface water sources in the form of diversions from the Guadalupe River or recovery of treated surface water from aquifer storage even though severe drought conditions were experienced in most of these years. The City was able to meet a substantial portion of customer demands from surface water supplies during these years because (1) the City has some flexibility to operate its diverse system in a manner to maximize use of available surface water supplies, and (2) the prior appropriation doctrine² and restrictions included in the City’s surface water permits were not strictly enforced.

² Texas surface water law is governed by the doctrine of prior appropriation which is commonly summarized as “first in time, first in right”. In other words, an older or senior water right may divert all of its water before a newer or junior water right may divert any water.

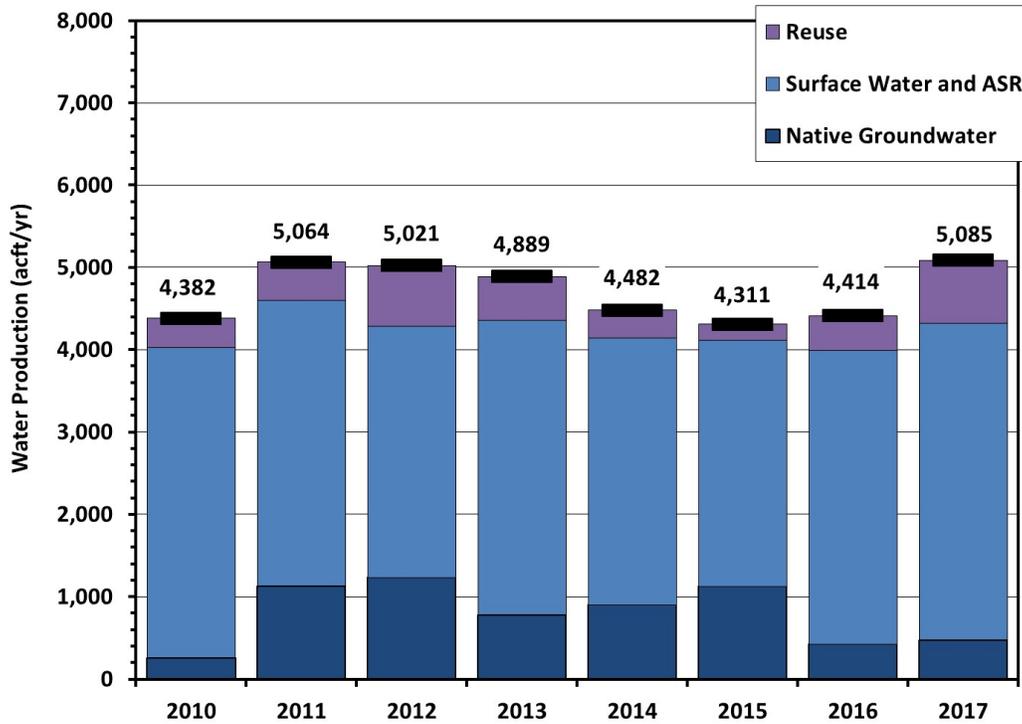


Figure ES-2. Kerrville Historical Water Production for 2010-2017 Period

For planning purposes, it is recommended that decisions regarding investment in the development of new supplies be made assuming appropriate mitigation of regulatory and hydrologic risks which could lead to supply shortages. As a result, reliable water supply or firm yield is considered to be the amount of water that can be supplied by the City on an annual basis assuming (1) strict enforcement of the prior appropriation doctrine and permit restrictions, and (2) a repeat of the most severe drought conditions in recorded history.

While many consider drought conditions experienced in the last decade to be the most severe in recorded history, from a surface water availability perspective, they were not as severe or prolonged as those experienced in the 1950s. If 1950s drought conditions were experienced beginning in 2010 and prior appropriation and permit restrictions were fully enforced, the City’s water production would have been limited to amounts less than actually produced as presented in Figure ES-3.

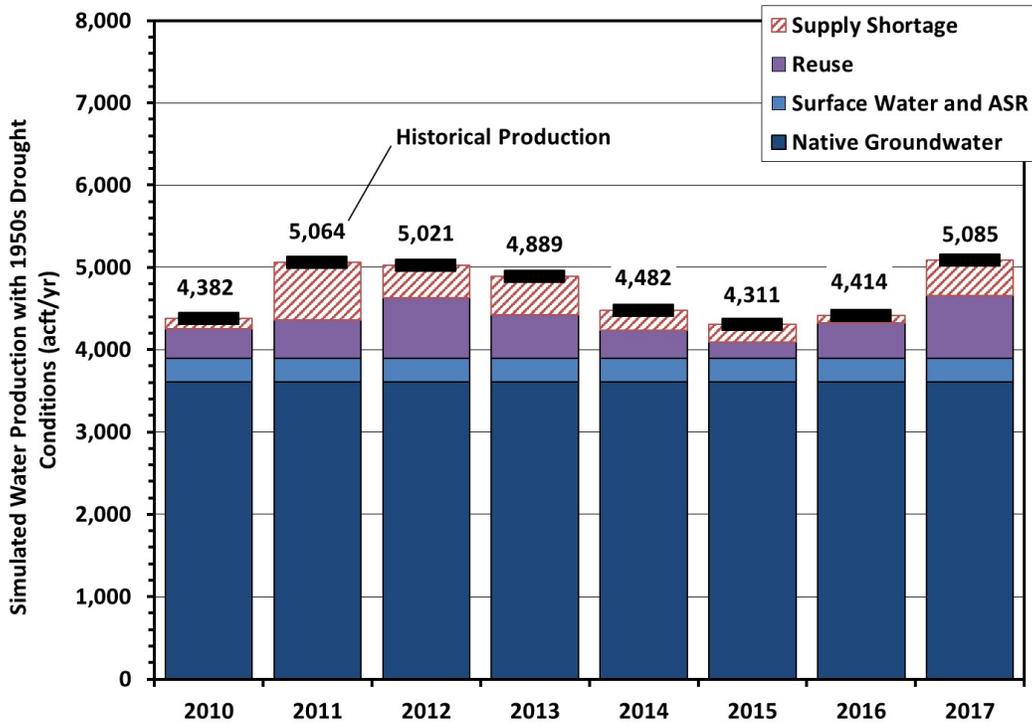


Figure ES-3. Kerrville Water Production for the 2010-2017 Period Assuming a Repeat of the Worst Drought on Record and Strict Enforcement of the Prior Appropriation Doctrine and Permit Restrictions

Under 1950s drought conditions and strict regulatory enforcement, the City would not have been able to divert any streamflow from the Guadalupe River and all surface water supplies would have come from the recovery of surface water stored in an aquifer. It is estimated that this supply would be less than 300 acft/yr assuming current storage levels. As a result, the City would have needed to pump the full amount of groundwater authorized under its permit (3,605 acft/yr) to help meet water demands. Even with the City fully utilizing its groundwater supply, supply shortage would have occurred in each year since 2010 with 1950s drought conditions and strict regulatory enforcement.

Table ES-1 provides the estimated firm supply for each source throughout the 100 year planning horizon included in the LRWSP. The City does not currently have the infrastructure to treat and distribute treated wastewater effluent to potable water customers; therefore, the firm non-potable reuse supply is limited by the non-potable reuse customer demands.

Table ES-1. Summary of Firm Supplies

Year	Firm Supply (acft/yr)			
	Groundwater	Surface Water and ASR ¹	Non-Potable Reuse	Total
2020	3,605	288	776	4,669
2030	3,605	288	857	4,750
2040	3,605	288	947	4,840
2050	3,605	288	1,046	4,939
2060	3,605	288	1,065	4,958
2070	3,605	288	1,065	4,958
2080	3,605	288	1,065	4,958
2090	3,605	288	1,065	4,958
2100	3,605	288	1,065	4,958
2110	3,605	288	1,065	4,958
2120	3,605	288	1,065	4,958

¹Assumes 10.4 year ASR pumping duration during repeat of the historical drought of record.

Projected Needs

Future water supply need is the difference between future demand and existing supply. When future demand is greater than the existing supply, the difference is commonly called a deficit, shortage, or need. Figure ES-4 compares the firm supplies, projected demands, and resulting needs for the 2020-2050 period. As shown in the figure, Kerrville’s current firm supplies are less than the current and future demands, indicating that a deficit exists and will continue to increase to 1,730 acft/yr in 2050 as demands increase from projected population growth and economic development. Should projected growth rates continue to 2120, the City’s need for additional water supplies would increase to 9,277 acft/yr. Kerrville will need to develop new supplies in order to reduce these deficits and the associated risks of not meeting customer demands during future droughts.

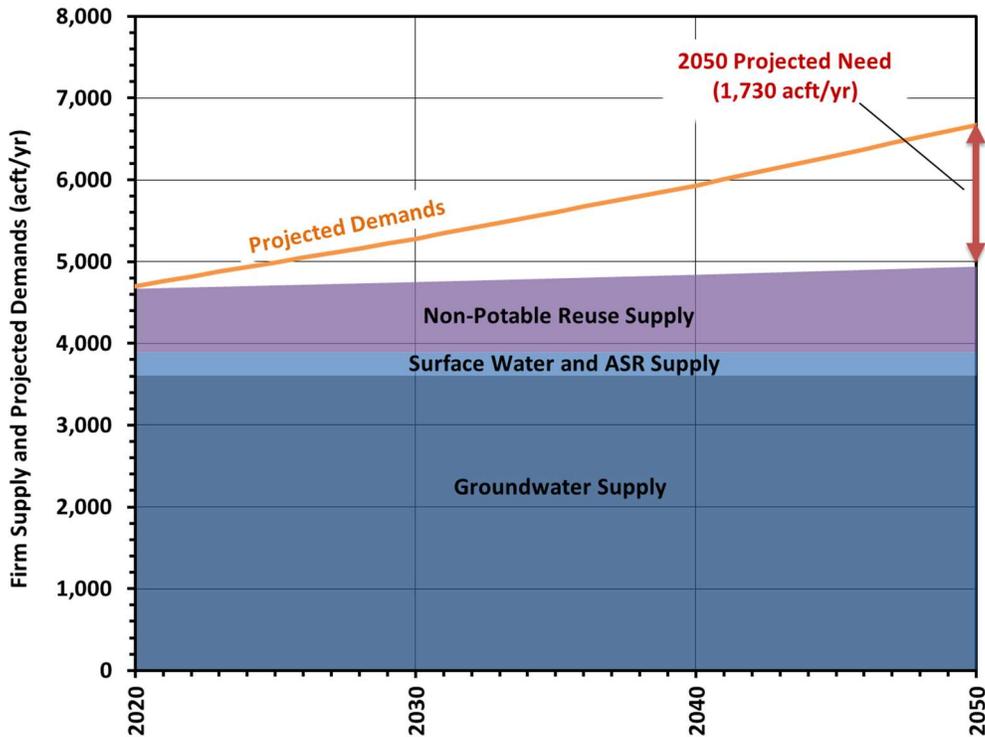


Figure ES-4. Comparison of Firm Supplies, Projected Demands, and Resulting Need for 2020-2050 Period

Water Supply Plan

One of the main goals of the LRWSP is to identify, evaluate, and select water supply strategies that could be implemented by Kerrville to meet future water supply needs. Twelve strategies were identified and evaluated to potentially meet these needs. These strategies were evaluated with respect to reliable supply, project cost, unit cost, permitting effort, and implementation effort. The goal of this process was to select strategies that provide the greatest benefits to Kerrville while minimizing costs and permitting and implementation obstacles.

The strategies selected as a result of this process are referred to as recommended strategies and are the strategies that Kerrville intends to implement to meet its future needs. The recommended water supply strategies are listed in Table ES-2 along with their estimated reliable supply, total project cost, and unit cost in 2018 dollars. These strategies include additional conservation to reduce demands, amendments to water rights currently owned by Kerrville and acquisition of new water rights to improve the reliability of surface water supplies, and development of a local Ellenburger Aquifer well and remote Ellenburger Aquifer well field in northeastern Kerr County.

Table ES-2. Recommended Water Supply Strategies

Recommended Strategies	Projected Supply (acft/yr)	Total Project Cost (\$)	Unit Cost (\$/acft)
Additional Conservation	270	\$2,180,000	\$439
Local Ellenburger Well	807	\$1,128,000	\$146
Remote Ellenburger Well Field ^a	1,730	\$12,995,000	\$713
Water Right Acquisitions ^b	146	---	---
Water Right Amendments	269	\$400,000	\$82

^a Remote Ellenburger well field is sized to provide a supply of 1,730 acft/yr to meet the projected 2050 need.

^b Costs for water right acquisitions would be determined on a case by case basis through negotiations between the City and water right holders.

The combined supply from these strategies is more than sufficient to meet Kerrville's projected need of 1,730 acft/yr in 2050. Should projected growth rates continue to 2120, the need for additional water supplies would require Kerrville to expand the remote Ellenburger well field, develop alternative strategies, and/or import water supplies from other sources outside of Kerr County.

Two alternative water supply strategies are included in the LRWSP. Alternative strategies are strategies that could be developed in the event one or more of the recommended strategies encountered an implementation obstacle that could not be overcome. The two alternative strategies are ASR expansion with additional treatment capacity and advanced treatment of treated wastewater to create a potable reuse supply. If the local Ellenburger well does not produce an adequate yield, conversion of the production well to an ASR well and addition of surface water treatment capacity to supply the ASR well during high flow, low demand periods is recommended. If the City is unable to acquire groundwater leases and develop the remote Ellenburger well field, development of the potable reuse supply is recommended.

Figure ES-5 provides a proposed timeline for implementation of each of the recommended strategies. If the local Ellenburger well does not produce the anticipated supply, implementation of the remote Ellenburger well field will need to be moved up to 2030 to avoid projected supply shortages. Note that strategies are not implemented to just meet the needs of Kerrville, zeroing out the deficit. The goal is to provide a supply buffer as shown in the figure to help ensure that supplies are sufficient if a project is delayed or new drought of record occurs.

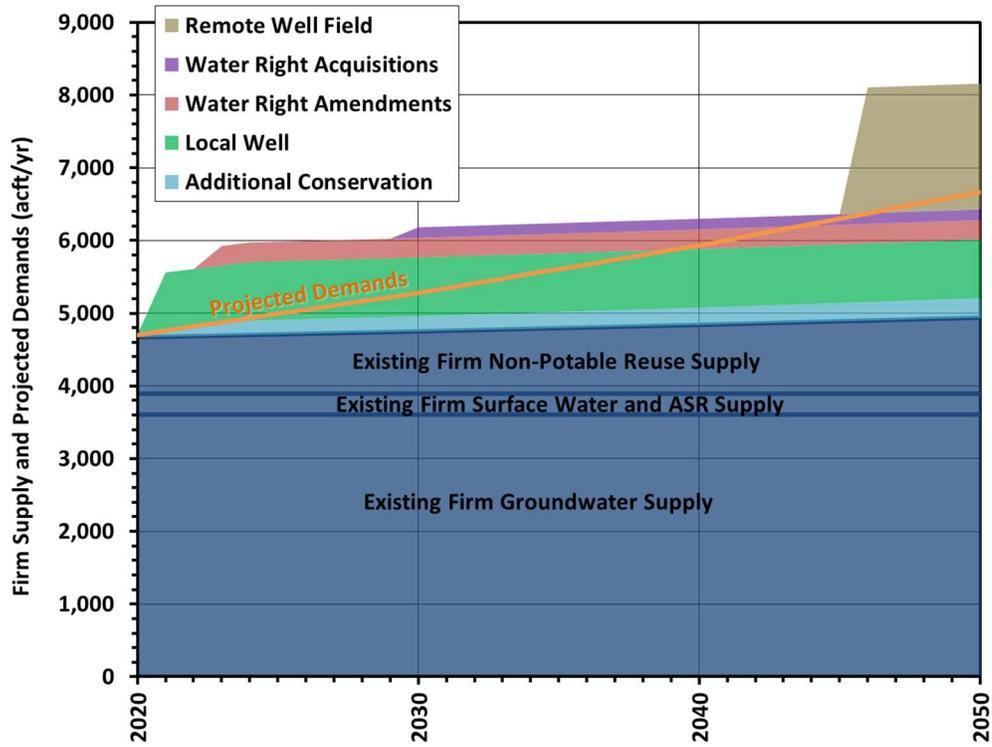


Figure ES-5. Recommended Strategy Timeline

1. Introduction

The City of Kerrville (City) continually strives to provide reliable, high quality water supplies to its citizens as part of its mission to create an environment that fosters prosperity and opportunity. The 2018 Long Range Water Supply Plan (LRWSP) provides projected demands, estimates of reliable existing supply, and compares them to obtain future needs for additional water supplies for the City of Kerrville for the 2020 to 2120 planning horizon. Additionally, the LRWSP evaluates twelve potential water supply strategies and recommends the implementation of five of these strategies to meet future water supply needs of the City.

The 100-year planning horizon provides Kerrville with a multi-generational plan to sustain long-term population growth and economic development while also providing a plan to meet the water supply needs associated with the economic development goals presented in the Kerrville 2050 Comprehensive Plan³. An extended 100-year planning horizon includes a high level of uncertainty in estimating demand and supply projections as the variables driving these factors are highly dynamic and difficult to predict with certainty far out into the future. For comparison, the Texas Water Development Board (TWDB) uses a 50 year planning horizon for the state water plan. The benefit of including a longer planning horizon is to provide the City options on the level of investment to make in the short-term that may have a long-term payoffs. Even with a 100-year planning horizon, HDR recommends the City consider regular updates to its long range water supply plan to compare previous projections of demand and supply with actual use data.

³ Kerrville 2050 Comprehensive Plan. Kimley-Horn and Associates, June 2018. www.kerrville2050.com

2. Water Demand Projections

Section 2 of the LRWSP outlines the basis for the water demand projections and associated calculation methodology. Water demand projections are based on current customer account data provided by City staff and annual growth projections included in the Kerrville 2050 Comprehensive Plan. The projections conservatively assume growth rates and average water use rates by account remain constant throughout the projection period. To sustain growth rates presented in the comprehensive plan, it is assumed that the City will have to annex adjacent property beyond 2050 and expand its current distribution system to deliver supplies to these customers. If additional conservation methods are implemented by the City, it is expected that per capita use rates will decline in the future. For this study, additional conservation is considered to be a supply strategy and is included in the strategy evaluations.

2.1. Current Water Uses

Table 1 provides the customer account categories based on use type and includes example customers associated with each category. Accounts are divided into five categories in accordance with the City's rate structure. Many commercial customers have separate meters for landscape irrigation to purchase water under the City's irrigation rates. Figure 1 provides the current number of accounts in 2018 for each of use type.

Table 1. Kerrville Account Use Categories and Associated Customers

Account Use Type	Associated Customers
Residential	Single Family, Duplex, Fourplex, Apartments, Mobile Homes
Commercial	Restaurants, Hotels, Retail, Business Facilities
Irrigation	Restaurants, Hotels, Retail, Business Facilities
Municipal	City owned facilities
Reuse	City Golf Course, Kerrville Sports Complex, Kerrville Soccer Fields, Schreiner University and Tivy High School

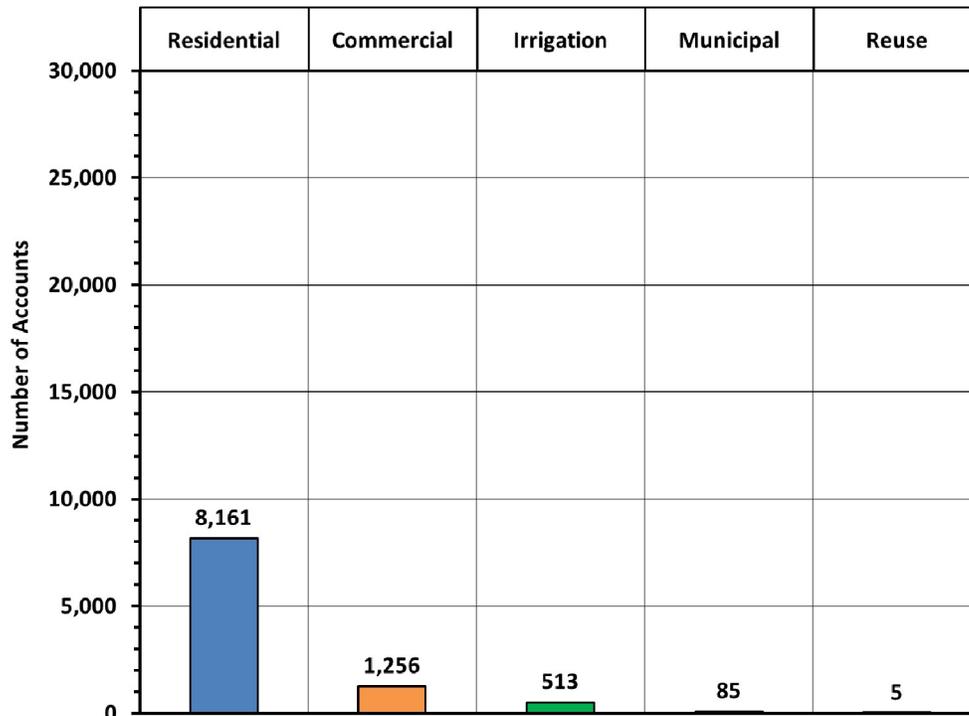


Figure 1. Number of Current Water Use Accounts by Category

Figure 2 shows the average annual use in gallons per account per day for the 2013-2017 period by use type with the exception of the non-potable reuse accounts. This five year average use is assumed representative of current (2018) use for the purposes of this study. The recent five year annual average is not representative of the current non-potable reuse because several accounts have been recently added, significantly increasing the amount of reuse water sold to customers. As a result, the 2017 volume of non-potable reuse delivered to customers is assumed to be the current (2018) non-potable reuse demand.

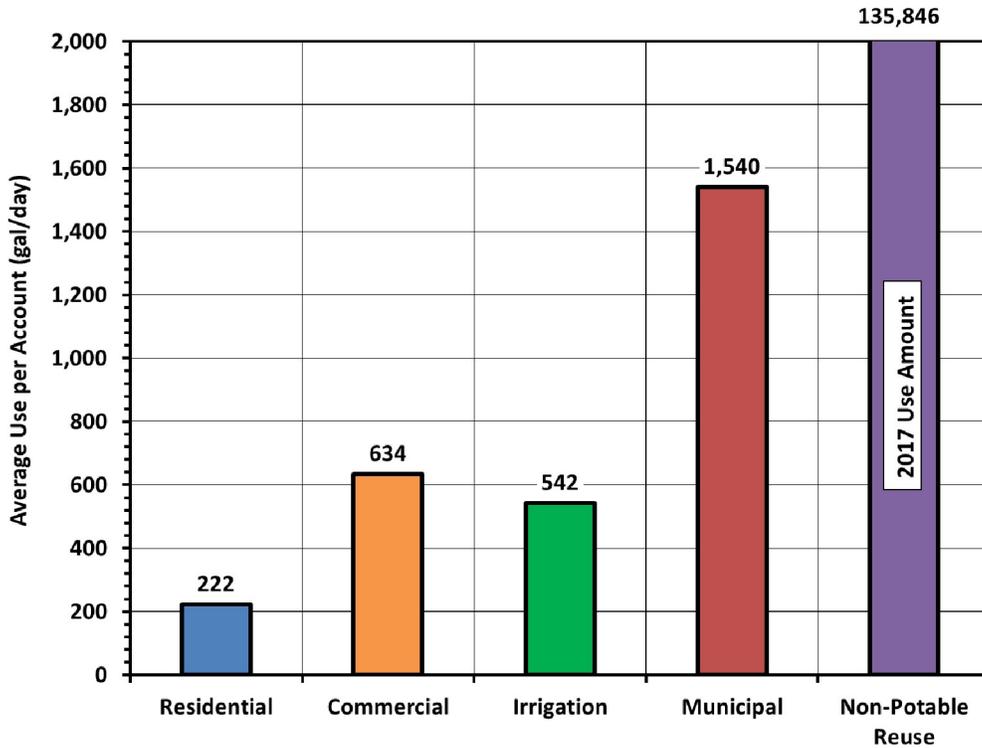


Figure 2. Average Use per Account Type for 2013-2017 Period

2.2. Future Water Demands

Future water use demands are projected using growth estimates included in the Kerrville 2050 Comprehensive Plan. Table 2 provides the projected annual growth in number of accounts for each use type. Staff anticipates that only two additional non-potable reuse accounts will be added due to limitations in the non-potable water distribution system. Additionally, staff estimates that an additional 11 percent of water used (i.e. sold) or delivered to municipal facilities is lost to system leaks and water treatment reject water before delivery to customers. This amount is referenced herein as slippage. Total raw water demands are projected throughout the planning horizon assuming continued slippage of 11 percent.

The projected number of future accounts for each use type are presented in Figure 3. Future account projections are shown for 2050 to coincide with the comprehensive plan and for the end of the 100-year planning horizon, 2120.

Table 2. Projected Annual Growth by Account Type and Estimated System Slippage

Account Use Type	Projected Annual Growth in Number of Accounts
Residential ¹	1.00%
Commercial ¹	1.50%
Irrigation ²	1.50%
Municipal ²	1.50%
Non-Potable Reuse	Conservative estimate of 2 additional non-potable reuse accounts
Slippage ³	11.0%

¹Projected annual growth included in Kerrville 2050 Comprehensive Plan.

²Irrigation and municipal growth assumed to be consistent with commercial growth projections included in Kerrville 2050 Comprehensive Plan.

³Conservative estimate based on historical production.

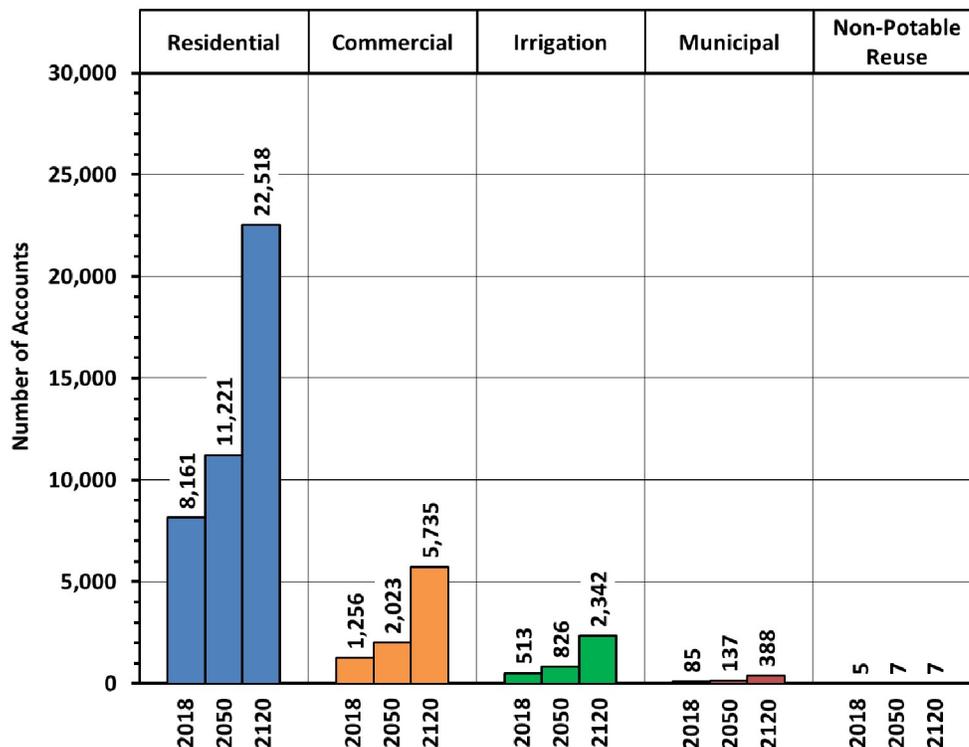


Figure 3. Number of Current and Projected Future Accounts by Type

Table 3 summarizes the projected water demands for the 2020-2120 period and Figure 4 and Figure 5 show the projected water demands by use type for the 2020-2050 and 2020-2120 periods, respectively. It is anticipated that City growth will increase raw water demands to 6,669 acft/yr by 2050. At this time, the Kerrville's projected raw water demands will exceed the City's authorized surface water use amount of 6,051 acft/yr. Texas Water Development (TWDB) water demand projections for Kerrville approved for use in the 2022 State Water Plan are shown in Figure 4 and Figure 5 for reference. Should projected growth rates continue to 2120, raw water demands would increase to over 14,000 acft/yr.

Table 3. Summary of Projected Water Demands for 2020-2120

Year	Water Demand by Use Type (acft/yr)					Slippage (acft/yr)	Total Raw Water Demand (acft/yr)
	Residential	Commercial	Irrigation	Municipal	Non-Potable Reuse		
2020	2,069	918	321	151	776	466	4,702
2030	2,286	1,066	372	175	857	523	5,280
2040	2,525	1,237	432	203	947	588	5,933
2050	2,789	1,435	502	236	1,046	661	6,669
2060	3,081	1,666	582	274	1,065	734	7,402
2070	3,404	1,933	676	318	1,065	814	8,209
2080	3,760	2,244	784	369	1,065	904	9,126
2090	4,153	2,604	910	428	1,065	1,008	10,168
2100	4,587	3,022	1,056	497	1,065	1,125	11,352
2110	5,067	3,507	1,225	577	1,065	1,259	12,700
2120	5,598	4,070	1,422	669	1,065	1,411	14,235

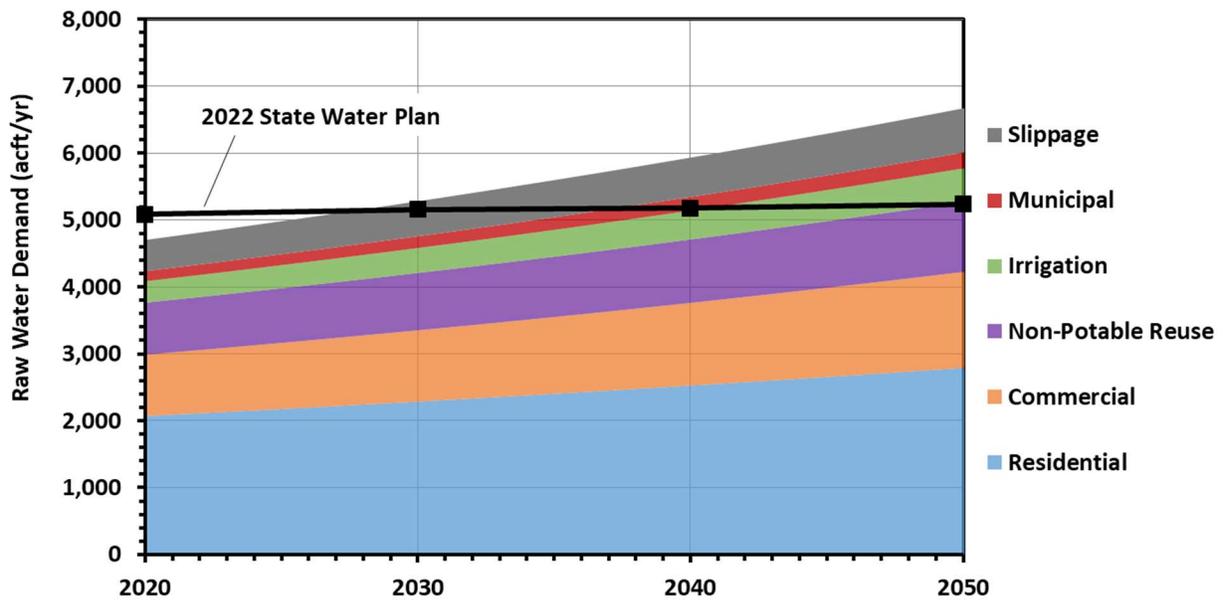


Figure 4. Projected Water Demand by Account Type for 2020-2050 Period

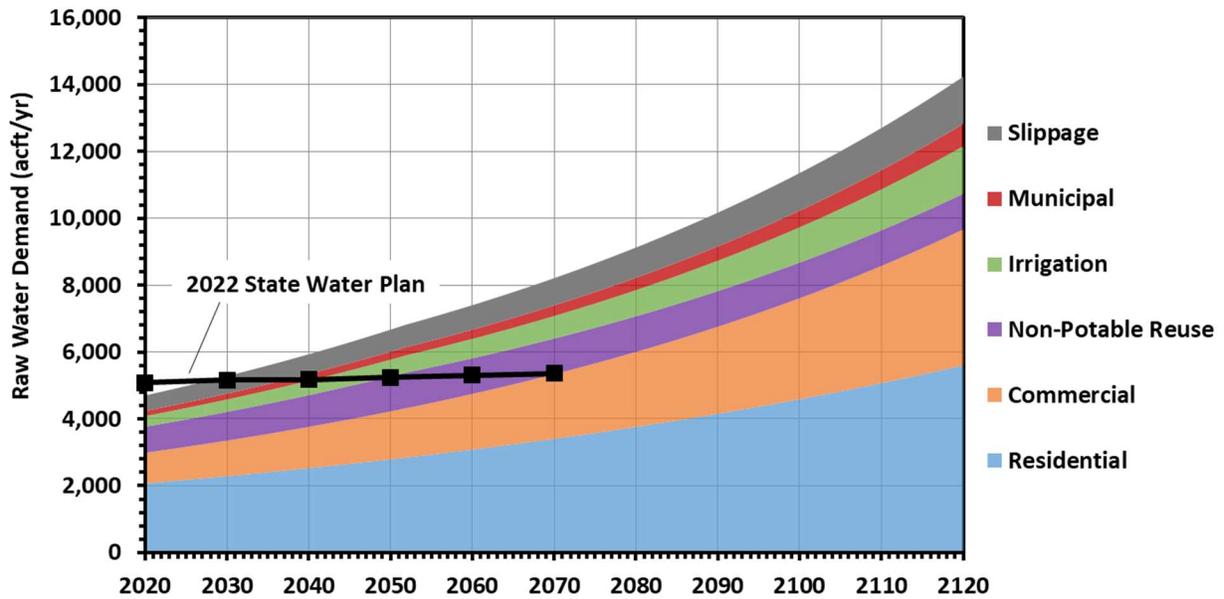


Figure 5. Projected Water Demand by Account Type for 2020-2120 Period

3. Existing Supplies

Section 3 presents information on Kerrville’s existing raw water supply infrastructure and water rights, and provides estimates of the reliability of existing supply sources. For this study, the reliable water supply or firm yield, is defined to be the amount of water that can be supplied on an annual basis without shortage throughout a repeat of the worst drought on record. Currently, the City obtains its water supplies from surface and groundwater sources, reuse, and aquifer storage and recovery (ASR). Figure 6 shows the locations of Kerrville’s water supply and treatment infrastructure including wells, surface water treatment facilities, and wastewater treatment facilities.

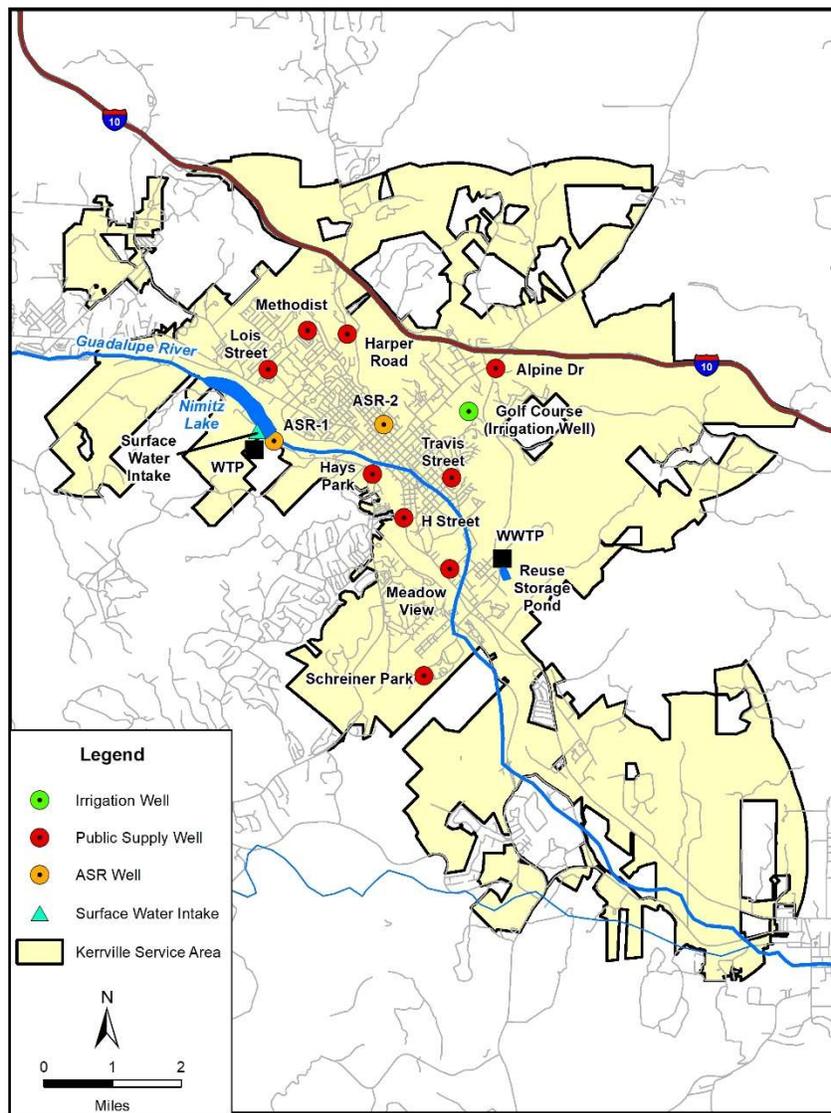


Figure 6. Kerrville Raw Water Supply Infrastructure

Historic Droughts

Kerrville and the Hill Country area frequently experience extreme weather conditions including flash floods and prolonged droughts. The two most prolonged droughts on record in the Hill County occurred in 1947-1957 and, more recently, in 2006-2014. A summary of recorded annual streamflow in the Guadalupe River at Comfort (USGS Gage 08167000) is provided in Figure 7 and shows these two drought periods are similar in length and severity. The historical streamflow data also indicate that 1956 is the most severe drought year on record from a streamflow perspective and 2011, often considered the most severe drought year in the recent drought period, is the fifth worst year in terms of recorded streamflow.

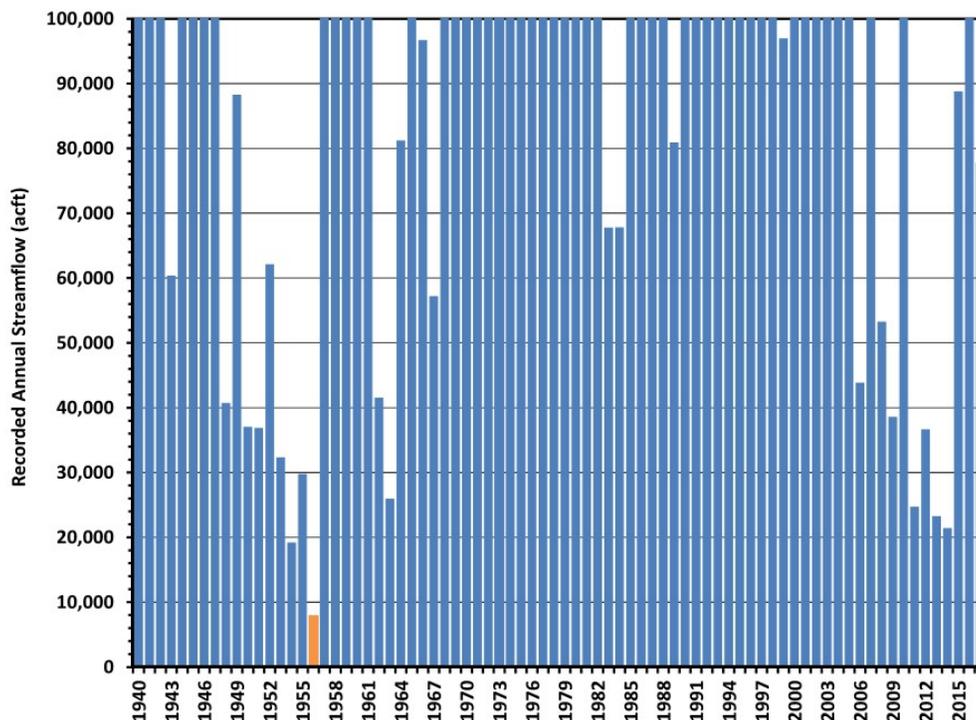


Figure 7. Annual Streamflow Recorded at Guadalupe River at Comfort (USGS Gage 08167000)

Figure 8 provides further comparison of the 1956 and 2011 years by illustrating the daily streamflow for each year. For five months of 1956, no streamflow was recorded at the Comfort gage with the exception of two small pulse events occurring in August and September. These streamflow records provide insight into the historical severity of droughts in the Hill Country; however, in order to determine the duration and severity of the critical drought of record, current water management authorizations must be simulated with historical streamflow as further described in Section 3.2.

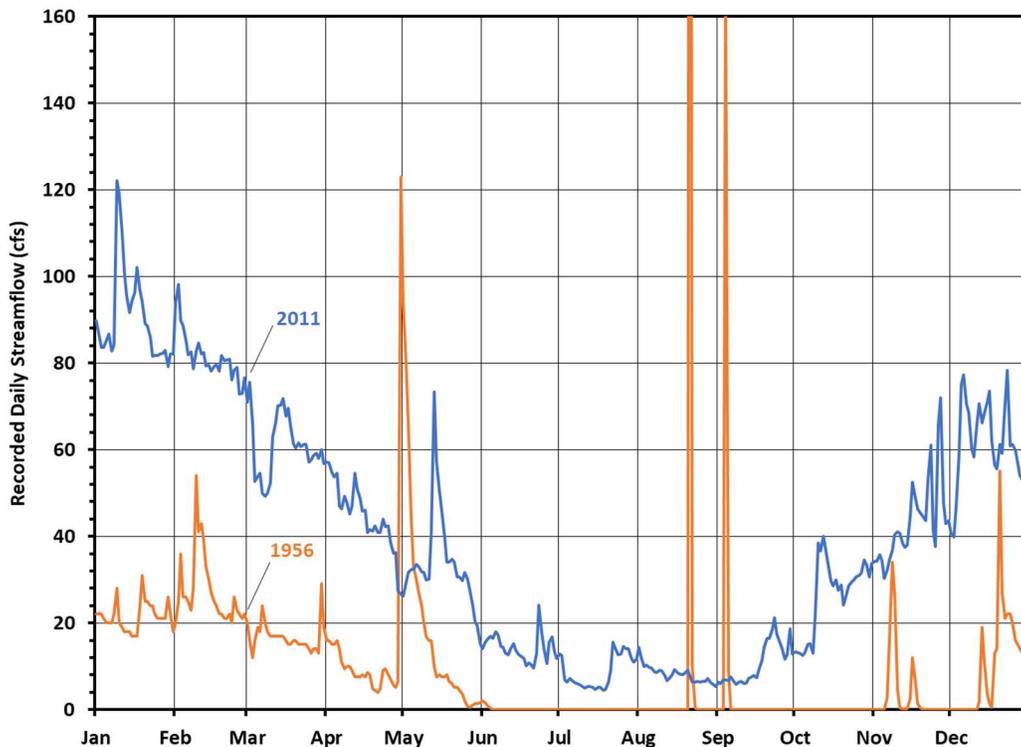


Figure 8. Daily Streamflow Recorded at Guadalupe River at Comfort (USGS Gage 08167000) for 1956 and 2011 Drought Years

3.1. Groundwater

Groundwater has historically been the primary source of water supply for Kerrville and the surrounding area. Eight water-bearing formations exist in Kerr County and are summarized in Table 4; however, the Lower Trinity Aquifer is the only formation that has historically produced significant quantities of fresh water for municipal use. Domestic and livestock wells in Kerr County typically draw supplies from the shallower Upper or Middle Trinity Aquifers and this separation moderates the effects of drawdown from deeper and higher capacity wells in the Lower Trinity.

Aquifers below the Lower Trinity (Marble Falls, Ellenburger/San Saba, and Hickory) have not been sufficiently explored to reliably document the potential well yield and water quality characteristics. Deep test wells in the Hickory Aquifer commonly produce water with high gross alpha particle activity and very warm to hot water. Water quality in the other deeper aquifers is expected to be similar.

As indicated in Table 4, the target aquifer for groundwater production by the City of Kerrville is the Lower Trinity. Lower Trinity wells are typically less than 700 ft deep and yield up to 1,400 gallons per minute (GPM) of high quality, fresh water. Typical groundwater levels of the lower Trinity in the Kerrville area are about 350 ft below the land surface and relatively stable.

Table 4. Kerr County Aquifers and their Water-Bearing Properties in Kerrville and the Surrounding Area

Aquifer	Stratigraphic Unit(s)	Typical Thickness (ft)	Approximate Elevation of Base (ft-msl)	Water-Bearing Properties	Additional Notes
Alluvium	Recent Sediments	40	40	Yields small to moderate quantities of water.	Limited to stream valleys
Edwards and Associated Limestone	Edwards Limestone	Does not exist below Kerrville		Yields small to moderate quantities of water.	Exists in uplands area west and north of Kerrville
	Comanche Peak Limestone	Does not exist below Kerrville			
Upper Trinity	Glen Rose Limestone (upper member)	250	1460	Yields very small to small quantities of highly mineralized water.	None
Middle Trinity	Glen Rose Limestone (lower member)	200	1260	Yields small to moderate quantities of fresh to slightly saline water.	None
	Hensell Sand	50	1210		
	Cow Creek Limestone	50	1160		
Lower Trinity	Sligo Limestone	125	1025	Yields small to large quantities of fresh water.	Target water-bearing formation for City of Kerrville wells
	Hosston Sand				
Marble Falls	Smithwick and Marble Falls	Roughly 800	250	Yields small to moderate quantities of fresh to slightly saline water.	No data in Kerrville area
Ellenburger/San Saba	Honeycutt, Gorman, and Tanyard	Roughly 1,750	Roughly -1,500	Yields small to moderate quantities of fresh to slightly saline water. Yields are highly dependent on number and size fractures and cavities.	No data in Kerrville area
Hickory	Riley	Roughly 2,500	Roughly -4,000	Yields small to very large quantities of fresh to slightly saline water.	No data in Kerrville area

Table References:

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Walker, L.E., 1979, Occurrence, Availability, and Chemical Quality of Ground Water in the Edwards Plateau Region of Texas: Texas Department of Water Resources Report 235.

3.1.1. Trinity Aquifer Groundwater Availability

Groundwater management plans and rules for the regulation of groundwater resources are developed by local groundwater conservation districts under directives established by the Texas Legislature. These directives to the groundwater conservation districts are documented in Texas Water Code, Chapter 36⁴.

The process of developing the rules for the construction, operation and permitting of water wells begins with the development of a water management plan. After this plan has been reviewed and approved by the Texas Water Development Board (TWDB), the local groundwater district then writes rules that are consistent with the water management plan and directives in Chapter 36. The Headwaters Groundwater Conservation District (HGCD) has jurisdiction in Kerr County and has an approved groundwater management plan and adopted rules for permitting and regulating the production of groundwater in and near the City of Kerrville.

The adopted level of groundwater availability of the Trinity Aquifer in Groundwater Management Area 9 (GMA-9), which includes Kerr County, is based on adopted Desired Future Conditions (DFC). GMA-9 officials, which include a representative from each local groundwater conservation district in GMA-9, adopted an increase in allowable drawdown of 30 ft through 2060 in the Trinity Aquifer as the DFC. Based on this DFC, the TWDB has determined that the Modeled Available Groundwater (MAG) for the Trinity Aquifer gradually declines from 14,918 acft/year in 2020 to 14,223 acft/yr in 2060. The TWDB does not estimate a MAG for the Edwards Group of the Edwards-Trinity (Plateau), Ellenburger-San Saba, and Hickory Aquifers in Kerr County.

According to Chapter 36, Section 1132 of the Texas Water Code, a district is to issue permits up to the point that the total volume of exempt and permitted pumping will achieve an applicable DFC. Further, a district is to manage total groundwater production in consideration of: (1) the amount of groundwater authorized under permits previously issued by the district; (2) a reasonable estimate of the amount of groundwater that is actually produced under permits issued by the district; and (3) other considerations.

Currently, the HGCD has not made publically available a tabulation of the groundwater production permits. Thus, a definitive amount of potential groundwater production that is unpermitted under the MAG cap could not be determined. Additionally, there are a significant number of unregulated rural domestic and livestock wells in Kerr County, thus further making it difficult to determine an accurate estimate of available groundwater under the MAG cap. However, in personal communications with District officials, they indicated that about 2,500 acft/yr of water may still be available for permitting.

The TWDB conducts water-use surveys and estimates pumping throughout Texas. Beginning in 2000, the TWDB water-use data base was enhanced to report pumping data submitted by municipal, manufacturing, mining, steam-electric (power generation), irrigation, and livestock users and/or estimated by TWDB staff. The municipal use category is subdivided into relatively large public water supply systems and county other

⁴ <https://statutes.capitol.texas.gov/Docs/WA/htm/WA.36.htm>

that includes rural domestic use. This water-use data base further subdivides the withdrawals by aquifer.

TWDB annual estimates of pumping from the Trinity Aquifer in Kerr County for 2000-2016 are presented in Figure 9. The maximum pumping from the Trinity was almost 5,400 acft/yr, which occurred in 2014. For this period, the average pumping was slightly over 4,000 acft/yr. On average, municipal pumping is about two-thirds of the total pumping from the Trinity in Kerr County. In consideration of the MAG and Chapter 36 requiring the groundwater districts to consider the actual amount of groundwater production in managing their groundwater production, there appears to be about 10,000 acft/yr of additional groundwater availability above current production levels from the Trinity in Kerr County.

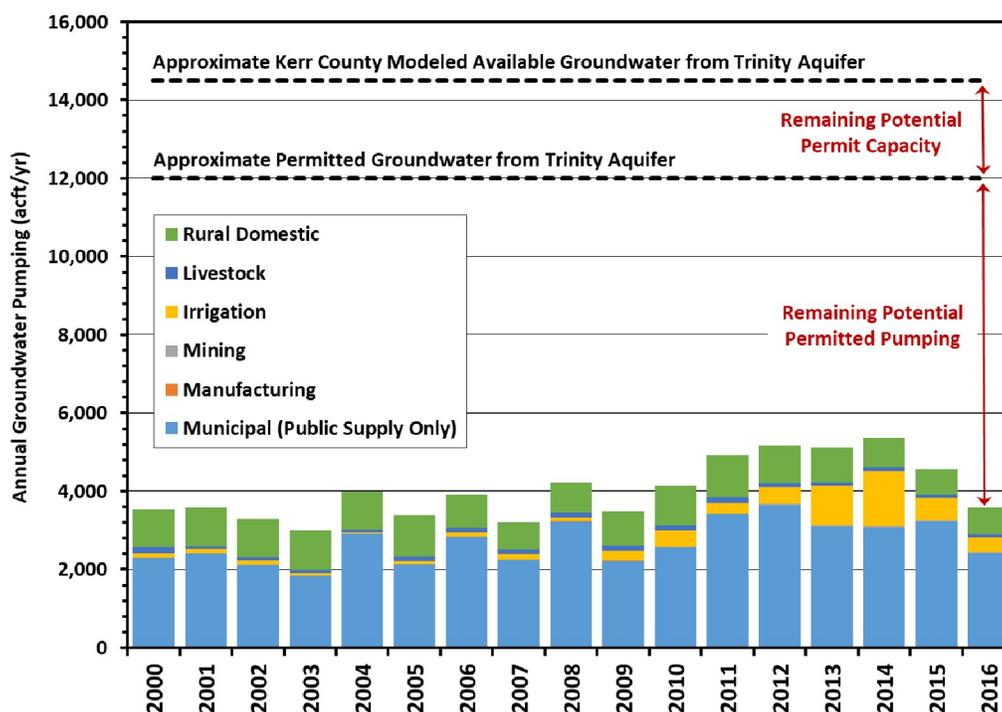


Figure 9. TWDB Estimates of Kerr County Groundwater Pumping from Trinity Aquifer

Figure 10 shows the TWDB estimated annual pumping by Kerrville (including recovery from aquifer storage) and other municipal water systems in Kerr County. Kerrville’s share of the municipal pumping ranges from about 7% in 2004 to 40% in 2012 and averages less than 24% of the total municipal pumping. The City’s highly variable pumping is a reflection of its efforts to conserve groundwater supplies when surface water supplies are available from the Guadalupe River.

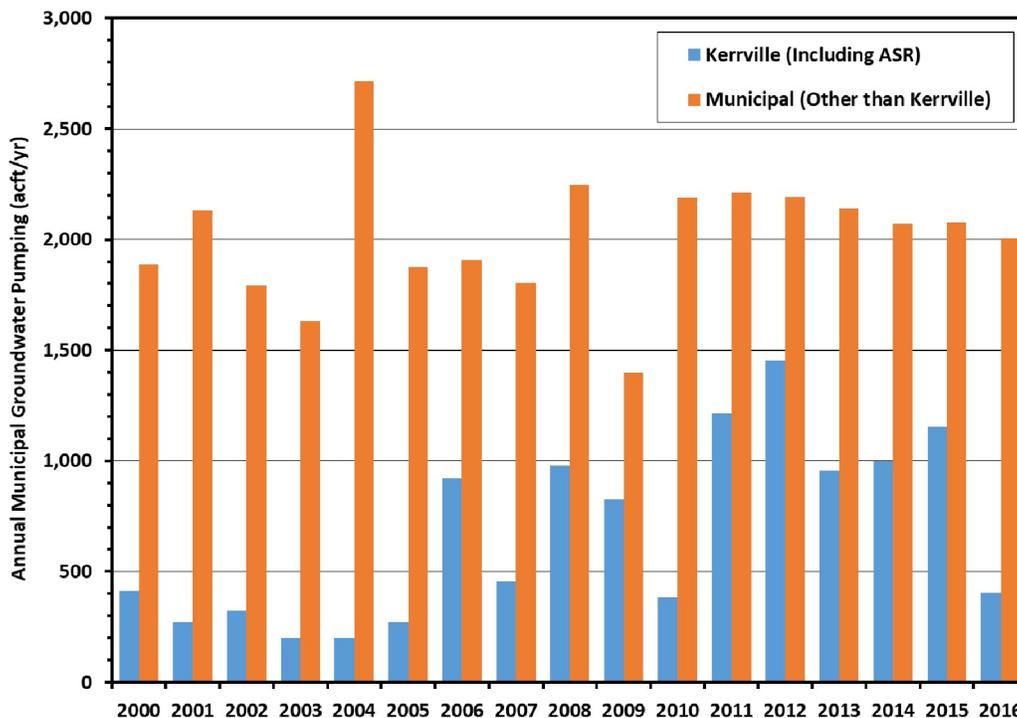


Figure 10. TWDB Estimates of Kerr County Municipal Groundwater Pumping from Trinity Aquifer for 2000-2016 Period

3.1.2. Groundwater Firm Yield

The City owns and operates nine Lower Trinity public supply wells and one irrigation well. The City also owns and operates two aquifer storage and recovery (ASR) wells. These ASR wells are dual-purpose wells in that they are designed to inject water for storage and to recover the stored water at a later date. Figure 6 provides the location of wells owned and operated by the City and permitted by the HGCD. The firm yield of the City’s groundwater supplies is estimated considering both permit limitations and the availability of groundwater for production using the City’s wells.

The City currently holds a production permit from the HGCD for 3,605 acft/yr (1,174,800 gallons per year). A copy of the permit is provided in the Appendix. Figure 11 shows the City’s annual groundwater production authorized under their HGCD permit. This production does not include recovery of surface water previously treated and injected into ASR. However, the City has the ability to use the ASR wells to produce native groundwater, but only if all injected surface water has been recovered. As a result of Kerrville’s efforts to conserve groundwater supplies when surface water supplies are available from the Guadalupe River, the City’s average groundwater production for the 2000-2016 period is about 675 acft/yr, thus historically underutilizing a substantial portion of their permit.

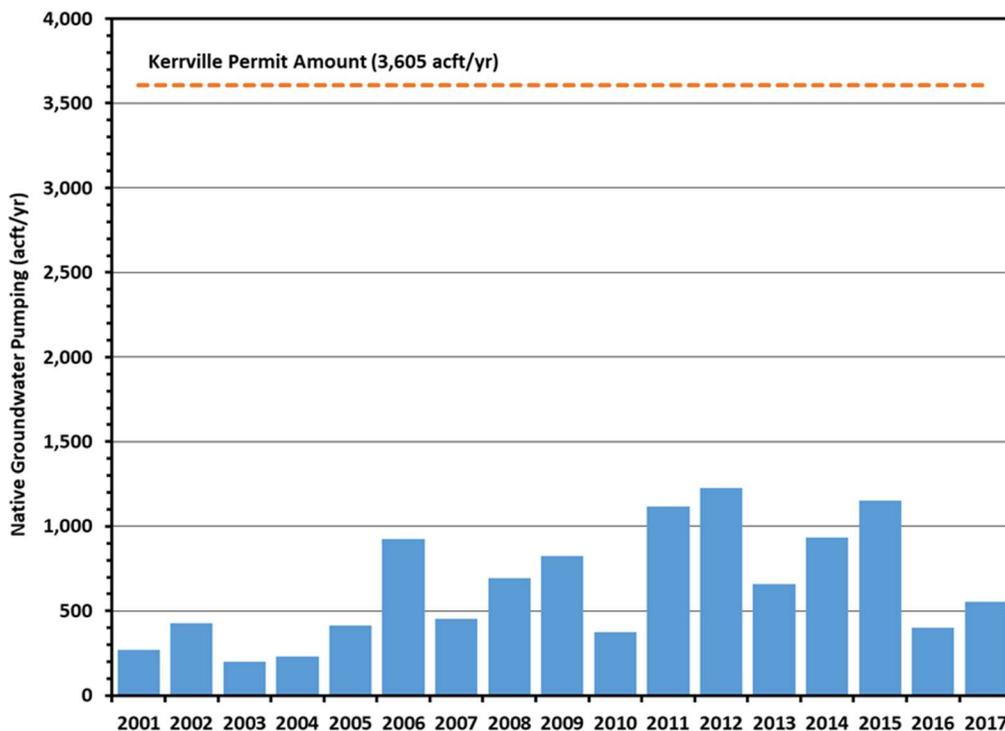


Figure 11. Kerrville Groundwater Pumping from Trinity Aquifer for 2000-2016 Period

The HGCD has a Drought Contingency Plan (DCP) to protect the aquifers in Kerr County during drought conditions. The objectives of the DCP are to: (1) conserve available water; (2) protect the quality of water, with particular regard to domestic water use; (3) protect and preserve public health and safety; and (4) minimize the adverse impacts of shortages.

The DCP has four drought stages. Each stage mandates an additional 10 percent reduction in the permitted level of pumping and triggers are based on the average groundwater level at four HGCD drought index wells. However, the HGCD recognizes the City’s efforts through its conjunctive use water policy and water conservation and drought management plans to conserve available water supplies during drought conditions. As a result, Kerrville is exempt from production cutbacks during drought conditions associated with the DCP.

A history of groundwater levels at a given well provides insights as to temporal trends and estimated groundwater availability for production by the City. These trends are useful to characterize long-term aquifer response to groundwater production, droughts, and above normal rainfall. For purposes of this assessment, water-level data collected at the Mac Holliman well is used to characterize these historical trends. This data set begins in 2001 and continues to June 2018.

Figure 12 shows Mac Holliman well levels with Kerrville’s groundwater production. These two data sets illustrate the strong response of groundwater level conditions to the rate of groundwater production. The figure shows that the City’s groundwater pumping has been

relatively low relative to its permit (averaging about 53 acft per month for 2001-2017 with a maximum of 231 acft per month in 2005). Important observations include: (1) the groundwater levels stabilized at about 1,350 ft-msl during the periods of relatively high pumping conditions, instead of showing continual, long-term declines; and (2) groundwater levels recovered relatively quickly when production was reduced. If future pumping were reduced to 2001-2005 levels (approximately 26 acft per month), groundwater levels could be expected to recover to near 2001-2005 levels.

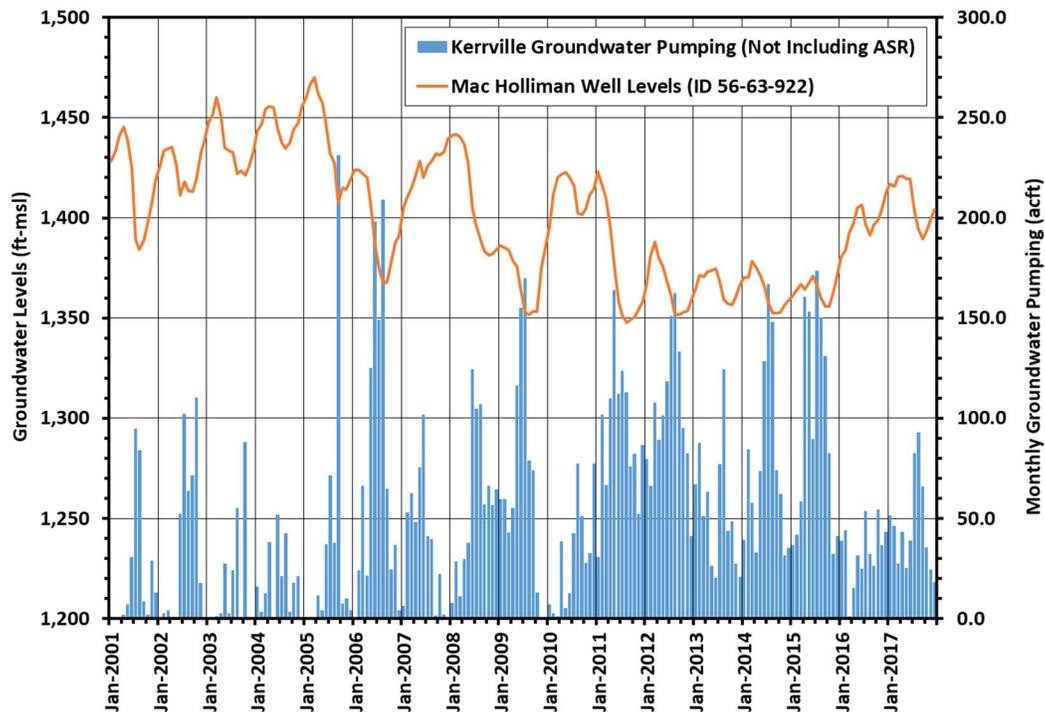


Figure 12. Comparison of Kerrville Groundwater Pumping and Resulting Groundwater Levels for 2001-2017 Period

A review of well construction data for Kerrville’s current active wells (2017) shows that the top of the water-bearing zone averages about 1,120 ft-msl. This elevation is about 230 ft lower than the groundwater levels during stress conditions. If one considers the general trend in regional groundwater levels and base of the Trinity Aquifer, this difference is expected to be relatively uniform across the immediate Kerrville area. This difference allows for significant additional drawdown at existing supply wells during pumping operations without drawing the water level (piezometric surface) down into the water-bearing section of the well.

As a result, it is expected that the City could reliably produce the full amount of groundwater authorized under the HGCD permit throughout a reoccurrence of the worst drought on record. Thus, the firm yield of the City’s groundwater supply is considered to be equal to their HGCD permit, which is 3,605 acft/yr.

3.2. Surface Water and Aquifer Storage and Recovery

In an effort to conserve groundwater supplies, Kerrville reduces groundwater pumping and diverts surface water during periods when sufficient streamflow is available in the Guadalupe River. However, because Kerrville is located in the upper portion of the Guadalupe River Basin and droughts frequently occur in the Hill County, the City's surface water supplies are often unreliable. The addition of off-channel storage in the form of aquifer storage and recovery (ASR) has increased the reliability of the City's supplies by storing treated surface water during high flow periods for use during drought periods. As shown in Figure 6, surface water diversions from the Guadalupe River are made at the City's water treatment plant (WTP) and treated for distribution or injection into one of two ASR wells.

3.2.1. Surface Water Rights

Kerrville owns four surface water rights in the upper Guadalupe River Basin authorizing diversions at the Kerrville WTP Intake of up to a combined 6,051 acft/yr. Additionally, the City has full or partial ownership in three other water rights (CA 18-2002, Permit 5208, and Permit 3635); however, these water rights do not authorize diversions at the WTP intake location and the City does not currently have the infrastructure to treat and distribute diversions under these water rights to meet potable water demands. Table 5 lists the water rights owned by Kerrville with certificate of adjudication (CA) or permit numbers, priority dates, annual authorized diversions amounts, authorized storage amounts, and restrictions. Copies of the City's water right permits are included in the Appendix. All diversions authorized at the WTP intake can be used for either municipal purposes or injection into the City's ASR system. Permit 5394A, owned by the Upper Guadalupe River Authority (UGRA) and included in Table 5, authorizes an additional 2,000 acft/yr of water to be diverted from Nimitz Lake. UGRA has not historically utilized this water right and as a result, it may be available for use by Kerrville upon an agreement with UGRA. However, Kerrville has not historically had a need for the additional authorization as the City does not currently have the treatment capacity to utilize the additional diversions during wet periods and the junior priority of the UGRA water right relative to Canyon Reservoir would not increase the reliability of diversions during drought conditions.

In addition, Table 5 includes the Guadalupe-Blanco River Authority's (GBRA) water right (CA 18-2074) authorizing the impoundment and diversion of water from Canyon Reservoir. This GBRA water right plays a significant role in determining water available for diversion under Kerrville and UGRA water rights as its priority date is senior to all but Kerrville's CA 18-1996. As a result, all water rights junior in priority to CA 18-2074 cannot legally impound or divert run-of-river streamflow unless Canyon Reservoir is full and spilling. Only the diversion of water already stored is authorized by water rights junior to CA 18-2074 if Canyon Reservoir is not full and spilling.

Table 5. Summary of Kerrville/UGRA Water Rights Authorizing Diversions at Kerrville Water Treatment Plant Intake

Water Right	Owner	Priority Date	Authorized Diversion Amount at Kerrville WTP Intake (acft/yr)	Authorized Storage Amount (acft)	Restrictions
CA 18-1996	Kerrville	Apr-1914	225	75 (Louise Hays Park Lake)	-Does not authorize impoundment of water in Nimitz Lake. -Cannot divert when Nimitz Lake level is below 1,608 ft-msl. -Can only divert available run-of-river streamflow and not stored water in Nimitz Lake. -Max diversion rate of 2.2 cfs.
CA 18-2074	GBRA	Mar-1956	---	386,200 (Canyon Reservoir)	---
CA 18-2026	Kerrville	Aug-1961	54	---	-Can only divert available run-of-river streamflow and not stored water in Nimitz Lake. -Instream flow restrictions at Guadalupe River at Center Point (USGS Gage No. 8166250). -Max diversion rate of 1.2 cfs.
Permit 3505	Kerrville	May-1977	3,603	840 (Nimitz Lake)	-Cannot divert when Nimitz Lake level is below 1,608 ft-msl. -Max diversion rate of 9.7 cfs.
Permit 5394B	Kerrville	Jan-1992	2,169	---	-Cannot divert when Nimitz Lake level is below 1,608 ft-msl.
Permit 5394A	UGRA	Jan-1992	2,000	---	-Instream flow requirements vary between 30-50 cfs. -Max combined diversion rate with Permit 3505 of 15.5 cfs.
Total Authorization under Kerrville Water Rights			6,051	915	---

3.2.2. Surface Water Availability

The reliability of water rights held by Kerrville and UGRA is affected by senior upstream and downstream water right diversions. Using a subset of the Texas Commission on Environmental Quality (TCEQ) Guadalupe-San Antonio River Basin Water Availability Model (GSA WAM) and additional modeling tools to support daily time step calculations, the daily availability of supplies under Kerrville and UGRA water rights was calculated. The subset of the GSA WAM developed for this analysis is referenced herein as the Mini-WAM. The Mini-WAM includes only the upper Guadalupe River Basin with Canyon Reservoir as the downstream boundary.

The current GSA WAM contains hydrologic data including natural streamflow and net evaporation for the 1934-1989 historical period. Natural flow is defined as the flow that would have occurred without the effects of water management activities such as diversions, return flows, and impoundment of water in reservoirs. Available flow for diversion is calculated in the GSA WAM by reducing natural flow by water right impoundments and diversions as they occur in priority order.

The development of the Mini-WAM allows for the extension of monthly naturalized flows in the upper Guadalupe River Basin for the 1990-2017 period without having to extend naturalized flows throughout the entire Guadalupe-San Antonio River Basin. Table 6 provides a list the primary control points in the Mini-WAM and the corresponding sources of data used in the simplified extension of naturalized flow and other hydrologic data. One control point in the Mini-WAM (CP03-Guadalupe River at Canyon Reservoir) required additional computations to obtain sufficiently accurate naturalized streamflows. A regression equation based on correlation of gaged streamflows at Spring Branch and Canyon Reservoir inflows computed by mass balance was used to estimate natural streamflows at Canyon Reservoir.

Table 6. Simplified Extension of Naturalized Flow for Primary Control Points in the Mini-WAM

Primary Control Point	Description	Method Used to Extend Naturalized Flow
CP01	Guadalupe River at Comfort	USGS Gage 0816700 streamgage data at Comfort adjusted for upstream diversions and return flows
CP02	Guadalupe River near Spring Branch	USGS Gage 08167500 streamgage data at Spring Branch adjusted for diversions and return flows upstream of Comfort
CP03	Canyon Reservoir	Simplified linear regression with naturalized Canyon inflow and USGS Gage 08167500 data at Spring Branch

Initial water availability calculations were performed using the Mini-WAM on a monthly time-step to estimate regulated streamflow and water available for diversion under existing water rights on a priority basis subject to technical assumptions regarding natural, anthropogenic, and legal factors. General technical assumptions used for applications of the Mini-WAM summarized herein include:

- Strict enforcement of the prior appropriation doctrine and restrictions included in Kerrville’s certificates of adjudication and permits.
- Surface water rights modeled at full consumptive amounts per certificates of adjudication and permits.
- Lower basin water rights senior to Canyon Reservoir (CA 18-2047) and not included in Mini-WAM are assumed to only make a senior call for water during drought conditions when Canyon Reservoir is likely not full and spilling. As such, water would already not be available for diversion under Kerrville or UGRA water rights included in Table 5 with the exception of CA 18-1996, thus lower basin senior water right calls would not significantly affect water availability estimates.
- No treated effluent discharges (aka. return flows) are included in the Mini-WAM. This assumption is consistent with TCEQ permitting and TWDB planning procedures. As return flows upstream of the Kerrville diversion location are minimal, exclusion does not significantly affect water availability estimates.

Available streamflow remaining after authorized senior priority upstream and downstream diversions was extracted from the Mini-WAM simulation at the Kerrville WTP intake diversion location. Monthly available streamflow values extracted from the Mini-WAM were disaggregated to daily values using historical daily streamflow patterns. These daily available streamflow values were then used, along with applicable seasonal diversion patterns associated with types of use and considering treatment capacity, to determine the reliability of diversions under Kerrville and UGRA water rights on a daily basis considering instream flow restrictions and minimum required Nimitz Lake water surface elevation for diversion.

Table 7 summarizes the daily reliability of diversions for each of the Kerrville and UGRA water rights in the model simulation. The daily reliability is defined herein as the percentage of days in the simulation period the full desired daily diversion target was obtained. Permit 3505 has the highest reliability among the water rights even though it is not the most senior in priority. This is a result of the two more senior water rights only having authorization to divert run-of-river streamflow while Permit 3505 authorizes diversion of run-of-river streamflow and water impounded in Nimitz Lake. For most of the simulation, including severe drought periods, streamflow is available for diversion under Kerrville’s most senior water right CA 18-1996. However, during these drought periods, Nimitz Lake levels are below 1608 ft-msl and diversions authorized under CA 18-1996 are restricted under the assumption that permit restrictions are strictly enforced during the simulation.

Table 7. Daily Reliability of Kerrville and UGRA Water Rights

Water Right	Owner	Priority Date	Authorized Diversion Amount at Kerrville WTP Intake (acft/yr)	Daily Reliability of Diversions
CA 18-1996	Kerrville	Apr-1914	225	49%
CA 18-2026	Kerrville	Aug-1961	54	40%
Permit 3505	Kerrville	May-1977	3,603	50%
Permit 5394B	Kerrville	Jan-1992	2,169	37%

Figure 13 shows the annual summation of computed daily diversions for the model simulation period. Simulation results indicate the drought of record from a water availability perspective is the drought that occurred in the 1950s. No streamflows would have been available for diversion from September 1947 to January 1958, a period of 10 years and 5 months. For comparison purposes, no streamflows would have been available for diversion during the recent drought from August 2009 to April 2016, a period of 6 years and 9 months. During these drought periods, Canyon Reservoir is not full and Nimitz Lake levels are below 1608 ft-msl resulting in no streamflow availability for Kerrville.

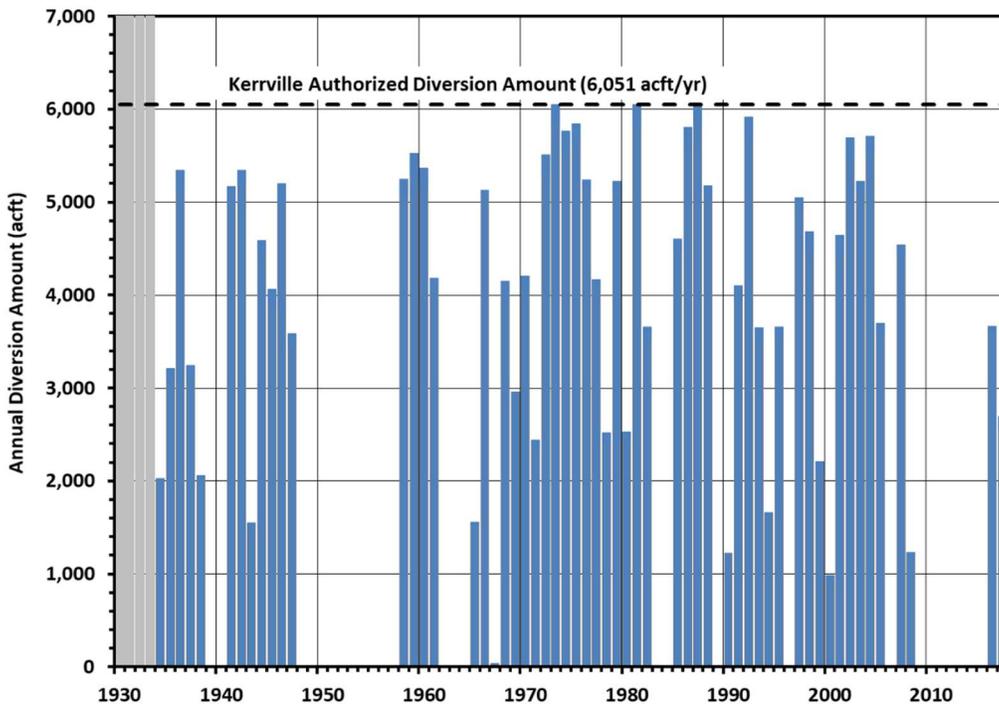


Figure 13. Simulated Annual Diversion Amounts under Kerrville Water Rights

Figure 14 shows the frequency of the annual diversion amounts presented in Figure 13. The median annual diversion amount is almost 3,000 acft/yr and, in over 30 percent of the years of the simulation, no water is available for diversion.

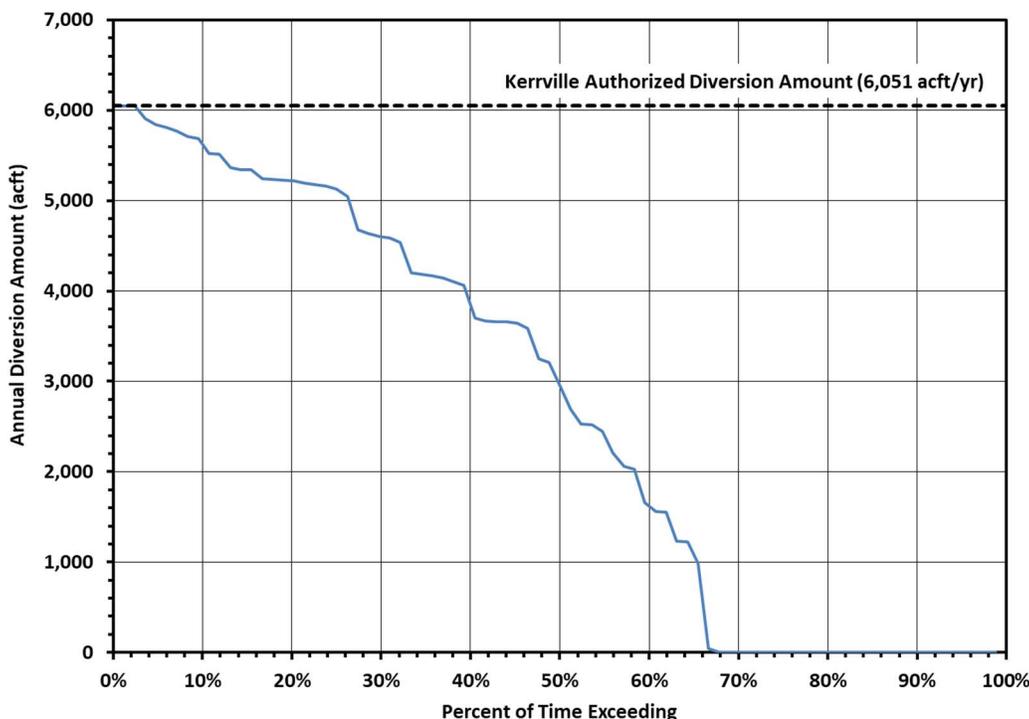


Figure 14. Frequency of Simulated Annual Diversion Amounts under Kerrville Water Rights

3.2.3. Aquifer Storage and Recovery (ASR)

Kerrville operates two ASR wells to store excess available surface water in the Hosston formation of the Lower Trinity aquifer for recovery and use during drought conditions and to meet higher seasonal demands during the summer. As shown in Figure 6, ASR-1 is located next to the WTP and excess treated water is sent directly to the well for injection. ASR-2 is located in the central part of the city and excess treated water in the distribution system is used for injection. Once injected, the water becomes comingled with native Trinity groundwater. Kerrville’s ASR permit allows for 100 percent recovery of the volume of injected water and does not discount the recovery amount for any losses associated with drift that may occur.

Figure 15 illustrates historical ASR operations (injection and recovery) since 2001 and the resulting cumulative storage in the ASR system. Injection is common during the non-summer months and may occur throughout the entire year during extended wet periods such as those experienced in 2010 and 2017. During a severe drought, such as most of 2008, 2009, and 2011, no injection operations occurred. Conversely, recovery operations occurred during each of these years and were greatest during 2009, 2011, and 2014. From January 2001 through July 2018, the City has increased the amount of water stored in ASR from about 113 million gallons (347 acft) to 944 million gallons (2,897

acft). As shown in Figure 15, most of the storage was accumulated from 2001 through 2007 and after 2015. From 2008 through 2015, the injection and recovery was nearly balanced as drought conditions affected the Kerrville area.

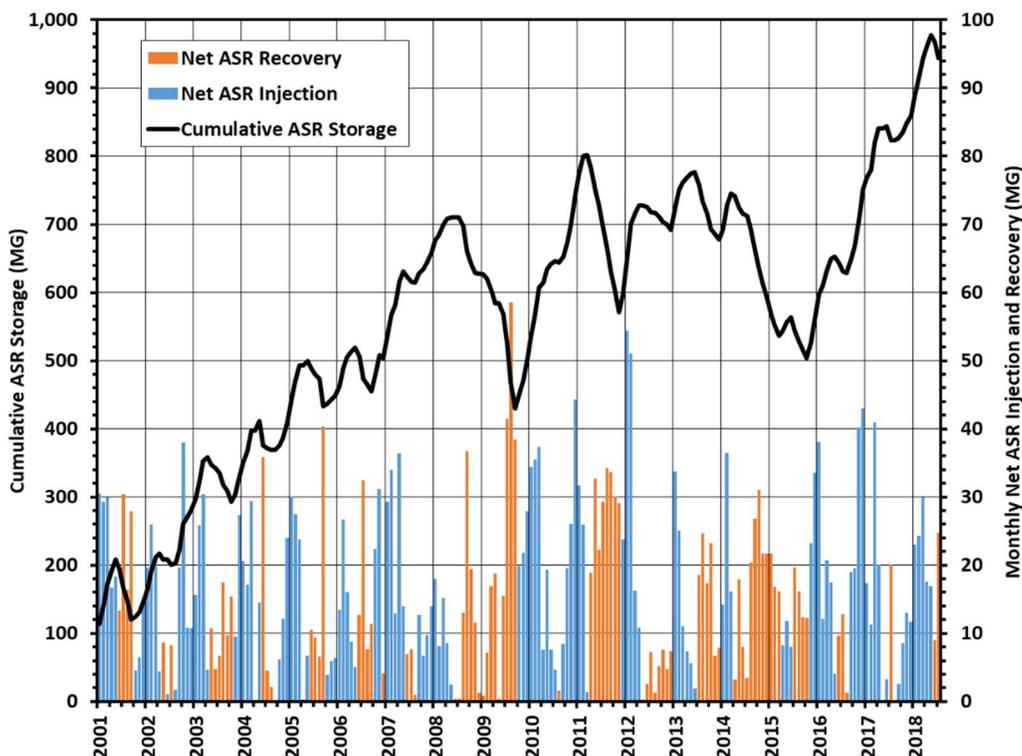


Figure 15. Historical ASR Operations and Cumulative Storage

As shown in Figure 11, City demands on native groundwater from the Trinity Aquifer have been at relatively high levels since 2006 compared to the 2001-2005 period. For the 17-year period, native groundwater provided a little more than two times the amount of water recovered from ASR. One factor in the balancing of the ASR facilities and the native Trinity water wells is in 2017 there were two ASR wells and seven major Trinity wells. Thus, during high summer demands, the portion of the water coming from ASR is restricted by the number of ASR wells.

The response of groundwater levels to injection and recovery operations in the Trinity Aquifer is the primary indicator of the ability to reliably recover injected water. This response is presented in Figure 16 for 2001 for ASR-1 and the R-1 monitor well located next to ASR-1. During this year, injection generally occurred from January through May and from early October to the end of the year, and recovery extended from early June through early October. In June, as the operations shifted from injection to recovery, the water levels in R-1 declined from about 1,500 ft-msl to about 1,250 ft-msl where it stabilized throughout the recovery period. Later, when the operations shifted from recovery to injection, the groundwater levels quickly recovered to 1,500 ft-msl. This groundwater level response is also clearly evidenced by an approximate 250 ft change in mid-November when the injection cycle was interrupted with a short period of recovery.

This groundwater level response to ASR operations is consistent throughout the 2001-2017 period and suggests that essentially all of the cumulative storage in the ASR can be reliably recovered.

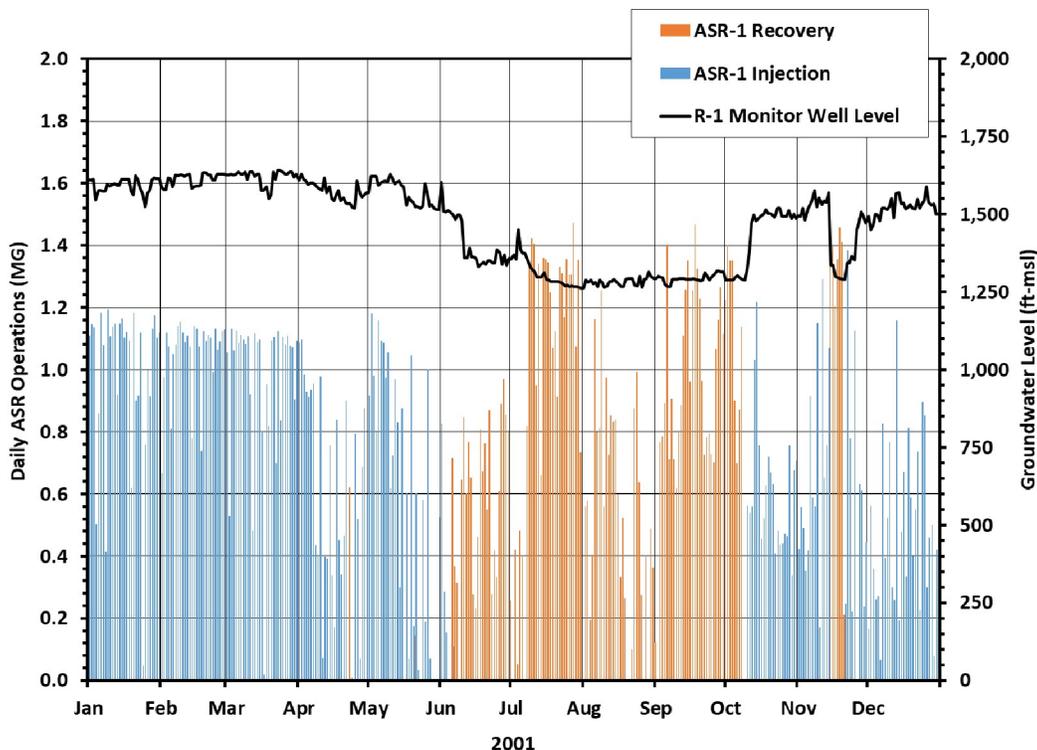


Figure 16. 2001 Daily ASR Operations and Resulting Groundwater Levels

3.2.4. Surface Water and ASR Firm Yield

As described in the surface water availability section (3.2.2), during the critical drought of record, no streamflows were available for diversion for 10 years and 5 months. Therefore, during a repeat of the critical drought of record, all reliable surface water supplies must come from the recovery of stored water in the ASR system. As a result, the surface water firm yield is determined by the current ASR storage amount. Figure 17 shows the relationship between firm yield and ASR storage assuming a drought duration of 10 years and 5 months (10.4 years). This relationship is illustrated in the figure by the red line. The firm yield will increase with storage up to the maximum ASR recovery rate of 2,661 acft/yr (2.376 MGD) as determined by historical recovery operations. For example, if ASR storage increased to 10,000 acft, the City could recover the storage uniformly at a rate of 962 acft/yr over 10.4 years without completely depleting the storage (10,000 acft / 10.4 years = 962 acft/yr). As of January 2019, the City’s ASR storage has accumulated to 2,996 acft resulting in a firm yield of 288 acft/yr (2,996 acft / 10.4 years = 288 acft/yr).

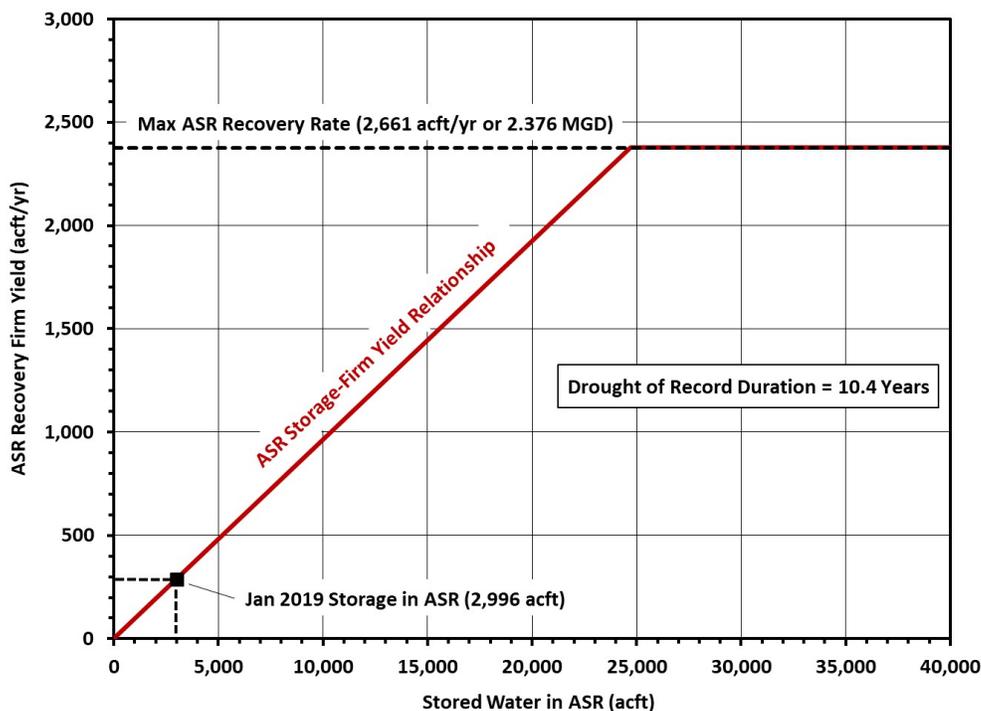


Figure 17. ASR Storage and Firm Yield Relationship assuming 10.4 Year Pumping Scenario throughout Drought of Record

3.3. Reuse

The City currently provides non-potable reuse water (i.e. treated wastewater) to the City Golf Course, Kerrville Sports Complex, Kerrville Soccer Fields, Schreiner University, Tivy High School, Comanche Trace Golf Course, and River Hills Golf Course. Additionally, the City has reserved approximately 0.5 MGD of treated effluent above its current reuse contract obligations for future potable or non-potable reuse.

Average treated effluent is about 2.3 MGD⁵; however, City staff advised that treated effluent decreased to about 1.5 MGD (1,680 acft/yr) during recent drought conditions when water use was reduced. This treated effluent amount is considered to be the current treated effluent amount during drought conditions and is assumed to increase proportionally with projected increases in residential, commercial, and municipal water use.

In an effort to further reduce potable water demand and dependency on groundwater and surface water supplies, the City has recently expanded its non-potable reuse delivery capacity by constructing a 95 million gallon (292 acft) off-channel storage pond adjacent to the wastewater treatment plant as shown in Figure 6. The pond provides the operational flexibility to meet peak reuse demands during the summer for irrigation, thus reducing demand on potable water supplies.

⁵ 2012 Kerrville Wastewater Master Plan

The City does not currently have the infrastructure to treat and distribute treated wastewater effluent to potable water customers; therefore, the firm non-potable reuse supply is limited by the non-potable reuse customer demands. Table 8 and Figure 18 summarize and illustrate the projected treated wastewater effluent, non-potable reuse demands, non-potable firm supply, and the additional firm reuse supply potentially available.

Table 8. Projected Firm Non-Potable Reuse Supply

Year	Projected Treated Effluent during Drought Conditions (acft/yr)	Projected Non-Potable Reuse Demands (acft/yr)	Firm Non-Potable Reuse Supply (acft/yr)	Potential Additional Firm Reuse Supply (acft/yr)
2020	1,680	776	776	904
2030	1,888	857	857	823
2040	2,122	947	947	733
2050	2,388	1,046	1,046	634
2060	2,687	1,065	1,065	615
2070	3,027	1,065	1,065	615
2080	3,411	1,065	1,065	615
2090	3,846	1,065	1,065	615
2100	4,339	1,065	1,065	615
2110	4,898	1,065	1,065	615
2120	5,533	1,065	1,065	615

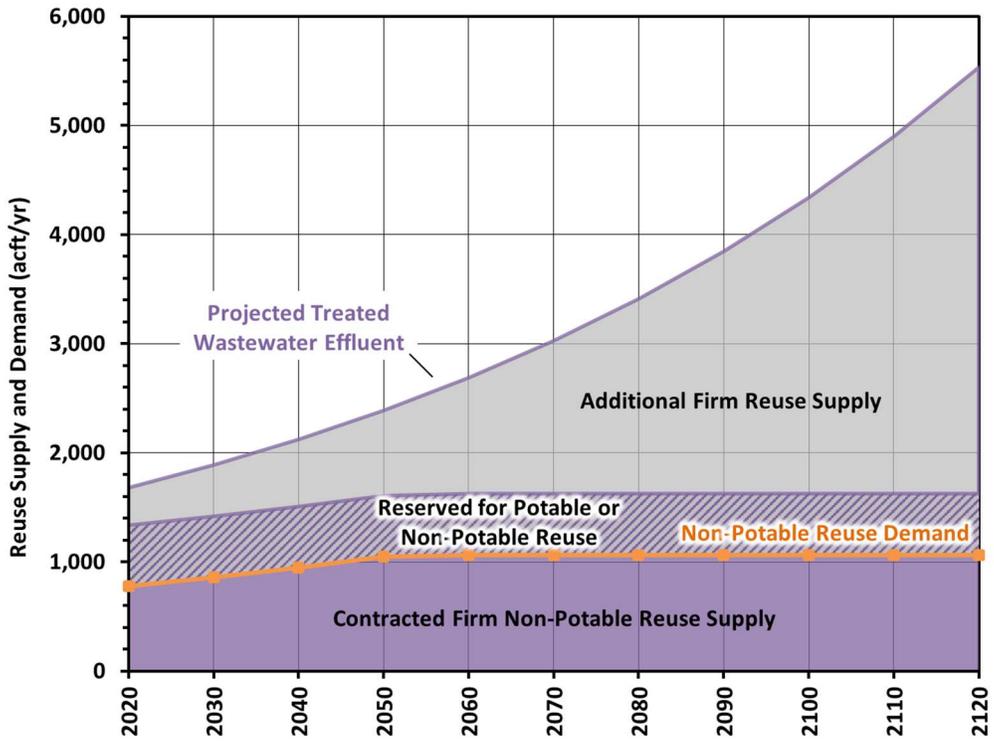


Figure 18. Projected Firm Non-Potable Reuse Supply

4. Water Supply Needs

Future water supply need is the difference between future demand and existing supply. When future demand is greater than the existing supply, the difference is commonly called a deficit, shortage, or need. When supply is greater than demand, the difference is commonly referred to as a buffer, surplus, or management supply. Water supply needs presented in this plan are based on a repeat of the historical drought of record and strict enforcement of the prior appropriation doctrine and permit restrictions. It is understood that during severe drought conditions the City has some flexibility to operate its diverse system to mitigate some of the impacts of a drought, such as reducing demand through water use restrictions to extend supplies for a longer period than presented in this worst case scenario. However, for planning purposes it is recommended that decisions regarding investment in the development of new supplies be made assuming conservative assumptions to mitigate risks associated with supply shortages.

Table 9 summarizes Kerrville's projected demands, firm supplies, and anticipated deficits for the next 100 years and Figure 19 and Figure 20 compare the firm supplies and projected demands for the 2020-2050 and 2020-2120 periods, respectively. As shown in Table 9, Kerrville's current firm supplies are less than the current and future demands, indicating that a deficit exists and will continue to increase as demands increase from projected population growth and economic development. Kerrville will need to develop new supplies in order to reduce these deficits and the associated risks of not meeting customer demands during future droughts.

Table 9. Summary of Demands, Firm Supplies and Needs for Kerrville

Year	Firm Supply (acft/yr)				Projected Demands (acft/yr)	Supply Buffer/Deficit (acft/yr)
	Groundwater	Surface Water and ASR	Non-Potable Reuse	Total		
2020	3,605	288	776	4,669	4,702	(33)
2030	3,605	288	857	4,750	5,280	(530)
2040	3,605	288	947	4,840	5,933	(1,093)
2050	3,605	288	1,046	4,939	6,669	(1,730)
2060	3,605	288	1,065	4,958	7,402	(2,444)
2070	3,605	288	1,065	4,958	8,209	(3,251)
2080	3,605	288	1,065	4,958	9,126	(4,168)
2090	3,605	288	1,065	4,958	10,168	(5,210)
2100	3,605	288	1,065	4,958	11,352	(6,394)
2110	3,605	288	1,065	4,958	12,700	(7,742)
2120	3,605	288	1,065	4,958	14,235	(9,277)

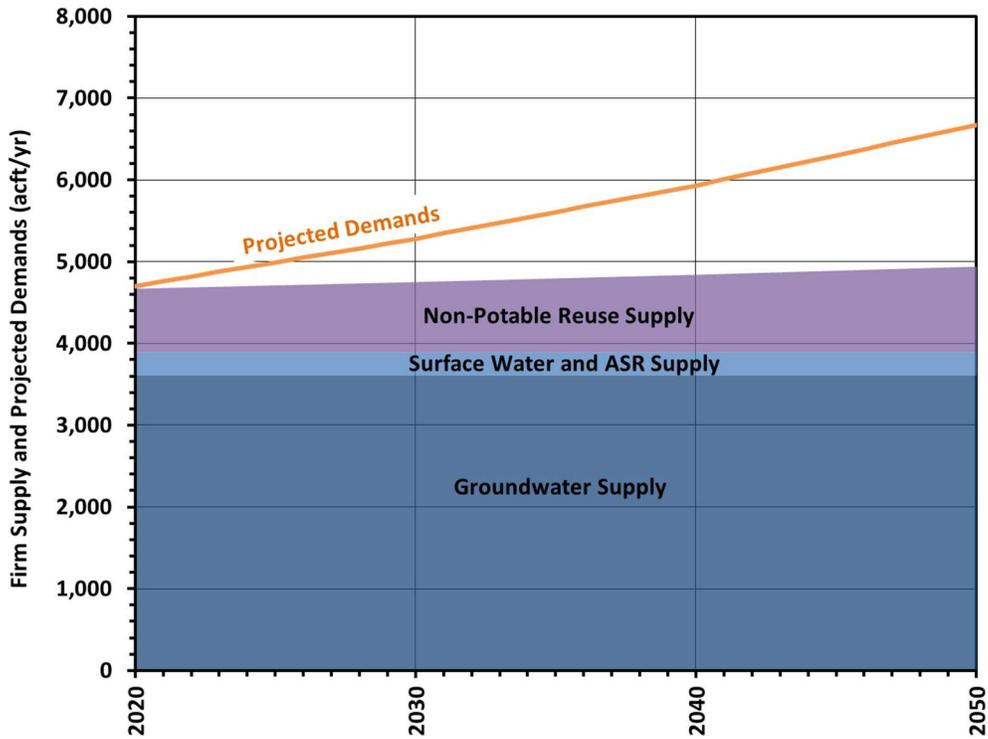


Figure 19. Comparison of Firm Supplies and Projected Demands for 2020-2050 Period

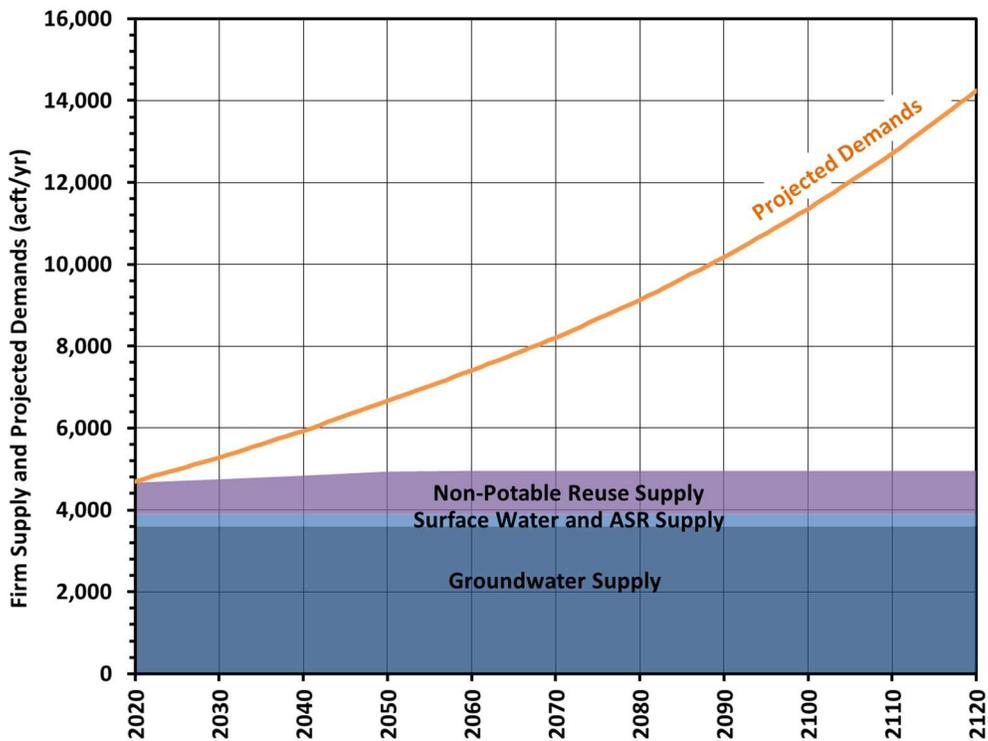


Figure 20. Comparison of Firm Supplies and Projected Demands for 2020-2120 Period

5. Water Supply Plan

Key goals of the LRWSP are identifying, evaluating, and selecting water supply strategies that could be implemented by Kerrville to meet future water supply needs. As shown in Table 9, Kerrville needs 1,730 acft/yr of additional supply by 2050 and 9,277 acft/yr by 2120 to overcome the projected supply deficits from population and economic growth. Twelve strategies were identified and evaluated to potentially meet these needs. These strategies are evaluated with respect to project cost, unit cost, supply quantity, permitting challenges, and implementation challenges. Summaries of the strategy evaluations are presented in Section 6. The goal of the process was to select strategies that provide the greatest benefits to Kerrville while minimizing costs and permitting and implementation obstacles.

The strategies selected as a result of this process are referred to as recommended strategies and are the strategies that Kerrville intends to implement to meet its needs. The alternative strategies are identified to replace the recommended strategies in the event one or more of the recommended strategies becomes infeasible.

5.1. Recommended Strategies

Recommended strategies are strategies that Kerrville will actively pursue and implement to meet the projected needs. The recommended water supply strategies are listed in Table 10 along with their reliable supply, total project cost, and unit cost in 2018 dollars. These strategies include additional conservation to reduce demands, amendments to water rights currently owned by Kerrville, acquisition of new water rights to improve the reliability of surface water supplies, and development of a local Ellenburger Aquifer well and remote Ellenburger Aquifer well field in northeastern Kerr County.

Table 10. Recommended Strategies

Recommended Strategies	Reliable Supply (acft/yr)	Total Project Cost (\$)	Unit Cost (\$/acft)
Additional Conservation	270	\$2,180,000	\$439
Local Ellenburger Well	807	\$928,000	\$130
Remote Ellenburger Well Field ^a	1,730	\$12,710,000	\$703
Water Right Acquisitions ^b	146	---	---
Water Right Amendments	269	\$400,000	\$41

^a Remote Ellenburger well field is sized to provide a supply of 1,730 acft/yr to meet the projected 2050 need.

^b Water right acquisitions costs would be determined on a case by case basis through negotiations between the City and water right holders.

The combined supply from these strategies is sufficient to meet Kerrville’s projected need of 1,730 acft/yr in 2050. Should projected growth rates continue to 2120, the need for additional water supplies would require Kerrville to expand the remote Ellenburger well field, develop the alternative strategies, and/or import water supplies from other sources outside of Kerr County.

5.2. Alternative Strategies

The LRWSP includes two alternative strategies. Alternative strategies are strategies that could be developed in the event one or more of the recommended strategies encounters an implementation obstacle that cannot be overcome. It is recommended that Kerrville continue to evaluate these strategies, along with the implementation of the recommended strategies, to be in a position to move an alternative strategy to a recommended strategy if the need arises.

The two alternative strategies are ASR expansion with additional treatment capacity and advanced treatment of treated wastewater effluent to create a potable reuse supply. If the local Ellenburger well does not produce an adequate yield, conversion of the production well to an ASR well and addition of surface water treatment capacity to supply the ASR well during high flow, low demand periods is recommended. If the City is unable to acquire groundwater leases and develop the remote Ellenburger well field, development of the potable reuse supply is recommended. Table 11 provides the projected supply in 2050, total project cost, and unit cost for the two alternative strategies.

Table 11. Alternative Strategies

Alternative Strategy	2050 Supply (acft/yr)	Total Project Cost (Million Dollars)	Unit Cost (\$/acft)
ASR Expansion with Additional Treatment Capacity	284	\$10,197,000	\$4,327
Potable Reuse	560	\$7,349,000	\$1,777

5.3. Implementation Timeline

Table 12 shows the recommended year of implementation for each strategy. Note that strategies are not selected to just meet the needs of Kerrville, thereby zeroing out the deficit. The goal is to provide a supply buffer as shown in the table to help ensure that supplies are sufficient if a project is delayed or a new drought of record occurs. If the local Ellenburger well does not produce the anticipated supply, implementation of the remote Ellenburger well field will need to be moved up to 2030 to avoid projected supply shortages. This information is presented graphically in Figure 21 and Figure 22.

Table 12. Implementation Schedule

Recommended Strategies	Implementation Year
Additional Conservation	Ongoing
Additional Kerr County Groundwater (Local Ellenburger Well)	2020
Water Right Amendments	2023
Water Right Acquisitions	2030
Additional Kerr County Groundwater (Remote Ellenburger Well Field)	2045 ^a

^a Implementation year for Remote Ellenburger well field would need to be moved up to 2030 if local Ellenburger well does not produce anticipated yield.

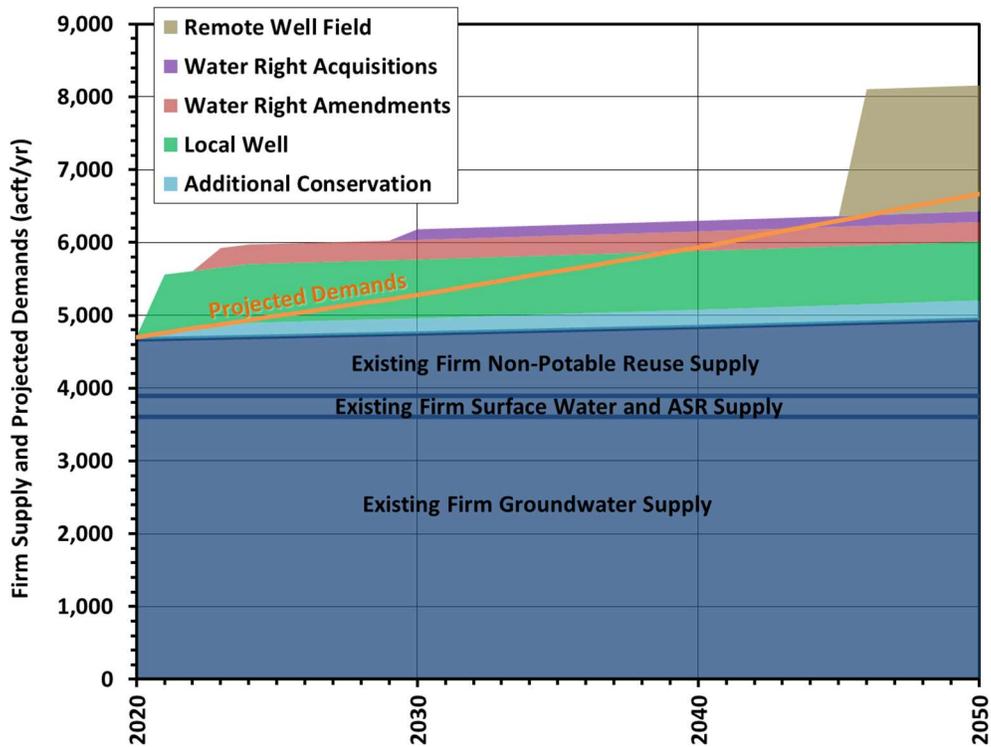


Figure 21. Recommended Strategy Timeline

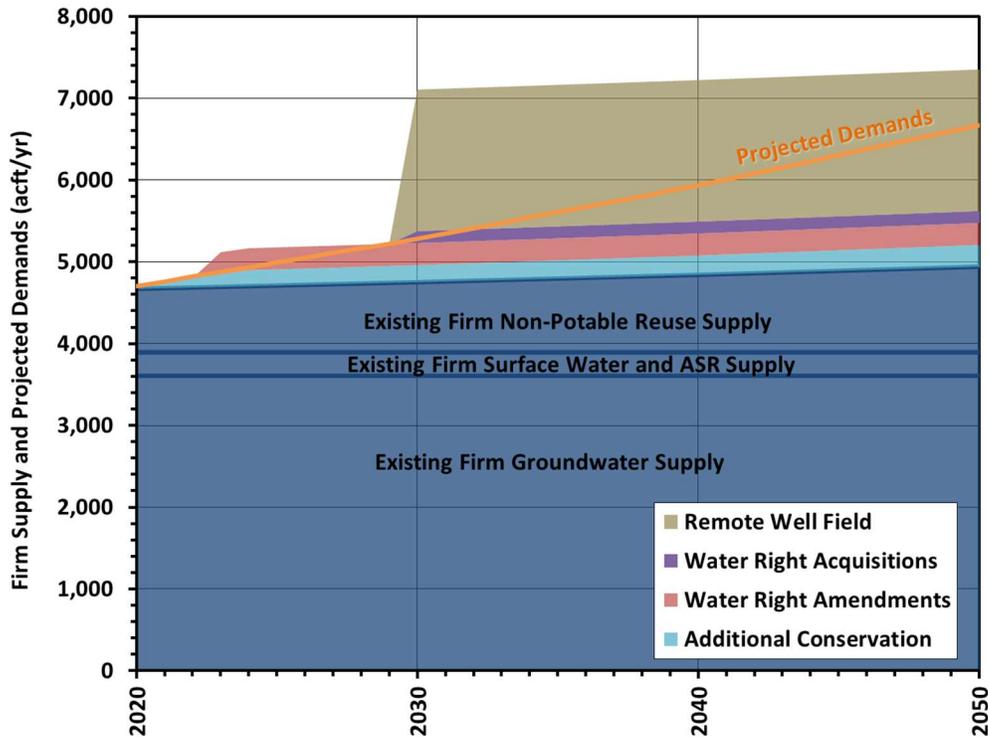


Figure 22. Recommended Timeline Assuming Local Ellenburger Well does not Produce Anticipated Yield

5.4. Next Steps

There are many potential obstacles that can be encountered along the path of project development and implementation. The regulatory and permitting environment today is the most challenging in history and project implementation requires steadfast dedication and solid planning to overcome these challenges. For the LRWSP, a list of implementation steps have been identified for each recommended strategy to help Kerrville move forward with securing these supplies.

Additional Conservation Implementation Steps

- Continue implementing water conservation strategies included in the 2014 Kerrville Water Conservation Plan.
- Update the water conservation plan in 2023 to identify, fund, and implement appropriate new strategies to enhance water savings and achieve new conservation goals.

Additional Kerr County Groundwater (Local Ellenburger well)

- Select final location for Ellenburger well site within Kerrville service area.
- Complete Ellenburger well and connect to potable water supply system.

Additional Kerr County Groundwater (Remote Ellenburger well field)

- Complete feasibility study to identify potential well field sites and refine Ellenburger well yield estimates.

Water Rights Acquisitions

- Contact potential water right holders to determine potential for acquisition of water rights.

Water Rights Amendments

- Conduct pre-application meetings with TCEQ to discuss water right amendments.
- Submit water right amendment applications to TCEQ.

6. Water Supply Strategies

Strategy Selection Process

Twelve water supply strategies were selected for evaluation based on input from local stakeholders including the Kerr County Commissioners Court, UGRA, HGCD, and City staff. The twelve strategies selected for evaluation in the LRWSP are listed in Table 13.

Table 13. Strategies Selected for Evaluation

Additional Conservation	Imported Groundwater (from outside Kerr County)
Additional Groundwater within Kerr County	GBRA Upstream Contract
Water Right Acquisitions	Brackish Groundwater
Water Right Amendments	Connection to Regional Wholesale Water Provider
ASR Expansion	Off-Channel Storage
Potable Reuse	Repurposing of Gravel Pits

Strategy Cost Estimates

The twelve water management strategies are evaluated on a consistent cost basis and subject to similar technical assumptions. Unless otherwise noted, capital and annual operations & maintenance cost estimates were prepared using the Unified Costing Model (UCM) developed by HDR Engineering, Inc. for the Texas Water Development Board (TWDB) to promote consistency in the 2021 regional water planning process. Current cost estimates are based on September 2018 price indices. Table 14 summarizes other specific assumptions adopted for parameters used in the UCM.

Table 14. General Unified Cost Model (UCM) Assumptions

Parameter	Assumed Value
Interest During Construction	3.00%
Rate of Return on Investments During Construction	0.50%
Engineering, Legal, & Contingencies (Pipelines)	30% of Capital Costs
Engineering, Legal, & Contingencies (All Other Facilities)	35% of Capital Costs
Debt Service Period	30 years
Annual Interest Rate	3.50%
Operations & Maintenance (Pipelines)	1.00% of Capital Costs
Operations & Maintenance (Pump Stations)	2.50% of Capital Costs
Power Costs	\$0.08/kilowatt-hour
Right of Way Land Acquisition Width	50 ft
Hazen Williams C factor	120

Table 15 summarizes the reliable supply and estimated costs for the selected strategies. Estimated costs are provided in terms of total project cost, annual cost, and unit cost. These cost terms are defined as follows.

- **Total Project Cost** - The costs for all project components including materials, labor, equipment, engineering, legal, land acquisition and surveying, permitting, contingencies, and interest during construction. In other words, the total cost to construct the project.
- **Annual Cost** – The cost to deliver supplies on an annual basis including debt service payments for construction costs, operation and maintenance, energy costs, and payments for leases or water contracts.
- **Unit Cost** - The cost per acre-foot to deliver supplies determined by dividing the total annual cost during the debt service period by the annual reliable supply volume.

Table 15. Summary of Cost Estimates for Selected Strategies

Strategy	Reliable Supply (acft/yr)	Total Project Cost	Annual Cost	Unit Cost (\$/acft/yr)
Additional Conservation	270	\$2,180,000	\$118,530	\$439
Additional Kerr County Groundwater (Local Ellenburger Well)	807	\$1,128,000	\$118,000	\$146
Additional Kerr County Groundwater (Remote Ellenburger Well Field) ^b	1,730	\$12,995,000	\$1,234,000	\$713
Water Right Acquisition ^a	146	---	---	---
Water Right Amendments	269	\$400,000	\$22,000	\$82
ASR Expansion	284	\$10,197,000	\$1,229,000	\$4,327
Potable Reuse	560	\$7,349,000	\$995,000	\$1,777
Imported Groundwater ^b	1,730	\$17,147,000	\$1,484,000	\$858
GBRA Upstream Contract	0	\$400,000	\$96,000	---
Brackish Groundwater ^b	1,730	\$26,839,000	\$3,429,000	\$1,982
Regional WWP Connection ^b	1,730	\$79,885,000	\$6,296,000	\$3,639
Off-Channel Storage	350	\$51,281,000	\$3,604,000	\$10,297
Repurposing of Gravel Pits	Fatal Flaw			

^a Costs for water right acquisitions would be determined on a case by case basis through negotiations between the City and water right holders.

^b Strategy infrastructure is sized to meet 2050 projected need of 1,730 acft/yr.

Strategy Evaluations

A fatal flaw analysis was performed to eliminate strategies that are not considered feasible, practicable, or capable of providing a reliable supply. Only one of the twelve strategies evaluated, the repurposing of gravel pits, was eliminated from consideration due to the inability of the strategy to provide a reliable supply.

The remaining eleven strategies were evaluated based on the criteria presented in Table 16. Supply is assumed to be the 100 percent reliable annual supply available to Kerrville in 2050. For surface water strategies, firm yield or rather the amount of water that can be supplied on an annual basis without shortage throughout a repeat of the worst drought on record is assumed to be the reliable supply in 2050. For groundwater and regional strategies, facilities are sized to meet the 2050 projected need of 1,730 acft/yr.

Table 16. Summary of Evaluation Criteria

Category	Description	Criteria
Reliable Supply	The reliable annual supply or firm yield available to Kerrville from the project.	Low: No Firm Yield Medium: Less than 1,000 acft/yr High: Greater than 1,000 acft/yr
Total Project Cost	The costs for all project components including construction, contingencies, and ancillary costs.	Low: \$0 - \$5 Million Medium: \$5 - \$25 Million High: Greater than \$25 Million
Unit Cost	The cost per acre-foot of supply determined by dividing the total annual cost during the debt service period by the annual supply volume.	Low: \$0 - \$1000/acft/yr Medium: \$1000 - \$2000/acft/yr High: Greater than \$2000/acft/yr
Permitting Effort	The level of effort required to obtain the necessary permits for the project including environmental permits, water rights, and/or water supply contracts from a wholesale water provider.	Ranking based on engineering judgment
Implementation Effort	The level of effort required for implementing the project including integration into the existing water system, political support, and public support.	Ranking based on engineering judgment

Table 17 summarizes the results for each of the five evaluation criteria for each of the twelve strategies selected for evaluation. Results in the table are highlighted green, yellow, or red to signify low, medium, or high level of cost, permitting effort, or implementation effort, respectively. Reliable supply values in Table 16 are highlighted green, yellow, or red to signify high, medium, or low quantity, respectively. The strategies are ranked based on a composite score. The table also summarizes the composite scores for the strategies. Composite scores are based on the following values: green (1), yellow (2), and red (3) with lower composite scores preferred over higher composite scores. The recommended strategies have the lowest composite scores ranging from 7 to 8 with the alternative and other strategies having composite scores ranging from 9 to 14.

Table 17. Summary of Water Supply Strategy Evaluations

Strategy	Reliable Supply (acft/yr)	Project Cost	Unit Cost (\$/acft/yr)	Permitting Effort	Implementation Effort	Composite Score
Recommended Strategies						
Additional Conservation	270	\$ 2,180,000	\$ 439	Low	Medium	7
Additional Kerr County Groundwater (Local Ellenburger Well)	807	\$ 1,128,000	\$ 146	Low	Medium	7
Additional Kerr County Groundwater (Remote Ellenburger Well Field) ^b	1,730	\$ 12,995,000	\$ 713	Medium	Medium	8
Water Right Acquisition ^a	146	---	---	Medium	Medium	8
Water Right Amendments	269	\$ 400,000	\$ 82	Medium	High	9
Alternative Strategies						
ASR Expansion	284	\$ 10,197,000	\$ 4,327	Low	Low	9
Potable Reuse	560	\$ 7,349,000	\$ 1,777	Medium	High	11
Other Evaluated Strategies						
Imported Groundwater ^b	1,730	\$ 17,147,000	\$ 858	High	High	10
GBRA Upstream Contract	0	\$ 400,000	---	High	Medium	12
Brackish Groundwater ^b	1,730	\$ 26,839,000	\$ 1,982	High	High	12
Regional WWP Connection ^b	1,730	\$ 79,885,000	3,639	High	High	13
Off-Channel Storage	350	\$ 51,281,000	\$ 10,297	High	High	14
Repurposing of Gravel Pits	Fatal Flaw					---
^a Costs for water right acquisitions would be determined on a case by case basis through negotiations between the City and water right holders.						
^b Strategy infrastructure is sized to meet 2050 projected need of 1,730 acft/yr.						



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Appendix A – Groundwater Permit

HGCD Conjunctive Use Production Permit

125 Lehmann Dr. Ste. 202

Kerrville, Texas, 78028

Phone: 830/896/4110

Permit No:	P0020	Date Issued:	Sep-18	Expiration Date:	Sep-23
Owner/System Name:		City of Kerrville			
Mailing Address:			701 Main Street, Kerrville, TX, 78028		
			Aquifer: Middle & Lower Trinity		
Situs Address:		Various sites (see file), Kerrville			
Usage:	PWS	TCEQ:	1330001 & 1330021	CCN:	12928
				Acreage:	14,685.00
Well Number(s)	GPS: Latitude		GPS: Longitude		Ref. Number(s)
02-536 (Golf Course)	30 deg. 03 min. 27.00 sec.		99 deg. 07 min. 14.00 sec.		42912
02-537 (Alpine Dr)	30 deg. 03 min. 59.90 sec.		99 deg. 06 min. 50.40 sec.		30351
02-538 (H Street)	30 deg. 02 min. 05.80 sec.		99 deg. 08 min. 10.90 sec.		N/A
02-539 (Harper Rd)	30 deg. 04 min. 25.80 sec.		99 deg. 09 min. 00.50 sec.		62488
02-540 (Hayes Park)	30 deg. 02 min. 39.20 sec.		99 deg. 08 min. 38.40 sec.		65921
02-541 (Meadowview)	30 deg. 01 min. 26.70 sec.		99 deg. 07 min. 30.50 sec.		31986
02-542 (Lois Street)	30 deg. 03 min. 58.80 sec.		99 deg. 10 min. 10.10 sec.		16276
02-543 (Travis Street)	30 deg. 02 min. 36.30 sec.		99 deg. 07 min. 28.90 sec.		38773
1992 (Methodist)	30 deg. 04 min. 28.60 sec.		99 deg. 09 min. 35.60 sec.		70457
1512 (Schreiner Park)	30 deg. 00 min. 05.30 sec.		99 deg. 07 min. 53.10 sec.		69159
ASR R-1	30 deg. 03 min. 07.10 sec.		99 deg. 09 min. 58.10 sec.		17636
ASR R-2	30 deg. 03 min. 16.90 sec.		99 deg. 08 min. 28.50 sec.		14696

Conditions (listed below):
 See attached Special Provisions document dated June 2018. Well & Acreage for Kerrville Schreiner Park (P0148) were combined with the Permit for City of Kerrville (P0020) in September 2018. The individual Permit for Kerrville Schreiner Park (P0148) & the Permit Renewal, dated June 2018, for City of Kerrville (P0020) are now suspended.

Total Production Allowed for this Permit: 1,174,800,000 gallons per year

Permit Acknowledgment:

1. This permit is granted in accordance with the provisions of the District Act, Water Code, and the rules and orders of the District, and acceptance of this permit constitutes an acknowledgment and agreement that the permittee will comply with the Texas Water Code, the District Act, the District rules, orders of the Board, and all the terms, provisions, conditions, requirements and restrictions embodied in this permit.
2. This permit confers no vested rights in the holder, and it may be revoked or suspended, or its terms may be modified or amended pursuant to provisions of the District Act.
3. The operation of the well for the authorized withdrawal must be conducted in a non-wasteful manner. In the event that groundwater is to be transported a distance greater than one-half (1/2) mile from the well, it must be transported by a pipeline to prevent waste caused by evaporation and percolation.
4. The permittee must keep records of the amount of groundwater produced and the purpose of the production and such records shall be available for inspection by District representatives. Immediate written notice must be given to the District in the event production exceeds the quantity authorized by this permit, or the well is either polluted or causing pollution of the aquifer.
5. The site must be accessible to the District representative for inspection, and the permittee agrees to cooperate fully in any reasonable inspection of the well and well site by District representatives.
6. The application pursuant to which this permit has been issued is incorporated in this permit, and this permit is granted on the basis of and contingent upon the accuracy of the information supplied in that application and in any amendments to the application. A finding that false information has been supplied is grounds for immediate revocation of the permit. In the event of conflict between the provisions of this permit and contents of the application, the provisions of this permit shall control.
7. A violation of this permit's terms, conditions, requirements, or special provisions, is punishable by civil penalties as provided by the District Rules.
8. Wherever special provisions are inconsistent with other provisions or District rules, the special provisions prevail.
9. Permittee understands that this permit is granted for a period up to five (5) years and is subject to renewal at the end of the time specified on the permit. Application for renewal will be subject to Pumping Limits applicable at that time.
10. Permittee understands this Permit is valid until modification of any information submitted for this Application and Permit, or expiration of this Permit.

SWORN AND SUBSCRIBED Before me this

STUART BARRON
 Owner/Agent Print Name

Stuart Barron
 Owner/Agent Signature

6th day of September, 2018

Gene Williams
 Notary Public



COPY

HEADWATERS GROUNDWATER CONSERVATION DISTRICT
125 LEHMANN DR STE 202, KERRVILLE, TEXAS 78028

AFFIDAVIT FOR PERMIT ACREAGE
Permitted Well

PERMIT NO. P0020

THE COUNTY OF KERR §
STATE OF TEXAS §

Before me, the undersigned authority, on this day personally appeared

Stuart Barron, Director Public Work for:

P0020-City of Kerrville

KCAD Property ID No. Boundaries of Kerrville City Limits + additional connected service areas + Kerrville Schreiner Park, per the City of Kerrville Director of Public Works as of August 28, 2018

Total Acreage: 14,685

The undersigned after being by me duly sworn, upon oath states the total acreage estimate of the property described above is accurate to the best of their knowledge and available information. The undersigned further agrees to submit all updated corrections to the submitted acreage information as it becomes available.

The undersigned further states their understanding that acreage is considered when assigning the total production allowed for this permit. Changes in acreage must be reported to the District and may affect the total production allowed.

Stuart Barron
Printed name of Owner/Designated Agent


Signature of Owner/Designated Agent

Sworn to and subscribed before me on this 6th day of September, 2018

By 
Signature of Notary



 **COPY**



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Appendix B – Surface Water Certificates of Adjudication and Permits

7-19-81

CERTIFICATE OF ADJUDICATION

CERTIFICATE OF ADJUDICATION: 18-1996

OWNER: City of Kerrville
600 Main Street
Kerrville, TX 78028

COUNTY: Kerr

PRIORITY DATE: April 4, 1914

WATERCOURSE: Guadalupe River

BASIN: Guadalupe River

WHEREAS, by final decree of the 37th Judicial District Court of Bexar County, in Cause No. 77-CI-13052, In Re: The Adjudication of Water Rights in the Upper Guadalupe River Segment of the Guadalupe River Basin, dated November 12, 1979, a right was recognized under Certified Filing 62A authorizing City of Kerrville to appropriate waters of the State of Texas as set forth below;

NOW, THEREFORE, this certificate of adjudication to appropriate waters of the State of Texas in the Guadalupe River Basin is issued to City of Kerrville, subject to the following terms and conditions:

1. INPOUNDMENT

Owner is authorized to maintain a dam and reservoir on the Guadalupe River and impound therein not to exceed 75 acre-feet of water. Point on the dam at the center of the stream is S 53°50'E, 350 feet from the east corner of the James H. Coker Survey 144, Abstract 95, Kerr County, Texas.

2. USE

A. Owner is authorized to divert and use not to exceed 75 acre-feet of water per annum from the Guadalupe River to irrigate a maximum of 44 acres of land out of a tract located in the James H. Coker Survey 144, Abstract 95, and the T. L. Waddel Survey 145, Abstract 354, Kerr County, Texas, said tract being described as follows:

(1) BEGINNING at a point in the Northwest line of the Southeast one-half of Survey No. 144, said point being also in the Northeast right-of-way line of State Highway Spur 98;

(2) THENCE N 45°E, 612 feet to a point on the Guadalupe River;

(3) THENCE down the said river with the meanders as follows:

S 62°10'E, 125.1 feet; S 69°58'E, 416.8 feet; S 47°45'E, 262.2 feet; S 42°12'E, 622.3 feet; S 38°18'E, 261.3 feet; S 24°18'E, 56.4 feet; S 45°27'E, 109.0 feet; S 49°24'E, 161.1 feet; S 38°52'E, 171.4 feet; S 35°09'E, 270.2 feet; S 34°46'E, 609.8 feet;

(4) THENCE S 44°24'W, 614.0 feet;

(5) THENCE N 24°50'W, 185.7 feet;

(6) THENCE N 39°03'W, 428.0 feet;

(7) THENCE S 44°24'W, 140.4 feet;

(8) THENCE N 36°08'W, 1191.1 feet to a point in the Southeast right-of-way line of Texas Highway 16;

(9) THENCE N 45°27'E, 25.0 feet;

(10) THENCE N 47°10'W, 186.7 feet;

(11) THENCE N 40°34'W, 112.8 feet;

(12) THENCE Northwest with the Northeast right-of-way line of State Highway Spur 98, to the place of beginning, containing 45.55 acres of land, more or less.

FILMED

MAR 15 1982

SYSTEM 200

B. Owner is authorized to divert and use not to exceed 150 acre-feet of water per annum from the Guadalupe River for municipal purposes.

3. DIVERSION

A. Location:

(1) At a point on the west bank of the reservoir which is N 49°06'W, 900 feet from the east corner of the James H. Cocke Survey 144, Abstract 95, Kerr County, Texas.

(2) At a point on the east bank of the reservoir which is N 29°15'W, 930 feet from the aforesaid reservoir.

(3) At a point on the west bank of the reservoir at the aforesaid survey corner.

B. Maximum Combined Rate: 2.2 cfs (1000 gpm).

4. PRIORITY

The time priority of owner's right is April 4, 1914.

5. SPECIAL CONDITION

Owner shall maintain a suitable outlet in the dam authorized herein to allow the free passage of water that owner is not entitled to divert or impound.

The locations of pertinent features related to this certificate are shown on Page 4 of the Guadalupe River Certificates of Adjudication Maps, copies of which are located in the offices of the Texas Department of Water Resources and the office of the County Clerk.

This certificate of adjudication is issued subject to all terms, conditions and provisions in the final decree of the 37th Judicial District Court of Bexar County, in Cause No. 77-CI-13052, In Re: The Adjudication of Water Rights in the Upper Guadalupe River Segment of the Guadalupe River Basin, dated November 12, 1979, and supersedes all rights of the owner asserted in that cause.

This certificate of adjudication is issued subject to senior and superior water rights in the Guadalupe River Basin.

This certificate of adjudication is issued subject to the Rules of the Texas Department of Water Resources and its continuing right of supervision of State water resources consistent with the public policy of the State as set forth in the Texas Water Code.

FILMED
MAR 15 1982
SYSTEM 200

Certificate of Adjudication 18-1996, Page 3 of 3 pages

This water right is appurtenant to the above-described land within which irrigation is authorized, unless and until severed from the land. A transfer of any portion of the above-described land includes, unless otherwise specified, that portion of the water right which is appurtenant to the transferred land at the time of the transaction.

TEXAS WATER COMMISSION

/s/ Felix McDonald
Felix McDonald, Chairman

DATE ISSUED:

JUL 17 1981

ATTEST:

/s/ Mary Ann Hefner
Mary Ann Hefner, Chief Clerk

FILMED
MAR 15 1982
SYSTEM 200

AMENDMENT TO
CERTIFICATE OF ADJUDICATION

CERTIFICATE NO. 18-1996A TYPE: AMENDMENT
Name: City of Kerrville Address: 600 MAIN
KERRVILLE TX 78028
Filed: February 8, 1991 Granted: February 27, 1991
Purpose: Municipal County: Kerr
Watercourse: Guadalupe River Watershed: Guadalupe River Basin

WHEREAS, Certificate No. 18-1996 was issued to City of Kerrville on July 17, 1981 and authorizes the owner to maintain a dam and reservoir on the Guadalupe River and impound therein not to exceed 75 acre-feet of water. Certificate owner is also authorized to divert and use not to exceed 75 acre-feet of water per annum for irrigation purposes and use not to exceed 150 acre-feet of water per annum from the reservoir for municipal purposes; and

WHEREAS, applicant has requested an amendment to Certificate No. 18-1996 by adding an upstream diversion point with no change in the authorized diversion rate and this diversion point being the same diversion point owned by the Upper Guadalupe River Authority (UGRA) and authorized by Permit No. 3505 (A-3769); and

WHEREAS, by resolution the Board of Directors of the Upper Guadalupe River Authority agrees to divert up to 150 acre-feet of water per annum for municipal purposes for the City of Kerrville; and

WHEREAS, the Texas Water Commission finds that jurisdiction over the application is established; and

WHEREAS, no person protested the granting of this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Water Commission in issuing this amendment; and

NOW, THEREFORE, this amendment to Certificate No. 18-1996 is issued to City of Kerrville, subject to the following terms and conditions:

3. DIVERSION

A. Location:

Certificate owner is authorized to use Diversion Point No. 4, owned by Upper Guadalupe River Authority and authorized by Permit No. 3505, on the left, or west, bank of a reservoir on the Guadalupe River S 27° E, 2450 feet from the southwest corner of the Walter Fosgate Survey No. 120, Abstract No. 138, Kerr County, Texas.

4. SPECIAL CONDITIONS

- a. Certificate owner is authorized the use of Diversion Point No. 4 only when the water level in the reservoir authorized by Permit No. 3505 is above elevation 1608 feet mean sea level.
- b. The diversion of the 150 acre-feet of water for municipal purposes at Diversion Point No. 4 is subject to the Upper Guadalupe River Authority resolution to divert the 150 acre-feet of water per annum for the City of Kerrville. If the aforementioned resolution is terminated, this amendment shall become null and void.

This amendment is issued subject to all terms, conditions and provisions contained in Certificate No. 18-1996, except as specifically amended herein.

This amendment is issued subject to all superior and senior water rights in the Guadalupe River Basin.

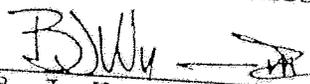
Certificate owner agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

Certificate owner shall use those practices, techniques and technologies that will reduce the loss or waste of water and improve the efficiency and use of water so that only so much water as can be beneficially used will be diverted.

This amendment is issued subject to the Rules of the Texas Water Commission and to the right of continuing supervision of State water resources exercised by the Commission.

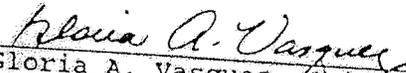
TEXAS WATER COMMISSION



B. J. Wynne, III, Chairman

DATE ISSUED: MAR 19 1991

ATTEST:


Gloria A. Vasquez, Chief Clerk

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



ADG/18-1996B/CO

AMENDMENT TO
CERTIFICATE OF ADJUDICATION

RECEIVED

DEC 19 2006

TCEQ
CENTRAL FILE ROOM

CERTIFICATE NO. 18-1996B	TYPE:	11.122
Name: City of Kerrville	Address:	800 Junction Hwy Kerrville, Texas 78028-5069
Filed: April 3, 1998	Granted:	APR 10 1998
Purpose: Municipal	County:	Kerr
Watercourse: Guadalupe River	Watershed:	Guadalupe River Basin

WHEREAS, Certificate No. 18-1996 was issued to City of Kerrville on July 17, 1981 and authorizes the owner to maintain a dam and reservoir on the Guadalupe River and impound therein not to exceed 75 acre-feet of water. Certificate owner is also authorized to divert and use not to exceed 75 acre-feet of water per annum for irrigation purposes and use not to exceed 150 acre-feet of water per annum from the reservoir for municipal purposes; and

WHEREAS, applicant obtained an amendment to Certificate No. 18-1996 by adding an upstream diversion point with no change in the authorized diversion rate and this diversion point being the same diversion point owned by the Upper Guadalupe River Authority (UGRA) and authorized by Permit No. 3505 (A-3769); and

WHEREAS, pursuant to that certain "Termination, Asset Transfer & Acquisition, & Settlement Agreement" (the "Agreement") by and between the applicant and UGRA, dated November 20, 1997, upon "Closing" of said Agreement UGRA conveys ownership of the diversion works authorized in Permit No. 3505 and Permit No. 3505 to applicant; and

WHEREAS, upon Closing of the Agreement the Special Condition in paragraph 4.b. of amendment A to this Certificate becomes surplusage; and

WHEREAS, the Texas Natural Resource Conservation Commission finds that jurisdiction over the application is established; and

WHEREAS, no person protested the granting of this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Natural Resource Conservation Commission in issuing this amendment; and

NOW, THEREFORE, this amendment to Certificate No. 18-1996 is issued to City of Kerrville, subject to the following terms and conditions:

3. DIVERSION

A. Location

Certificate owner is authorized to use Diversion Point No. 4, authorized by Permit No. 3505, on the left, or west, bank of a reservoir on the Guadalupe River S 27° E, 2450 feet from the southwest corner of the Walter Fosgate Survey No. 120, Abstract No. 138, Kerr County, Texas.

4. SPECIAL CONDITIONS

- A. Certificate owner is authorized the use of Diversion Point No. 4 only when the water level in the reservoir authorized by Permit No. 3505 is above elevation 1608 feet mean sea level.

5. WATER CONSERVATION

Within one (1) year from issuance of this permit amendment, owner shall submit to the Executive Director of the Texas Natural Resource Conservation Commission a water conservation plan as described in Texas Administrative Code Section 288.2, which shall provide for the utilizing of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water, so that a water supply is made available for future use or alternative uses. Such plan shall include a requirement in every wholesale water supply contract entered into, on or after the effective date of this permit, including any contract extension or renewal, that each successive wholesale customer develop and implement water conservation measures. If the customers intend to resell the water, then the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures.

This amendment is issued subject to all terms, conditions and provisions contained in Certificate No. 18-1996, as amended, except as specifically amended herein.

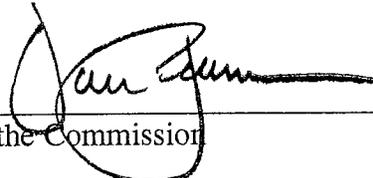
This amendment is issued subject to all superior and senior water rights in the Guadalupe River Basin.

Certificate owner agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Natural Resource Conservation Commission.

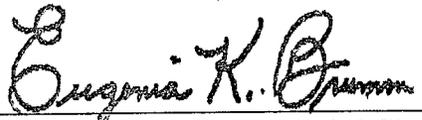
TEXAS NATURAL RESOURCE CONSERVATION
COMMISSION



For the Commission

DATE ISSUED: APR 10 1998

ATTEST:



Dr. Eugenia K. Brumm, Chief Clerk

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AMENDMENT TO A
CERTIFICATE OF ADJUDICATION

CERTIFICATE NO. 18-1996C

TYPE: 11.122

Owner:	City of Kerrville	Address:	800 Junction Highway Kerrville, Texas, 78028
Filed:	July 14, 2010	Granted:	SEP 11 2010
Purpose:	Agricultural & Municipal	County:	Kerr
Watercourse:	Guadalupe River	Watershed:	Guadalupe River Basin

WHEREAS, The City of Kerrville (City, Applicant, or Owner) owns Certificate of Adjudication No. 18-1996 which authorizes the City to maintain a dam and reservoir on the Guadalupe River, Guadalupe River Basin, and impound therein not to exceed 75 acre-feet of water; and

WHEREAS, The City is also authorized to divert and use 75 acre-feet of water per year from three diversion points on the reservoir for agricultural purposes to irrigate 44 acres of land in Kerr County. The City is further authorized to divert and use an additional 150 acre-feet of water from an upstream diversion point on the Guadalupe River for municipal purposes. The City is authorized a combined maximum diversion rate of 2.2 cfs (1,000 gpm) from all four diversion points; and

WHEREAS, Applicant seeks to amend Certificate of Adjudication No. 18-1996 to add municipal use to the 75-acre-foot portion of water, enabling the applicant to divert and use the 75-acre-foot portion of water for multiple purposes (agricultural and municipal); and

WHEREAS, Applicant also seeks to change the place of use for their entire 225 acre-feet of water to the City of Kerrville's authorized service area ; and

WHEREAS, the Texas Commission on Environmental Quality finds that jurisdiction over the application is established; and

WHEREAS, this amendment, if granted, is subject to requirements and orders of the South Texas Watermaster; and

WHEREAS, no requests for a contested case hearing were received for this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Commission on Environmental Quality in issuing this water use amendment;

NOW, THEREFORE, this amendment to Certificate of Adjudication No. 18-1996, designated Certificate of Adjudication No. 18-1996C, is issued to the City of Kerrville, subject to the following terms and conditions:

1. USE

In lieu of the previous authorizations, Owner is now authorized to divert not to exceed 75 acre-feet of water per for municipal and agricultural purposes and is also authorized to divert 150 acre-feet of water per year for municipal purposes for a total combined amount of 225 acre-feet of water per year for use within the City of Kerrville's authorized service area.

2. CONSERVATION

Owner shall implement water conservation plans that provide for the utilization of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss of waste or maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water, so that a water supply is made available for future use or alternative uses. Such plans shall include a requirement that in every wholesale water contract entered into, on or after the effective date of this amendment, including any contract extension or renewal, that each successive wholesale customer develop and implement conservation measures. If the customer intends to resell the water, then the contract for resale of the water must have water conservation requirements so that each successive wholesale customer in the resale of the water be required to implement water conservation measures.

3. SPECIAL CONDITIONS

- A. Owner shall contact the South Texas Watermaster prior to diversion of water authorized by this amendment.
- B. Within 90 days prior to the diversion of water for agricultural purposes, the applicant or contract customer must submit to the TCEQ a water conservation plan to comply with the Title 30 Texas Administrative Code Chapter 288.4.

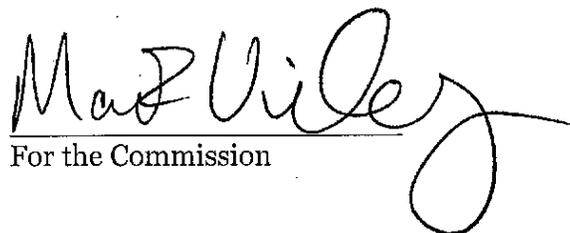
This amendment is issued subject to all terms, conditions, and provisions contained in Certificate No. 18-1996, as amended, except as specifically amended herein.

This amendment is issued subject to all superior and senior water rights in the Guadalupe River Basin.

Owner agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Commission on Environmental Quality and to the right of continuing supervision of State resources exercised by the Commission.


For the Commission

Date Issued: **SEP 11 2010**

7-17-81

CERTIFICATE OF ADJUDICATION

CERTIFICATE OF ADJUDICATION: 18-2026

OWNER: William A. Moore
Box 319
Dilley, TX 78017

COUNTY: Kerr

PRIORITY DATE: 1961

WATERCOURSE: Guadalupe River

BASIN: Guadalupe River

WHEREAS, by final decree of the 37th Judicial District Court of Bexar County, in Cause No. 77-CI-13052, In Re: The Adjudication of Water Rights in the Upper Guadalupe River Segment of the Guadalupe River Basin, dated November 12, 1979, a right was recognized under Claim 1294 authorizing William A. Moore to appropriate waters of the State of Texas as set forth below;

NOW, THEREFORE, this certificate of adjudication to appropriate waters of the State of Texas in the Guadalupe River Basin is issued to William A. Moore, subject to the following terms and conditions:

1. USE

Owner is authorized to divert and use not to exceed 125 acre-feet of water per annum from the Guadalupe River to irrigate a maximum of 80 acres of land out of a tract located in the Robert Brown Survey 36, Abstract 28, Kerr County, Texas, said tract being described as follows:

- (1) BEGINNING at a point for the Southeast corner of Survey 36, on the bank of the Guadalupe River;
- (2) THENCE North at 754 varas a point in South line of the right-of-way Highway 27 at 2172 varas the Northeast corner Survey 36;
- (3) THENCE West, 529 varas;
- (4) THENCE South, 500 varas;
- (5) THENCE West, 405-1/2 varas;
- (6) THENCE South, 936 varas to the North bank of the Guadalupe River;
- (7) THENCE down said river with its meanders as follows:

N 84°E, 357 varas; S 21-1/2°E, 240 varas; S 40°E, 135 varas; South, 258 varas; S 59°E, 240 varas; S 71°E, 200 varas to the place of beginning, containing 234.44 acres of land, more or less.

2. DIVERSION

A. Location:

(1) At a point on the north bank of the Guadalupe River which is S 06°E, 17690 feet from the northwest corner of the Robert Brown Survey 36, Abstract 28, Kerr County, Texas.

(2) At a point on the north bank of the Guadalupe River which is S 08°E, 17960 feet from the northwest corner of the aforesaid survey.

B. Maximum Rate: 1.2 cfs (525 gpm).

3. PRIORITY

The time priority of owner's right is 1961.

The locations of pertinent features related to this certificate are shown on Page 5 of the Guadalupe River Certificates of Adjudication Maps, copies of which are located in the offices of the Texas Department of Water Resources and the office of the County Clerk.

MAR 23 1982

SYSTEM 200

FEB 5 1982

This certificate of adjudication is issued subject to all terms, conditions and provisions in the final decree of the 37th Judicial District Court of Bexar County, in Cause No. 77-CI-13052, In Re: The Adjudication of Water Rights in the Upper Guadalupe River Segment of the Guadalupe River Basin, dated November 12, 1979, and supersedes all rights of the owner asserted in that cause.

This certificate of adjudication is issued subject to senior and superior water rights in the Guadalupe River Basin.

This certificate of adjudication is issued subject to the Rules of the Texas Department of Water Resources and its continuing right of supervision of State water resources consistent with the public policy of the State as set forth in the Texas Water Code.

This water right is appurtenant to the above-described land within which irrigation is authorized, unless and until severed from the land. A transfer of any portion of the above-described land includes, unless otherwise specified, that portion of the water right which is appurtenant to the transferred land at the time of the transaction.

TEXAS WATER COMMISSION

/s/ Felix McDonald

Felix McDonald, Chairman

DATE ISSUED:

JUL 17 1981

ATTEST:

/s/ Mary Ann Hefner

Mary Ann Hefner, Chief Clerk

FILMED
MAR 23 1982
SYSTEM 200

*Attach
2-17-81*

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



AMENDMENT TO
CERTIFICATE OF ADJUDICATION

CERTIFICATE NO. 18-2026A

TYPE: AMENDMENT

Name: Kenneth W. Whitewood
and E. Marjane Whitewood

Address: 204 Cully Drive
Kerrville, Texas 78028

Filed: August 1, 1996

Granted: NOV 22 1996

Purpose: Irrigation

County: Kerr

Watercourse: Guadalupe River

Watershed: Guadalupe River Basin

WHEREAS, Certificate of Adjudication No. 18-2026 was issued to William A. Moore on July 17, 1981 and authorized the owner the right to divert and use, not to exceed 125 acre-feet of water per annum from two points on the Guadalupe River at a maximum rate of 1.2 cubic feet per second (525 gallons per minute) to irrigate a maximum of 80 acres of land out of a 234.44 acre-tract located in the Robert Brown Survey 36, Abstract 28, Kerr County, Texas; and

WHEREAS, Commission records indicate that Kenneth W. and E. Marjane Whitewood own a portion of the water right which allows them to divert and use not to exceed 49.916 acre-feet of water per annum from the river to irrigate 31.952 acres out of 53.56 acres of land authorized under Certificate No. 18-2026; and

WHEREAS, the certificate includes a time priority of 1961; and

WHEREAS, the applicants have requested an amendment to Certificate No. 18-2026 to add an additional 100 acre-feet of water per annum and to increase the amount of land to be irrigated per annum to 44.72 acres out of their 53.56 acre-tract of land; and

WHEREAS, the applicants are also requesting authorization to divert at a maximum rate of 0.7 cfs (300 gallons per minute) from the river; and

WHEREAS, Commission records indicate that the three other owners of this certificate have provided letters of consent to this application; and

WHEREAS, Kenneth W. and E. Marjane Whitewood entered into a Subordination Agreement with the Guadalupe-Blanco River Authority for the use of 100 acre-feet of water per annum from the Guadalupe River; and

WHEREAS, no person protested the granting of this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Natural Resource Conservation Commission in issuing this amendment; and

NOW, THEREFORE, this amendment to Certificate of Adjudication No. 18-2026 is issued to Kenneth W. and E. Marjane Whitewood as follows:

1. DIVERSION & USE

- a. In lieu of previous authorizations, owners are authorized to divert and use not to exceed 149.916 acre-feet of water per annum to irrigate a maximum of 44.72 acres out of their 53.56 acre-tract of land at a maximum rate of 0.7 cfs (300 gallons per minute) from the Guadalupe River.
- b. The maximum combined diversion rate for all of the owners of the certificate is 1.2 cfs (525 gallons per minute).

2. PRIORITY

The time priority of the diversion of the additional 100 acre-feet of water per annum is August 1, 1996.

3. SPECIAL CONDITIONS

- a. In order to protect instream water use in the Guadalupe River during the months of March through June, owners are authorized to divert the additional water authorized by this amendment only when the flow of the river equals or exceeds 57 cfs at U.S.G.S. Gaging Station No. 08167000 at Comfort, Texas.
- b. In order to protect instream water use in the Guadalupe River during the months of July through February of the following year, owners are authorized to divert the additional water authorized by this amendment only when the flow of the river equals or exceed 44 cfs at the aforesaid U.S.G.S. gage.
- c. In addition to the flow restrictions contained in Paragraph b. SPECIAL CONDITIONS, in order to protect recreational use in the Guadalupe River during the months of July through February of the following year, when the flow of the river at the aforesaid gage is 50 cfs or greater, owners must restrict diversions of the water authorized by this amendment to allow a flow of at least 50 cfs at the gage.

- d. This additional 100 acre-feet of water authorized by this amendment is subject to the maintenance of the March 1, 1996 "Subordination Agreement", or extensions thereof, between certificate owners and the Guadalupe-Blanco River Authority.

4. CONSERVATION

Owners shall implement a water conservation plan that provides for the utilization of those practices, techniques and technologies that reduce the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water or increase the recycling and reuse of water so that a water supply is made available for future or alternative uses.

This amendment is issued subject to all superior and senior rights in the Guadalupe River Basin.

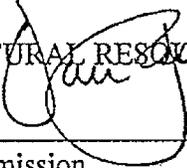
Owners agree to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

Prior to diversion of water authorized herein, owners shall contact the South Texas Watermaster at 1-800-733-2733.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Natural Resource Conservation Commission and to the right of continuing supervision of State water resources exercised by the Commission.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



For the Commission

DATE ISSUED: NOV 22 1996

ATTEST:


Mamie M. Black, Acting Chief Clerk

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
THE STATE OF TEXAS
COUNTY OF TRAVIS



I hereby certify that this is a true and correct copy of a Texas Commission on Environmental Quality document, which is filed in the permanent records of the Commission. Given under my hand and the seal of office on

AMENDMENT TO A Bridget C. Bohac JUN 16 2014
CERTIFICATE OF ADJUDICATION
Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

CERTIFICATE NO. 18-2026B

TYPE §§11.122, 11.154

Owner: City of Kerrville Address: 701 Main Street
Kerrville, Texas 78028

Filed: February 14, 2013 Granted: June 11, 2014

Purpose: Agricultural, Municipal, County: Kerr
Industrial

Watercourse: Guadalupe River Watershed: Guadalupe River Basin

WHEREAS, Certificate of Adjudication No. 18-2026 (Certificate) originally authorized the owner to divert and use not to exceed 125 acre-feet of water per year from a point on the Guadalupe River, Guadalupe River Basin, at a maximum diversion rate of 1.2 cfs (525 gpm) for agricultural purposes to irrigate a maximum of 80 acres of land in Kerr County; and

WHEREAS, The City of Kerrville (City) acquired a portion of the Certificate which authorizes the diversion and use of not to exceed 53.945 acre-feet of water per year from two points on the north bank of the Guadalupe River, Guadalupe River Basin, Kerr County, at a maximum combined diversion rate of 1.2 cfs (525 gpm), for agricultural purposes. The City acquired the water but not the land to which it was appurtenant. The priority date for the City's portion of the Certificate is 1961; and

WHEREAS, The City seeks to amend its portion of the Certificate to add municipal and industrial use; add a place of use for the agricultural, municipal, and industrial use being the City of Kerrville's service area within the Guadalupe River Basin; add a diversion point; and authorize the use of this water in its aquifer storage and recovery (ASR) system, authorized by Water Use Permit No. 5394, for storage and subsequent retrieval for multiple purposes; and

WHEREAS, the proposed diversion point is located on the Guadalupe River, bearing S 22° E, 2,335 feet from the southwest corner of the Walter Fosgate Original Survey No. 120, Abstract No. 138, also being Latitude 30.052971° N, Longitude 99.166252° W, in Kerr County; and

WHEREAS, the Texas Commission on Environmental Quality finds that jurisdiction over the application is established; and

WHEREAS, this amendment, if granted, is subject to requirements and orders of the South Texas Watermaster; and

WHEREAS, the Executive Director recommends special conditions be included; and

WHEREAS, two requests for a contested case hearing were received for this application and subsequently withdrawn; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and rules of the Texas Commission on Environmental Quality in issuing this amendment;

NOW, THEREFORE, this amendment to Certificate of Adjudication No. 18-2026 designated Certificate of Adjudication No. 18-2026B, is issued to the City of Kerrville, subject to the following conditions:

1. USE

- A. In lieu of the previous authorizations, Owner is now authorized to divert and use the 53.945 acre-feet of water per year for agricultural, municipal, and industrial purposes in its service area within the Guadalupe River Basin.
- B. Owner is also authorized to use the 53.945 acre-feet of water per year in its aquifer storage and recovery system, authorized by Water Use Permit No. 5394, for subsequent diversion for agricultural, municipal, and industrial purposes.

2. DIVERSION

- A. In addition to previous authorizations, Owner is also authorized to divert from a point located on the Guadalupe River, bearing S 22° E, 2,335 feet from the southwest corner of the Walter Fosgate Original Survey No. 120, Abstract No. 138, also being Latitude 30.052971° N, Longitude 99.166252° W, in Kerr County.
- B. Combined maximum diversion rate of 1.2 cfs (525 gpm).

3. PRIORITY DATE

The time priority of this right is 1961.

4. CONSERVATION

Owner shall implement water conservation plans that provide for the utilization of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water so that a water supply is made available for future or alternative uses. Such plans shall include a requirement that in every water supply contract entered into, on or after the effective date of this amendment, including any contract extension or renewal, that each successive wholesale customer develop and implement conservation measures. If the customer intends to resell the water, then the contract for resale of the water shall have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures.

5. SPECIAL CONDITIONS

Diversion of water under this amendment shall be authorized subject to the following:

- A. Diversion of water under this Certificate shall be authorized when streamflows exceed the following values at USGS Gage No. 8166250 - Guadalupe River near Center Point, TX, subject to the requirements of special conditions B-D below:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Season	Winter			Spring			Summer			Fall		
Subsistence Flow (cfs)	20	20	20	12	12	12	1	1	1	16	16	16
Base Flow (cfs)	73	73	73	66	66	66	49	49	49	73	73	73

- B. Owner shall not divert water authorized by this amendment if streamflow at USGS Gage No. 8166250 is below the applicable subsistence flow.
- C. If streamflow at USGS Gage No. 8166250 is greater than the applicable subsistence flow but less than the applicable base flow, Owner shall allow the applicable subsistence flow, plus 50% of the difference between measured streamflow at the gage and the applicable subsistence flow, to pass the gage and any remaining flow may be diverted and used by the Owner as provided herein.

- D. If streamflow at USGS Gage No. 8166250 is greater than the applicable base flow, Owner may divert water authorized under this Certificate unless streamflows fall below the applicable base flow standards, in which case special conditions B and C apply to the diversions.
- E. Owner shall allow representatives of the TCEQ reasonable access to the property to inspect the measuring device and records.
- F. Owner shall install and maintain a measuring device which accounts for, within 5% accuracy, the quantity of water diverted from the point authorized above in Paragraph 2.A. DIVERSION and maintain measurement records.
- G. Owner shall contact the South Texas Watermaster prior to diversion of water authorized by this amendment.

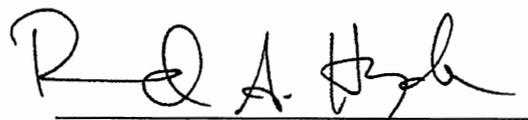
This amendment is issued subject to all terms, conditions and provisions contained in Certificate of Adjudication No. 18-2026, as amended, except as specifically amended herein.

This amendment is issued subject to all superior and senior water rights in the Guadalupe River Basin.

Owner agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Commission on Environmental Quality and to the right of continuing supervision of State water resources exercised by the Commission.



For the Commission

Date issued: **June 11, 2014**

Samuel Wallace Survey No. 112, Abstract No. 360;
Samuel Wallace Survey No. 111, Abstract No. 359;
T. N. Minter Survey No. 110, Abstract No. 248;
William Watt Survey No. 68, Abstract No. 366;
J. W. Porter Survey No. 701, Abstract No. 450;
HE&WT RR Co. Survey No. 1425, Abstract No. 687; and
J. A. Rotge Survey No. 1426, Abstract No. 1450.

3. DIVERSION

- (a) Point of Diversion: At a point on the west bank of the reservoir, S 27° E, 2450 feet from the SW corner of the aforesaid Fosgate Survey.
- (b) Maximum Diversion Rate: 9.7 cfs (4375 gpm).

4. TIME LIMITATIONS

Construction or installation of all works herein authorized or required shall be in accordance with plans approved by the Commission and shall be commenced within two years and completed within three years from date of issuance of this permit.

5. SPECIAL CONDITIONS

- (a) Failure to commence and complete any construction authorized or required by this permit within the period stated in Time Limitations shall cause this permit to expire and become of no further force and effect.
- (b) Permittee is authorized to make diversions hereunder only when the water level in the reservoir is above elevation 1608 feet msl.

This permit is issued subject to all superior and senior water rights in the Guadalupe River Basin.

Permittee agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this permit.

All other matters requested in the application which are not specifically granted by this permit are denied.

This permit is issued subject to the Rules of the Texas Department of Water Resources and to the right of continual supervision of State water resources exercised by the Department.

TEXAS WATER COMMISSION

Date Issued:

October 14, 1977

Filed 26 Day of Oct. A.D., 1977
EMMA M. MUENKER 4:55 PM
Clerk County Court, Kerr County, Texas
By Absent Deputy
Attest:

Mary Ann Hefner
Mary Ann Hefner, Chief Clerk

Joe D. Carter
Joe D. Carter, Chairman

Joe R. Carroll
Joe R. Carroll, Commissioner

Dorsey B. Hardeman
Dorsey B. Hardeman, Commissioner

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION
INTEROFFICE MEMORANDUM

TO : Records Management

DATE: April 6, 1998

Application No. 3769/Permit No. 3505
Kerr County
Guadalupe River Basin

FROM : Water Uses & Availability Section
Water Quantity Division

SUBJECT : Change of Ownership

DELETE : Upper Guadalupe River Authority as owner

ADD : City of Kerrville, Texas, as owner

Ownership of Record with Addresses and Remarks:

City of Kerrville, Texas
800 Junction Highway
Kerrville, Texas 78028-5069

This change is based on a copy of the "Termination, Asset Transfer & Acquisition & Settlement Agreement" dated November 20, 1997.

This permit authorizes (1) impoundment of 840 acre-feet of water in a reservoir on the Guadalupe River, (2) use of 3603 acre-feet of water per annum from said reservoir for municipal purposes and (3) secondary use of 2450 acre-feet per annum of waste water, produced from its sewage disposal System from the surface water diverted, for irrigation of 192 acres out of its adjacent tracts containing 533 acres.

Mohan Reddy

Data Entry Made: _____

WU & A Section: _____

Change Noted: _____

Central Records/Date: _____

2. DIVERSION

Permittee is authorized to divert water from the point on the reservoir authorized in Permit No. 3505 at a maximum rate, in combination with the rate included in Permit No. 3505, of not to exceed 15.5 cfs. Prior to the diversion of the water authorized hereunder, Permittee shall have installed a metering device in accordance with Commission Rules.

3. POINT OF RETURN

Water diverted for use by the City of Kerrville but not consumed shall be returned to the City of Kerrville's wastewater treatment plant discharge outfall.

4. WATER CONSERVATION

Permittee shall implement the aforesaid "Kerr County Water Conservation Plan and Drought Contingency Plan" dated May 12, 1992. Any subsequent plan used by permittee shall provide for the utilizing of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water, so that a water supply is made available for future use or alternative uses. Such plan shall include a requirement in every wholesale water supply contract entered into, on or after the effective date of this permit, including any contract extension or renewal, that each successive wholesale customer develop and implement water conservation measures. If the customer intends to resell the water, then the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures.

5. SPECIAL CONDITIONS

- A. Permittee is authorized to divert water hereunder only when the water level in the referenced existing reservoir is above 1,608 feet mean sea level.
- B. During the months of October through May, Permittee is authorized to divert water hereunder only when the flow of the Guadalupe River exceeds 40 cfs at a reference device to be installed by the Permittee immediately downstream of the dam for the referenced reservoir at a location to be approved by the Executive Director. During the months of

WHEREAS, the Commission finds that UGRA does not have existing contracts for all of the water requested for diversion under Application No. 5394; and

WHEREAS, the Commission finds that water sought to be diverted under Application No. 5394 for which UGRA does not have existing water supply contracts should be limited to a term of years if such contracts are not hereafter entered into, submitted to Commission staff and approved in accordance with Commission Rules; and

WHEREAS, the Commission considered the "Kerr County Water Conservation Plan and Drought Contingency Plan (May 12, 1992)" submitted by the Upper Guadalupe River Authority in support of this Application and such plan evidences that permittee shall use reasonable diligence to achieve water conservation; and

WHEREAS, the water requested in this application is included in a Subordination Agreement between the applicant and the Guadalupe-Blanco River Authority; and

WHEREAS, the Commission finds that jurisdiction over the application is established; and

WHEREAS, a public hearing was held on the granting of this application after the publication of all notice requirements; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Commission in issuing this permit.

NOW, THEREFORE, this permit to appropriate and use State water is issued to the Upper Guadalupe River Authority, subject to the following terms and conditions:

1. USE

Permittee is authorized to divert not to exceed 4,169 acre-feet of water per annum from the reservoir on the Guadalupe River included in Water Use Permit No. 3505. Of this total amount, 2,761 acre-feet per annum is available on a firm yield basis, with the remaining 1,408 acre-feet per annum available on a "run-of-river" basis. Such total amount of water shall be used for municipal use and/or injected into the Hosston-Sligo Aquifer of the Lower Trinity formation for subsequent retrieval for municipal use.

June through September, Permittee is authorized to divert water hereunder only when the flow of the Guadalupe River exceeds 30 cfs at the aforesaid reference device.

- C. In addition to the variable flow restrictions contained in Paragraph 5. SPECIAL CONDITIONS B., if inflows into the referenced reservoir are 50 cfs or greater, Permittee must restrict the diversions hereunder authorized to allow a flow of at least 50 cfs to pass the reference device described in that paragraph. The inflows are to be measured at a separate reference device or devices installed by Permittee upstream of the reservoir at a specific location to be approved by the Executive Director.
- D. Of the 4,169 acre-feet of water authorized for diversion per annum in Paragraph 1. USE, such water shall be used as follows:
- i. Not to exceed 1,100 acre-feet of water per annum may be contracted for municipal use by the City of Kerrville (either water diverted directly from the river or surface water injected into the aforesaid aquifer and subsequently retrieved);
 - ii. Not to exceed 1,661 acre-feet of water per annum may be contracted for municipal use by Kerr County entities other than the City of Kerrville (either water diverted directly from the river or surface water injected into the said aquifer and subsequently retrieved); and
 - iii. The remaining 1,408 acre-feet of water per annum shall be used for injection into the said aquifer for storage to maintain the firm yield of the system.
- E. Authorization to divert and use any portion of the 1,661 acre-feet of water per annum referenced in Paragraph 5. SPECIAL CONDITIONS, D. ii. which UGRA has not committed to a binding take-or-pay contract and submitted to the Commission by midnight, December 31, 2010, will be subject to cancellation and by January 17, 2011, UGRA shall submit to the Commission a document requesting voluntary cancellation of that portion of the 1,661 acre-feet of water not included in a contract.
- F. The authorizations hereunder are subject to the maintenance of the June 8, 1987 "Subordination

Agreement" or extensions thereof, between permittee and the Guadalupe-Blanco River Authority. The Commission shall be notified immediately by the permittee upon amendment or expiration of such agreement and provided with copies of appropriate documents effecting such changes.

- G. Water diverted under this permit for storage in the aquifer shall be treated to drinking water standards as per Texas Water Commission Rules.
- H. The annual total of the diversions authorized under Permit No. 3505 and under this permit shall be allocated to each day based on historic patterns of usage, as reflected in Exhibit A attached to this permit. If, on any given day, the daily allocation is not needed or not available under either permit, then such allocations shall not be made up on future days, except that allocations under this permit (No. 5394) may be made up on future days provided that flows at the downstream reference device described in Paragraph 5. SPECIAL CONDITIONS, B. are at least 60 cfs on those future days.

This permit is issued subject to all superior and senior water rights in the Guadalupe River Basin.

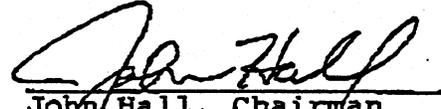
Permittee agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this permit.

All other matters requested in the application which are not specifically granted by this permit are denied.

This permit is issued subject to the Rules of the Texas Water Commission and to the right of continuing supervision of State water resources exercised by the Commission.

DATE ISSUED: OCT 12 1993

TEXAS WATER COMMISSION

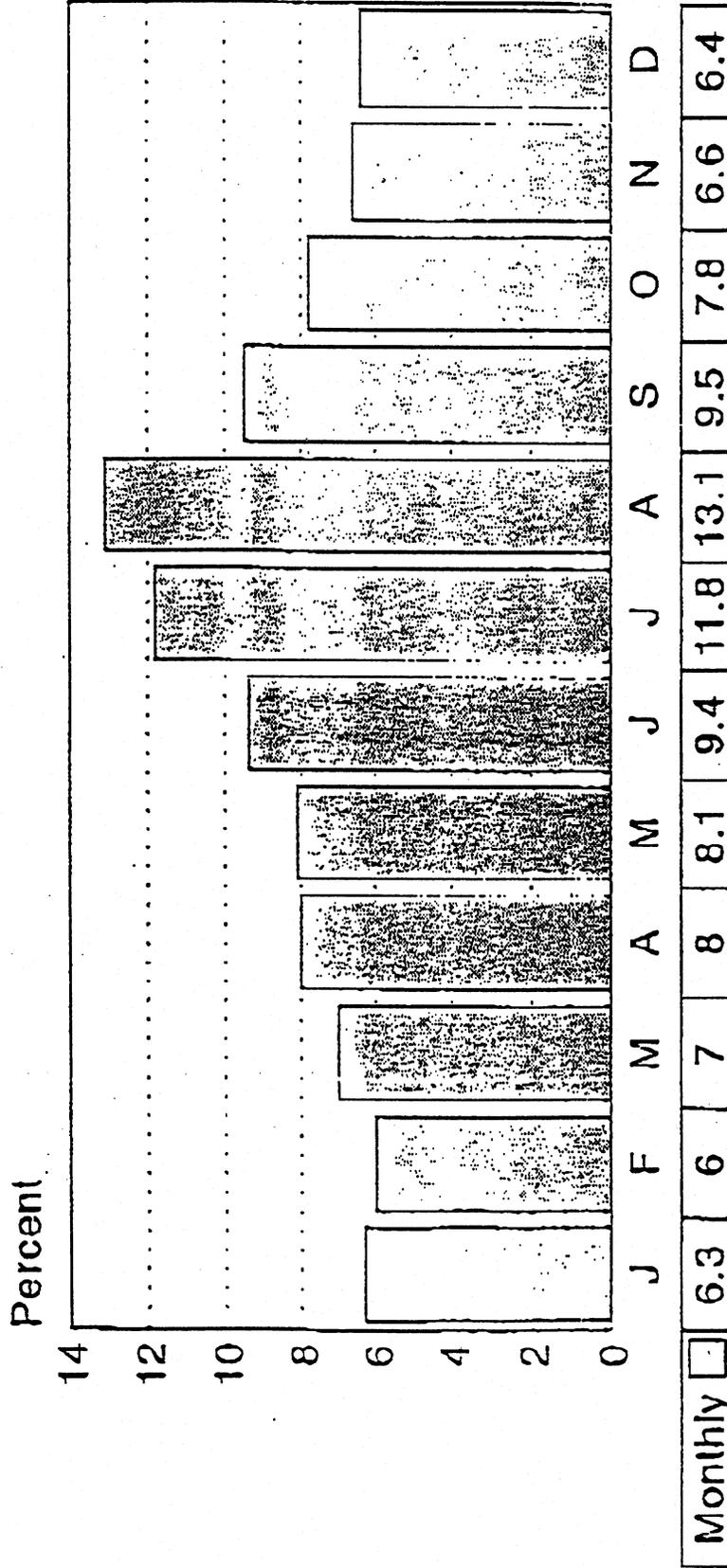

John Hall, Chairman

ATTEST:

for Mamie M. Black
Gloria A. Vasquez, Chief Clerk

UGRA Demand Distribution

(Used in Modeling)



Based on historical use for City of Kerrville

WK/5394A/CO

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



AMENDMENT TO PERMIT TO APPROPRIATE AND USE STATE WATER

RECEIVED

MAR 02 2007

TCEQ
CENTRAL FILE ROOM

APPLICATION NO. 5394A PERMIT NO. 5394A TYPE: 11.122

Permittee: Upper Guadalupe River Authority Address: 215 Water Street
Kerrville, Texas 78028

Filed: April 3, 1998 Granted: APR 10 1998

Purposes: Municipal and Recharge County: Kerr

Watercourse: Guadalupe River Watershed: Guadalupe River Basin

WHEREAS, the Upper Guadalupe River Authority (UGRA) holds Permit No. 5394 authorizing the diversion of up to 4169 acre-feet of water per annum from an existing 840 acre-foot capacity reservoir (included in UGRA's Water Use Permit No. 3505) in Kerr County, approximately 1.5 miles west-northwest of the Kerr County Courthouse on the Guadalupe River, for municipal purposes and/or injection via wells into an underground aquifer reservoir known as the Hosston-Sligo Sands of the Lower Trinity formation for subsequent retrieval and use for municipal purposes in Kerr County; and

WHEREAS, UGRA has the right under Permit No. 5394 to appropriate up to 2169 acre-feet of water per annum for the City of Kerrville, Texas; and

WHEREAS, UGRA desires to amend its Permit to reflect the transfer of the rights associated with the 2169 acre-feet of water under Permit No. 5394 to Kerrville and to obtain a modified permit in its own name, without any change in the purpose or place of use, at the same rate of diversion for the 2000 acre-feet of water per annum retained by UGRA; and

WHEREAS, the water requested in this application is included in a Subordination Agreement between the Upper Guadalupe River Authority and the Guadalupe-Blanco River Authority; and

WHEREAS, the Commission finds that jurisdiction over the application is established; and

WHEREAS, no person has protested the granting of this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Commission in issuing this permit amendment.

NOW, THEREFORE, this permit amendment to appropriate and use State water is issued to the Upper Guadalupe River Authority (UGRA), subject to the following terms and conditions:

1. USE

Permittee is authorized to divert not to exceed 2,000 acre-feet of water per annum on a firm yield basis from the Guadalupe River at the point of diversion included in Water Use Permit No. 3505. Such total amount of water shall be used for municipal use and/or injected into the Hosston-Sligo Aquifer of the Lower Trinity formation for subsequent retrieval for municipal use.

2. DIVERSION

Permittee is authorized to divert water from the point on the reservoir authorized in Permit No. 3505 at a maximum rate, in combination with the rate included in Permit No. 3505 and Permit No. 5394B, of not to exceed 15.5 cfs. Prior to the diversion of the water authorized hereunder, Permittee shall have installed a metering device in accordance with Commission rules.

3. POINT OF RETURN

Water diverted for use but not consumed shall be returned to the water course or stream of origin if it can be returned by gravity flow and it is reasonably practicable to do so.

4. WATER CONSERVATION

Within one (1) year from issuance of this permit amendment, owner shall submit to the Executive Director of the Texas Natural Resource Conservation Commission a water conservation plan as described in Texas Administrative Code Section 288.2, which shall provide for the utilizing of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water, so that a water supply is made available for future use or alternative uses. Such plan shall include a requirement in every wholesale water supply contract entered into, on or after the effective date of this permit, including any contract extension or renewal, that each successive wholesale customer develop and implement water conservation measures. If the customers intend to resell the water, then the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures.

5. SPECIAL CONDITIONS

- A. Permittee is authorized to divert water hereunder only when the water level in the referenced reservoir authorized by Permit 3505 is above 1,608 feet mean sea level.

- B. During the months of October through May, Permittee is authorized to divert water hereunder only when the flow of the Guadalupe River exceeds 40 cfs at a referenced device to be installed immediately downstream of the dam for the referenced reservoir at a location to be approved by the Executive Director. During the months of June through September, Permittee is authorized to divert water hereunder only when the flow of the Guadalupe River exceeds 30 cfs at the aforesaid reference device.
- C. In addition to the variable flow restrictions contained in Paragraph 5. SPECIAL CONDITIONS B., if inflows into the referenced reservoir are 50 cfs or greater, Permittee must restrict the diversions hereunder authorized to allow a flow of at least 50 cfs to pass the reference device described in that paragraph. The inflows are to be measured at a separate reference device or devices installed by Permittee upstream of the reservoir at a specific location to be approved by the Executive Director.
- D. Of the 2,000 acre-feet of water authorized for diversion per annum in Paragraph 1. USE, such water shall be used as follows:
- i. Not to exceed 1,661 acre-feet of water per annum may be contracted for municipal use by Kerr County entities other than the City of Kerrville (either water diverted directly from the river or surface water injected into the aforesaid aquifer and subsequently retrieved); and
 - ii. The remaining 339 acre-feet of water per annum shall be used for injection into the said aquifer for storage to maintain the firm yield of the system.
- E. Authorization to divert and use any portion of the 1,661 acre-feet of water per annum referenced in Paragraph 5. SPECIAL CONDITIONS, D. I. which UGRA has not committed to a binding take-or-pay contract and submitted to the Commission by midnight, December 31, 2010, will be subject to cancellation and by January 17, 2011, UGRA shall submit to the Commission a document requesting voluntary cancellation of that portion of the 1,661 acre-feet of water not included in a contract.
- F. The authorizations hereunder are subject to the maintenance of the June 8, 1987 "Subordination Agreement" or amendments and extensions thereof, between the permittee and/or the Upper Guadalupe River Authority and the Guadalupe-Blanco River Authority. The Commission shall be notified immediately by the permittee upon amendment or expiration of such agreement and provided with copies of appropriate documents affecting such changes.
- G. Water diverted under this permit for storage in the aquifer shall be treated to drinking water standards as per Texas Natural Resources Conservation

Commission Rules.

- H. The annual total of the diversions authorized under Permit No. 3505 and under this permit shall be allocated to each day based on historic patterns of usage, as reflected in Exhibit A attached to Permit 5394. If, on any given day, the daily allocation is not needed or not available under either permit, then such allocations shall not be made up on future days, except that allocations under this Permit No. 5394A may be made up on future days provided that flows at the downstream reference device described in Paragraph 5. SPECIAL CONDITIONS, B. are at least 60 cfs on those future days.

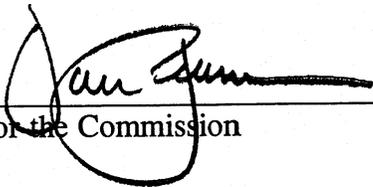
This permit amendment is issued subject to all superior and senior water rights in the Guadalupe River Basin.

Permittee agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this permit are denied.

This permit is issued subject to the Rules of the Texas Natural Resources Conservation Commission and to the right of continuing supervision of State water resources exercised by the Commission.

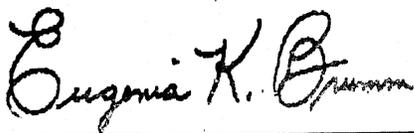
TEXAS NATURAL RESOURCE CONSERVATION
COMMISSION



For the Commission

DATE ISSUED: APR 10 1998

ATTEST:



Dr. Eugenia K. Brumm, Chief Clerk

WK15394B/C0

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



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TCEQ
CENTRAL FILE ROOM

AMENDMENT TO PERMIT TO
APPROPRIATE AND USE STATE WATER

APPLICATION NO.5394B	PERMIT NO. 5394B	TYPE: 11.122
Permittee: City of Kerrville Texas	Address:	800 Junction Highway Kerrville, Texas 78029-5069
Filed: April 3, 1998	Granted:	APR 10 1998
Purposes: Municipal and Recharge	County:	Kerr
Watercourse: Guadalupe River	Watershed:	Guadalupe River Basin

WHEREAS, the Upper Guadalupe River Authority (UGRA) holds Permit No. 5394 authorizing the diversion of up to 4169 acre-feet of water per annum from an existing 840 acre-foot capacity reservoir (included in UGRA's Water Use Permit No. 3505) in Kerr County, approximately 1.5 miles west-northwest of the Kerr County Courthouse on the Guadalupe River, for municipal purposes and/or injection via wells into an underground aquifer reservoir known as the Hosston-Sligo Sands of the Lower Trinity formation for subsequent retrieval and use for municipal purposes in Kerr County; and

WHEREAS, UGRA has conveyed Permit No. 3505 and the right under Permit No. 5394 to appropriate up to 2169 acre-feet of water per annum to the City of Kerrville, Texas; and

WHEREAS, Kerrville desires to have a water right transferring the rights associated with the 2169 acre-feet of water under Permit No. 5394 issued in its own name, without any change in the purpose or place of use, at the same rate of diversion; and

WHEREAS, the water requested in this application is included in a Subordination Agreement between the Upper Guadalupe River Authority and the Guadalupe-Blanco River Authority; and

WHEREAS, the Commission finds that jurisdiction over the application is established; and

WHEREAS, no public hearing was requested or held on the granting of this application after the publication of all notice requirements; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Commission in issuing this permit amendment.

NOW, THEREFORE, this permit amendment to appropriate and use State water is issued to the City of Kerrville, Texas, subject to the following terms and conditions:

1. USE

Permittee is authorized to divert not to exceed 2,169 acre-feet of water per annum from the reservoir on the Guadalupe River included in Water Use Permit No. 3505 and Permit No. 5394A. Of this total amount, 761 acre-feet per annum is available on a firm yield basis, with the remaining 1,408 acre-feet per annum available on a "run-of-river" basis. Such total amount of water shall be used for municipal use and/or injected into the Hosston-Sligo Aquifer of the Lower Trinity formation for subsequent retrieval for municipal use.

2. DIVERSION

Permittee is authorized to divert water from the point on the reservoir authorized in Permit No. 3505 at a maximum rate, in combination with the rate included in Permit No. 3505 and Permit No. 5394A, of not to exceed 15.5 cfs. Prior to the diversion of the water authorized hereunder, Permittee shall have installed a metering device in accordance with Commission rules.

3. POINT OF RETURN

Water diverted for use by the City of Kerrville but not consumed shall be returned to the City of Kerrville's wastewater treatment plant discharge outfall.

4. WATER CONSERVATION

Within one (1) year from issuance of this permit amendment, owner shall submit to the Executive Director of the Texas Natural Resource Conservation Commission a water conservation plan as described in Texas Administrative Code Section 288.2, which shall provide for the utilizing of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water, so that a water supply is made available for future use or alternative uses. Such plan shall include a requirement in every wholesale water supply contract entered into, on or after the effective date of this permit, including any contract extension or renewal, that each successive wholesale customer develop and implement water conservation measures. If the customers intend to resell the water, then the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures.

5. SPECIAL CONDITIONS

- A. Permittee is authorized to divert water hereunder only when the water level in the referenced existing reservoir is above 1,608 feet mean sea level.

- B. During the months of October through May, Permittee is authorized to divert water hereunder only when the flow of the Guadalupe River exceeds 40 cfs at a referenced device to be installed by the Permittee immediately downstream of the dam for the referenced reservoir at a location to be approved by the Executive Director. During the months of June through September, Permittee is authorized to divert water hereunder only when the flow of the Guadalupe River exceeds 30 cfs at the aforesaid reference device.
- C. In addition to the variable flow restrictions contained in Paragraph 5. SPECIAL CONDITIONS B., if inflows into the referenced reservoir are 50 cfs or greater, Permittee must restrict the diversions hereunder authorized to allow a flow of at least 50 cfs to pass the reference device described in that paragraph. The inflows are to be measured at a separate reference device or devices installed by Permittee upstream of the reservoir at a specific location to be approved by the Executive Director.
- D. Of the 2,169 acre-feet of water authorized for diversion per annum in Paragraph 1. USE, such water shall be used as follows:
- i. Not to exceed 1,100 acre-feet of water per annum for municipal use by the City of Kerrville (either water diverted directly from the river or surface water injected into the aforesaid aquifer and subsequently retrieved); and
 - ii. The remaining 1,069 acre-feet of water per annum shall be used for injection into the said aquifer for storage to maintain the firm yield of the system.
- E. The authorizations hereunder are subject to the maintenance of the June 8, 1987 "Subordination Agreement" or amendments and extensions thereof, between the permittee and/or the Upper Guadalupe River Authority and the Guadalupe-Blanco River Authority. The Commission shall be notified immediately by the permittee upon amendment or expiration of such agreement and provided with copies of appropriate documents affecting such changes.
- F. Water diverted under this permit for storage in the aquifer shall be treated to drinking water standards as per Texas Natural Resources Conservation Commission Rules.
- G. The annual total of the diversions authorized under Permit No. 3505 and under this permit shall be allocated to each day based on historic patterns of usage, as reflected in Exhibit A attached to Permit 5394. If, on any given day, the daily allocation is not needed or not available under either permit, then such allocations shall not be made up on future days, except that allocations under this Permit No. 5394B may be made up on future days provided that flows at the downstream reference device described in Paragraph 5. SPECIAL CONDITIONS, B. are at least 60 cfs on those future days.

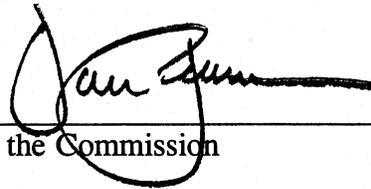
This permit amendment is issued subject to all superior and senior water rights in the Guadalupe River Basin.

Permittee agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this permit.

All other matters requested in the application which are not specifically granted by this permit are denied.

This permit is issued subject to the Rules of the Texas Natural Resources Conservation Commission and to the right of continuing supervision of State water resources exercised by the Commission.

TEXAS NATURAL RESOURCE CONSERVATION
COMMISSION



For the Commission

DATE ISSUED: APR 10 1998,

ATTEST:


Dr. Eugenia K. Brumm, Chief Clerk

WR/5394C/CB

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



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AMENDMENT TO A
WATER USE PERMIT

APPLICATION NO. 5394C

PERMIT NO. 5394C

TYPE: §11.122

Permittee: Upper Guadalupe River Authority

Address: 125 Lehmann, Suite 100
Kerrville, Texas 78028

Filed: June 8, 2000

Granted: **AUG 20 2002**

Purposes: Municipal, Recharge, Agriculture

County: Kerr and Kendall

Watercourse: Guadalupe River

Basin: Guadalupe River
Basin

WHEREAS, Water Use Permit No. 5394A, as amended, issued to the Upper Guadalupe River Authority (UGRA), authorizes the permittee to divert and use not to exceed 2,000 acre-feet of water per annum, on a firm yield basis, from an existing 840 acre-foot capacity reservoir on the Guadalupe River, Guadalupe River Basin, in the Walter Fosgate Survey, Abstract 138, in Kerr County for municipal use and/or injection into the Hosston-Sligo Aquifer of the Lower Trinity Formation for subsequent retrieval for municipal purposes; and

WHEREAS, a point on the center line of the aforesaid reservoir is located S 40°E, 2,470 feet from the southwest corner of the aforesaid survey, and is authorized by the UGRA's Water Use Permit No. 3505 (Application No. 3769); and

WHEREAS, water authorized for use by Water Use Permit No. 5394A is included in a Subordination Agreement between the Guadalupe-Blanco River Authority and the UGRA, and may be diverted at a maximum rate of 15.5 cfs (6,956 gpm) in combination with Water Use Permit No. 3505 (Application No. 3769) and the City of Kerrville's Water Use Permit No. 5394B; and

WHEREAS, the Upper Guadalupe River Authority has entered into a Water Supply Agreement with Buckhorn Golf II Ltd., a Texas Limited Partnership, dated April 10, 2000, to provide not to exceed 160 acre-feet of agricultural water per annum for a ten year period to irrigate 110 acres of land out of three tracts totaling 187.276 acres in Kendall County; and

WHEREAS, the UGRA seeks to amend Water Use Permit No. 5394A by adding agricultural use to irrigate 160 acre-feet of water per annum currently authorized for municipal use, by adding

an additional point of diversion on the left bank of the Guadalupe River, Guadalupe River Basin one mile east of Comfort, Texas, and by changing the place of use of the agricultural water to the acreage owned or leased by Buckhorn Golf II Ltd. in Kendall County; and

WHEREAS, the Commission finds that jurisdiction over the application is established; and

WHEREAS, the Executive Director finds that at least 75% of the requested 160 acre-feet of water per annum would be available in only 14.3% of the years, and the monthly demand would be available in only 33.9 % of the months; and

WHEREAS, the existing authorization contains certain stream flow restrictions to prevent negative impact on existing instream uses which will remain in effect under this amendment; and

WHEREAS, no person protested the granting of this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and the Rules of the Texas Natural Resource Conservation Commission in issuing this amendment;

NOW THEREFORE, this amendment to Water Use Permit No. 5394A, designated Water Use Permit No. 5394C, is issued to the Upper Guadalupe River Authority, subject to the following terms and conditions:

1. USE

In lieu of the prior authorization contained in Water Use Permit No. 5394A, permittee is authorized to divert:

- A. Not to exceed 2,000 acre-feet of water per annum on a firm yield basis from the Guadalupe River at the point of diversion included in Water Use Permit No. 3505. Such total amount of water shall be used for municipal use and/or injected into the Hosston-Sligo Aquifer of the Lower Trinity Formation for subsequent retrieval for municipal purposes.
- B. Not to exceed 160 acre-feet of water per annum of the authorized 2000 acre-feet of water per annum, for a ten year period, for agricultural purposes, the irrigation of land owned by Buckhorn Golf II Ltd. described as 110 acres out of a 187.532 acre tract of land contained in six tracts located in the Justa Esqueda Survey No. 25, abstract 157, approximately one mile east of the town of Comfort in Kendall County, Texas.

2. DIVERSION

- A. Point: In addition to the diversion points currently authorized by Water Use Permit No. 5394A Permittee is also authorized to divert the water authorized herein at a point bearing S 41.245° E, 8,218 feet from the USGS published

benchmark/triangular station known as "Comfort 2" on the left, or north, bank of the Guadalupe River approximately 200 yards downstream of the IH-10 bridge, one mile east of Comfort, Texas, also described as 29.970°N Latitude and 98.883°W Longitude .

- B. Rate: The maximum diversion rate for the water authorized herein is not to exceed 1.1 cfs (500 gpm), and the combined maximum diversion rate for all water diverted pursuant to Water Use Permit No. 5394A, as amended, shall not exceed 15.5 cfs (6,956.4 gpm) in combination with Water Use Permit No. 3505 and Water Use Permit No. 5394B.

3. TIME PRIORITY

The time priority of this amendment for use of the 160 acre-feet of water per annum for agricultural uses is January 6, 1992, except it shall be junior in priority to all water rights owners of record, as they appear on the date this amendment is granted, with diversion points on the Guadalupe River between the existing and proposed diversion points.

4. CONSERVATION

Owners shall implement water conservation plans that provide for the utilization of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water, so that a water supply is made available for future or alternative uses.

5. SPECIAL CONDITIONS

In addition to Paragraph 5, SPECIAL CONDITIONS A through H of Water Use Permit No. 5394A, the following additional special conditions shall also apply:

- I. This amendment is subject to the maintenance, or extension, of the Water Supply Agreement, between Permittee and Buckhorn Golf II, Ltd. dated April 10, 2000.
- J. Upon expiration of the aforesaid Water Supply Agreement, this amendment shall expire and become null and void without further Commission consideration, and the 160 acre-feet of water per annum authorized hereby for agriculture use (irrigation) shall revert back to municipal use with no further Commission action..
- K. Permittee is required to contact the South Texas Watermaster prior to the diversion of any water authorized by this amendment.

- L. Prior to diversion of the water authorized herein, Permittee shall install and maintain a measuring device at the described diversion point, capable of measuring within plus or minus 5% accuracy, to record the amount of water diverted from the stream for industrial purposes. Representatives of the TNRCC shall, upon demand, be provided physical access to the diversion (pump) sites for inspection and verification purposes.

This amendment is issued subject to all superior and senior water rights in the Guadalupe River Basin.

All other matters requested in the application which are not specifically granted by this amendment are denied.

Permittee agrees to be bound by the terms, conditions and provisions contained herein, and such agreement is a condition precedent to the granting of this amendment.

This amendment is issued subject to the Rules of the Texas Natural Resource Conservation Commission and to the right of continuing supervision of State water resources exercised by the Commission.

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION



For the Commission

Date Issued: **AUG 20 2002**

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AMENDMENT TO A WATER USE PERMIT

PERMIT NO. 5394D

TYPE: 11.122

Permittee:	Upper Guadalupe River Authority	Address:	125 Lehmann Drive, Suite 100 Kerrville, Texas 78028
Filed:	November 20, 2012	Granted:	February 7, 2013
Purpose:	Municipal	County:	Kerr
Watercourse:	Guadalupe River	Watershed:	Guadalupe River Basin

WHEREAS, the Upper Guadalupe River Authority (UGRA) owns a portion of Water Use Permit No. 5394 which authorizes the diversion and use of not to exceed 2,000 acre-feet of water per year, on a firm yield basis, from a point on an existing 840 acre-foot reservoir (authorized by City of Kerrville's Water Use Permit No. 3505) on the Guadalupe River, Guadalupe River Basin for municipal use and/or injection into the Hosston-Sligo Aquifer of the Lower Trinity Formation for subsequent retrieval for municipal use in Kerr County. The time priority of this right is January 6, 1992; and

WHEREAS, multiple Special Conditions apply including Special Condition 5.D. which states:

Of the 2,000 acre-feet of water authorized for diversion in Paragraph 1. USE, such water shall be used as follows: (i) not to exceed 1,661 acre-feet of water per year may be contracted for municipal use by Kerr County entities other than the City of Kerrville (either water diverted directly from the river or surface water injected into the aforesaid aquifer and subsequently retrieved) and (ii) the remaining 339 acre-feet of water per year shall be used for injection into the said aquifer for storage to maintain the firm yield of the system; and

WHEREAS, UGRA seeks to amend its portion of Water Use Permit No. 5394 to remove "other than the City of Kerrville" from Special Condition 5.D.i. in order to authorize UGRA to contract for municipal use of the water by any Kerr County entity, including the City of Kerrville; and

WHEREAS, the Texas Commission on Environmental Quality finds that jurisdiction over the application is established; and

WHEREAS, this amendment, if granted, is subject to requirements and orders of the South Texas Watermaster; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Commission on Environmental Quality in issuing this amendment;

NOW, THEREFORE, this amendment to Water Use Permit No. 5394, designated Water Use Permit No. 5394D, is issued to the Upper Guadalupe River Authority, subject to the following terms and conditions:

SPECIAL CONDITION

In lieu of SPECIAL CONDITION 5.D.i. of Water Use Permit No. 5394A, the following Special Condition applies:

Not to exceed 1,661 acre-feet of water per year may be contracted for municipal use by Kerr County entities (either water diverted directly from the river or surface water injected into the aforesaid aquifer and subsequently retrieved).

This amendment is issued subject to all terms, conditions, and provisions contained in Water Use Permit No. 5394, as amended, except as specifically amended herein.

This amendment is issued subject to all superior and senior water rights in the Guadalupe River Basin.

Permittee agrees to be bound by the terms, conditions, and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Commission on Environmental Quality and to the right of continuing supervision of State water resources exercised by the Commission.


For the Commission

Date issued: **February 7, 2013**

WR 'adj / 2002 / CO

CERTIFICATE OF ADJUDICATION

CERTIFICATE OF ADJUDICATION: 18-2002

OWNER: Shelton Ranch Corporation,
a Texas Corporation
P. O. Box 1107
Kerrville, TX 78028

COUNTY: Kerr

PRIORITY DATE: 1924

WATERCOURSE: Guadalupe River

BASIN: Guadalupe River

WHEREAS, by final decree of the 37th Judicial District Court of Bexar County, in Cause No. 77-CI-13052, In Re: The Adjudication of Water Rights in the Upper Guadalupe River Segment of the Guadalupe River Basin, dated November 12, 1979, a right was recognized under Claim 1519 authorizing Carl D. Meek to appropriate waters of the State of Texas as set forth below;

WHEREAS, by Agreement dated April 1, 1980, recorded in Vol. 233, page 320, Deed Records of Kerr County, Shelton Ranch Corporation acquired, along with a portion of the land described in Claim 1519, a specified portion of the seller's water rights;

NOW, THEREFORE, this certificate of adjudication to appropriate waters of the State of Texas in the Guadalupe River Basin is issued to Shelton Ranch Corporation, subject to the following terms and conditions:

1. USE

Owner is authorized to divert and use not to exceed 136 acre-feet of water per annum from the Guadalupe River to irrigate a maximum of 99 acres of land out of a tract located in the William Watt Survey 65, Abstract 364 and the William Watt Survey 66, Abstract 365, Kerr County, Texas, said tract being described as follows:

- (1) BEGINNING at a point on the right-of-way line of F.M. Highway 689 out of the William Watt Survey 66, 6785 feet N 55°E of its Northwest corner;
- (2) THENCE S 44°35'W, 2180 feet;
- (3) THENCE N 45°41'W, 1428 feet;
- (4) THENCE S 47°24'W, 4016 feet;
- (5) THENCE S 43°E, 3570 feet;
- (6) THENCE N 47°E, 5445 feet to a point on the right-of-way line of F.M. Highway No. 689;
- (7) THENCE up said highway with the meanders to the place of beginning.

2. DIVERSION

A. Location:

At a point on the southwest bank of the Guadalupe River which is N 81°E, 8355 feet from the northwest corner of the D. Schauchard Survey 67, Abstract 299, Kerr County, Texas.

B. Maximum Rate: 2.4 cfs (1080 gpm).

3. PRIORITY

The time priority of owner's right is 1924.

The locations of pertinent features related to this certificate are shown on Page 4 of the Guadalupe River Certificates of Adjudication Maps, copies of which are located in the offices of the Texas Department of Water Resources and the office of the County Clerk.

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WR, adj / 2002 / CO

CERTIFICATE OF ADJUDICATION

CERTIFICATE OF ADJUDICATION: 18-2002

OWNER: Shelton Ranch Corporation,
a Texas Corporation
P. O. Box 1107
Kerrville, TX 78028

COUNTY: Kerr

PRIORITY DATE: 1924

WATERCOURSE: Guadalupe River

BASIN: Guadalupe River

WHEREAS, by final decree of the 37th Judicial District Court of Bexar County, in Cause No. 77-CI-13052, In Re: The Adjudication of Water Rights in the Upper Guadalupe River Segment of the Guadalupe River Basin, dated November 12, 1979, a right was recognized under Claim 1519 authorizing Carl D. Meek to appropriate waters of the State of Texas as set forth below;

WHEREAS, by Agreement dated April 1, 1980, recorded in Vol. 233, page 320, Deed Records of Kerr County, Shelton Ranch Corporation acquired, along with a portion of the land described in Claim 1519, a specified portion of the seller's water rights;

NOW, THEREFORE, this certificate of adjudication to appropriate waters of the State of Texas in the Guadalupe River Basin is issued to Shelton Ranch Corporation, subject to the following terms and conditions:

1. USE

Owner is authorized to divert and use not to exceed 136 acre-feet of water per annum from the Guadalupe River to irrigate a maximum of 99 acres of land out of a tract located in the William Watt Survey 65, Abstract 364 and the William Watt Survey 66, Abstract 365, Kerr County, Texas, said tract being described as follows:

- (1) BEGINNING at a point on the right-of-way line of F.M. Highway 689 out of the William Watt Survey 66, 6785 feet N 55°E of its Northwest corner;
- (2) THENCE S 44°35'W, 2180 feet;
- (3) THENCE N 45°41'W, 1428 feet;
- (4) THENCE S 47°24'W, 4016 feet;
- (5) THENCE S 43°E, 3570 feet;
- (6) THENCE N 47°E, 5445 feet to a point on the right-of-way line of F.M. Highway No. 689;
- (7) THENCE up said highway with the meanders to the place of beginning.

2. DIVERSION

A. Location:

At a point on the southwest bank of the Guadalupe River which is N 81°E, 8355 feet from the northwest corner of the D. Schauchard Survey 67, Abstract 299, Kerr County, Texas.

B. Maximum Rate: 2.4 cfs (1080 gpm).

3. PRIORITY

The time priority of owner's right is 1924.

The locations of pertinent features related to this certificate are shown on Page 4 of the Guadalupe River Certificates of Adjudication Maps, copies of which are located in the offices of the Texas Department of Water Resources and the office of the County Clerk.

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This certificate of adjudication is issued subject to all terms, conditions and provisions in the final decree of the 37th Judicial District Court of Bexar County, in Cause No. 77-CI-13052, In Re: The Adjudication of Water Rights in the Upper Guadalupe River Segment of the Guadalupe River Basin, dated November 12, 1979, and supersedes all rights of the owner asserted in that cause.

This certificate of adjudication is issued subject to senior and superior water rights in the Guadalupe River Basin.

This certificate of adjudication is issued subject to the Rule of the Texas Department of Water Resources and its continuing right of supervision of State water resources consistent with the public policy of the State as set forth in the Texas Water Code.

This water right is appurtenant to the above-described land within which irrigation is authorized, unless and until severed from the land. A transfer of any portion of the above-described land includes, unless otherwise specified, that portion of the water right which is appurtenant to the transferred land at the time of the transaction.

TEXAS WATER COMMISSION

/s/ Felix McDonald

Felix McDonald, Chairman

DATE ISSUED:

JUL 17 1981

ATTEST:

/s/ Mary Ann Hefner

Mary Ann Hefner, Chief Clerk

FILMED
MAR 15 1982
SYSTEM 200

*Attach
7-17-81*

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



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AMENDMENT TO
CERTIFICATE OF ADJUDICATION

Certificate of Adjudication No. 18-2002A

Type: §11.122

Owner: Comanche Trace Ranch &
Golf Club, L. L. L. P.

Address: 3074 Bandera Highway
Kerrville, Texas 78028

Filed: March 9, 2000

Granted: **JUN 08 2000**

Use: Irrigation

County: Kerr

Watercourse: Guadalupe River

Basin: Guadalupe River Basin

WHEREAS, Certificate No. 18-2002 authorizes the owner, with a time priority of 1924, to divert and use not to exceed 136 acre-feet of water per annum from the Guadalupe River at a maximum rate of 2.4 cfs (1080 gpm) for irrigation of 99 acres of land in the William Watt Survey 65, Abstract No. 364, and the William Watt Survey 65, Abstract No. 365, Kerr County; and

WHEREAS, Comanche Trace Ranch and Golf Club, L. L. L. P. seeks to amend the certificate by adding off-channel storage and increasing the area to be irrigated; and

WHEREAS, the Texas Natural Resource Conservation Commission finds that jurisdiction over the application is established; and

WHEREAS, no person protested the granting of this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Natural Resource Conservation Commission in issuing this amendment.

NOW, THEREFORE, this amendment to Certificate No. 18-2002 is issued to Comanche Trace Ranch and Golf Club, L. L. L. P., subject to the following terms and conditions:

1. USE

In lieu of the previous authorization, certificate owner is authorized to divert not to exceed 136 acre-feet of water per annum from the Guadalupe River to two off-channel reservoirs authorized under this amendment for subsequent irrigation of 471.4 acres out of 1131.78 acres of land in the following surveys in Kerr County: William T. Crook Survey No. 63, Abstract 116, William Watt Survey No. 64, Abstract No. 363, William Watt Survey No. 65, Abstract No. 364, William Watt Survey No. 66, Abstract No. 365 and the Thomas Jackson Survey No. 394, Abstract No. 212. This 1131.78 acres is owned by certificate owner as evidenced by a Warranty Deed recorded in Volume 971, Pages 698-706 in the Official Records of Kerr County.

2. IMPOUNDMENT

Certificate Owner is authorized to maintain an existing off-channel reservoir and to construct and maintain an off-channel reservoir and impound therein water diverted from the Guadalupe River under this certificate, as amended. The reservoirs are described as follows:

Reservoir A: an existing off-channel reservoir located 4.5 miles south of Kerrville impounding 24.3 acre-feet of water with a surface area of 2.21 acres. The reservoir is N42°E, 3817 feet from the south corner of the William Watt Survey No. 66, Abstract No. 365, also being 29.984°N Latitude and 99.117°W Longitude.

Reservoir I: a proposed off-channel reservoir to be located 4.1 miles south of Kerrville impounding 65 acre-feet of water with a surface area of 8.71 acres. The reservoir will be N 43°E, 8428 feet from the south corner of the William Watt Survey No. 66, Abstract No. 365, also being 29.989°N Latitude and 99.109°W Longitude.

3. SPECIAL CONDITIONS

Owner shall contact the South Texas Watermaster prior to diversion of water authorized under the certificate, as amended.

4. TIME LIMITATIONS

- A. Construction and modification of the lakes herein authorized shall be in accordance with plans approved by the Executive Director and shall be commenced within one year and completed within two years from the date of issuance of this permit.
- B. Failure to commence and complete construction and modification of the lakes (Reservoir A and Reservoir I) within the period stated above, shall

cause this authorization, with respect to the lakes not modified/constructed, to expire and become null and void without further Commission consideration, unless permittee applies for an extension of time to commence and/or complete construction prior to the respective deadlines for commencement and completion, and the application is subsequently granted.

This amendment is issued subject to all superior and senior rights in the Guadalupe River Basin.

Certificate owner agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Natural Resource Conservation Commission and to the right of continuing supervision of State water resources exercised by the Commission.

**TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION**



For the Commission

Date Issued: **JUN 08 2000**

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TEXAS NATURAL RESOURCE CONSERVATION COMMISSION
INTEROFFICE MEMORANDUM

TO : Records Management

DATE: May 17, 2000

Certificate of Adjudication No. 18-2002
Kerr County
Guadalupe River Basin

FROM : Water Rights Permitting & Availability Section
Water Permits & Resource Management Division

SUBJECT : Change of Ownership

ADD : City of Kerrville as joint owner

Water Rights Conveyance dated February 14, 2000, has been checked and found to cover part of the water right.

Ownership of Record with Addresses and Remarks:

Comanche Trace Ranch And Golf Club, LLLP, a Colorado limited partnership, et al
(et al consists of: City of Kerrville)
3033 East First Avenue, Suite 810
Denver, Colorado 80206

The ownership of the water rights under this certificate of adjudication (136 acre-feet of water per annum from the Guadalupe River for irrigation of 99 acres out of 260.23 acre-portion of 1131.78 acre-tract) is established as follows:

1. Club 260.23 acre-tract, and
undivided 1/2 interest in 136 acre-feet
2. City undivided 1/2 interest in 136 acre-feet

~~2002/411~~ 2002/400 68AF
~~2002/412~~ 68AF

Data Entry Made: _____

Mohant Reddy
WRP & A Section: _____

Change Noted: _____

Central Records/Date: _____

WHEREAS, the Texas Natural Resource Conservation Commission finds that jurisdiction over the application is established; and

WHEREAS, no person protested the granting of this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Natural Resource Conservation Commission in issuing this amendment.

NOW, THEREFORE, this amendment to Certificate No. 18-2002, as amended, is issued to Comanche Trace Ranch and Golf Club, L. L. P., subject to the following terms and conditions:

1. IMPOUNDMENTS

Certificate Owner is authorized to construct and maintain 4 off-channel reservoirs and to construct and maintain 5 on-channel reservoirs and impound therein water diverted from the Guadalupe River under this certificate, as amended. The reservoirs are described as follows:

Reservoir B, an off-channel reservoir will be located 4.4 miles south of Kerrville and will impound 6.0 acre-feet of water with a surface area of 0.9 acres. The reservoir will be N 41.73° E, 5129 feet from the south corner of the William Watt Survey No. 66, Abstract No. 365, also being 29.985°N Latitude and 99.119°W Longitude.

Reservoir C, an off-channel reservoir will be located 4.2 miles south of Kerrville and will impound 4.4 acre-feet of water with a surface area of 0.97 acres. The reservoir will be N 37.53°E, 5997 feet from the south corner of the William Watt Survey No. 66, Abstract No. 365, also being 29.987°N Latitude and 99.119°W Longitude.

Reservoir D, an on-channel reservoir will be located on Dry Hollow, tributary of the Guadalupe River 4.4 miles south of Kerrville and will impound 9.5 acre-feet of water with a surface area of 1.60 acres. The reservoir will be N 47.8°E, 8559 feet from the west corner of the William Watt Survey No. 65, Abstract No. 364, also being 29.985°N Latitude and 99.1099°W Longitude.

Reservoir E, an off-channel reservoir will be located 4.7 miles south of Kerrville and will impound 1.2 acre-feet of water with a surface area of 0.29 acres. The reservoir will be N 30.17°E, 1596 feet from the south corner of the William Watt Survey No. 66, Abstract No. 365, also being 29.975°N Latitude and 99.125°W Longitude.

Reservoir F, an on-channel reservoir will be located on an unnamed tributary of Dry Hollow 4.3 miles south of Kerrville and will impound 0.4 acre-feet of water with a surface area of 0.09 acres. The reservoir will be N 1.76°W, 3777 feet from the south corner of the William Watt Survey No. 66, Abstract No. 365, also being 29.985°N Latitude and 99.133°W Longitude.

Reservoir G, an on-channel reservoir will be located on an unnamed tributary of Dry Hollow 4.2 miles south of Kerrville and will impound 1.7 acre-feet of water with a surface area of .34 acres. The reservoir will be N 13.18°E, 4583 feet from the south corner of the William Watt Survey No. 66, Abstract No. 365, also being 29.987°N Latitude and 99.125°W Longitude.

Reservoir H, an on-channel reservoir will be located on an unnamed tributary of Dry Hollow 4 miles south of Kerrville and will impound 22.3 acre-feet of water with a surface area of 2.10 acres. The reservoir will be N 17.88°E, 5485 feet from the south corner of the William Watt Survey No. 66, Abstract No. 365, also being 29.988°N Latitude and 99.123°W Longitude.

Reservoir I, an off-channel reservoir will be located 4.1 miles south of Kerrville and will impound 65 acre-feet of water with a surface area of 8.71 acres. The reservoir will be N 43°E, 8428 feet from the south corner of the William Watt Survey No. 66, Abstract No. 365, also being 29.989°N Latitude and 99.109°W Longitude.

Reservoir J, an off-channel reservoir will be located 4.2 miles south of Kerrville and will impound 1.5 acre-feet of water with a surface area of .34 acres. The reservoir will be N 46.92°E, 10926 feet from the west corner of the William Watt Survey No. 65, Abstract No. 364, also being 29.991°N Latitude and 99.107°W Latitude.

Reservoir K, an on-channel reservoir will be located on Dry Hollow 4.1 miles south of Kerrville and will impound 0.3 acre-feet of water with a surface area of .09 acres. The reservoir will be N 41.68°E, 7094 feet from the south corner of the William Watt Survey No. 66, Abstract 365, Kerr County, also being 29.988°N Latitude and 99.118°W Longitude.

2. DIVERSION AND USE

- A. Owner is authorized to convey the 136 acre-feet of water per annum currently authorized for diversion by this certificate from the Guadalupe River to the aforesaid reservoirs for subsequent diversion and irrigation of land currently included in the certificate.
- B. Owner is authorized to use the bed and banks of the unnamed tributary of Dry Hollow to convey water authorized for diversion from the Guadalupe River under this certificate, as amended, between Reservoirs F, G, and H for aesthetic purposes and to re-circulate the water between the reservoirs.

3. TIME LIMITATIONS

- A. Construction of the lakes herein authorized shall be in accordance with standard engineering practices and shall be commenced within one year and completed within two years from the date of issuance of this amendment.

- B. Failure to commence and complete construction of Reservoirs B, C, D, E, F, G, H, J, and K within the period stated above, shall cause this authorization, with respect to the lakes not modified/constructed, to expire and become null and void without further Commission consideration, unless permittee applies for an extension of time to commence and/or complete construction prior to the respective deadlines for commencement and completion, and the application is subsequently granted.

This amendment is issued subject to all superior and senior rights in the Guadalupe River Basin.

Certificate owner agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Natural Resource Conservation Commission and to the right of continuing supervision of State water resources exercised by the Commission.

**TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION**



For the Commission

Date Issued: **SEP 12 2000**

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AMENDMENT TO A CERTIFICATE OF ADJUDICATION

CERTIFICATE NO. 18-2002C

TYPE: 11.122, 11.042

Owner: Comanche Trace Ranch &
Golf Club, L.L.L.P.

Address: 3074 Bandera Highway
Kerrville, Texas 78028

Filed: May 14, 2009

Granted: **MAY 14 2010**

Purpose: Irrigation, Recreation

County: Kerr

Watercourse: Unnamed tributary of Dry Hollow
and Dry Hollow, Unnamed tributary
of Stone Creek and Stone Creek,
Guadalupe River

Watershed: Guadalupe River Basin

WHEREAS, Comanche Trace Ranch & Golf Club, L.L.L.P. owns Certificate of Adjudication No. 18-2002 which authorizes the Owner to maintain six off-channel reservoirs (A, B, C, E, I, J) and five on-channel reservoirs (D, F, G, H, K) on Dry Hollow, and an unnamed tributary of Dry Hollow, tributary of the Guadalupe River, and impound water diverted from the Guadalupe River, Guadalupe River Basin. The Certificate also authorizes the Owner to divert and use not to exceed 136 acre-feet of water per year from the Guadalupe River at a maximum diversion rate of 2.4 cfs (1,080 gpm) for storage, recreation, and subsequent diversion for agricultural purposes to irrigate 471.4 acres out of a 1,131.78-acre tract in Kerr County. The Certificate further authorizes the owner to use the bed and banks of an unnamed tributary of Dry Hollow to convey water to reservoirs F, G, and H for re-circulation and aesthetic purposes; and

WHEREAS, Comanche Trace Ranch & Golf Club, L.L.L.P. seeks to amend Certificate of Adjudication No. 18-2002 to authorize maintenance of six additional on-channel reservoirs (L, M, N, O, P, Q) and one off-channel reservoir (R) with a combined maximum capacity of 46.3 acre-feet of water; and

WHEREAS, Comanche Trace Ranch & Golf Club, L.L.L.P. also seeks to use the bed and banks of an unnamed tributary of Stone Creek and Stone Creek to transport water that will be provided under a Contract for Water Lease related to authorizations under Certificate of Adjudication 18-2001 for 104 acre-feet of additional water to be used for re-circulation and recreation (aesthetic) purposes, Kerr County, Texas; and

WHEREAS, the re-circulation is described as follows: The water for the first feature will be discharged into Reservoir L, thence to Reservoir M, thence to Reservoir N. Water will be diverted from Reservoir N for recirculation back into Reservoir L. Water for the second feature will be discharged into

Stone Creek upstream of Reservoir P and allowed to flow downstream into Reservoir P where it will be diverted for recirculation. Water for the third feature will be discharged into Stone Creek upstream of Reservoir Q and allowed to flow downstream into Reservoir Q where it will be diverted for recirculation. The reach for these features is upstream of and including Reservoir Q. Reservoir O is a separate on-channel reservoir with no pumping feature. Reservoir R is an existing off-channel reservoir and will be used for additional impoundment of run off water from the already permitted irrigation system; and

WHEREAS, ownership of the land inundated by reservoirs L, M, N, O, P, Q, and R and the land to be irrigated is evidenced by Special Warranty Deed, Volume 0971, Page 698, in the Official Records of Kerr County; and

WHEREAS, the Texas Commission on Environmental Quality finds that jurisdiction over the application is established; and

WHEREAS, this amendment, if granted, is subject to requirements and orders of the South Texas Watermaster; and

WHEREAS, no requests for a contested case hearing were received for this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Commission on Environmental Quality in issuing this amendment; and

NOW, THEREFORE, this amendment to Certificate of Adjudication No. 18-2002, designated Certificate of Adjudication No. 18-2002C, is issued to Comanche Trace Ranch & Golf Club, L.L.P., subject to the following terms and conditions:

1. IMPOUNDMENT

In addition to the previous authorization to construct and maintain six off-channel reservoirs and to construct and maintain five on-channel reservoirs and impound therein water diverted from the Guadalupe River, Certificate Owner is also authorized to maintain an additional six on-channel reservoirs and one additional off-channel reservoir under this certificate, as amended. The reservoirs are described as follows:

Reservoir L is an existing on-channel reservoir located on an unnamed tributary of Stone Creek, tributary of Turtle Creek, tributary of the Guadalupe River, Guadalupe River Basin, 4.7 miles east of Kerrville, impounding 1.4 acre-feet of water with a surface area of 0.18 acre. Station +0 on the centerline of the dam is N 34.68333° E, 1,419 feet from the south corner of the William Watt Original Survey No. 66, Abstract No. 365, also being 29.979167° N Latitude and 99.130278° W Longitude.

Reservoir M is an existing on-channel reservoir located on an unnamed tributary of Stone Creek, 5 miles east of Kerrville, impounding 5.1 acre-feet of water with a surface area of 0.51 acre. Station +0 on the centerline of the dam is N 76.616667° E, 604 feet from the south corner of the Watt Survey, also being 29.975556° N Latitude and 99.131111° W Longitude.

Reservoir N is an existing on-channel reservoir located on an unnamed tributary of Stone Creek, 5.3 miles east of Kerrville, impounding 9.0 acre-feet of water with a surface area of 0.90 acre. Station +0 on the centerline of the dam is S 14.85° E, 1,785 feet from the south corner of the Watt Survey, also being 29.971389° N Latitude and 99.131667° W Longitude.

Reservoir O is an existing on-channel reservoir located on an unnamed tributary of Stone Creek, 5.4 miles east of Kerrville, impounding 1.1 acre-feet of water with a surface area of 0.14 acre. Station +0 on the centerline of the dam is S 8.166667° E, 2,664 feet from the south corner of the Watt Survey, also being 29.968889° N Latitude and 99.131667° W Longitude.

Reservoir P is an existing on-channel reservoir located on Stone Creek, tributary of Turtle Creek, tributary of the Guadalupe River, Guadalupe River Basin, 5.6 miles east of Kerrville, impounding 1.0 acre-feet of water with a surface area of 0.03 acre. Station 0+ on the centerline of the dam is S 2.95° E, 3,488 feet from the south corner of the Watt Survey, also being 29.968889° N Latitude and 99.131667° W Longitude.

Reservoir Q is an existing on-channel reservoir located on Stone Creek, 5.7 miles east of Kerrville, impounding 1.2 acre-feet of water with a surface area of 0.13 acre. The reservoir is S 9.90° E, 3,991 feet from the south corner of the Watt Survey, also being 29.968889° N Latitude and 99.130833° W Longitude.

Reservoir R is an existing off-channel reservoir located 5.7 miles east of Kerrville impounding 27.5 acre-feet of water with a surface area of 2.76 acres. Station 0+ on the centerline of the dam is S 47.15° E, 2,419 feet from the south corner of the Watt Survey, also being 29.971389° N Latitude and 99.127222° W Longitude.

2. USE

- A. In addition to the previous authorization to convey 136 acre-feet of water per year and use of 150 acre-feet of a 254 acre-feet per year contract for water lease from the Guadalupe River for diversion to reservoirs B, C, D, E, F, G, H, I, J and K for subsequent diversion and irrigation, Owner is also authorized to convey the remaining 104 acre-feet of leased water per year from the Guadalupe River for diversion to reservoirs L, M, N, O, P, Q and R for re-circulation, recreation (aesthetic), and agricultural purposes.
- B. In addition to the previous authorization to use the bed and banks of an unnamed tributary of Dry Hollow to convey water between Reservoirs F, G and H, Owner is also authorized to use the bed and banks of an unnamed tributary of Stone Creek to convey water between Reservoirs L, M and N, and to use the bed and banks of Stone Creek to convey water between Reservoirs P and Q.

3. DISCHARGE

Owner is authorized to discharge the water authorized by this amendment as follows:

Discharge Point 1 is located approximately 300 feet upstream of Reservoir P, on Stone Creek, 5.6 miles southeast of the City of Kerrville, bearing S 6.033333° E, 3,195 feet from the south corner of the William Watt Original Survey No. 66, Abstract No. 365, also being Latitude 29.967222° N, Longitude 99.131944° W. Water will be discharged at a maximum rate of 0.2 cfs (100 gpm).

Discharge Point 2 is located approximately 550 feet upstream of Reservoir Q, on Stone Creek, 5.6 miles southeast of the City of Kerrville, bearing S 5.80° E, 3,640 feet from the south corner of the Watt Survey, also being Latitude 29.966389° N, Longitude 99.131667° W. Water will be discharged at a maximum rate of 0.2 cfs (100 gpm).

Discharge Point 3 is located on the dam of Reservoir L, an unnamed tributary of Stone Creek, 4.7 miles southeast of the City of Kerrville, bearing N 34.683333° E, 1,419 feet from the southwest corner of the Watt Survey, also being Latitude 29.979167° N, Longitude 99.130278° W. Water will be discharged at a maximum rate of 1.1 cfs (500 gpm).

4. DIVERSION

In addition to the diversion point authorized under Certificate of Adjudication No. 18-2001, Owner is also authorized to divert water authorized by this amendment as follows:

Diversion Point 2 is located on the perimeter of Reservoir P, on Stone Creek, 5.6 miles southeast of Kerrville, bearing S 2.95° E, 3,488 feet from the south corner of the William Watt Original Survey No. 66, Abstract No. 365, also being at Latitude 29.966667° N, Longitude 99.1325° W. Water will be diverted at a maximum diversion rate of 0.2 cfs (100 gpm).

Diversion Point 3 is located on the perimeter of Reservoir Q, on Stone Creek, 5.7 miles southeast of Kerrville, bearing S 9.90° E, 3,991 feet from the south corner of the Watt Survey, also being at Latitude 29.965278° N, Longitude 99.130833° W. Water will be diverted at a maximum diversion rate of 0.2 cfs (100 gpm).

Diversion Point 4 is located on the perimeter of Reservoir N, on an unnamed tributary of Stone Creek, 5.3 miles southeast of Kerrville, bearing S 14.85° E, 1,785 feet from the south corner of the Watt Survey, also being at Latitude 29.971389° N, Longitude 99.131667° W. Water will be diverted at a maximum diversion rate of 1.1 cfs (500 gpm).

5. CONSERVATION

Owner shall implement water conservation plans that provide for the utilization of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water, so that a water supply is made available for future or alternative uses.

6. SPECIAL CONDITION

- A. In order to provide water quality benefits to the reservoirs and water bodies downstream, the permittee shall maintain a buffer zone of permanent vegetation around the perimeter of each reservoir consisting of native vegetation such as buffalo grass, bluestem, blue gramma, and muhly grass with the exception of reasonable access areas. The buffer zone shall be graded to have a slope no greater than 15%.
- B. This permit does not allow Owner to impound State water. Owner shall provide and maintain suitable outlets in good working condition in the reservoirs to pass all inflows of State water downstream and maintain the reservoirs full. Upon termination of this permit, Owner shall activate the outlets such that no State water is impounded in the reservoir.
- C. Owner shall maintain and operate an alternate source of water with sufficient production to ensure no State water is used. Owner has entered into a *Contract for Water Lease* with the owners of Certificate of Adjudication No. 18-2001 for an additional 104 acre-feet of water pursuant to an Upstream Diversion Contract based on the Guadalupe Blanco River Authority's (GBRA) Certificate of Adjudication No. 18-2074 for Canyon Reservoir as the alternate source of water for this project. Owner shall maintain records of the amount of water diverted and utilized. Owner shall provide documentation of same for review during normal business hours upon requests by either the Executive Director or members of the general public.
- D. This permit is issued contingent upon the Owner's maintenance of the alternate source of water identified in Paragraph (2) above. In the event the *Contract for Water Lease* will not be used as the alternate source, Owner shall immediately cease impoundment of water under this permit and either apply to amend this permit with documentation of the new alternate source of water, or voluntarily forfeit the permit. If Owner does not amend or forfeit the permit, the Commission shall be notified immediately by the Owner that the *Contract for Water Lease* will not be used as the alternate source of water for this permit.
- E. Diversion of water shall not occur at rates or in amounts higher than the actual daily amount of water discharged into Stone Creek and/or the unnamed tributary of Stone Creek after accounting for the calculated losses and travel time from the discharge point(s) to the diversion points.

- F. Prior to the diversion of water authorized herein, Owner shall contact the South Texas Watermaster.
- G. Prior to diversion of the water authorized herein, Owner shall install and maintain measuring devices, at the discharge point of the water and at any authorized diversion point, capable of measuring within plus or minus 5% accuracy, to record the amount of water discharged into Stone Creek and/or an unnamed tributary of Stone Creek and subsequently diverted on a daily basis.

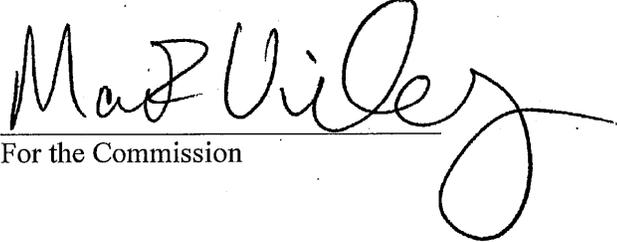
This amendment is issued subject to all terms, conditions and provisions contained in Certificate of Adjudication No. 18-2002, as amended, except as specifically amended herein.

This amendment is issued subject to all superior and senior water rights in the Guadalupe River Basin.

Certificate Owner agrees to be bound by the terms, conditions, and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Commission on Environmental Quality and to the right of continuing supervision of State water resources exercised by the Commission.


For the Commission

Date Issued: **MAY 14 2010**



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Minutes for the City Council workshop held January 14, 2020.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 06, 2020

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20200128_Minutes_Council workshop on 1-14-20.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Minutes for the City Council workshop held on January 14, 2020 at 4:00 p.m.

RECOMMENDED ACTION:

Approve minutes as presented.

CITY COUNCIL MINUTES
MEETING, TIRZ BOARD OF DIRECTORS
WORKSHOP, COUNCIL CHAMBERS

KERRVILLE, TEXAS
JANUARY 14, 2020 4:00 PM
JANUARY 14, 2020 4:05 PM

CALL TO ORDER

On January 14, 2020, at 4:00 p.m., the Board of Directors of the Tax Increment Reinvestment Zone Number One, City of Kerrville, Texas ("TIRZ Board") was called to order by Mayor Bill Blackburn in Council Chambers at 701 Main Street.

COUNCILMEMBERS PRESENT:

Bill Blackburn	Mayor
Gary Cochrane	Councilmember Place 1
Kim Clarkson	Councilmember Place 2
Judy Eychner	Councilmember Place 3
Delayne Sigerman	Councilmember Place 4

COUNCILMEMBER ABSENT: None

CITY STAFF PRESENT:

Mark McDaniel	City Manager
E.A. Hoppe	Deputy City Manager
Mike Hayes	City Attorney
Shelley McElhannon	City Secretary
Ashlea Boyle	Director of Parks and Recreation
Stuart Cunyus	Public Information Officer
Amy Dozier	Chief Financial Officer
Kim Meisner	Executive Director of General Operations
Sherry Mosier	Manager of Strategic Initiatives
Dannie Smith	Fire Chief

VISITORS PRESENT: On file in City Secretary's Office for required retention period.

1. TIRZ BOARD – CONSIDERATION AND POSSIBLE ACTION

1.A. TIRZ BOARD annual report.

Sherry Mosier presented the TIRZ BOARD annual report, and responded to questions by City Council.

1.B. Minutes for the TIRZ BOARD meeting held October 09, 2018.

Councilmember Judy Eychner made a motion to approve the October 09, 2018, minutes as presented, and Councilmember Gary Cochrane seconded. The motion passed 5-0.

ADJOURN MEETING OF TIRZ BOARD

The TIRZ BOARD meeting was adjourned at 4:05 p.m.

CALL TO ORDER KERRVILLE CITY COUNCIL WORKSHOP

At 4:05 p.m., the Kerrville City Council Workshop was called to order by Mayor Blackburn in Council Chambers at 701 Main Street.

2. INFORMATION AND DISCUSSION

2.A. Presentation of sex offender requirements in the City Limits.

Chief David Knight presented the sex offender requirements in the City Limits of Kerrville, and responded to questions by Council.

3. RECESS

Councilmember Delayne Sigerman made a motion the City Council adjourn into closed executive session under 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), and 551.087 (business prospect/economic development) of Chapter 551, Texas Government Code, and Councilmember Judy Eychner seconded. The motion passed 5-0.

Council recessed and adjourned into closed executive session at 4:38 p.m.

4. RECONVENE

The closed executive session of the workshop was reconvened by Mayor Blackburn in the upstairs large conference room at 4:45 p.m.

5. EXECUTIVE SESSION

5.A. Legal matters related to aerial pipe bridge Loop 534 (551.071)

5.B. Sky Master business development project (551.072, and 551.087)

5.C. A.C. Schreiner House public-private partnership project (551.072, and 551.087)

The closed executive session recessed, Council returned to open session at 5:48 p.m.

6. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION IF ANY

No action was taken in executive session.

ADJOURN

The meeting was adjourned at 5:48 p.m.

APPROVED:

ATTEST:

Bill Blackburn, Mayor

Shelley McElhannon, City Secretary

APPROVED BY COUNCIL: _____



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Minutes for the City Council meeting held January 14, 2020.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 06, 2020

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20200128_Minutes_Council regular meeting 6pm on 1-14-20.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Minutes for the City Council meeting held January 14, 2020 at 6:00 p.m.

RECOMMENDED ACTION:

Approve minutes as presented.

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
JANUARY 14, 2020

On January 14, 2020, at 6:00 p.m. the meeting was called to order by Mayor Bill Blackburn in the City Hall Council Chambers at 701 Main Street. The invocation was offered by Councilmember Gary Cochrane, followed by the Pledge of Allegiance led by the Councilmember Clarkson.

COUNCILMEMBERS PRESENT:

Bill Blackburn	Mayor
Judy Eychner	Mayor Pro Tem
Kim Clarkson	Councilmember
Gary Cochrane	Councilmember
Delayne Sigerman	Councilmember

COUNCILMEMBER ABSENT: None

CITY EXECUTIVE STAFF PRESENT:

Mark McDaniel	City Manager
E.A. Hoppe	Deputy City Manager
Mike Hayes	City Attorney
Shelley McElhannon	City Secretary
Stuart Barron	Director of Public Works
Kyle Burow	Director of Engineering
Laura Bechtel	Library Director
Stuart Cunyus	Public Information Officer
Amy Dozier	Chief Financial Officer
Guillermo Garcia	Executive Director of Innovation
Sherry Mosier	Manager of Strategic Initiatives
Drew Paxton	Chief Planning Officer
Dannie Smith	Fire Chief
Curtis Thomason	Assistant Chief of Police

VISITORS PRESENT: On file in City Secretary's Office for required retention period.

1. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Items of Interest to the Community were presented by Stuart Cunyus, Councilmember Delayne Sigerman, and Councilmember Judy Eychner.

2. VISITORS FORUM:

The following persons spoke:

- Elias "Eli" Garcia
- Bruce Stracke
- George Baroody

3. PRESENTATIONS:

3A. Firefighter Lane Rhea was recognized as the 2019 Firefighter of the Year by Fire Chief Dannie Smith.

5. CONSIDERATION AND POSSIBLE ACTION:

Mayor Blackburn shifted the Consideration and Possible Action agenda item forward.

5A. Vintage Heights Development Deal Points.

The Development Deal Points caption was read into record by Shelley McElhannon. E.A. Hoppe presented information, and introduced property owner Chuck Cammack and Attorney Greg Richards, who presented the development plan and details. Drew Paxton highlighted various points and requirements within the development agreement, and Stuart Barron reviewed utility requirements. E.A. Hoppe, Drew Paxton, Chuck Cammack, and Greg Richards responded to questions.

The following persons spoke:

- Mindy Wendele
- Bill White
- Kimberly Cochran
- Walter Koenig
- Robert Gohlke
- Jerry Wolff
- Ward Jones
- Susan Deininger
- Bruce Stracke
- Tom Moser
- Alan Cone
- Doug Holmes

RECESS:

Mayor Blackburn called a recess at 7:47 p.m.

RECONVENE:

Mayor Blackburn reconvened at 7:57 p.m.

The following persons spoke:

- Cindy Anderson
- George Baroody
- Mark Foust
- Kent Feldman
- Wendy Copisarow (removed name at 7:54 p.m., departed meeting)

Councilmember Cochrane moved to authorize the City Manager to enter into negotiations to finalize the deal points based upon the presentation, and Councilmember Eychner seconded. The motion passed 5-0.

6. PUBLIC HEARING AND ORDINANCES, FIRST READING:

Mayor Blackburn shifted the Public Hearing and Ordinances, First Reading agenda item forward.

6A. Ordinance No. 2020-03. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas, which adopted zoning regulations, use districts, and a zoning map in accordance with the City's Comprehensive Plan, such chapter more commonly known as the City's Zoning Code; by changing the zoning and classification of a property generally located east of and adjacent to State Highway 16 South, south of Riverhill Boulevard, and comprising approximately 225.69 acres; from a single-family residential zoning district (R-1) to a medium density residential zoning district (R-2); amending the Comprehensive Plan (Kerrville 2050) to make it consistent with such amendment; providing a cumulative clause; providing for severability; providing an effective date; ordering publication; and providing other matters relating to the subject.

Mayor Blackburn opened the Public Hearing at 8:38 p.m.
The Ordinance caption was read into record by Shelley McElhannon.

Drew Paxton presented information and responded to questions.

The following persons spoke:

- Mindy Wendele (declined)
- Alan Cone (departed meeting)
- Doug Holmes (departed meeting)
- Cindy Anderson (departed meeting)
- Garrett Harmon
- Peggy McKay
- Pablo Brinkman
- George Baroody
- Mary Ellen Summerlin
- Bill White

Mayor Blackburn closed the Public Hearing at 9:02 p.m.

Councilmember Sigerman moved to approve Ordinance No. 2020-03 Zone Change Vintage Heights, Appeal P&Z Decision – Pubic Hearing First Reading, and Councilmember Eychner seconded. The motion passed 5-0.

4. CONSENT AGENDA:

The Consent items captions were read into record by Shelley McElhannon.

Mayor Blackburn requested to pull item 3C from the Consent Agenda. Councilmember Cochrane moved to approve items 4A, 4B, 4D, 4E, and 4F as presented. Councilmember Eychner seconded, and the motion passed 5-0.

4A. Resolution No. 01-2020. A Resolution ordering that a General Election be held on May 2, 2020, for the election of Mayor, Councilmember Place 3, and Councilmember Place 4; establishing the dates and times for early voting for such election; appointing election judges; and providing other matters related to subject.

4B. Resolution No. 02-2020. A Resolution authorizing the City Manager to enter into an agreement for a local on-system improvement project with the Texas Department of Transportation; said agreement to provide City funding to TXDOT for its construction of the extension of Olympic Drive to State Loop 534.

4D. Purchase of Bobcat Skid Steer T870 in the amount of \$68,807.90.

4E. Minutes for the City Council workshop held December 10, 2019.

4F. Minutes for the City Council regular meeting held December 10, 2019.

END OF CONSENT AGENDA

At 9:05 p.m. Councilmember Kim Clarkson recused herself from item 4C due to conflict of interest.

4C. City of Kerrville Stormwater Master Plan.

Councilmember Eychner made a motion to approve the City of Kerrville Stormwater Master Plan, and Councilmember Cochrane seconded. The motion passed 4-0.

At 9:07 p.m. Councilmember Clarkson resumed seat at Council.

5. CONSIDERATION AND POSSIBLE ACTION:

Consideration and Possible Action was presented after Agenda Item 3, (see above).

6. PUBLIC HEARING AND ORDINANCES, FIRST READING:

Public Hearing and Ordinances, First Reading was presented before Agenda Item 4, (see above).

7. PUBLIC HEARINGS AND RESOLUTIONS:

7A. Resolution No. 03-2020. A Resolution allowing a Conditional Use Permit for Automobile Dealership, Used Auto Sales on approximately 0.45 acres, part of Lots 5-8, Block 15, Westland Addition; and more commonly known as 404 Junction Highway.

Mr. Blackburn opened the public hearing at 9:07 p.m.
The Resolution caption was read into records by Shelley McElhannon.

Mr. Paxton presented the Resolution.

The following person spoke:

- Debbie Barron (declined)

Mayor Blackburn closed the public hearing at 9:12 p.m.

Councilmember Cochrane moved to approve Resolution No. 03-2020, and Councilmember Eychner seconded. The motion passed 5-0.

8. ORDINANCES, FIRST READING:

8A. Ordinance No. 2020-04. An Ordinance amending Ordinance No. 2018-19 which created Tax Increment Reinvestment Zone Number One, City of Kerrville, Texas, by amending the composition of the Board of Directors for the Zone; containing a cumulative clause; containing a savings and severability clause; and providing other matters relating to this subject.

The Ordinance caption was read into record by Shelley McElhannon.
Sherry Mosier presented information.

Councilmember Eychner moved to approve Ordinance No. 2020-04 first reading, and Councilmember Sigerman seconded. The motion passed 5-0.

9. ORDINANCES, SECOND READING:

9A. Ordinance No. 2020-01. Second Reading. An Ordinance declaring the adoption of amendments to the City of Kerrville, Texas, Charter in accordance with the adoption of propositions A through O and Q at the Special Election held on November 05, 2019; adopting the Charter, as amended; providing a cumulative clause; containing a savings and severability clause; providing an effective date; and providing other matters related to the subject.

The Ordinance caption was read into record by Shelley McElhannon.
Mike Hayes provided information.

The following person spoke:

- George Baroody (declined)

Councilmember Sigerman moved to approve Ordinance No. 2020-01 second reading, and Councilmember Cochrane seconded. The motion passed 5-0.

9B. Ordinance No. 2020-02. Second Reading. An Ordinance amending Chapter 2, "Administration", Article IV "Boards and Commissions", Section 2-91 "Senior Services Advisory Committee" of the Codes of Ordinances of the City of Kerrville, Texas; by amending subsections (A)(1) and (A)(2) to decrease the membership of this committee to 14 members; containing a cumulative clause; containing a savings and severability clause; and providing other matters related to the subject.

The Ordinance caption was read into record by Shelley McElhannon.

Councilmember Cochrane moved to approve Ordinance No. 2020-02 second reading, and Councilmember Eychner seconded. The motion passed 5-0.

10. ITEMS FOR FUTURE AGENDAS:

- No items were suggested.

11. BOARD APPOINTMENTS:

11A. Appointment to the Kerr Emergency 9-1-1 Network Board of Directors.

Councilmember Clarkson moved to appoint the Police Department Communications Manager Francisco Galvan as the City of Kerrville representative to the 9-1-1 Network Board of Manager, and Councilmember Cochrane seconded. The motion passed 5-0.

11B. Appointments to the Library Advisory Board.

Councilmember Eychner moved to appoint Megan Bean and Erin Sullivan as members of the Library Advisory Board, and Councilmember Cochrane seconded. The motion passed 5-0.

11C. Appointments to the Recovery Community Coalition.

Councilmember Eychner moved to reappoint Steve Pautler, Claudia Richner, Richard Stolpman, and Dr. Kendall Young; and to newly appoint Christa Lovett as the #4 category, Lesley Marek as the #8 category, Brittany Andry as the #2 category, Michael Brooks as the #1 category, as members of the Recovery Community Coalition. Councilmember Sigerman seconded, and the motion passed 5-0.

11D. Appointments to the Senior Services Advisory Board.

Councilmember Eychner moved to appoint Marilyne Cizmich and Dwight McDonald as members of the Senior Services Advisory Board, and Councilmember Cochrane seconded. The motion passed 5-0.

11E. Appointments to the Planning and Zoning Commission.

This item was taken into executive session.

12. EXECUTIVE SESSION:

Councilmember Eychner moved to go into executive session under Section 551.074 (personnel matters) of the Texas Government Code. Councilmember Clarkson seconded, and the motion passed 5-0.

Mayor Blackburn recessed the open session at 9:23 p.m., and Council convened in closed executive session.

9A. Section 551.074, Personnel Matters: Appointments to the Planning and Zoning Commission.

At 9:28 p.m. the Council reconvened in open session.

13. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:

Councilmember Clarkson made a motion to appoint Hunter Patterson, and to reappoint Tricia Byrom and David Jones as members of the Planning and Zoning Commission. Councilmember Sigerman seconded, and the motion passed 5-0.

ADJOURNMENT

The meeting was adjourned at 9:29 p.m.

APPROVED:

ATTEST:

Bill Blackburn, Mayor

Shelley McElhannon, City Secretary

APPROVED BY COUNCIL: _____



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Minutes for the City Council workshop held January 21, 2020.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 06, 2020

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20200128_Minutes_Council workshop on 1-21-20.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Minutes for the City Council workshop held January 21, 2020 at 10:00 a.m.

RECOMMENDED ACTION:

Approve minutes as presented.

CALL TO ORDER

On January 21, 2020, at 10:00 a.m., the Kerrville City Council Workshop was called to order by Mayor Bill Blackburn in Council Chambers at 701 Main Street.

COUNCILMEMBERS PRESENT:

Bill Blackburn, Mayor
Judy Eychner, Mayor Pro Tem
Gary Cochran, Councilmember
Kim Clarkson, Councilmember
Delayne Sigerman, Councilmember

COUNCILMEMBER ABSENT:

None

CITY STAFF PRESENT:

Mark McDaniel, City Manager
E.A. Hoppe, Deputy City Manager
Mike Hayes, City Attorney
Shelley McElhannon, City Secretary

CITY STAFF PRESENT:

Laura Bechtel, Director Library
Ashlea Boyle, Director Parks & Rec
Kyle Burow, Director Engineering
Amy Dozier, Chief Financial Officer
Kim Meismer, Exec Dir General Operations
Sherry Mosier, Manager Strategic Initiatives

VISITORS PRESENT: On file in City Secretary's Office for required retention period.

1. INFORMATION AND DISCUSSION

1.A. Presentation regarding a proposed public private partnership for the purposing of the A.C. Schreiner House, located at 529 Water Street, on the campus of the Butt-Holdsworth Memorial Library.

Mark McDaniel introduced the item, Scott Schellhase presented site plan information, and Dr. William Rector presented the Heart of the Hills Heritage Center information. Mark McDaniel, Scott Schellhase, and Dr. William Rector responded to questions by City Council.

The following persons spoke:

- Ted Schulenberg
- Jeremy Walther
- Julie Leonard

ADJOURN

The meeting was adjourned at 11:18 a.m.

APPROVED:

ATTEST:

Bill Blackburn, Mayor

Shelley McElhannon, City Secretary

APPROVED BY CITY COUNCIL: _____



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Reappointment of Municipal Court Judges M. Patrick Maguire and Mark Prislowsky for two year terms to expire December 31, 2021.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Oct 07, 2019

SUBMITTED BY: Kim Meisner

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
90000	N/A	90000	01-0109-003

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Consider reappointment of Municipal Court Judges M. Patrick Maguire and Mark Prislowsky for two year terms to expire December 31, 2021. State law set Municipal Court Judges' terms at two years. Judge Maguire has served since 2003. Judge Prislowsky has served since 1988. Councilmember Eychner and Councilmember Cochrane were the Council Interview Team for this item.

RECOMMENDED ACTION:

Consider reappointment of Municipal Court Judges M. Patrick Maguire and Mark Prislowsky for two year terms to expire December 31, 2021.



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Interlocal Cooperation Agreement between City of Kerrville, Texas and Headwaters Groundwater Conservation District: Ellenberger Groundwater Well.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 21, 2020

SUBMITTED BY: Stuart Barron

EXHIBITS: [20200128_Interlocal Agreement_HGCD_groundwater well_012420 DRAFT.pdf](#)
[20200128_Interlocal Agreement_HGCD_Exhibit A.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
Estimated to be no more than \$400,000	\$1,100,000	\$1,250,000	

PAYMENT TO BE MADE TO: Headwaters Groundwater Conservation District

Kerrville 2050 Item?	Yes
Key Priority Area	W - Water / Waste-Water / Drainage
Guiding Principle	W1. Develop and maintain long-range water plans that prioritize infrastructure needs and identify funding sources.
Action Item	W1.5 - Examine the option of piping water in from well fields

SUMMARY STATEMENT:

In 2019 the City of Kerrville entered into an Interlocal Partnership Agreement with the Headwaters Groundwater Conservation District (HGCD) to partner in an exploratory groundwater well into the Ellenburger Aquifer. As part of that partnership agreement, the City at that time intended to be the contract administrator and construction project manager. HGCD would be a beneficiary of the well log data and was going to provide for the construction of the "exploratory" part of the well into the Ellenberger Aquifer. HGCD would have assumed the construction manager role for this exploratory phase of the well after the City finished the primary well bore. During the design phase of the project, it was determined that there may not be a confining layer between the Trinity and Ellenberger aquifers. Therefore, it would be very difficult to isolate one aquifer from the other, which is paramount to performing a reliable pump test on the well. In light of this limitation, HGCD

has offered to take over as the lead on the contract administration and construction manager roles of the groundwater well project. The City will provide an easement, or access agreement, for the construction to occur by HGCD and their contractor on City owned property. If the well is found to produce groundwater at a volume of 700 gallons per minute (GPM) or more, the City would be required to reimburse HGCD 100% of their construction costs. If the well produces less than 700 GPM, the City is not required to reimburse HGCD for the construction costs unless the City desires to own the well for its municipal utility purposes. If the City desires to own the less productive groundwater well, the City would be required to reimburse HGCD 50% of their construction costs. If the well is not used as a City water production well, the requested easement/access agreement would allow HGCD continued access to the property to monitor the well for 25 years.

RECOMMENDED ACTION:

Authorize the City Manager to finalize and execute an Interlocal Agreement between the City Of Kerrville and Headwaters Groundwater Conservation District.

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	§	Interlocal Cooperation Agreement
STATE OF TEXAS	§	Between City of Kerrville, Texas and
	§	Headwaters Groundwater
COUNTY OF KERR	§	Conservation District:
		Ellenberger Groundwater Well

This **Interlocal Cooperation Agreement** (“Agreement”) is made by and between the **City of Kerrville, Texas** (“City”) and the **Headwaters Groundwater Conservation District** (“Headwaters”) (collectively the City and Headwaters are hereafter referred to as “the Parties” or individually as “the Party”), acting by and through their authorized officers.

RECITALS:

WHEREAS, City remains dedicated to periodically identifying and expanding its water resources; and

WHEREAS, Headwaters was organized to protect the underground water resources of Kerr County by in part, registering and permitting wells drilled within Kerr County and investigating aquifers to determine appropriate plans for future development; and

WHEREAS, Headwaters mission is to develop, promote, and implement water conservation, augmentation, and management strategies to protect water resources as a sustainable resource for the benefit of its citizens, economy, and environment; and

WHEREAS, a recent study conducted by a committee of local citizens, including experts in geology, water resources, and engineering methods, identified the Ellenberger Aquifer as a viable water resource; and

WHEREAS, Headwaters likewise, through a consultant, has identified the Ellenberger Aquifer as consisting of a high potential for water; and

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code (the “Act”), authorizes units of local governments to contract with other units of local governments to perform governmental functions and services under the terms of the Act; and

WHEREAS, this Agreement and the activities described herein are authorized by the Act;

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NOW THEREFORE, in consideration of the foregoing and the mutual covenants and promises set forth herein and other consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article I Purpose

The purpose of this Agreement is to evidence the Agreement of the Parties regarding the sharing of costs and use of City property for the design and construction of a groundwater well or an aquifer storage and recovery well into the Aquifer, upon such terms as defined below and as set forth herein.

Article II Definitions

“*Aquifer*” means the Ellenberger Aquifer, which exists as part of the Lower Paleozoic Aquifers.

“*Aquifer storage and recovery well (“ASR”)*” means a well used to inject water into a geologic formation for the purpose of subsequent recovery and beneficial use.

“*City*” means the City of Kerrville, Texas.

“*Commencement of Construction*” means that (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of the Well; (ii) all necessary permits for the Well pursuant to the plans therefor have been issued by all the applicable governmental authorities; and (iii) the construction of the Well has commenced.

“*Completion of Construction*” means that substantial completion of the Well has occurred.

“*Effective Date*” means the date this Agreement is signed by the Parties.

“*Expiration Date*” means the date the Parties have fully satisfied their respective obligations hereunder.

“*Force Majeure*” means any contingency or cause beyond the reasonable control of a Party, as applicable, including, without limitations, acts of God or the public enemy, war, riot, civil commotion, insurrection, adverse weather, government or de facto governmental action or inaction (unless caused by negligence or omissions of a Party to this Agreement), fires, explosions, floods, strikes, slowdowns or work stoppages, shortage of materials or labor.

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“*Groundwater well*” a well drilled into an aquifer to retrieve water percolating below the surface of the earth.

“*Headwaters*” means the Headwaters Groundwater Conservation District.

“*Well*” means well drilled into a native groundwater aquifer for potable water purposes at the location shown on **Exhibit A**, which City may eventually use as either a groundwater well or an aquifer storage and recovery well.

Article III Term

The term of this Agreement begins on the Effective Date and continues until the Expiration Date, unless sooner terminated as provided herein.

Article IV Project

4.1 Preparation of Plans; Bidding; Construction; Design Specifications.

(a) City owns the land necessary for constructing and operating the Well and shall provide Headwaters with the requisite authority to use the land for its purposes under this Agreement.

(b) City and Headwaters have and shall continue to work together toward a preliminary, non-engineered design of the Well, to include the following specifications:

1. the diameter of the casing pipe;
2. estimating the depth of the Trinity Aquifer in the area that the City selects for the Well;
3. determining the total depth of the Well; and
5. a design intended to pump at least 1 million gallons of water per day;

All of which is collectively referred to herein as “Design Specifications”.

(c) Upon the approval of the Design Specifications of the Well by both Parties, as evidenced in writing, Headwaters shall pay all costs to design the Well and develop construction plans in accordance with the Design Specifications. Headwaters shall oversee, pay for, and construct the Well in accordance with state

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law, to include potable (drinking) water standards. Thereafter, Headwaters, at its cost, shall perform construction administration with respect to the Well.

(d) During construction of the Well, Headwaters shall collect and share all logging data with City. In addition and during this same period, City may request that Headwaters require its contractor to conduct additional testing as to such data, such testing to be paid for by City. Headwaters shall account for any such additional testing within its construction contract with contractor. In addition, Headwaters shall provide City with copies of all bills, invoices, and similar requests for payment as to its construction of the Well.

(e) Following Completion of Construction the following applies:

1. where the Well is discovered to produce 700 gallons of water per minute (GPM) or more on average over a thirty-six hour consecutive period (“36-hour pump test”), City shall take control and possession of the Well and shall reimburse all of Headwaters’ construction costs of drilling the Well;
2. where the Well produces groundwater in an amount below an average of 700 GPM during the 36-hour pump test, City may accept the Well and in so doing, shall reimburse Headwaters 50% of its construction costs for drilling the Well; and
3. if City does not accept ownership of the Well for its use, Headwaters may, pursuant to authority granted by City to Headwaters via a license agreement, lease, or similar, maintain the Well for twenty-five (25) years on the City’s property from the date of City’s action not to accept.

4.2 **Project Construction Timing.** Subject to events of Force Majeure, Headwaters shall:

- (a) cause the Commencement of Construction of the Well to occur on or before June 1, 2020; and
- (b) cause Completion of Construction of the Well to occur on or before June 1, 2021.

4.3 **Permits.** Headwaters shall obtain and pay the fees for all permits and approvals required by any applicable governmental authorities for the design and construction of the Well. Should City accept the ownership of the Well pursuant to Section 4.1(e) above, City shall thereafter pay any applicable fees for its control, ownership, use, and operation of the Well.

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4.4 **Books and Records.** City shall have the right to review Headwater's records regarding the design and construction of the Well during Headwater's normal business hours and upon reasonable notice.

4.5 **Final Project Reconciliation.** Not later than ninety (90) days following Completion of Construction, Headwaters shall provide a final accounting to City of all amounts spent for the design and construction of the Well.

Article V Termination

This Agreement shall terminate upon any one or more of the following events:

- (a) by mutual written agreement of the Parties; and
- (b) by any Party in the event the other Party breaches any of the terms or conditions of this Agreement and such breach is not cured within thirty (30) days after written notice thereof to such breaching Party.

Article VI Miscellaneous

6.1 **Assignment.** This Agreement may not be assigned by any Party hereto without the prior written consent of the other Party.

6.2 **Notice.** Any notice, demand or request required or permitted to be delivered hereunder shall be deemed received when delivered in person or sent by United States Mail, postage prepaid, certified mail, or by hand-delivery or facsimile transmission addressed to the Party at the address set forth below:

If intended for City:
Attn: Mark L. McDaniel
City Manager
City Hall
701 Main Street
Kerrville, Texas 78028

With an email copy to:
Mike Hayes
City Attorney
mike.hayes@kerrvilletx.gov

If intended for Headwaters:

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Attn: Gene Williams
General Manager
125 Lehman Drive, Ste. 202
Kerrville, Texas 78028

With an email copy:
Richard Mosty
Headwaters Attorney
rmosty@mostylaw.com

Any Party may, at any time, by written notice to the other Party, designate different or additional persons or different addresses for the getting of notices hereunder.

6.3 **Amendment**. This Agreement may be amended by the mutual written agreement of both Parties.

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

6.5 **Governing Law**. The validity of this Agreement and any of its terms and provisions as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Court of Kerr County, Texas. The Parties agree to submit to the jurisdiction of said court.

6.6 **Party Responsibility**. Without waiving any governmental immunity available to the parties under Texas and other applicable laws, and without waiving any available defenses under Texas and other applicable laws, the Parties acknowledge that neither Party is an agent, servant, or employee of the other Party, and each Party agrees it is responsible for its own individual negligent acts or omissions or other tortious conduct as well as such acts and deeds of its contractors, agents, representatives, and employees during performance of this Agreement to the extent such liability can be imputed to said Party under applicable law. Nothing in this Agreement shall be construed as creating or granting any rights, contractual or otherwise, in or to any third persons or entities.

6.7 **Entire Agreement**. This Agreement represents the entire agreement among the Parties with respect to the subject matter covered by this Agreement. There is no other collateral, oral or written agreement between the Parties that in any manner relates to the subject matter of this Agreement.

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6.8 **Mutual Negotiation.** This Agreement has been prepared at the joint request, direction, and construction of the Parties, at arms' length, and shall be construed without favor to any party.

6.9 **Warranty of Capacity to Execute Agreement.** The person signing this Agreement on behalf of each party warrants that he/she has the authority to do so and to bind each party to this Agreement.

6.10 **Authorized Agents.** For purposes of this Agreement, the City Manager is the agent of the City and the General Manager is the agent of Headwaters, who are authorized to provide any approvals under this Agreement. The City Manager and the General Manager may designate a person in writing to exercise the rights conferred under this Agreement of the City or Headwaters, respectively.

6.11 **Recitals.** The recitals to this Agreement are incorporated herein.

6.12 **Exhibit(s).** The exhibit(s) to this Agreement are incorporated herein.

6.13 **Counterparts.** This Agreement may be executed in any number of counterparts, each of whom shall be deemed an original and constitute one and the same instrument.

6.14 **Survival of Covenants.** Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.15 **Consents:** Whenever the consent or the approval of a Party is required herein, such Party shall not unreasonably withhold, delay, or deny such consent or approval.

6.16 **Current Funds; Fair Compensation.** Each Party paying for the performance of governmental functions or services pursuant to this Agreement shall make those payments from current revenues available to the paying Party. The Parties represent and agree that the payments required by this Agreement by the paying Party will fairly compensate the performing Party for the services or functions performed under this Agreement.

6.17 **Good Faith Negotiation; Dispute Mediation:** Whenever a dispute or disagreement arises under the terms of this Agreement the Parties agree to enter into good faith negotiations to resolve such disputes. If the matter continues to remain unresolved, the Parties shall refer the matter to outside mediation prior to engaging in litigation.

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SIGNED AND AGREED this ____ day of _____, 2020.

CITY OF KERRVILLE, TEXAS

Mark L. McDaniel, City Manager

Attest:

Shelley McElhannon, City Secretary

Approved As To Form:

Michael C. Hayes, City Attorney

SIGNED AND AGREED this ____ day of _____, 2020.

**HEADWATERS GROUNDWATER
CONSERVATION DISTRICT**

Mr. Gene Williams, General Manager

Approved As To Form:

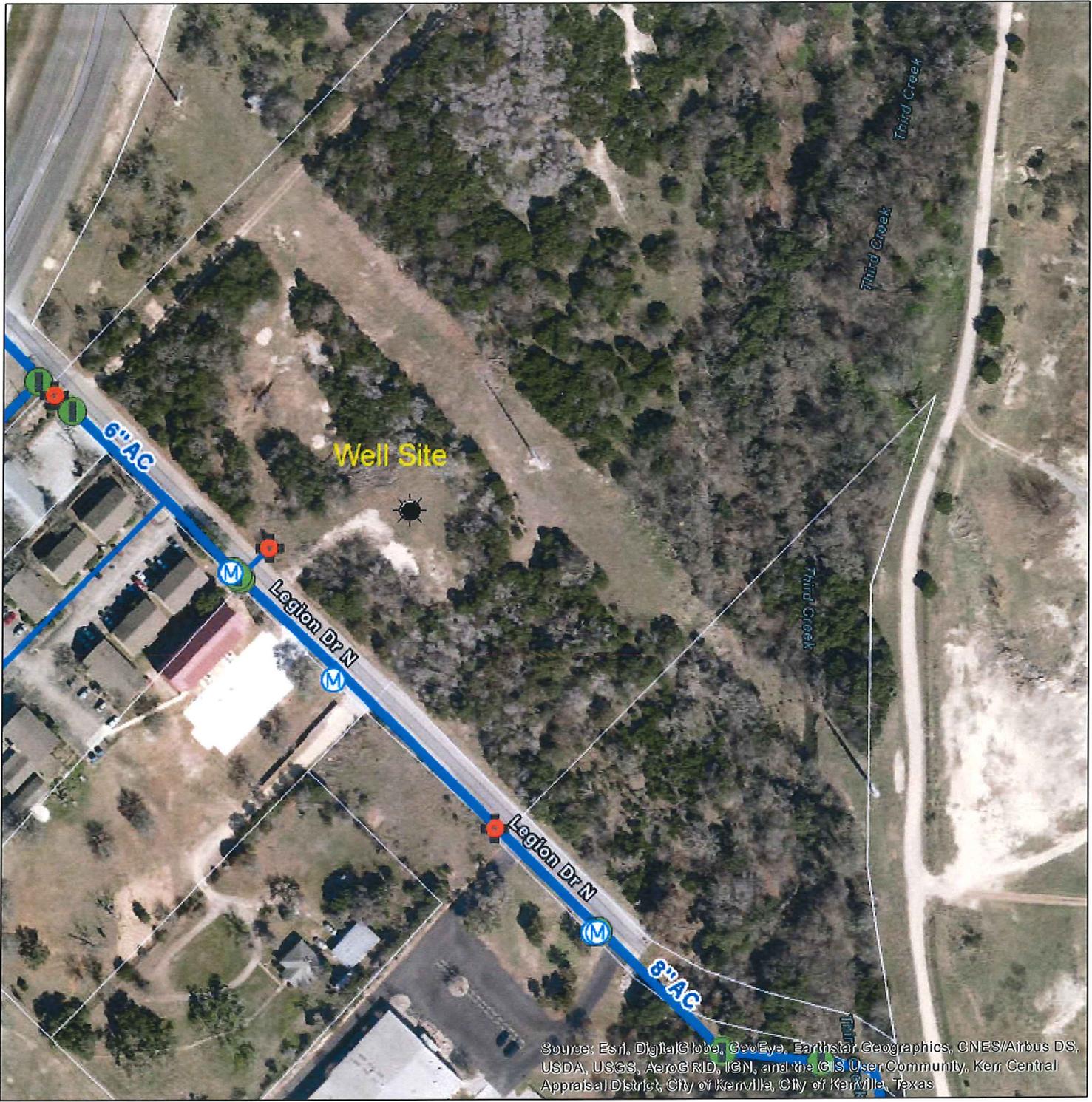
Richard C. Mosty, Headwaters Attorney

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EXHIBIT A



Exhibit A



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community, Kerr Central Appraisal District, City of Kerrville, City of Kerrville, Texas



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**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Development and Incentive Agreement between the City of Kerrville, Texas and Vintage Heights LLC.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 22, 2020

SUBMITTED BY: Sherry Mosier

EXHIBITS: [20200128_Development Incentive Agreement_Vintage Heights 012420 DRAFT.pdf](#)
[20200128_Agreement_Vintage Heights Development Deal Points.pdf](#)
[20200128_Housing_Study_Executive_Summary.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	Yes
Key Priority Area	H - Housing
Guiding Principle	H1. Provide a diverse range of housing options to meet the needs and desires of all age groups, income levels, and lifestyles
Action Item	H1.2 - Research potential funding mechanisms for the development of workforce housing, defined as 80% to 120% of area median household income

SUMMARY STATEMENT:

Vintage Heights LLC (VH) is the owner of record of the approximately 225.86 acres tract of land located within current City limits along HWY 16 directly south of the Riverhill subdivision. VH plans to develop the property as a 511 lot single-family detached, residential subdivision to be known as the Vintage Heights Residential Subdivision.

Following presentation of the development plans for the property, consideration of public comments and review and discussion of the negotiated deal points term sheet presented for consideration by City staff at the January 14, 2020 Regular Council Meeting, the Council directed staff to memorialize the deal points into a future Development Agreement to ensure that the concerns of the adjacent Riverhills Subdivision were addressed and

mitigated, while also addressing the need for more attainable and quality workforce housing to serve its citizens and local workforce as outlined in the Kerrville 2050 Comprehensive Plan and the Housing Study and Strategic Plan 2019.

A draft Development and Incentive Agreement is attached for Council's review and consideration that includes the deal points as detailed in the term sheet, which is also attached as well as summarized below:

The Developer will:

Deal Pt 1 - Fence off the three stub-out streets known as Green Tree Lane, Hickory Hills Lane, and Ridgewood Drive which feed into Riverhill Blvd. requiring the Vintage Heights streets adjacent to Riverhill to be redesigned as cul-de-sacs with no public access through to Riverhill Blvd.

Deal Pt 2 - Install an 8' wooden privacy fence on metal poles along the common boundary with the existing Riverhill neighborhood, subject to modification by mutual agreement of the individual adjacent property owners.

Deal Pts 3, 13 - Leave 40% of the Property as open space (inclusive of parks and storm water detention areas) and develop a trail system, to be deeded to the homeowner's association, with at least two designated parks, inclusive of two (2) playgrounds, which will total approximately 12± acres (or 1 acre per every 42 dwellings) as required by the City's Subdivision Ordinance.

Deal Pt 4 - No lot in Phase I or II will be utilized for townhomes, patio homes, or duplexes.

Deal Pt 5 - Provide secondary/emergency access through future arterial and collector streets with an all-weather surface capable of supporting a 75,000 pound vehicle as necessary to meet the current Fire Code, inclusive of a dedicated temporary fire access easement gated with Knox locks, which will be maintained by the developer until permanent road/remote access is built.

Deal Pts 6, 7 - Comply with City's Subdivision Code, with exception to the waivers as indicated below, and move existing water line to align with future lots within the development as required and identified on the preliminary plat submittal.

Deal Pts 8, 9, 10, 11 - Contract with D.R. Horton (the "Homebuilder") as follows:

- Only single story homes will be built on lots where any portion of the lot is within 100' of the adjacent Riverhill Subdivision.

- All lots abutting Riverhill Subdivision will be at least 50' in width.

- A quality home product that is equal to or better than the "DR Horton" brand of home products comparable with those homes constructed within the Valley Ranch and Redbird Ranch subdivisions located within Bexar County, Texas.

- Landscaping and irrigation packages which encompass both front and back yards.
- 75% Masonry on all homes to include brick, stone, stucco or fiber cement on the first floor.
- 3 tab weathered wood color roof shingles with 25 year warranty.
- 10 year Limited Home Builder's Warranty, Warranty Manual with contact information and 24-hour emergency service numbers, New Home orientation to understand home's features and care. Deal Pt 12
- A mandatory property owners' association will be formed to maintain all common areas to a standard equal to or better than the maintenance of the City's park system.

Based off of feedback at the last City Council meeting, the developer has also agreed to help ensure that construction traffic will not utilize Riverhill Boulevard.

In exchange for the redesign and the additional improvements that will be required of Developer, the City will:

Deal Pt 1 - Provide a 45% property tax rebate for 20 years from date initial home is placed on the tax roll.

- To be eligible for rebate, homes must meet the locally applicable definition of workforce housing, which is currently priced at or under \$227K as determined annually by the Texas Department of Housing and Community Affairs in regard to its HOME Funds Program.
- Total rebate will be capped at \$5 million.

Deal Pt 2 - Waive Subdivision Code requirements regarding:

- Length of any streets exceeding 600 feet.
- Extension of stub outs from adjacent Riverhill subdivision.

Deal Pt 3 - Terminate prior development agreement.

Deal Pt 4 - Accept street configurations as consistent with design guidelines.

KERRVILLE 2050 AND WORKFORCE HOUSING

As noted in the Economic Development section of the Kerrville 2050 Comprehensive Plan ("Kerrville 2050"), one of the top challenges facing cities engaged in fostering a favorable climate for growth and development is providing a diversity of attainable housing options for a range of employers and employees in varying income segments. Workforce housing is defined therein as 80% to 120% of area median household income and typically represents the housing products which all too often are not addressed by the public sector (low-income housing) or by the private sector (market-rate housing). Development challenges unique to Kerrville make this an even more difficult product to deliver. Housing is a critical element of Kerrville's economic development infrastructure and was identified

as a top priority by the community during the strategic planning process for Kerrville 2050 thus, warranting an entire chapter dedicated to Housing.

The Housing section of the 2050 Plan provided that in 2017, the median home price in Kerrville was approximately \$215,000, an increase of nearly 23% over the 2016 price, and that over the past several years, home price increases have not necessarily been accompanied by increases in household income, negatively affecting housing affordability in Kerrville. It also presented a history of home sales in the Kerrville market which revealed that the number of home sales over the past 6 years increased at a 10.4% annual rate and the value of total home sales increased at a 17.4% annual rate. Average and median home sale prices increased at annual rates of 6.4% and 6.8%, respectively. During the same time period, total listings declined at a 17.2% annual rate, bringing the months of inventory down to 2.7. It was further stated that these indicators typically reflect a robust housing market; however, the relative lack of supply in Kerrville, particularly in the middle market price points, resulted in an imbalance between supply and demand. It further provided that the strongest sales have been in the \$150,000 to \$250,000 price range, reflecting the “middle market” as previously described.

New homes being constructed in the Kerrville market area start at approximately \$300,000 and increase from there. This gap creates a missing middle market niche of for-sale housing. Demand for housing products is the highest in the \$50,000 to \$75,000 household income group, which supports housing prices ranging from \$200,000 to \$250,000. This is the price range that the current market is having difficulty delivering, particularly at a scale that can assist in creating a tangible difference in the near-term workforce housing situation. These facts are further supported by the Housing Study and Strategic Plan 2019 that was undertaken and adopted by Council in October 2019 as a result of Kerrville 2050. This Housing Plan digs deeper into the specifics of the housing demand and supply situation here in Kerrville as well as recommends strategies to address the issue, one of which suggests incentivizing or financially assisting developers with public infrastructure costs in return for housing developments priced to local workers earning 120% of median income and below. Please see the Executive Summary of the Housing Study and Strategic Plan 2019 attached for reference.

RECOMMENDED ACTION:

Authorize the City Manager to finalize and execute the Development and Incentive Agreement, and to take any and all other action(s) concerning this agreement.

WHEREAS, City is authorized by Article III, Section 52-a of the Texas Constitution and Texas Local Government Code Chapter 380, to provide economic development grants to promote local economic development and to stimulate business and commercial activity in City; and

WHEREAS, City has determined that making economic development grants to VH in accordance with this Agreement will further the objectives of City, will benefit City and City's inhabitants, will promote local economic development and stimulate business and commercial activity in City, and is in furtherance of the Comprehensive Plan and the Housing Study; and

WHEREAS, City has further requested that VH, in consideration of the payment of the Grants to VH and other consideration stated herein, agree to certain other restrictions and conditions in furtherance of development of the Project; and

WHEREAS, VH, after full consideration, desires to accept the terms and conditions set forth in this Agreement due to the advantages and benefits resulting from the economic incentives and other consideration granted by City;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article I Definitions

For purposes of this Agreement, each of the following terms has the meaning set forth herein unless the context clearly indicates otherwise:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

"Annual Grant" means an annual economic development grant calculated as set forth in Section 3.1, below, to be paid by City to VH pursuant to this Agreement and Chapter 380 of the Texas Local Government Code.

"Appraisal District" means the Kerr Central Appraisal District, or its successor entity.

"Bankruptcy or Insolvency" means the dissolution or termination of a Party's existence as a going business, insolvency, appointment of receiver for

any part of such Party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such Party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"City Property Taxes" means the amount of City's ad valorem taxes assessed against an Eligible Dwelling Unit.

"Commencement Date" means January 1 of the calendar year immediately following the date a certificate of occupancy or approval of a final inspection is issued by City for occupancy of the first Eligible Dwelling Unit constructed on any lot on the Property.

"Commencement of Construction" means that (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of an Eligible Dwelling Unit on a Lot; (ii) all necessary permits for the construction of the Eligible Dwelling Unit on a Lot have been issued by all applicable governmental authorities; and (iii) grading of the Lot and construction of the vertical elements of the Eligible Dwelling Unit has commenced.

"Completion of Construction" means the date that the certificate of occupancy or approval of the final inspection, as applicable, with respect to a Dwelling Unit has been issued by City such that the Dwelling Unit may be occupied.

"Control," or any derivation thereof, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of securities, by contract or otherwise.

"Development Regulations" means the Zoning Code, the Subdivision Regulations, and all other ordinances, regulations, building codes, policies, specifications, and standards enacted or adopted by City relating to the development and use of real property located within City's corporate limits and/or City's extraterritorial jurisdiction; the construction and/or installation of public utilities and/or other public improvements; and the construction of buildings and/or other structures, whether public or private.

"D.R. Horton" or *"DRH"* means Continental Homes of Texas, L.P., a Texas limited partnership doing business as D.R. Horton ~ America's Builder with corporate headquarters in Fort Worth, Texas, or an Affiliate of Continental Homes of Texas, L.P.

“ Dwelling Unit ” means a single-family detached dwelling (as such phrase is defined in the Zoning Code) constructed on a Lot.

“ Effective Date ” means the later of (i) the date this Agreement bears the signatures of authorized representatives of all Parties, whether on the same original or multiple counterparts; and (ii) the effective date of an ordinance enacted by City’s City Council amending the Zoning Ordinance by changing the applicable to the Property whereby the Property becomes subject to the development and use regulations of the Medium Density Residential Zoning District (R-2) as set forth in the Zoning Ordinance.

“ Eligible Dwelling Unit ” means (i) a Dwelling Unit for which Completion of Construction occurred on or before the first (1st) day of a Grant Year that qualifies as Workforce Housing; (ii) the Lot on which said Dwelling Unit is constructed; and (iii) both of which are then sold. Notwithstanding the foregoing, Dwelling Units that meet the requirement of Section 3.3b below shall also be Eligible Dwelling Units.

“ Expiration Date ” means the last day of the twentieth (20th) Grant Year.

“ Force Majeure ” means any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns or work stoppages.

“ Grant Year ” means each calendar year occurring during the term of this Agreement, the first Grant Year being the calendar year commencing on the Commencement Date and each Grant Year thereafter commencing on the anniversary of the Commencement Date, with the last Grant Year ending on the Expiration Date.

“ Grants ” means collectively, all Annual Grants.

“ Impositions ” means all ad valorem and property taxes, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on VH or an Affiliate or any property or any business owned by VH or an Affiliate within City, and any Texas state or local sales and use taxes.

“ Lot ” means an undivided tract or parcel of land within the Property having access to a street, which tract or parcel is, or in the future may be, offered for sale and which is designated as a distinct and separate tract identified by a lot number on an approved subdivision plat containing all or a

portion of the Property, which plat has been recorded in the Official Public Records or Plat Records of Kerr County, Texas, on or after the Effective Date.

“Maximum Total Grant” means \$5,000,000.00.

“Payment Request” means a written request from VH to City for payment of an Annual Grant accompanied by a report showing payment of the City Property Taxes assessed against all Eligible Dwelling Units for the Grant Year to which the Payment Request applies, and such other information and documents as required by this Agreement.

“Payment Request Deadline” means July 1 immediately following the end of a Grant Year.

“Person” means (i) an individual or (ii) a corporation, partnership (whether limited or general), trust, estate, unincorporated organization, association, limited liability company, or other business entity recognized and/or described in the Texas Business Organizations Code.

“Property” shall have the meaning set forth in the Recitals.

“POA” means the property owners’ association or homeowners’ association established in compliance with Section 4.5, below.

“Riverhill” means one or more subdivisions located within City’s corporate limits.

“Taxable Value” means the appraised value of an Eligible Dwelling Unit as certified by the Appraisal District for a given Grant Year less all reductions to said appraised value resulting from the application of exemptions which the owner of said Eligible Dwelling Unit qualifies when determining the amount of City Property Taxes to be paid by said owner for the Grant Year.

“Workforce Housing” means a newly constructed Dwelling Unit with a sales price within the Home Ownership Value Limits for households between 80% and 120% of the Area Median Household Income (AMHI) within Kerr County, Texas, as annually established by the Texas Department of Housing and Community Affairs (TDHCA) HOME Program (Title 10, Texas Government Code, Chapter 2306), or its successor program, which is purchased from the original builder of the Dwelling Unit by a person to be occupied within ninety (90) days after closing on the purchase as the purchaser’s residential homestead. As an example, for 2019, the Area Median Household Income is \$57,700 for Kerr County and the upper threshold for workforce housing within the TDHCA HOME Program is \$227,000. In the

event the AMHI ceases to be published by TDHCA or its successors, the parties agree to substitute a reasonable standard for the AMHI.

“*Zoning Code*” means City’s zoning regulations relating to the development and use of land within City’s corporate boundaries as set forth in Chapter 60 of the Code of Ordinances of the City of Kerrville, Texas, as amended, recodified, or succeeded from time to time hereafter.

Article II Term

Except for provisions of this Agreement that expressly survive the Expiration Date, the term of this Agreement shall begin on the Effective Date and continue until and terminate on the Expiration Date, unless sooner terminated as provided herein.

Article III Annual Grants

3.1 Annual Grants. Subject to the continued satisfaction of all the terms and conditions of this Agreement by VH, City agrees to pay VH twenty (20) Annual Grants, each to be paid not later than thirty (30) days after receipt of a Payment Request applicable to the prior Grant Year, but in no case earlier than April 1 following the end Grant Year, or the immediately following business day if April 1 is not a business day. The amount of each Annual Grant shall be equal to:

- (a) The total City Property Taxes paid by the owners of all Eligible Dwelling Units for which Completion of Construction has occurred as of January 1 of the Grant Year for which payment of the Annual Grant is requested; multiplied by
- (b) Forty-five percent (45%).

3.2 Illustration. The following constitutes illustrations on the manner in which this Agreement is to function in determining when the payment of Annual Grants will be required and the amounts of the Annual Grants paid:

- (a) Assume that Completion of Construction of the first Eligible Dwelling Unit occurs on February 1, 2021. In accordance with the definition of “Commencement Date,” the Commencement Date would be January 1, 2022. Therefore, based on the definition of “Grant Year,” the first Grant Year would be 2022. In accordance with Section 3.1, above, the payment of the first Annual Grant by City to VH would be due and payable on the later of the 30th day after receipt of the Payment Request for the first Grant Year or April 1, 2023.

(b) Assume further that Completion of Construction of ten (10) Eligible Dwelling Units had occurred prior to January 1 of the first Grant Year (*i.e.*, 2022) and that the total of City Property Taxes timely paid with respect to said ten (10) Eligible Dwelling Units is \$10,000. The amount of the Annual Grant for Grant Year 2022 would be \$4,500, which would be paid to VH not later than thirty (30) days later than the later of (i) thirty (30) days after receipt of the Payment Request for Grant Year 2022 and (ii) April 3, 2023 (April 1, 2023, is a Sunday; therefore, payment would be due the next business day).

(c) Assume further that Completion of Construction of an additional twenty (20) Eligible Dwelling Units occurs prior to January 1 of the second Grant Year (*i.e.*, 2023). Consequently, there are now a total of thirty (30) Eligible Dwelling Units constructed on Lots within the Property. If the total of City Property Taxes paid for all thirty (30) Eligible Dwelling Units is \$30,000, the Annual Grant paid for Grant Year 2023 will be \$13,500, which would be paid to VH not later than thirty (30) days later than the later of (i) thirty (30) days after receipt of the Payment Request for Grant Year 2023 and (ii) April 1, 2024.

3.3 Eligible Dwelling Unit - Additional Provisions: The determination of whether a Dwelling Unit constitutes an Eligible Dwelling Unit for purposes of determining the amount of an Annual Grant shall be subject to the following:

(a) Except as provided in Section 3.3(b), below, whether or not a Dwelling Unit qualifies as Workforce Housing and, therefore, an Eligible Dwelling Unit, shall be based on the purchase price of the Dwelling Unit paid by the initial purchaser of the Dwelling Unit from the builder of the Dwelling Unit as set forth in the purchaser's signed HUD-1 Settlement Statement executed at the time of closing on the purchase of said Dwelling Unit;

(b) If Completion of Construction of a Dwelling Unit has occurred as of January 1 of a Grant Year but closing on the sale of such Dwelling Unit by the initial purchaser from the builder of the Dwelling Unit has not occurred on or before December 31 of the same Grant Year, said Dwelling Unit may be included as an Eligible Dwelling Unit for such Grant Year if the Taxable Value of Dwelling Unit as set by the Appraisal District for said Grant Year is equal to or less than the then current maximum sales price for Workforce Housing;

(c) A Dwelling Unit that qualifies as an Eligible Dwelling Unit pursuant to the provisions of Section 3.3(b), above, alone shall no longer be considered an Eligible Dwelling Unit and not included in the determination of the amount of the Annual Grant for the Grant Year in which the Dwelling Unit is sold by the builder of the Dwelling Unit to its initial buyer, nor included for any Grant Year thereafter, if upon the closing of said sale the purchase price

of said Dwelling Unit exceeds the then current maximum sales price for Workforce Housing; and

(d) A Dwelling Unit that is determined to be an Eligible Dwelling Unit pursuant to Section 3.3(a) and that does not lose its status as an Eligible Dwelling Unit pursuant to Section 3.3(c) shall be deemed to be an Eligible Dwelling Unit for each subsequent Grant Year.

3.4 Treatment of Partial Payments, Installment Payments, and Delinquent Payments of City Property Taxes. For purposes of determining the amount of each Annual Grant, only City Property Taxes paid and collected with respect to an Eligible Dwelling Units before February 1 following the conclusion of the Grant Year for which the City Property Taxes were assessed shall be included except as follows:

(a) If the split payment of City Property Taxes is authorized by Texas Tax Code §31.03, the first installment of the City Property Taxes due on or before December 1 of the Grant Year for which the City Property Taxes were assessed shall be included in the calculation of the Annual Grant for said Grant Year, and the second installment of the City Property Taxes due on or before July 1 of the year following the Grant Year for which the City Property Taxes were assessed shall be included in the calculation of the Annual Grant for the Grant Year in which such second installment is paid;

(b) If the City Property Taxes assessed against an Eligible Dwelling Unit for a Grant Year are paid in installments pursuant to Texas Tax Code §§31.031 or 31.032, the City Property Taxes for said Eligible Dwelling Unit shall be included in determining the amount of the Annual Grant for the Grant Year in which the such installments are paid and not the Grant Year for which the City Property Taxes were assessed;

(c) If the owner of an Eligible Dwelling Unit fails to pay City Property Taxes assessed for a Grant Year within the time required by applicable provisions of the Texas Tax Code, the amount of said delinquent City Property Taxes shall be included in determining the amount of the Annual Grant for the Grant Year in which such delinquent City Property Taxes are paid and collected and not for the Grant Year for which such City Property Taxes were assessed; provided, however, if such delinquent City Property Taxes are not paid and collected on or before the Expiration Date, such delinquent City Property Taxes shall at no time be included in determining the amount of the payment of an Annual Grant, even if such delinquent City Property Taxes are thereafter collected and paid.

3.5 Payment of Final Annual Grant. Notwithstanding the termination of this Agreement on the Expiration Date, City's obligation to pay the twentieth (20th) and final Annual Grant shall survive such termination.

3.6 Contents of Payment Requests. Each Payment Request shall include, as a minimum:

(a) A list identifying by street address and lot, block, and subdivision name each Eligible Dwelling Unit for which Completion of Construction had occurred as of January 1 of the Grant Year;

(b) If sold during the Grant Year to which the Payment Request applies, the date of closing on the sale of each Dwelling Unit identified pursuant to Section 3.6(a) by the builder to the initial owner of the Dwelling Unit;

(c) The name of the buyer(s) of each Dwelling Unit listed pursuant to Section 3.6(a);

(d) A copy of the purchaser's signed HUD-1 settlement statement or Closing Disclosure relating to the sale of the Dwelling Units sold during the Grant Year for which the Payment Request applies, which HUD-1 statement or Closing Disclosure shall be redacted to exclude disclosure of Social Security Numbers, Driver's License numbers, and account numbers;

(e) If the Dwelling Unit is deemed to be an Eligible Dwelling Unit pursuant to Section 3.3(b), above, information from the Appraisal District setting forth the Taxable Value of the Dwelling Unit for the Grant Year for which the Payment Request applies;

(f) If a Dwelling Unit deemed to be an Eligible Dwelling Unit pursuant to Section 3.3(b) in a prior Grant Year was sold to the initial buyer during the Grant Year for which the Payment Request is made, then a copy of the purchaser's signed HUD-1 settlement statement relating to the sale of said Dwelling Unit redacted as allowed pursuant to Section 3.6(d); and

(g) The amount of City Property Taxes paid and collected with respect to each Eligible Dwelling Unit that VH requests be included in calculating the amount of the Annual Grant detailed by (i) street address, (ii) Parcel Number as assigned by the Appraisal District; and (iii) amount of City Property Taxes paid and collected with respect to each Eligible Dwelling Unit prior to February 1st following the end of the Grant Year.

3.7 Grant Limitations. Under no circumstances shall City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Further, City shall not be obligated to pay any commercial bank, lender, or similar institution for any loan or credit agreement made by VH. VH shall not pledge or otherwise encumber any of City's obligations under this Agreement in favor of any commercial lender and/or similar financial institution.

3.8 Current Revenue. The Grants made hereunder shall be paid solely from lawfully available funds that have been appropriated by City; provided, however, City agrees during the term of this Agreement to make a good faith effort to appropriate funds each year to pay the Grants that may become due for the then ensuing fiscal year. Further, City shall have no obligation or liability to pay any Grants except as allowed by law. City shall not be required to pay any Grants if prohibited under federal or state legislation or a decision of a court of competent jurisdiction.

3.9 Tax Protest. In the event the owner of an Eligible Dwelling Unit timely and properly protests or contests, including any motion to correct the appraisal roll, the Taxable Value and/or the taxation of an Eligible Dwelling Unit with the Appraisal District (or its successor), the obligation of City to provide the Grants with respect to such Eligible Dwelling Unit for such Grant Year shall be abated until a final determination has been made of such protest or contest. In the event said owner further protests and/or contests results in a final determination that changes the appraised value and/or the Taxable Value of the Eligible Dwelling Unit or the amount of City Property Taxes assessed and due for the Eligible Dwelling Unit, as the case may be, after an Annual Grant has been paid for such Eligible Dwelling Unit for such Grant Year, the Annual Grant for such Grant Year for such Eligible Dwelling Unit shall be adjusted (increased or decreased as the case may be) accordingly on the date of payment of the next Annual Grant payment date for such Eligible Dwelling Unit or within thirty (30) days after such determination in the event no further Annual Grant payments are due with respect to such Eligible Dwelling Unit under the Agreement.

3.10 Refunds and Underpayments of Grants. In the event City reasonably determines that the amount of an Annual Grant paid by City to VH is incorrect, not later than sixty (60) days after receipt of written notification thereof from City specifying the amount by which such Annual Grant exceeded the correct amount to which VH was entitled, together with such records, reports and other information necessary to support such determination, VH shall pay such amount to City. If City reasonably determines that the amount by which such Annual Grant was less than the correct amount to which VH was entitled, together with such records, reports and other information necessary to support such determination), not later sixty (60) days after making such determination, City shall pay the adjustment to VH. If VH disputes City's determination, the Parties shall seek to amicably resolve

the matter, subject to either Party's right to pursue any available rights or remedies in connection therewith. Notwithstanding the foregoing to the contrary, the Party to whom funds are owed pursuant to this Section 3.10 may elect to defer such adjustment until payment of the next Annual Grant by providing a credit against or payment added to the Annual Grant payment, as applicable, said election to be made by the Party to whom the adjustment favors providing written notice of such election to the other Party.

3.11 Limits on Annual Grant Payments. Notwithstanding the amount of City Property Taxes assessed against Eligible Dwelling Units and collected by City during any or all Grant Years, the total amount of the Grants shall collectively not exceed the Maximum Total Grant.

3.12 Payments of Grants. City shall only be obligated to pay the Grants to VH. However, VH may assign its rights to receive payments of the Grants in whole or in part to any third party, subject to notice to and approval by the City, such approval not to be unreasonably withheld, conditioned, or delayed.

3.13 Deadline for Payment Request; Forfeiture of Annual Grant.

(a) VH shall deliver its Payment Request for an Annual Grant to City not later than the Payment Request Deadline. City shall not be obligated to pay, and VH shall forfeit, the Annual Grant for a Grant Year for which a Payment Request is delivered after the Payment Request Deadline.

(b) If a Payment Request delivered to City on or before the Payment Request Deadline fails to contain information that would otherwise entitle VH to payment of additional funds as part of the Annual Grant for the related Grant Year (*e.g.*, fails to identify an Eligible Dwelling Unit for which City Property Taxes were paid and collected for the Grant Year), City shall not be obligated to pay, and VH shall forfeit, the funds that would otherwise been paid as part of the Annual Grant had the missing information been included in the Payment Request. Notwithstanding the foregoing, VH shall be entitled to payment of funds as part of the Annual Grant for subsequent Grant Years if such missing information is included in subsequent Payment Requests. Notwithstanding the foregoing, if a Payment Request is timely delivered, but contains incomplete information as to an Eligible Dwelling Unit, City shall give VH written notice of the delinquency and VH shall have 30 days thereafter to cure.

Article IV
Conditions for Receipt of the Grants

4.1 Generally. The obligation of City to pay the Grants is in consideration of, and shall be conditioned upon, VH's continued compliance with, and satisfaction of each of the terms and conditions of this Agreement including, but not limited to, compliance with each of the conditions set forth in this Article IV.

4.2 Development of the Project. VH agrees the development of the Property for the Project shall be subject to the following:

(a) Prior to issuance of a building permit for the construction of any Dwelling Unit on a Lot, VH shall construct an eight foot (8.0') tall wooden privacy fence on metal poles set in concrete ("the Boundary Fence") along the Property's northern boundary for the entire distance of said boundary as shown on the Concept Plan subject to the following:

(1) In order to adjust for changes in topography and other natural land features along the Property boundary where the Boundary Fence is to be constructed, which may result in significant elevation changes in the top of the Boundary Fence, the Boundary Fence may be greater or lesser than eight feet (8.0') in height at the locations of such elevation changes provided the average height of the Boundary Fence remains eight feet (8.0'); and

(2) Notwithstanding anything in this Section 4.2(a) to the contrary, the minimum height of the Boundary Fence as originally constructed may be modified by written agreement between VH and the owner of the adjacent lot(s) located within the Riverhill subdivision, a copy of which agreement must be submitted to City prior to the issuance of a certificate of occupancy for the Lot that is the subject to said agreement;

(b) Prior to issuance of a certificate of occupancy for any Dwelling Unit on a Lot in Phase I-C located along the Property's boundary with the City's Kerrville Schreiner Park (as shown on the Concept Plan), VH shall construct a six foot (6.0') tall wooden privacy fence on metal poles set in concrete on such Lot.

(c) Not less than forty percent (40%) of the area of the Property shall be developed and maintained as open space, which area may include all parks and water detention areas, substantially at the locations shown on the Concept Plan; provided, however, the final boundaries and locations may be adjusted to

conform with the final plans for the Project as approved by City's Planning Director and City Engineer;

(d) No Lot in Phase I or Phase II, as shown on the Concept Plan shall be developed and used for "Dwelling, Townhome", "Dwelling, Patio Home", "Dwelling, Duplex", or "Dwelling, Single-Family Detached with Accessory Dwelling Unit", as those terms are defined within Zoning Code; which prohibition shall survive the termination or expiration of this Agreement;

(e) Prior to Completion of Construction of the first Dwelling Unit constructed on a Lot, VH shall, at VH's sole cost, construct and maintain, or cause to be constructed and maintained, a temporary emergency access easement ("Temporary Access") for City's and others' emergency vehicles substantially at the location on the Property shown on the Concept Plan, subject to the following:

(1) Temporary Access shall be not less than twenty feet (20.0') in width constructed with an all-weather surface capable of supporting a 75,000 pound vehicle;

(2) Gates capable of preventing public vehicular access on and over the Temporary Access, equipped with Knox locks or other means approved by City's Fire Chief that will allow emergency vehicle access through said gates, shall be constructed on both ends of the Temporary Access, along with an additional length of fence or other types of barricade extending from either end of the gates to prevent vehicles from maneuvering around the ends of the gates to access the Temporary Access;

(3) Upon completion of construction of the Temporary Access, VH shall dedicate to City a temporary fire lane and emergency access easement pursuant to an instrument approved as to form by City's City Attorney, which easement shall provide, as a minimum:

(i) VH shall continue to maintain the Temporary Access until termination of the easement; and

(ii) The easement shall terminate upon completion of construction and acceptance by City of a public street in conformance with the Development Regulations, said street to be located substantially as shown on the Concept Plan, with the final location and design of said street to be established by the plans and specifications for said street approved by City's City Engineer in accordance with the Development Regulations;

(f) The Project shall be developed by VH, or caused to be developed by VH, in compliance with the Development Regulations;

(g) All Lots adjacent to Riverhill as shown on the Concept Plan shall (i) have a width of not less than fifty feet (50.0'); or, (ii) if designed as a "fan lot" (*i.e.*, a lot without parallel side lot lines as may exist adjacent to a cul-de-sac or the curved portion of a street), the average width of the Lot shall be not less than fifty feet (50.0'); and

(h) The development of the Project shall include the construction and maintenance of no fewer than two (2) privately maintained parks on the Property generally at the locations shown on the Concept Plan subject to the following:

(1) The combined area of said parks shall be not less than the greater of: (i) twelve (12) acres; or (ii) one (1) acre for each forty-two (42) Lots created by subdivision plat(s) approved for the Property;

(2) None of said parks shall have an area of less than one (1) acre; and

(3) Said parks shall be owned and maintained by the POA as a common area within the Project.

(i) VH shall take all reasonable actions, to include adding this prohibition to its agreement(s) for the development of the Property, to prohibit all construction vehicles from using Riverhill Boulevard as a through street.

4.3 VH Contract with DRH. VH has contracted with, or intends to contract with, DRH to sell Lots to DRH for the purpose of allowing DRH to construct Dwelling Units on the Lots. VH advises and represents that prior to the Effective Date, VH has advised DRH of VH's negotiations with City relating to the terms of this Agreement and that the sales of Lots to DRH and construction of Dwelling Units on the Lots will be subject to the provisions of this Agreement and the restrictive covenants contained herein. Notwithstanding the foregoing, nothing herein shall be construed as prohibiting VH or DRH from selling one or more of the Lots to a third party that is not an Affiliate of DRH who will build one or more Dwelling Units on Lots; provided, however, the provisions of this Agreement and the restrictive covenants set forth herein shall continue to apply and be enforceable against said third-party, the Lot(s) purchased by said third-party, and the Dwelling Units constructed by said third-party.

4.4 Minimum Standards for Dwelling Units. In addition to any provisions of the Development Regulations and any restrictive covenants and restrictions applicable to the Lots as may be established by VH from time to time, the Dwelling Units constructed on the Lots shall be subject to the following:

(a) Each Dwelling Unit shall be designed and constructed substantially equivalent to the "DRH home product" being constructed by DRH within the Valley Ranch or Redbird Ranch residential subdivisions located in Bexar County, Texas, as depicted in the elevations attached hereto as **Exhibit D** and incorporated herein by reference;

(b) Each Dwelling Unit shall include landscaping in the front and rear yards of each Lot on which a Dwelling Unit is constructed and automatic irrigation serving such landscaping, both of which shall be substantially equivalent to what is included in the "DRH home product", and all landscaping shall be maintained in a healthy condition prior to the closing on a Lot

(c) Not less than 75% of the exterior walls of the first floor of each Dwelling Unit shall consist of masonry materials (e.g., brick, stone, stucco, or fiber cement);

(d) Roof covering shall be three-tab weathered wood colored asphalt shingles with at least a 25 year warranty;

(e) No fewer than thirty-five percent (35%) of the Dwelling Units shall be two-story;

(f) Dwelling Units constructed on Lots where the closest property line of the Lot is less than one hundred feet (100.0') from the closest lot in Riverhill shall be developed with a single-family residence shall not exceed one-story in height; and

(g) After Completion of Construction of each Dwelling Unit, the initial purchaser of said Dwelling Unit shall be provided with a ten (10) year "limited home builder's warranty" with warranty manual setting forth the matters covered and excluded from such coverage, a 24-hour emergency service number on how to file a claim against such warranty coverage, and a new home orientation provided by the builder of the Dwelling Unit or a third-party acting on behalf of said builder.

Notwithstanding anything in the Development Regulations or state law to the contrary, VH agrees that City shall: (i) not be obligated to issue a building permit for; or, (ii) grant a certificate of occupancy or approve a final inspection for, any Dwelling Unit constructed on a Lot that does not comply with this Section 4.4.

4.5 Establishment of the POA. Prior to approval of the first final plat for the Property:

(a) VH and/or DRH shall prepare, execute, and record a declaration of covenants, conditions, and restrictions ("the Declaration") that provides of the creation of the POA, the purpose of which shall be, in part, to assume and be responsible for the continuous and perpetual operation, maintenance and supervision of landscape systems, features or elements located in parkways, common areas between screening walls or living screens and adjacent curbs or street pavement edges, adjacent to drainage ways or drainage structures or at subdivision entryways, open space common areas or properties, including but not limited to, landscape features and irrigation systems, subdivision entryway features and monuments, playgrounds, pavilions, detention ponds, trails, private neighborhood parks and related amenities within the Property, subject to the following:

(1) All open space and common properties or areas, facilities, structures, improvements systems, or other property that are to be operated, maintained and/or supervised by the POA shall be dedicated by easement or deeded in fee simple ownership interest to the POA after construction and installation, as applicable, and shall be clearly identified on the recorded final plat of the Property or portion thereof;

(2) A copy of the Declaration and other agreements, covenants and restrictions establishing and creating the POA must be recorded by VH prior to or concurrently with the recording of the final plat in the map and plat records of Kerr County. The recorded final plat shall clearly identify all facilities, structures, improvements systems, areas, or grounds that are to be operated, maintained, and/or supervised by the POA;

(3) At a minimum, the Declaration and other agreements, covenants and restrictions establishing and creating the POA shall contain and/or provide for the following:

(i) Definitions of terms contained therein;

(ii) Provisions for the establishment and organization of the POA and the adoption of bylaws for the POA, including provisions requiring that the owner(s) of any Lot(s) within the applicable subdivision and any successive purchase(s) shall automatically and mandatorily become a member of the POA;

(iii) The initial term of the Declaration, agreement, covenants, and restrictions establishing and creating the POA shall be not less than 25 years and, if not established to be perpetual, shall automatically renew for successive periods of not less than 10 years thereafter;

(iv) The POA may not be dissolved without the prior written consent of the City's City Council;

(b) Create the POA by filing a certificate of formation with the Texas Secretary of State in accordance with applicable provisions of the Texas Business Organizations Act.

City shall not be obligated to approve a final plat for any portion of the Property unless and until VH and/or DRH have complied with this Section 4.5.

4.6 Development Standards, Building Materials, and Architectural Standards and Styles. VH acknowledges, agrees, and represents that:

(a) VH's agreement to the provisions of Section 4.4, above, was made as the result of bargained for consideration received from City, the receipt and sufficiency of which is acknowledged by VH, including City's agreement to pay the Annual Grants;

(b) the provisions of Section 4.4, above, constitute a contractual provision to which the Parties have willingly agreed and exchanged consideration, and

(c) the provisions of Section 4.4, above, do not constitute a rule, charter provision, ordinance, order, building code, or other regulation adopted by City that is void as a matter of law pursuant to Texas Government Code §3000.002(e).

4.7 Subdivision Ordinance Waivers. Effective upon the Effective Date, pursuant to its authority under Section 10-IV-4(B) of the Subdivision Ordinance and notwithstanding applicable provisions of the Subdivision Ordinance to the contrary, City agrees that final plats approved in accordance with the Development Regulations may be approved subject to the following:

(a) No public street right-of-way shall be dedicated for purposes of creating an extension to, or connection with Green Tree Lane, Hickory Hills Lane, and Ridgewood Drive within Riverhill, nor shall any dead-end street segments to provide for any future extension or connection to said streets be required to be constructed; provided; however, VH shall have the right to

dedicate such public utility easements as may be required to extend to the public street right-of-way and utility easements within the above-referenced streets as necessary to make connections to any public water and wastewater utility mains within said streets, subject to compliance with the Development Regulations;

(b) Temporary or permanent turnarounds shall not be required to be constructed on any of the proposed streets identified on the Concept Plan; and

(c) The proposed streets developed within the Property may be constructed with a length greater than 600 feet without an intersecting street where identified on the Concept Plan.

VH acknowledges and agrees that, notwithstanding the Development Regulations to the contrary, City shall not be obligated to approve a final plat of any portion of the Property that shows streets to be developed within the Property to the streets in Riverhill identified in subsection (a), above.

Article V Covenant Running with the Land.

This Agreement and the restrictions, covenants, and conditions set forth herein are for the purpose of protecting the value and desirability of the Property and adjacent properties within City's corporate limits and, consequently, shall run with the Property and be binding on VH and all parties having all right, title, or interest in the Property, in whole or in part, including all of the Lots, and their heirs, successors, and assigns. This Agreement and the covenants, conditions, and restrictions shall be for the benefit of City. This Agreement is binding upon VH and each and every subsequent owner, tenant, subtenant, licensee, manager, and occupant of all or any portion of the Property, including any Lot, but only during the term of such party's ownership, tenancy, license, management, or occupancy of the Property or part thereof, for which such party shall remain liable and shall be binding upon and inure to the benefit of City and its successors and assigns. It is expressly understood and agreed that acceptance of title to all or a portion of the Property shall automatically, and without further acknowledgement or confirmation from the owner, constitute such owner's assumption of the obligations of VH hereunder and the restrictions, covenants, and conditions relating to the development of the Property, or portion thereof owned by said owner, and the construction of any Dwelling Unit thereon. The provisions of Article IV and this Article V will survive the termination of this Agreement.

Article VI
Termination of Annual Grants for Default

6.1 Basis for Termination of Annual Grants. City's obligation to pay the Annual Grants terminates upon the occurrence of any one or more of the following events:

- (a) Upon written agreement of the Parties;
- (b) Upon the Expiration Date with no further action by the Parties;
- (c) Except as provided in paragraph (d), below, if VH defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after delivery of written notice thereof by VH (or if such default or breach is not reasonably curable within such 30-day period, is cured within ninety (90) days after such default or breach provided that VH is diligently pursuing a cure of such default or breach);
- (d) If City provides a written notice of termination to VH upon VH's failure to cause Commencement of Construction of the first Dwelling Unit to occur on or before April 30, 2021, in which case this Agreement may also be terminated at the election of City;
- (e) If any Impositions owed by VH to City or the State of Texas are delinquent and such delinquency has not been cured within 180 days after delivery by City to VH of written notice demanding payment of the delinquency; provided, however, VH retains the right to timely and properly protest and contest any such taxes or Impositions and the time for curing such delinquency shall be extending to the tenth (10th) day following the final, non-appealable ruling on such protest or contest;
- (f) If VH suffers an event of Bankruptcy or Insolvency and fails to reaffirm this Agreement in accordance with applicable bankruptcy laws and continue to perform VH's obligations as set forth this Agreement, City may terminate this Agreement subject to applicable bankruptcy laws; or
- (g) If any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable; provided, however, if any final, non-appealable decision by a court of competent jurisdiction declares this Agreement invalid, illegal or unenforceable, then City shall use its best efforts in working with VH to restructure this Agreement (or City's obligations described herein) to be enforceable.

6.2 Offsets. City may, at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to City from VH, regardless of whether the amount due arises pursuant to the terms of this Agreement and regardless of whether or not the debt due City has been reduced to judgment by a court.

Article VII Termination of Prior Agreement

Upon the Effective Date, that certain agreement titled "*Development Agreement*" between City and Medina River Estates, LLC, an affiliate of VH, and for these purposes represented by VH, signed and effective on or about July 30, 2018, and relating to the Medina River Estates Residential Lot Project ("the Prior Agreement") is hereby terminated and neither Party shall have any further liability or obligation to the other Party relating to the Prior Agreement. As consideration for termination of the Prior Agreement, upon written request from VH, City agrees to abandon and release the easements and public rights-of-way identified in VH's request that were previously granted to City by VH by plat or separate instrument in relation to the Medina River Estates Residential Lot Project, such abandonment and release to be in accordance with the procedures required by applicable state law and City Charter.

Article VIII Miscellaneous Provisions

8.1 Entirety and Amendments. This Agreement contains the entire agreement between the Parties respecting the matters addressed herein, and supersedes all prior negotiations, agreements, representations, resolutions and understandings by and/or between the Parties respecting such matters. This Agreement may be amended only by written agreement signed by the Parties.

8.2 Notices. It is contemplated that the Parties will engage in informal communications with respect to the subject matter of this Agreement. However, any formal notices or other communications ("Notice") required to be given by one Party to the other by this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below for such party, (i) by delivering same in person, (ii) by depositing the same in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the party to be notified, or (iii) by depositing the same with Federal Express or another nationally recognized courier service guaranteeing "next day delivery", addressed to the Party to be notified, or (iv) by sending same by e-mail or by telefax with confirming copy sent by mail. Notice deposited in the United States mail in the manner described above shall be deemed effective from and after the earlier of the date of actual receipt or three (3) days after the date of such deposit. Notice given in any other manner shall be effective only if

and when received by the Party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as provided below, be as follows:

If to VH: Charles E. Cammack
13300 Old Blanco Road, Suite 321
San Antonio, Texas 78216
Email: chuck@trustfinancial.us

With copy to: Greg Richards, Attorney
Pattillo Richards, P.C.
280 Thompson Drive
Kerrville, Texas 78028
Email: greg@pattillorichards.com

If to City: City Manager
City of Kerrville, Texas
City Hall, 701 Main Street
Kerrville, Texas 78028
Email: mark.mcdaniel@kerrvilletx.gov

With copy to: City Attorney
City of Kerrville, Texas
City Hall, 701 Main Street
Kerrville, Texas 78028
Email: mike.hayes@kerrvilletx.gov

8.3 Invalid Provisions. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, or ineffective, such provisions shall not impair, invalidate, or nullify the remainder of this Agreement, but the effect thereof shall be confined to the provision, so held to be invalid, illegal, or ineffective.

8.4 Headings. Headings used in this Agreement are used for reference purposes only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

8.5 Construction. This Agreement and any exhibits hereto shall be construed without the aid of any canon or rule of law requiring interpretation against the Party drafting or causing the drafting of an agreement or the portions of an agreement in question.

8.6 Governing Law; Venue. This Agreement is being executed and delivered, and is intended to be performed, in the State of Texas, and the laws of Texas shall govern the validity, construction, enforcement, and interpretation of this

Agreement. Venue for any legal action arising out of this Agreement shall be in Kerr County, Texas. This Agreement is performable in Kerr County, Texas.

8.7 Parties Bound. This Agreement and all covenants, rights, benefits and privileges hereunder, shall be binding upon and shall inure to the benefit of the Parties and their successors and assigns, including the owners from time to time of all or any portion of the Property and any homeowner or similar association or organization designated by VH.

8.8 Capacity. Each individual and entity executing this Agreement hereby represents and warrants that he, she or it has the capacity set forth on the signature pages hereof with full power and authority to bind the party on whose behalf he, she or it is executing this Agreement to the terms hereof.

8.9 Time. Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement.

8.10 Other Instruments. The Parties agree to execute such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

8.11 City Authority. City represents and warrants to VH, its successors and assigns, that this Agreement has been duly adopted and that this Agreement is within the scope of City's authority and the provisions of its charter, regulations, and further that City is duly authorized and empowered to enter into this Agreement.

8.12 VH Authority. VH is duly organized and validly existing in good standing under the laws of the State of Texas, which consists of an individual with full power and authority to conduct its business as it is not being conducted, to own or use properties and assets that it purports to own or use, and to perform its obligations under this Agreement. This Agreement constitutes the legal, valid, and binding obligation of VH, enforceable against VH in accordance with its terms. VH has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement.

8.13 Assignment. VH may assign any part or all of its rights, duties, and obligations set forth in this Agreement upon satisfaction of the following conditions:

- (a) VH must provide City written notice of its intent to assign this Agreement or any portion thereof not later than thirty (30) days prior to the effective date of the Assignment; and

- (b) The assignee must expressly accept in writing all rights, duties, and obligations of performance of VH required by this Agreement as to that portion assigned to the assignee; and
- (c) Upon its receipt of written notice from VH, City shall release VH as the primary actor with respect to default of this Agreement after assignment by VH to its assignee, and the assignee's assumption of VH's duties and obligations; and
- (d) Such assignment must be made expressly subject to the terms and provisions of this Agreement.

8.14 No Partnership; City Responsibilities and Liabilities. It is acknowledged and agreed by the Parties that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture between the Parties. The City, its past, present and future officers, elected officials, employees and agents of the City, do not assume any responsibilities or liabilities to any third party in connection with the development of the Property.

8.15 Strict Performance. Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement shall not be deemed a waiver of such provision or of any other provision of this Agreement, and such party shall have the right at any time(s) thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

8.16 Attorneys' Fees. In the event that any matter relating to this Agreement results in the institution of legal proceedings by a Party, the prevailing Party in such proceeding shall be entitled to recover all costs and expenses incurred by it in connection with such proceedings, including, without limitation, reasonable court costs and reasonable attorneys' fees

8.17 Rights, Privileges, and Immunities. To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges, and immunities under applicable laws.

8.18 Exhibits. All exhibits attached to this Agreement are incorporated by reference and expressly made part of this Agreement as if copied verbatim.

8.19 Employment of Undocumented Workers. During the term of this Agreement, VH agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), VH shall repay the Grants and any other funds received by VH from City as of the date of such violation within one hundred twenty (120) days after the date VH is notified by City of such violation, plus interest at the rate of four percent (4%) compounded annually from the date of

violation until paid. VH is not liable for a violation of this Section 8.19 in relation to any workers employed by a subsidiary, Affiliate, contractor, subcontractor, or franchisee of VH or any other Person other than VH.

8.20 Recording. The Parties agree this Agreement shall be recorded in the Official Public Records of Kerr County, Texas.

[signature pages to follow]

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the dates set forth below, to be effective as of the Effective Date.

CITY:

City of Kerrville, Texas,
a home-rule municipality

By: _____
Mark McDaniel, City Manager

Date: _____, 2020

THE STATE OF TEXAS §
 §
COUNTY OF KERR §

This instrument was acknowledged before me on the ____ day of _____, 2020, by Mark McDaniel, the City Manager, of City of Kerrville, Texas, a home-rule municipality, for and on behalf of said municipality.

Notary Public, State of Texas

VH:

Vintage Heights, LLC,
a Texas limited liability company

By: _____
Charles E. Cammack, Manager

Date: _____, 2020

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2020, by Charles E. Cammack, Manager of Vintage Heights, a Texas limited liability company, for and on behalf of said limited liability company.

Notary Public, State of Texas

(Seal)

Exhibit A

Boundary Description of the Property

FIELD NOTES DESCRIPTION FOR 225.69 ACRES OF THE
TUSCANY LAND, LTD. PROPERTY ON STATE HIGHWAY
NO. 16 IN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS

Being all of a certain tract or parcel of land comprising, approximately, 184.68 acres out of Nathaniel Hoyt Survey No. 147, Abstract No. 178, and 41.01 acres out of John A. Southmayd Survey No. 148, Abstract No. 288, in the City of Kerrville, Kerr County, Texas; parts of 669.14 acres conveyed as Tract I and 40.52 acres conveyed as Tract II to Tuscany Land, Ltd. from Robert Keeble, et al, by a General Warranty Deed executed the 6th day of September, 2002 and recorded in Volume 1219 at Page 173 of the Real Property Records of Kerr County, Texas; and being more particularly described by metes and bounds as follows (record calls shown in parentheses):

Beginning at a ½" iron stake found in the southeast right-of-way line of State Highway No. 16 for the northwest corner of the herein described tract and said 669.14 acres, the southwest corner of Block No. 1 of Riverhill No. 11, the replat of which is recorded in Volume 6 at Page 350 of the Plat Records of Kerr County, Texas; which point bears 8791.6 ft. N.21°37'07"W. from a ½" iron stake found in a stone mound at the east corner of Mrs. Alliweses Clark Survey No. 395, Abstract No. 101;

THENCE, with the northeast line of said 669.14 acres, each point marked with a found ½" iron stake unless stated otherwise: with the south line of said Block 1, S.71°49'28"E. 305.07 ft. (S.71°50'28"E. 305.00 ft.) to the southeast corner of said Block 1; with the east line of said Block 1, N.18°03'56"E. 50.00 ft. (N.18°09'32"E. 50.00 ft.) to the southerly terminus of the west right-of-way line of Green Tree Lane, a sixty (60) ft. wide public street; with the south right-of-way line of said Green Tree Lane, S.81°49'40"E. 60.91 ft. (S.81°45'48"E. 60.91 ft.) to a ½" iron stake set at the southerly terminus of the east right-of-way line of said Green Tree Lane, in the west line of Block 2; with the west line of said Block 2, S.18°03'56"W. 50.00 ft. (S.18°09'32"W. 50.00 ft.) to the southwest corner of said Block 2; with the south line of said Block 2, S.71°50'19"E. 162.65 ft. (S.71°50'28"E. 162.75 ft.) and S.62°50'45"E., at 221.5 ft. passing a fence cornerpost, then along a fence for a total distance of 466.07 ft. (S.62°51'17"E. 466.07 ft.) to a ½" iron stake found at a cornerpost at the south corner of Lot No. 14 in the northwest line of Lot No. 13R, the replat of which is recorded in Volume 6 at Page 384 of the Plat Records of Kerr County, Texas;

THENCE, along a fence with the common line between said 669.14 acres and said Lot No. 13R: S.27°01'06"W. 59.85 ft. (S.27°08'43"W. 60.00 ft.) to a ½" iron stake found at a cornerpost for a reentrant corner of the herein described tract, the west corner of said Lot No. 13R; S.62°51'53"E. 221.79 ft. (S.62°51'17"E. 221.85 ft.) to a ½" iron stake found at an anglepost; and S.73°09'48"E. 30.48 ft. (S.73°12'01"E. 30.58 ft.) to a ½" iron stake found at a cornerpost at the south corner of said Lot No. 13R, the easterly common corner of said 669.14 acres and said 40.52 acres, the west corner of 0.08 acre conveyed to F. O'Neil Griffin Issue GST for Richard Griffin from Robert Keeble, et al, by a General Warranty Deed executed the 13th day of March, 2000 and recorded in Volume 1063 at Page 736 of the Real Property Records of Kerr County, Texas;

THENCE, along a fence upon, over and across said 40.52 acres: with the southwest line of said 0.08 acre, S.73°09'12"E. 63.26 ft. (S.73°12'01"E. 63.15 ft.) to a ½" iron stake found at a cornerpost for a reentrant corner of the herein described tract, the south corner of said 0.08 acre; and with the southeast line of said 0.08 acre, N.16°59'24"E. 59.28 ft. (N.17°08'54"E. 59.02 ft.) to a ½" iron stake found at a cornerpost at the east corner of said 0.08 acre, the south corner of Lot No. 12, Block No. 2, a reentrant corner of said 40.52 acres;

Page 2 -- 225.69 acres of the 'Tuscany Land, Ltd. land
on State Highway No. 16 in the City of
Kerrville, Kerr County, Texas

THENCE, with the common line between said 40.52 acres and said Block No. 2, N.17°11'54"E., along a fence, at 167.2 ft. passing an anglepost, then not along a fence, at 186.6 ft. passing a cornerpost, then again along a fence, at 309.1 ft. passing an anglepost, then not along a fence for a total distance of 349.78 ft. (N.17°08'54"E. 350.00 ft.) to a ½" iron stake found near a fence at the northerly common corner of said 40.52 acres and said Block No. 2, in the southwest line of Lot No. 8 in Block "D" of Riverhill Estates No. One, the plat of which is recorded in Volume 4 at Pages 22 and 23 of the Plat Records of Kerr County, Texas;

THENCE, with the common line between said 40.52 acres and said Riverhill Estates No. One, each point marked with a found ½" iron stake: with the south line of said Lot No. 8 in Block "D", S.73°12'44"E. 124.81 ft. (S.73°12'01"E. 125.00 ft.) to the southeast corner of said Lot No. 8 at the southerly terminus of the west right-of-way line of Hickory Hills Drive, a fifty (50) ft. wide public street; with the south right-of-way line of said Hickory Hills Drive, S.74°38'21"E. 50.07 ft. (S.74°37'02"E. 50.02 ft.) to the southwest corner of Lot No. 1 in Block "H" at the southerly terminus of the east right-of-way line of said Hickory Hills Drive; with the south line of said Lot No. 1, S.75°24'35"E. 190.65 ft. (S.75°22'07"E. 190.74 ft.) to the southerly common corner of Lots No. 1 and No. 2; and with the south line of Lots No. 2, No. 3 and No. 4 in said Block "H", S.83°46'15"E. 457.08 ft. (S.83°46'05"E. 457.09 ft.) to a ½" iron stake found for the northeast corner of the herein described tract and said 40.52 acres, the southeast corner of said Lot No. 4 in Block "H", in the west right-of-way line of Ridgewood Lane, a fifty (50) ft. wide public road easement as dedicated by said subdivision plat;

THENCE, with the northeast line of said 40.52 acres: with the west right-of-way line of said Ridgewood Lane, S.12°29'46"W. 60.06 ft. (S.12°30'28"W. 60.08 ft.) to a ½" iron stake found at the beginning of a 25°13'32" curve concave to the west having a radius of 227.15 ft. (227.15 ft.), and 27.95 ft. (28.05 ft.) with an arc of said 25°13'32" curve subtended by a central angle of 07°03'02" (07°04'31") [long chord = S.16°16'26"W. 27.93 ft. (S.16°16'25"W. 28.03 ft.)] to a ½" iron stake set at its end at the southerly terminus of the west right-of-way line of said Ridgewood Lane; and with the southerly end of said Ridgewood Lane, S.70°12'03"E. 50.00 ft. (S.70°11'20"E. 50.00 ft.) to a ½" iron stake set in the east right-of-way line of said Ridgewood Lane, the northwest line of Lot No. 2 in Block "M" of Riverhill Estates No. Three, the replat of which is recorded in Volume 4 at Page 114 of the Plat Records of Kerr County, Texas;

THENCE, with the common line between said 40.52 acres and said Lot No. 2: 121.66 ft. (121.66 ft.) with an arc of a 20°40'29" curve concave to the west having a radius of 277.15 ft. (277.15 ft.) [long chord = S.32°22'29"W. 120.69 ft. (S.32°23'12"W. 120.69 ft.)] to a ½" iron stake found at its end; and S.44°57'01"W. 98.46 ft. (S.44°57'44"W. 98.43 ft.) to a ½" iron stake found at the westerly common corner of Lots No. 2 and No. 3 for a reentrant corner of the herein described tract and said 40.52 acres;

THENCE, with the common line between said 40.52 acres and said Block "M", each point marked with a found ½" iron stake: with the southwest line of said Lot No. 3, S.49°22'53"E. 180.02 ft. (S.49°21'57"E. 179.91 ft.) to the southwest corner of Lots No. 3 and No. 4; with the southwest line of said Lot No. 4, S.49°23'27"E. 199.67 ft. (S.49°26'00"E. 199.73 ft.) to the southwest corner of Lots No. 4 and No. 5; and with the southwest line of said Lot No. 5, S.49°12'32"E. 78.20 ft. (S.49°08'29"E. 78.04 ft.) to the south corner of said Lot No. 5 for the most easterly corner of the herein described tract and said 40.52 acres, in a fence along the northwest line of 8.57 acres conveyed to David R. Wilson from Kenneth L. Creal

Page 3 – 225.69 acres of the Tuscan Land, Ltd. land
on State Highway No. 16 in the City of
Kerrville, Kerr County, Texas

by a Cash Warranty Deed executed the 12th day of October, 2001 and recorded in Volume 1149 at Page 121 of the Real Property Records of Kerr County, Texas;

THENCE, along a fence with the common line between said 40.52 acres and said 8.57 acres, S.44°51'12"W. 398.59 ft. (S.44°51'33"W. 399.05 ft.) to a ½" iron stake found at a three-way cornerpost at the west corner of said 8.57 acres in the northeast line of 500 acres conveyed to the City of Kerrville from the Texas Parks and Wildlife Department by a Deed executed the 29th day of January, 2004 and recorded in Volume 1334 at Page 43 of the Real Property Records of Kerr County, Texas;

THENCE, along a fence with the common line between said 40.52 acres and said 500 acres: N.45°04'10"W. 292.50 ft. (N.44°57'23"W. 292.51 ft.) to a ½" iron stake found at a three-way cornerpost for a northerly corner of said 500 acres, a reentrant corner of the herein described tract and said 40.52 acres; S.44°53'05"W. 1397.12 ft. (S.44°54'41"W. 1397.10 ft.) to an anglepost; and S.47°39'40"W. 297.03 ft. (S.47°28'34"W. 296.94 ft.) to an anglepost at the easterly common corner of said 40.52 acres and said 669.14 acres;

THENCE, along a fence with the common line between said 669.14 acres and said 500 acres, S.15°56'25"W. 1371.27 ft. (S.15°59'54"W. 1371.21 ft.) to an anglepost at the most westerly corner of said 500 acres;

THENCE, upon, over and across said 669.14 acres: S.32°25'57"W. 1092.88 ft. to a ½" iron stake set for the southeast corner of the herein described tract; and S.84°28'14"W., at 1371.87 ft. passing a ½" iron stake set for reference, then continuing for a total distance of 1550.53 ft. to a brass disc right-of-way marker found for the southwest corner of the herein described tract in a fence along the southwest line of said 669.14 acres, the northeast right-of-way line of said State Highway No. 16;

THENCE, along a fence with the west line of said 669.14 acres, the east right-of-way line of said State Highway No. 16, each point marked with a found concrete right-of-way marker unless stated otherwise: N.24°03'48"W., at 452.79 ft. passing a found concrete right-of-way marker, then continuing for a total distance of 780.76 ft. (N.24°02'55"W. 780.77 ft.); N.03°08'27"E. 559.23 ft. (N.03°09'29"E. 559.23 ft.); N.26°54'50"E. 275.58 ft. (N.26°55'32"E. 275.41 ft.); N.17°13'42"E., at 314.97 ft. passing a found concrete right-of-way marker, then continuing for a total distance of 380.54 ft. (N.17°14'05"E. 380.65 ft.); N.37°15'25"E. 700.04 ft. (N.37°16'02"E. 700.17 ft.); N.26°09'13"E. 101.86 ft. (N.26°14'28"E. 101.69 ft.); N.36°24'01"E. 1799.95 ft. (N.36°24'42"E. 1800.04 ft.); N.38°12'35"E., at 241.27 ft. passing a found concrete right-of-way marker, then continuing for a total distance of 512.33 ft. (N.38°12'59"E. 512.29 ft.) to a found brass disc right-of-way marker; and N.18°07'08"E., at approximately 137 ft. passing a cornerpost, then not along a fence for a total distance of 161.05 ft. (N.18°09'32"E. 160.79 ft.) to the PLACE OF BEGINNING containing 225.69 acres of land, more or less, within these metes and bounds.

Page 4 -- 225.69 acres of the Tuscan Land, Ltd. land
on State Highway No. 16 in the City of
Kerrville, Kerr County, Texas

I hereby certify that these field notes and accompanying
plat are accurate descriptions of the property contained
therein as determined by a survey made on the ground
under my direction and supervision, and that all property
corners are marked as stated. (Bearing basis = True north
based on GPS observations)

Dates surveyed: December 13, 2005
March 31 - June 6, 2006
April 8 - 14, 2008; July 13, 2015

Dated this 16th day of July, 2015



Don W. Voelkel
Registered Professional Land Surveyor No. 3990



FILED AND RECORDED
AT 3:56 O'CLOCK PM
STATE OF TEXAS
COUNTY OF KERR

Jan 23, 2018

I hereby certify that this document was filed in the file numbered sequence
on the date and time stamped hereon by me and was duly recorded in the
Official Public Records of Kerr County, Texas
Rebecca Dohm, Kerr County Clerk

By *Glenn R. Smith*

Deputy

EXHIBIT B Boundary Survey of Property

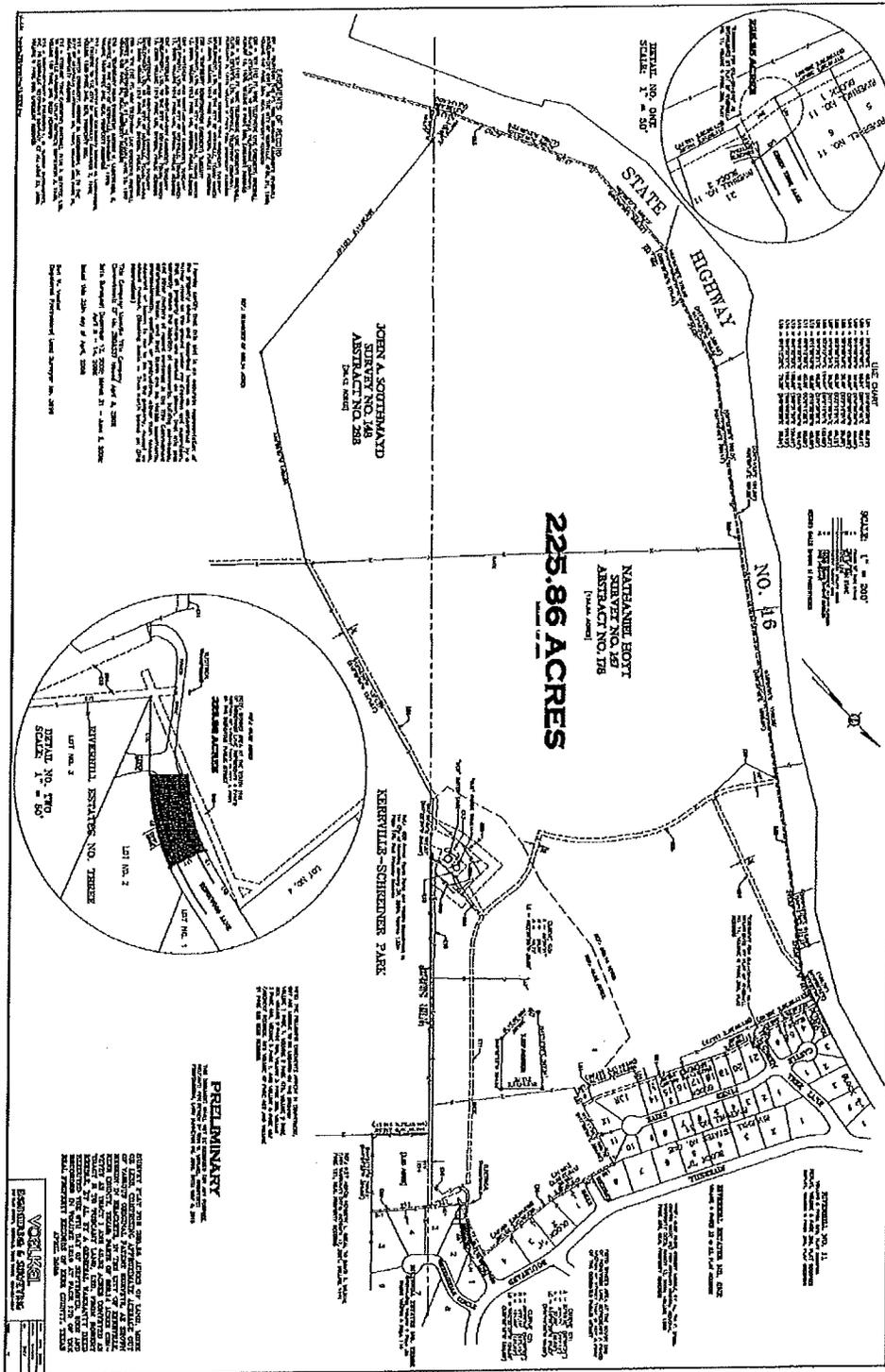
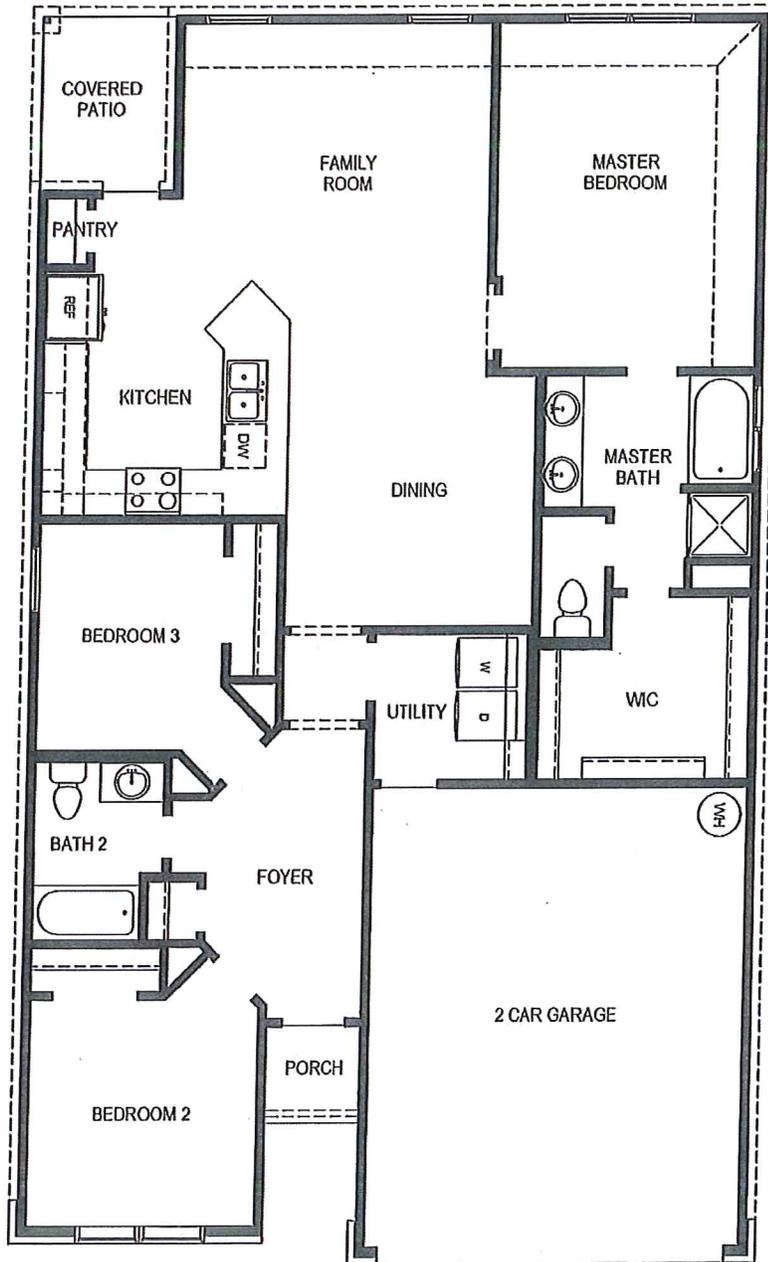


EXHIBIT D
Elevations



Elevation A



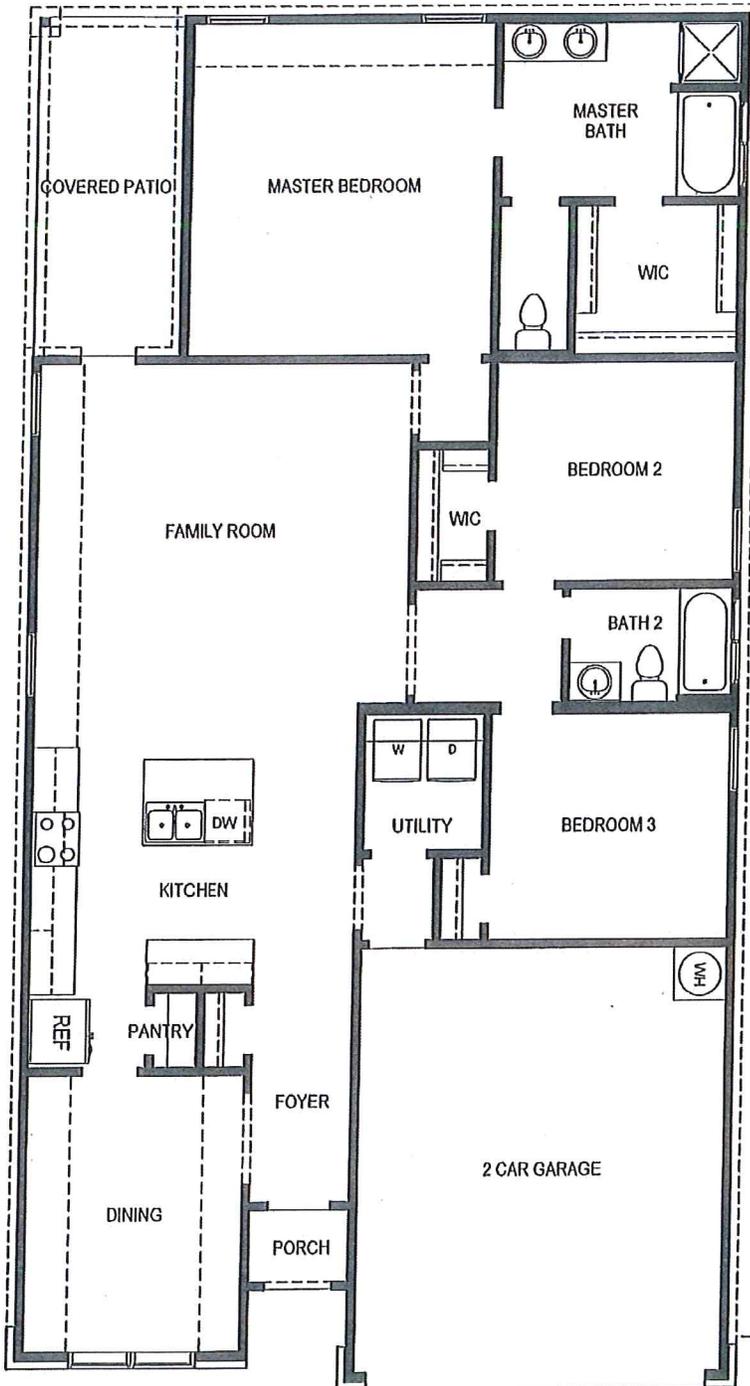
Elevation B



Elevation C



Valid only for San Antonio area D.R. Horton Homes new home communities. Prices, plans, features, options and co-broke are subject to change without notice and will vary between communities. Additional restrictions may apply. All square footages are approximate and vary by elevation. Rev. 2/20/17



Elevation A



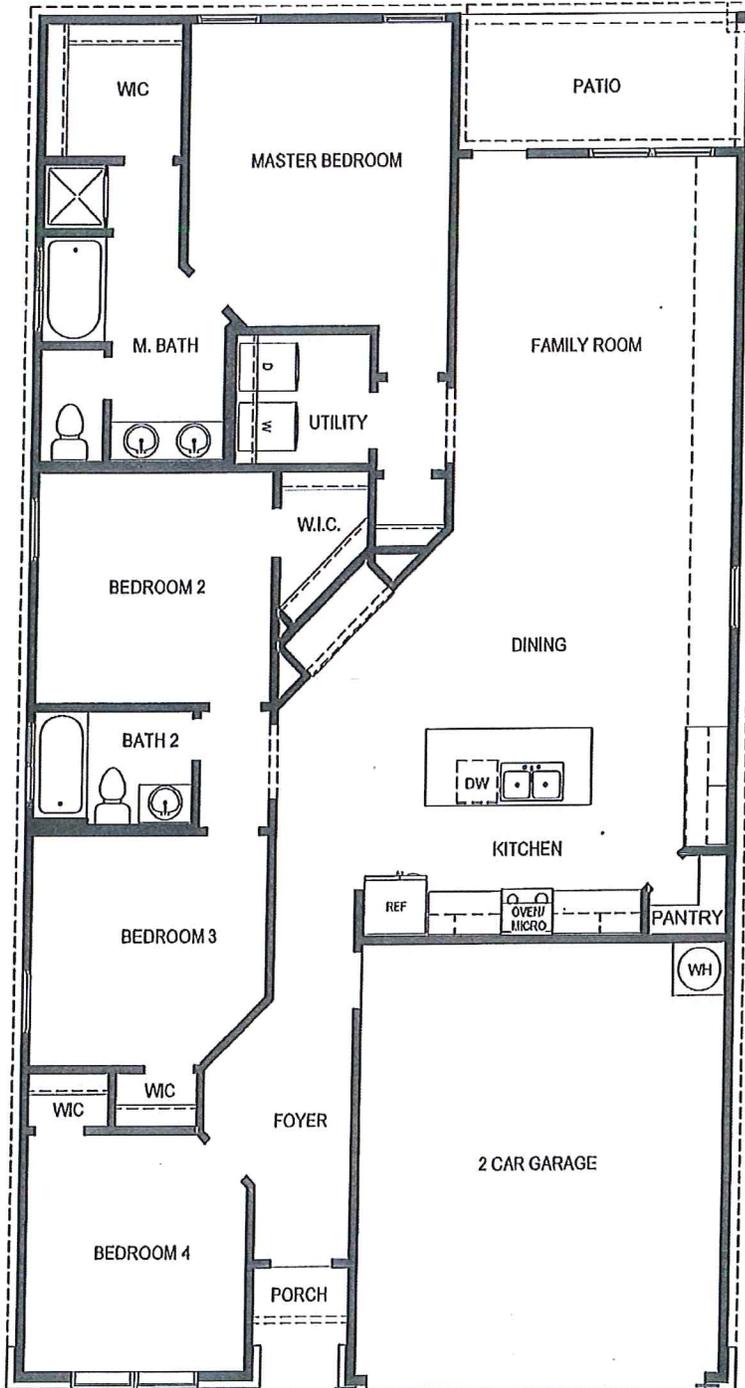
Elevation B



Elevation C



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Elevation A



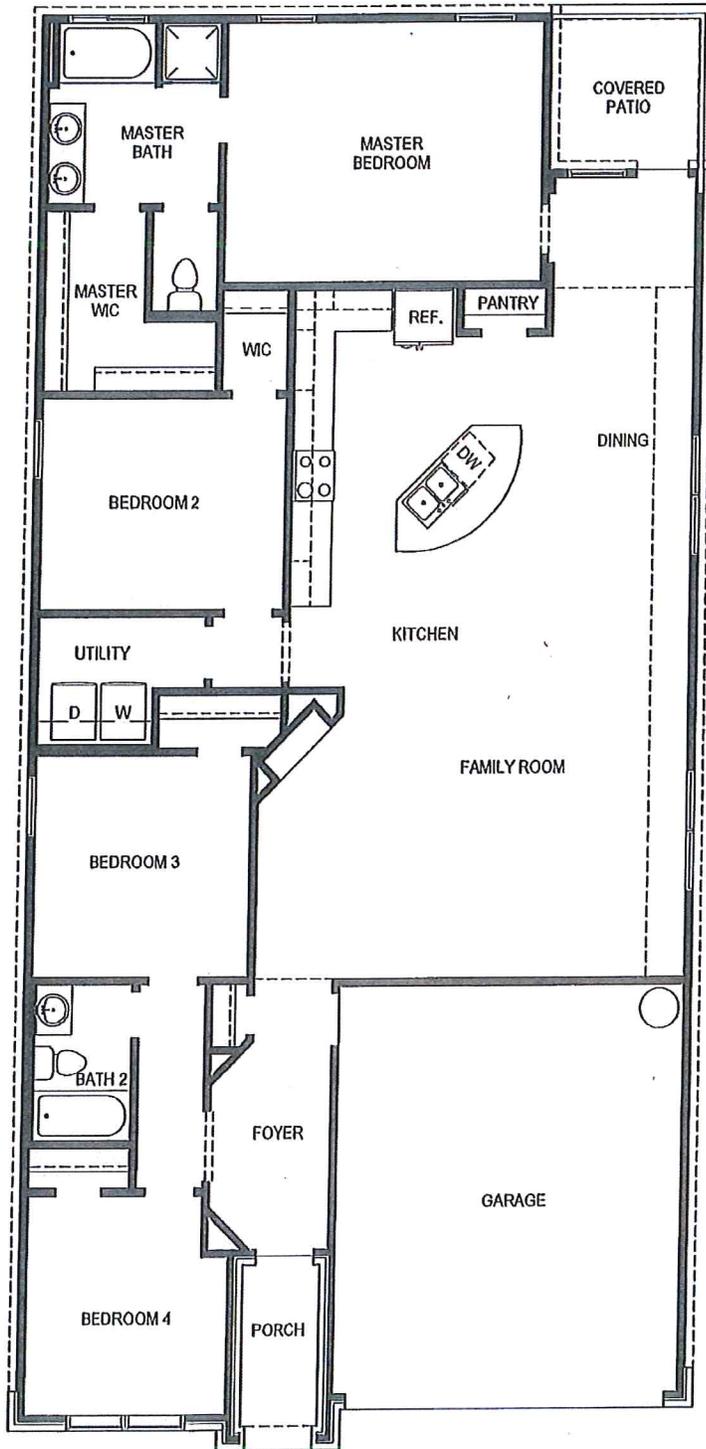
Elevation B



Elevation C



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Elevation A



Elevation B



Elevation C



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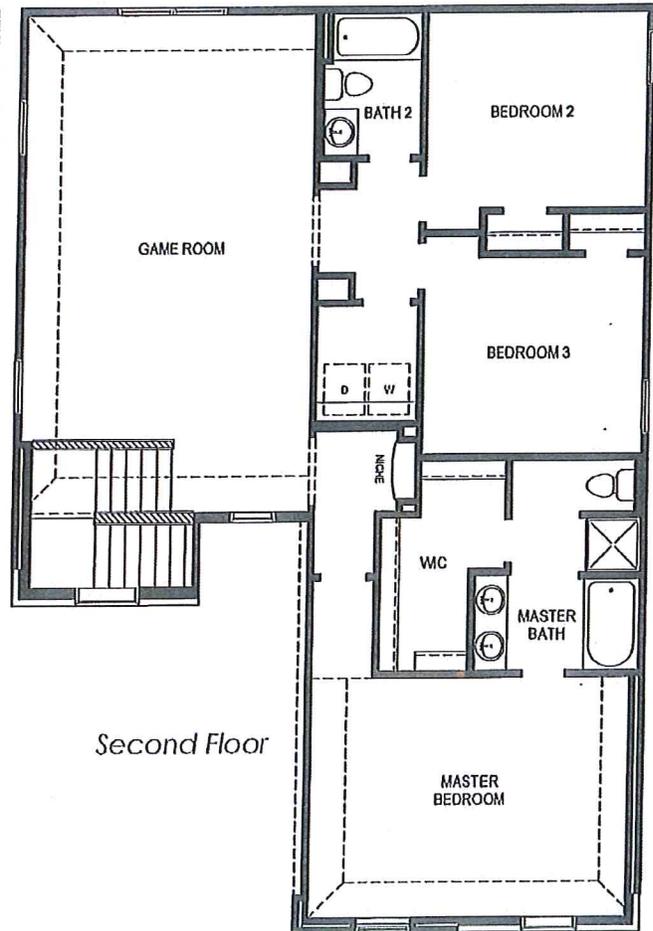
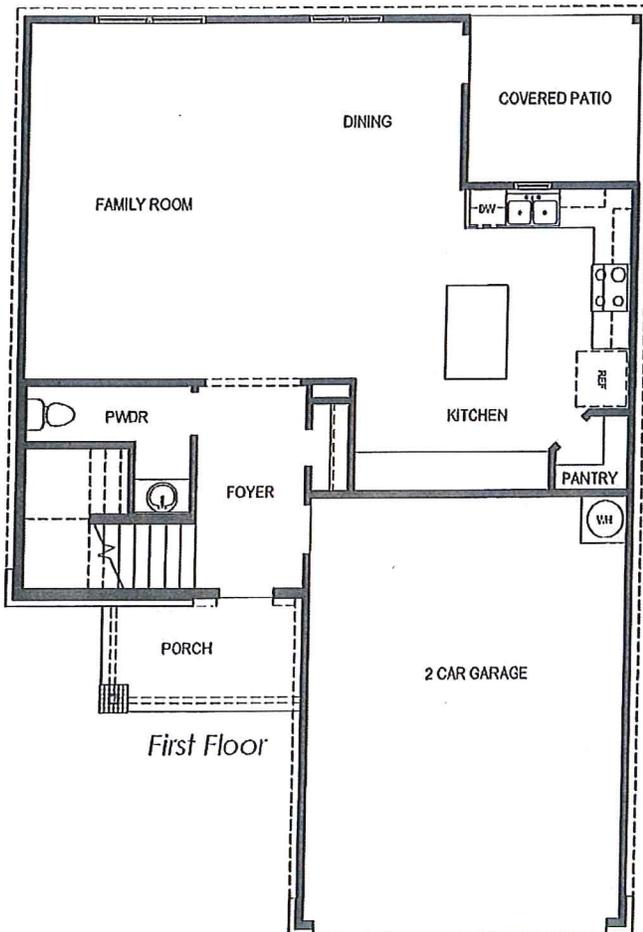
Elevation A



Elevation B



Elevation C



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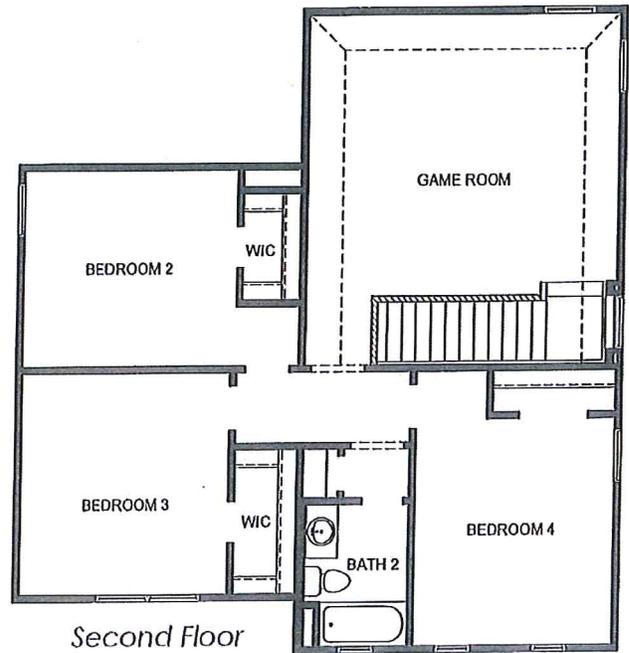
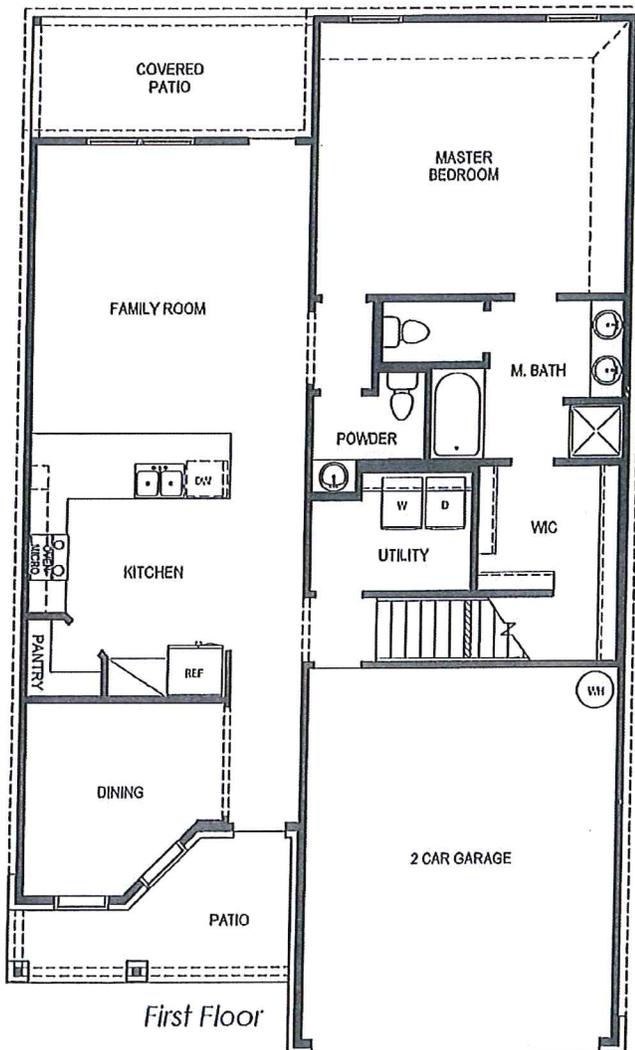
Elevation A



Elevation B



Elevation C



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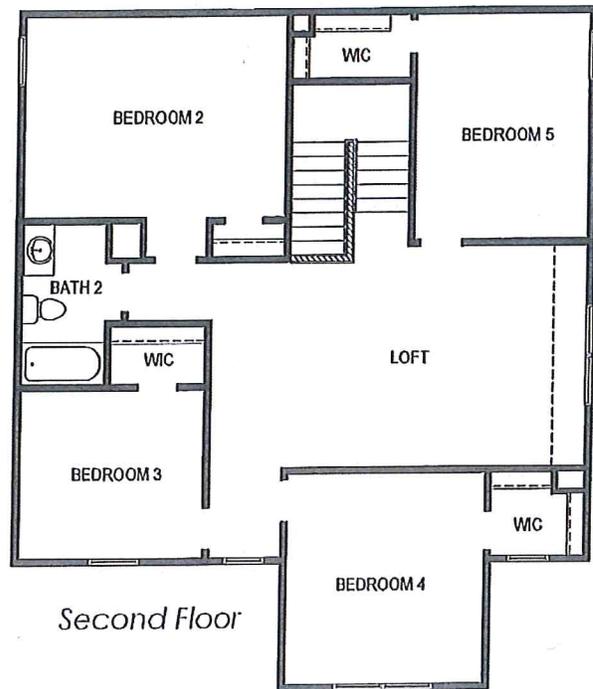
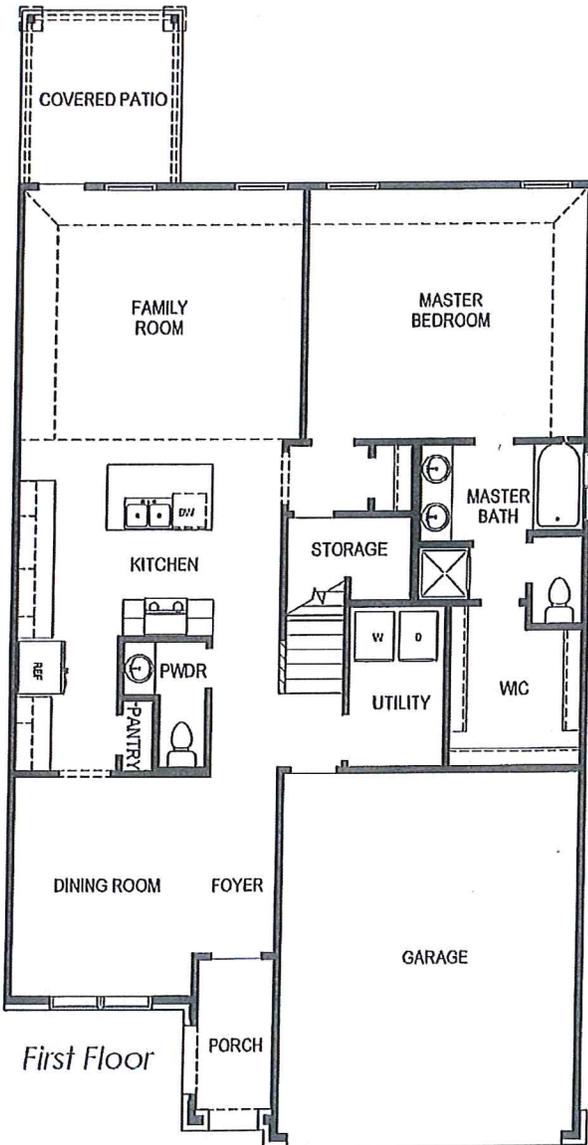
Elevation A



Elevation B



Elevation C



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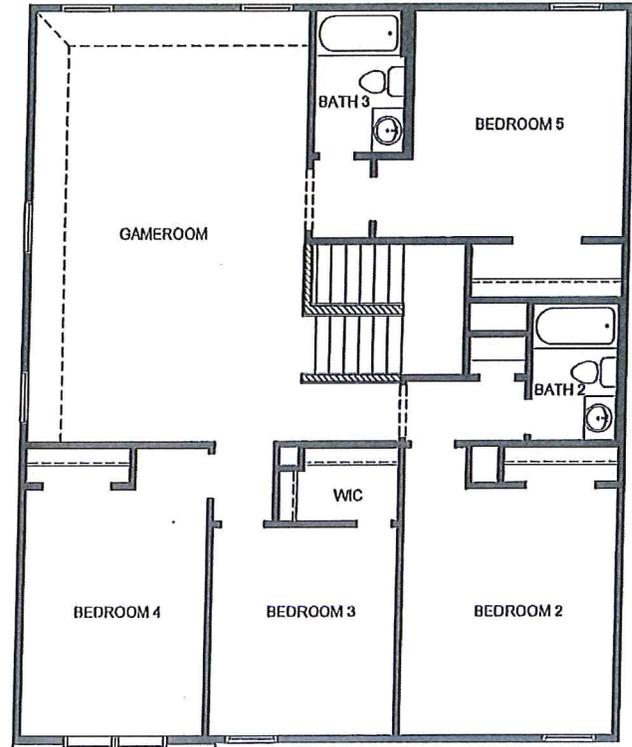
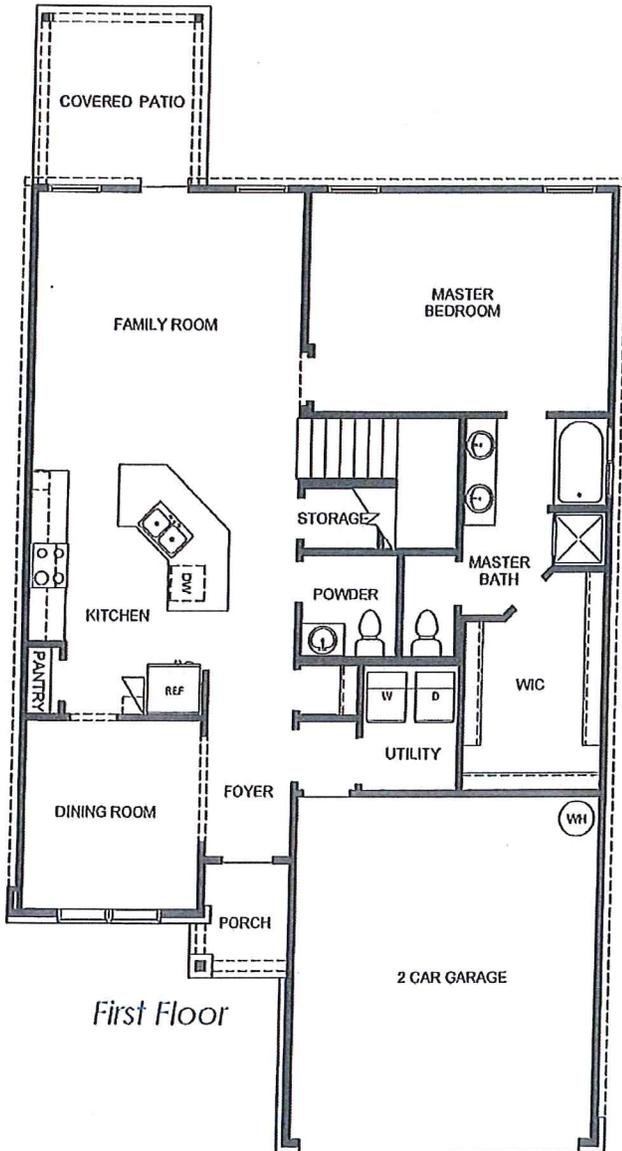
Elevation A



Elevation B



Elevation C



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**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Ordinance No. 2020-03. Second Reading. An Ordinance amending Chapter 60 of the Code of Ordinances, City of Kerrville, Texas, which adopted zoning regulations, use districts, and a zoning map in accordance with the City's Comprehensive Plan, such chapter more commonly known as the City's Zoning Code; by changing the zoning and classification of a property generally located east of and adjacent to State Highway 16 South, south of Riverhill Boulevard, and comprising approximately 225.69 acres; from a single-family residential zoning district (R-1) to a medium density residential zoning district (R-2); amending the Comprehensive Plan (Kerrville 2050) to make it consistent with such amendment; providing a cumulative clause; providing for severability; providing an effective date; ordering publication; and providing other matters relating to the subject.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 03, 2020

SUBMITTED BY: Drew Paxton

EXHIBITS: [20200128_Ordinance_2020-03 Zoning Change Vintage Heights second reading.pdf](#)
[20200114_Appeal_Letter_Vintage Heights 2019_12_05_1130am.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	Yes
Key Priority Area	L - Land Use
Guiding Principle	H1. Provide a diverse range of housing options to meet the needs and desires of all age groups, income levels, and lifestyles
Action Item	H1.2 - Research potential funding mechanisms for the development of workforce housing, defined as 80% to 120% of area median household income

SUMMARY STATEMENT:

This is a request to change the zoning from R-1 Single Family District to R-2 Medium

Density Residential, which includes a proposed amendment to the Future Land Use Plan of the City's comprehensive Plan, on approximately 225.69 acres, proposed Vintage Heights Subdivision; and generally located east of Medina Highway and south of Riverhill Boulevard.

The Planning and Zoning Commission heard this case on December 5th and did not approve the case; the resulting vote was 3 in favor, 3 against. The applicant has requested an appeal to the P&Z Commission's decision. In order to overturn the P&Z Decision, the Council must approve the case with at least a 3/4ths vote.

Procedural Requirements

54 letters were mailed November 18th, to adjacent property owners. The public notice was published in the Kerrville Daily Times on November 14th.

Staff Analysis and Recommendation

Consistency with the Kerrville 2050 Comprehensive Plan: The property and is designated Agriculture and Outdoor Tourism within the Future Land Use Plan. Agriculture and Outdoor Tourism areas are characterized by very large tracts of undeveloped land primarily utilized for the production of agricultural products, ranch and wildlife management, camping, and hunting. These tracts provide much of the environmental and open space character in the community and its border regions. AOT includes opportunities for additional uses and low-intensity developments that support the character and economic viability of the broader, primary land use.

Primary Land Use: Agriculture, outdoor tourism such as camping, hunting and other nature-based recreational activities, Single-family detached homes.

Secondary Land Use: Agricultural land, civic and institutional uses, parks, open space, local food production.

The existing surrounding area includes: single family homes (in and outside the city limits), Kerrville Schreiner Park and vacant land.

This request also includes an amendment to the Future Land Use Plan. This zoning request is consistent with both the Preservation Residential and Neighborhood Residential. Based on the proposed subdivision layout, Preservation Residential is best suited for the development as it consists of single family detached homes and open space throughout the development. Preservation Residential areas support a variety of housing types in a compact network of complete, walkable streets that are easy to navigate by car, bike, and foot. Housing types can include small-lot, single-family detached homes, patio homes, townhomes, duplexes, condominiums, or apartments. Limited amounts of local retail and services may be appropriate in certain locations as needed to support the primary land use.

Primary Land Use: Single-family detached homes, patio homes, townhomes, other

single-family attached dwellings.

Secondary Land Use: Civic and institutional uses, parks, open space, small amounts of neighborhood serving retail and office in carefully chosen locations.

The Kerrville 2050 Plan is considered to be a living document and thus is intended to be reviewed and updated from time to time. This includes both “regular reviews in the coming years to see that the plan maintains its relevance and to sustain the commitment of the community that participated so enthusiastically in its creation”, as well as review on a case by case level, triggered by rezoning cases such as this.

As per the Zoning Code, when considering an application for rezoning of a specific tract that is inconsistent with the Comprehensive Plan, the request may be considered if it is determined that:

1. The application represents a new and important opportunity for the community that deserves due consideration and was not known or anticipated at the time of adoption of the plan;
2. Decisions were made in developing the Comprehensive Plan that were based on incorrect information;
3. New information not available during preparation of the Comprehensive Plan has arisen or been developed; or
4. Conditions upon which the Comprehensive Plan was based have changed so as to warrant consideration of the application.

In this case, this application represents a new and important opportunity for the community that deserves due consideration and was not known or anticipated at the time of adoption of the plan. At the time of adoption of the Kerrville 2050 Plan Future Land Use Plan and the updated Zoning Code, this property was proposed to be developed as large, 10+ acre tracts for single family estates. This proposal brings opportunity for more future housing to the Kerrville market, which has been identified in the Kerrville 2050 Plan and the Kerrville Housing Study and Strategic Plan as having significant gaps in housing inventory.

Adjacent Zoning and Land Uses

Subject Property

Current Zoning: R-1 Single Family Residential

Existing Land Uses: vacant land

Direction: North

Current Zoning: R-1 Single Family District

Existing Land Uses: Single family homes (Riverhill subdivision)

Direction: East and South

Current Zoning: PI Public and Institutional and R-1 Single Family District

Existing Land Uses: Single family homes and Kerrville Schreiner Park

Direction: West

Current Zoning: outside the city limits

Existing Land Uses: single family county subdivision

Thoroughfare Plan: The development has proposed access to Medina Highway (TX 16) through a new Collector street, as well as integrated access to the existing street connections near Riverhill Boulevard. The Riverhill Subdivision was designed with three connecting street into the remainder of the original tract of land, the subject property of this case. The three connections, Green Tree Lane, Hickory Hills Drive, and Ridgewood Lane, provide access for future development to the Riverhill Boulevard collector street.

Collectors balance access and mobility in the City's thoroughfare network by collecting and distributing traffic to and from local streets and the arterials. Collectors provide the necessary connectivity through and between residential neighborhoods and support circulation in nonresidential activity centers.

Some concern has been brought up by neighboring property owners regarding the level of traffic on Riverhill Boulevard. The City Council has recently passed an ordinance to help mitigate through traffic, particularly through truck traffic to help mitigate pass-through traffic, better enabling Riverhill Boulevard to act as a neighborhood collector as it was designed. This includes the future connections to this development.

Traffic Impact: The applicant has submitted a Traffic Impact Study for review with their zoning and plat application. The initial report did not include data for all impacted intersections. The data that had been received at the time of this staff report indicated that "All study intersections including the State Highway 16 and Riverhill Boulevard intersection and proposed driveways are expected to operate at acceptable LOS (level of service) values during the morning and evening peak periods for all scenarios analyzed." Additional data for the remaining intersections has been requested.

Parking: Based on the parking requirements within the zoning code, there should be no negative impact on parking.

Recommendation: As stated above, this request also includes an amendment to the Future Land Use Plan, and should be considered since the application represents a new and important opportunity for the community.

Based on the policies within the Kerrville 2050 Plan and in support of the Kerrville Housing Study and Strategic Plan, staff recommends the Future Land Use Plan amendment and the zoning request.

City Council approved first reading of Ordinance No. 2020-03 on January 14, 2020.

RECOMMENDED ACTION:

Approve Ordinance No. 2020-03. Zone Change Vintage Heights, Appeal P&Z Decision -
Second Reading.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2020-03**

AN ORDINANCE AMENDING CHAPTER 60 OF THE CODE OF ORDINANCES, CITY OF KERRVILLE, TEXAS, WHICH ADOPTED ZONING REGULATIONS, USE DISTRICTS, AND A ZONING MAP IN ACCORDANCE WITH THE CITY'S COMPREHENSIVE PLAN, SUCH CHAPTER MORE COMMONLY KNOWN AS THE CITY'S ZONING CODE; BY CHANGING THE ZONING AND CLASSIFICATION OF A PROPERTY GENERALLY LOCATED EAST OF AND ADJACENT TO STATE HIGHWAY 16 SOUTH, SOUTH OF RIVERHILL BOULEVARD, AND COMPRISING APPROXIMATELY 225.69 ACRES; FROM A SINGLE-FAMILY RESIDENTIAL ZONING DISTRICT (R-1) TO A MEDIUM DENSITY RESIDENTIAL ZONING DISTRICT (R-2); AMENDING THE COMPREHENSIVE PLAN (KERRVILLE 2050) TO MAKE IT CONSISTENT WITH SUCH AMENDMENT; PROVIDING A CUMULATIVE CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE; ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, pursuant to Texas Local Government Code Sections 211.006 and 211.007, notice has been given to all parties in interest and citizens by publication in the official newspaper for the City of Kerrville, Texas ("City"), and otherwise, of a hearing held before the City Council on January 14, 2020, which considered a report of the City's Planning and Zoning Commission regarding its recommendations on an ordinance, the adoption of which will result in the change of a zoning district for a property generally located east of and adjacent to State Highway 16 South and south of Riverhill Boulevard; such change to result in the removal of the property from a Single-Family Residential Zoning District (R-1) to placement within a Medium Density Residential Zoning District (R-2); and

WHEREAS, on January 14, 2020, City Council held a public hearing on the zoning change referenced above pursuant to the published notice and has considered the application, comments, reports, and recommendations of the Planning and Zoning Commission and staff, public testimony, and other relevant support materials;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. The Zoning Code for the City of Kerrville, Texas, as enacted by City Council and effective October 1, 2019 and included within Chapter 60 of the Code of Ordinances of the City of Kerrville, Texas, and the *Official Zoning Map* be and the same are hereby amended to designate the following described property zoned as a Medium Density Residential Zoning District (R-2):

Being all of a certain tract or parcel of land comprising, approximately, 184.68 acres out of Nathaniel Hoyt Survey No. 147, Abstract No. 178, and 41.01 acres out of John A. Southmayd Survey No. 148, Abstract No. 288, within the City of Kerrville, Kerr County, Texas; said tract being more particularly described and depicted at Exhibit A, attached hereto and made a part hereof for all purposes, and hereafter referred to as the "Property."

SECTION TWO. The City Manager or designee is authorized and directed to amend the City's *Official Zoning Map* to reflect the change in districts adopted herein and to take other actions contemplated by and in accordance with the City's Zoning Code.

SECTION THREE. The City Manager or designee is authorized and directed to amend the City's Comprehensive Plan (*Kerrville 2050*), together with its *Future Land Use Map*, as necessary to make it consistent with the amendment(s) to the Zoning Code authorized by this Ordinance, to include changing the designation of the Property on said map to "Preservation Residential."

SECTION FOUR. The provisions of this Ordinance are cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are expressly repealed to the extent of any such inconsistency or conflict.

SECTION FIVE. The terms and provisions of this Ordinance shall be deemed to be severable in that if any portion of this Ordinance is declared to be invalid, the same shall not affect the validity of the other provisions of this Ordinance.

SECTION SIX. Pursuant to Texas Local Government Code §52.013(a) and Section 3.07 of the City's Charter, the City Secretary is hereby authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

SECTION SEVEN. This Ordinance shall become effective immediately upon the expiration of ten days following publication, as provided for by Section 3.07 of the City Charter.

PASSED AND APPROVED ON FIRST READING, this the 14 day of January, A.D., 2020.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ of _____, A.D., 2020.

Bill Blackburn, Mayor

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

FIELD NOTES DESCRIPTION FOR 225.69 ACRES OF THE
TUSCANY LAND, LTD. PROPERTY ON STATE HIGHWAY
NO. 16 IN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS

Being all of a certain tract or parcel of land comprising, approximately, 184.68 acres out of Nathaniel Hoyt Survey No. 147, Abstract No. 178, and 41.01 acres out of John A. Southmayd Survey No. 148, Abstract No. 288, in the City of Kerrville, Kerr County, Texas; parts of 669.14 acres conveyed as Tract I and 40.52 acres conveyed as Tract II to Tuscany Land, Ltd. from Robert Keeble, et al, by a General Warranty Deed executed the 6th day of September, 2002 and recorded in Volume 1219 at Page 173 of the Real Property Records of Kerr County, Texas; and being more particularly described by metes and bounds as follows (record calls shown in parentheses):

Beginning at a ½" iron stake found in the southeast right-of-way line of State Highway No. 16 for the northwest corner of the herein described tract and said 669.14 acres, the southwest corner of Block No. 1 of Riverhill No. 11, the replat of which is recorded in Volume 6 at Page 350 of the Plat Records of Kerr County, Texas; which point bears 8791.6 ft. N.21°37'07"W. from a ½" iron stake found in a stone mound at the east corner of Mrs. Alliweses Clark Survey No. 395, Abstract No. 101;

THENCE, with the northeast line of said 669.14 acres, each point marked with a found ½" iron stake unless stated otherwise: with the south line of said Block 1, S.71°49'28"E. 305.07 ft. (S.71°50'28"E. 305.00 ft.) to the southeast corner of said Block 1; with the east line of said Block 1, N.18°03'56"E. 50.00 ft. (N.18°09'32"E. 50.00 ft.) to the southerly terminus of the west right-of-way line of Green Tree Lane, a sixty (60) ft. wide public street; with the south right-of-way line of said Green Tree Lane, S.81°49'40"E. 60.91 ft. (S.81°45'48"E. 60.91 ft.) to a ½" iron stake set at the southerly terminus of the east right-of-way line of said Green Tree Lane, in the west line of Block 2; with the west line of said Block 2, S.18°03'56"W. 50.00 ft. (S.18°09'32"W. 50.00 ft.) to the southwest corner of said Block 2; with the south line of said Block 2, S.71°50'19"E. 162.65 ft. (S.71°50'28"E. 162.75 ft.) and S.62°50'45"E., at 221.5 ft. passing a fence cornerpost, then along a fence for a total distance of 466.07 ft. (S.62°51'17"E. 466.07 ft.) to a ½" iron stake found at a cornerpost at the south corner of Lot No. 14 in the northwest line of Lot No. 13R, the replat of which is recorded in Volume 6 at Page 384 of the Plat Records of Kerr County, Texas;

THENCE, along a fence with the common line between said 669.14 acres and said Lot No. 13R: S.27°01'06"W. 59.85 ft. (S.27°08'43"W. 60.00 ft.) to a ½" iron stake found at a cornerpost for a reentrant corner of the herein described tract, the west corner of said Lot No. 13R; S.62°51'53"E. 221.79 ft. (S.62°51'17"E. 221.85 ft.) to a ½" iron stake found at an anglepost; and S.73°09'48"E. 30.48 ft. (S.73°12'01"E. 30.58 ft.) to a ½" iron stake found at a cornerpost at the south corner of said Lot No. 13R, the easterly common corner of said 669.14 acres and said 40.52 acres, the west corner of 0.08 acre conveyed to F. O'Neil Griffin Issue GST for Richard Griffin from Robert Keeble, et al, by a General Warranty Deed executed the 13th day of March, 2000 and recorded in Volume 1063 at Page 736 of the Real Property Records of Kerr County, Texas;

THENCE, along a fence upon, over and across said 40.52 acres: with the southwest line of said 0.08 acre, S.73°09'12"E. 63.26 ft. (S.73°12'01"E. 63.15 ft.) to a ½" iron stake found at a cornerpost for a reentrant corner of the herein described tract, the south corner of said 0.08 acre; and with the southeast line of said 0.08 acre, N.16°59'24"E. 59.28 ft. (N.17°08'54"E. 59.02 ft.) to a ½" iron stake found at a cornerpost at the east corner of said 0.08 acre, the south corner of Lot No. 12, Block No. 2, a reentrant corner of said 40.52 acres;

Page 2 – 225.69 acres of the Tuscany Land, Ltd. land
on State Highway No. 16 in the City of
Kerrville, Kerr County, Texas

THENCE, with the common line between said 40.52 acres and said Block No. 2, N.17°11'54"E., along a fence, at 167.2 ft. passing an anglepost, then not along a fence, at 186.6 ft. passing a cornerpost, then again along a fence, at 309.1 ft. passing an anglepost, then not along a fence for a total distance of 349.78 ft. (N.17°08'54"E. 350.00 ft.) to a ½" iron stake found near a fence at the northerly common corner of said 40.52 acres and said Block No. 2, in the southwest line of Lot No. 8 in Block "D" of Riverhill Estates No. One, the plat of which is recorded in Volume 4 at Pages 22 and 23 of the Plat Records of Kerr County, Texas;

THENCE, with the common line between said 40.52 acres and said Riverhill Estates No. One, each point marked with a found ½" iron stake: with the south line of said Lot No. 8 in Block "D", S.73°12'44"E. 124.81 ft. (S.73°12'01"E. 125.00 ft.) to the southeast corner of said Lot No. 8 at the southerly terminus of the west right-of-way line of Hickory Hills Drive, a fifty (50) ft. wide public street; with the south right-of-way line of said Hickory Hills Drive, S.74°38'21"E. 50.07 ft. (S.74°37'02"E. 50.02 ft.) to the southwest corner of Lot No. 1 in Block "H" at the southerly terminus of the east right-of-way line of said Hickory Hills Drive; with the south line of said Lot No. 1, S.75°24'35"E. 190.65 ft. (S.75°22'07"E. 190.74 ft.) to the southerly common corner of Lots No. 1 and No. 2; and with the south line of Lots No. 2, No. 3 and No. 4 in said Block "H", S.83°46'15"E. 457.08 ft. (S.83°46'05"E. 457.09 ft.) to a ½" iron stake found for the northeast corner of the herein described tract and said 40.52 acres, the southeast corner of said Lot No. 4 in Block "H", in the west right-of-way line of Ridgewood Lane, a fifty (50) ft. wide public road easement as dedicated by said subdivision plat;

THENCE, with the northeast line of said 40.52 acres: with the west right-of-way line of said Ridgewood Lane, S.12°29'46"W. 60.06 ft. (S.12°30'28"W. 60.08 ft.) to a ½" iron stake found at the beginning of a 25°13'32" curve concave to the west having a radius of 227.15 ft. (227.15 ft.), and 27.95 ft. (28.05 ft.) with an arc of said 25°13'32" curve subtended by a central angle of 07°03'02" (07°04'31") [long chord = S.16°16'26"W. 27.93 ft. (S.16°16'25"W. 28.03 ft.)] to a ½" iron stake set at its end at the southerly terminus of the west right-of-way line of said Ridgewood Lane; and with the southerly end of said Ridgewood Lane, S.70°12'03"E. 50.00 ft. (S.70°11'20"E. 50.00 ft.) to a ½" iron stake set in the east right-of-way line of said Ridgewood Lane, the northwest line of Lot No. 2 in Block "M" of Riverhill Estates No. Three, the replat of which is recorded in Volume 4 at Page 114 of the Plat Records of Kerr County, Texas;

THENCE, with the common line between said 40.52 acres and said Lot No. 2: 121.66 ft. (121.66 ft.) with an arc of a 20°40'29" curve concave to the west having a radius of 277.15 ft. (277.15 ft.) [long chord = S.32°22'29"W. 120.69 ft. (S.32°23'12"W. 120.69 ft.)] to a ½" iron stake found at its end; and S.44°57'01"W. 98.46 ft. (S.44°57'44"W. 98.43 ft.) to a ½" iron stake found at the westerly common corner of Lots No. 2 and No. 3 for a reentrant corner of the herein described tract and said 40.52 acres;

THENCE, with the common line between said 40.52 acres and said Block "M", each point marked with a found ½" iron stake: with the southwest line of said Lot No. 3, S.49°22'53"E. 180.02 ft. (S.49°21'57"E. 179.91 ft.) to the southwesterly common corner of Lots No. 3 and No. 4; with the southwest line of said Lot No. 4, S.49°23'27"E. 199.67 ft. (S.49°26'00"E. 199.73 ft.) to the southwesterly common corner of Lots No. 4 and No. 5; and with the southwest line of said Lot No. 5, S.49°12'32"E. 78.20 ft. (S.49°08'29"E. 78.04 ft.) to the south corner of said Lot No. 5 for the most easterly corner of the herein described tract and said 40.52 acres, in a fence along the northwest line of 8.57 acres conveyed to David R. Wilson from Kenneth L. Creal

Page 3 – 225.69 acres of the Tuscany Land, Ltd. land
on State Highway No. 16 in the City of
Kerrville, Kerr County, Texas

by a Cash Warranty Deed executed the 12th day of October, 2001 and recorded in Volume 1149 at Page 121 of the Real Property Records of Kerr County, Texas;

THENCE, along a fence with the common line between said 40.52 acres and said 8.57 acres, S.44°51'12"W. 398.59 ft. (S.44°51'33"W. 399.05 ft.) to a ½" iron stake found at a three-way cornerpost at the west corner of said 8.57 acres in the northeast line of 500 acres conveyed to the City of Kerrville from the Texas Parks and Wildlife Department by a Deed executed the 29th day of January, 2004 and recorded in Volume 1334 at Page 43 of the Real Property Records of Kerr County, Texas;

THENCE, along a fence with the common line between said 40.52 acres and said 500 acres: N.45°04'10"W. 292.50 ft. (N.44°57'23"W. 292.51 ft.) to a ½" iron stake found at a three-way cornerpost for a northerly corner of said 500 acres, a reentrant corner of the herein described tract and said 40.52 acres; S.44°53'05"W. 1397.12 ft. (S.44°54'41"W. 1397.10 ft.) to an anglepost; and S.47°39'40"W. 297.03 ft. (S.47°28'34"W. 296.94 ft.) to an anglepost at the easterly common corner of said 40.52 acres and said 669.14 acres;

THENCE, along a fence with the common line between said 669.14 acres and said 500 acres, S.15°56'25"W. 1371.27 ft. (S.15°59'54"W. 1371.21 ft.) to an anglepost at the most westerly corner of said 500 acres;

THENCE, upon, over and across said 669.14 acres: S.32°25'57"W. 1092.88 ft. to a ½" iron stake set for the southeast corner of the herein described tract; and S.84°28'14"W., at 1371.87 ft. passing a ½" iron stake set for reference, then continuing for a total distance of 1550.53 ft. to a brass disc right-of-way marker found for the southwest corner of the herein described tract in a fence along the southwest line of said 669.14 acres, the northeast right-of-way line of said State Highway No. 16;

THENCE, along a fence with the west line of said 669.14 acres, the east right-of-way line of said State Highway No. 16, each point marked with a found concrete right-of-way marker unless stated otherwise: N.24°03'48"W., at 452.79 ft. passing a found concrete right-of-way marker, then continuing for a total distance of 780.76 ft. (N.24°02'55"W. 780.77 ft.); N.03°08'27"E. 559.23 ft. (N.03°09'29"E. 559.23 ft.); N.26°54'50"E. 275.58 ft. (N.26°55'32"E. 275.41 ft.); N.17°13'42"E., at 314.97 ft. passing a found concrete right-of-way marker, then continuing for a total distance of 380.54 ft. (N.17°14'05"E. 380.65 ft.); N.37°15'25"E. 700.04 ft. (N.37°16'02"E. 700.17 ft.); N.26°09'13"E. 101.86 ft. (N.26°14'28"E. 101.69 ft.); N.36°24'01"E. 1799.95 ft. (N.36°24'42"E. 1800.04 ft.); N.38°12'35"E., at 241.27 ft. passing a found concrete right-of-way marker, then continuing for a total distance of 512.33 ft. (N.38°12'59"E. 512.29 ft.) to a found brass disc right-of-way marker; and N.18°07'08"E., at approximately 137 ft. passing a cornerpost, then not along a fence for a total distance of 161.05 ft. (N.18°09'32"E. 160.79 ft.) to the PLACE OF BEGINNING containing 225.69 acres of land, more or less, within these metes and bounds.



Location Map

Case # 2019-079

Location:
Vintage Heights Subdivision

Legend

200' Notification Area - - - - -
 Subject Properties —————



0 300 600 1,200

Scale In Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.

December 10, 2019

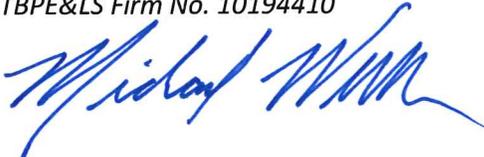
City of Kerrville
Attention: Drew Paxton, Planning Director
701 Main Street
Kerrville, Texas 78028

**RE: Vintage Heights – Zoning Change
Appeal Letter
City Case No. 2019-079
WEL Project No.: WEL-19-005**

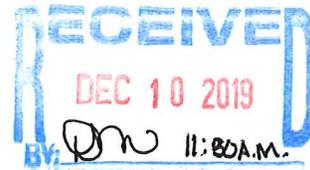
Mr. Paxton:

Pursuant to Section 60-65 (7) of the City of Kerrville's Zoning Code, Medina River Estates, LLC hereby appeals the Planning and Zoning Commission's denial of our zoning change request to the City of Kerrville's City Council. It is our understanding that this appeal will be presented and discussed during the January 14, 2020 City Council meeting.

Thank you,
Wellborn Engineering & Surveying
TBPE Firm No. F7761
TBPE&LS Firm No. 10194410



Michael Wellborn, P.E., C.F.M.
President
Phone # 830.928.9889
E-mail: mikew@wellbornengineering.com





**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Ordinance No. 2020-04. An Ordinance amending Ordinance No. 2018-19 which created Tax Increment Reinvestment Zone Number One, City of Kerrville, Texas, by amending the composition of the Board of Directors for the Zone; containing a cumulative clause; containing a savings and severability clause; and providing other matters relating to this subject.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 08, 2020

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20200128_Ordinance_2020-04 TIRZ Board - amending Ord 2018-19 second reading.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	Yes
Key Priority Area	D - Downtown Revitalization
Guiding Principle	D7. Encourage reinvestment in Downtown businesses by identifying and addressing regulatory hurdles and providing incentives to attract development consistent with the community's vision
Action Item	D7.2 - Create a tax increment reinvestment zone (TIRZ) for the Downtown to support revitalization

SUMMARY STATEMENT:

Tax Increment Reinvestment Zone Number One, City of Kerrville (the "Zone") was created on September 25, 2018 by Ordinance No. 2018-19 to encourage reinvestment in Downtown. At that time the legislatively required five (5) member board of directors (the "Board") for the Zone was created which is currently comprised of the Mayor and Councilmembers Place 1 through 4. In lieu of City Council serving as the Board, it would be beneficial to change the membership of the Board and have the City Council appoint the Board as they do with other City boards and commissions. At the time of appointment, the City Council should also designate the Chair and Vice Chair of the Board from among its appointments.

City Council approved Ordinance 2020-04 first reading, on January 14, 2020.

RECOMMENDED ACTION:

Approve Ordinance No. 2020-04, on second reading, to amend the Board of Directors for Tax Increment Reinvestment Zone Number One, City of Kerrville, Texas, to allow appointment of Board Members by City Council in lieu of City Council serving as the Board and at time of appointment, designate the Chair and Vice Chair from among its appointments.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2020-04**

AN ORDINANCE AMENDING ORDINANCE NO. 2018-19 WHICH CREATED TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF KERRVILLE, TEXAS, BY AMENDING THE COMPOSITION OF THE BOARD OF DIRECTORS FOR THE ZONE; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; AND PROVIDING OTHER MATTERS RELATING TO THIS SUBJECT

WHEREAS, City Council, pursuant to Chapter 311 of the Texas Tax Code as amended (known as the Tax Increment Financing Act and herein referred to as the “Act”) and its adoption of Ordinance No. 2018-19, previously designated a geographic area within the City as a tax increment reinvestment zone (“TIRZ”); and

WHEREAS, Ordinance No. 2018-19 designated the TIRZ as “Reinvestment Zone Number One, City of Kerrville, Texas” hereinafter referred to as the “Zone”; and

WHEREAS, Ordinance No. 2018-19 also created a board of directors (“Board”) for the Zone, the Board generally consisting of five (5) members comprised of Councilmembers from Places 1 through 4 and the Mayor, with the Mayor designated as the Chair of the Board; and

WHEREAS, City Council now believes it beneficial to amend Ordinance No. 2018-19 to change the possible composition of the Board; and

WHEREAS, City Council finds it to be in the public interest to amend Ordinance No. 2018-19 as provided herein;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. Section Four of Ordinance No. 2018-19 is amended by adding the language that is underlined (added) and deleting the language that is bracketed and stricken (~~deleted~~) as follows:

“SECTION FOUR. BOARD OF DIRECTORS. A board of directors for the Zone (“Board”) is hereby created. The Board shall consist of five (5) members ~~comprised of Councilmembers from Places 1 through 4 and the Mayor~~ appointed by City Council, where such members may include one or more Councilmembers. ~~[The Mayor~~

~~shall serve as chair of the Board and the Board may elect a vice chair and such other officers as the Board sees fit]~~ At the time of its appointments and at any other time, City Council shall designate the Chair and Vice Chair of the Board from among its appointments. The terms of the members are staggered, such that Council will appoint 3 members to terms expiring September 30 of one year. Council will then appoint the remaining 2 members to terms expiring September 30 of the following year. During the early history of the Board and where an appointment is made to fill an unexpired term and, based upon a goal of maintaining staggered terms, Council may appoint a person to a term that is less than two years. However, no appointee shall serve a term longer than two years. All members shall serve until their successors are appointed and qualified, but regardless, each term will exist as a two-year term beginning October 1 and terminating September 30, two years thereafter. Additionally, each taxing unit that levies taxes within the Zone and chooses to contribute all or part of the tax increment produced by the unit into the tax increment fund may appoint one member of the Board. The number of directors on the Board shall be increased by one for each taxing unit that appoints a director to the Board; provided, that the maximum number of directors shall not exceed fifteen (15). The Board shall make recommendations to City Council concerning the administration, management, and operation of the Zone. The Board shall prepare and adopt a project plan and a reinvestment zone financing plan for the Zone and submit such plans to City Council for its approval. The Board shall perform all duties imposed upon it by Chapter 311 of the Texas Tax Code and all other applicable laws. Notwithstanding anything to the contrary herein, the Board, pursuant to Section 311.010 of the Act, is not authorized to (i) issue bonds; (ii) impose taxes or fees; (iii) exercise the power of eminent domain, or (iv) give final approval to the Zone's project plan and financing plan. (For purposes of clarification, City Council is not authorizing the Board to initiate any zoning changes, authorize any changes in land use or modify the procedure to obtain the same, all of which must continue to comply with the ordinances, codes and procedures of the City of Kerrville.)”

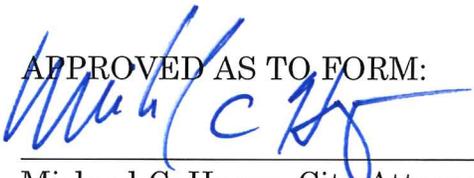
SECTION TWO. The provisions of this Ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts

of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION THREE. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

PASSED AND APPROVED ON FIRST READING, this the 14 day of January, A.D., 2020.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the ____ day of _____, A.D., 2020.

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney

Bill Blackburn, Mayor

ATTEST:

Shelley McElhannon, City Secretary



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Financial update for the month ended December 31, 2019.

AGENDA DATE OF: January 28, 2020 **DATE SUBMITTED:** Jan 21, 2020

SUBMITTED BY: Amy Dozier

EXHIBITS: [20200128_Presentation_December 2019 Financial Presentation.pdf](#)
[20200128_Presentation_December 2019 Financial Summary.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$0	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

GENERAL FUND:

Year to date through December 31, 2019, the General Fund has received revenue of \$8.7 million compared to expense of \$6.8 million. Items to note for December include:

1. Property Tax - Property tax collections are strong, however a lawsuit related to prior year property valuations was recently settled that will result in an unbudgeted refund of approximately \$26.5K.
2. Sales Tax - Sales tax continues to track very close to budget with strong performance in the retail and food service categories.
3. General Fund Expenditures - General Fund expenditures are lower than budget primarily due to vacancies in Police and Parks, plus timing of maintenance expenditures in several departments.

WATER FUND:

Year to date through December 31, 2019, the Water Fund received revenues of \$3.3 million compared to expenditures of \$3.3 million. Notable activity includes:

1. Water and Sewer Revenue - Water and sewer revenue is tracking very close to budget and significantly higher than FY2019 due to dryer weather and a change in the rate structure.
2. Water Fund Expenditures - Water Fund expenditures are lower than budget primarily due to timing of maintenance and supply expenditures as well as staffing vacancies in 2 departments.

DEVELOPMENT SERVICES FUND:

Year to date through December 31, 2019, the Development Services Fund received revenues of \$357 thousand compared to expenditures of \$200 thousand. FY2019 included a \$379 thousand transfer in from the General Fund and transfer out to the Project fund for the code rewrite and Development Services software projects. These projects did not recur in FY2020.

GOLF FUND:

Year to date through December 31, 2019, the Golf Fund received revenues of \$186 thousand compared to expenditures of \$220 thousand. Revenues are lower than budget, but higher than FY2019. Expenditures are better than budget and FY2019 due to staffing changes.

HOTEL OCCUPANCY FUND:

Year to date through December 31, 2019, the Hotel Occupancy Fund received revenues of \$341 thousand compared to expenditures of \$320 thousand. Occupancy tax revenue is better than budget and prior year due to increases at most hotels. In addition, the City has seen a significant increase in revenues from short term rental properties following a concerted effort to contact and register short term rental operators. If the same trend continues for the rest of the year, HOT revenues would end the year \$97 thousand better than budget.

RECOMMENDED ACTION:

Information only; no action required.



Financial update for the month ended December 31, 2019

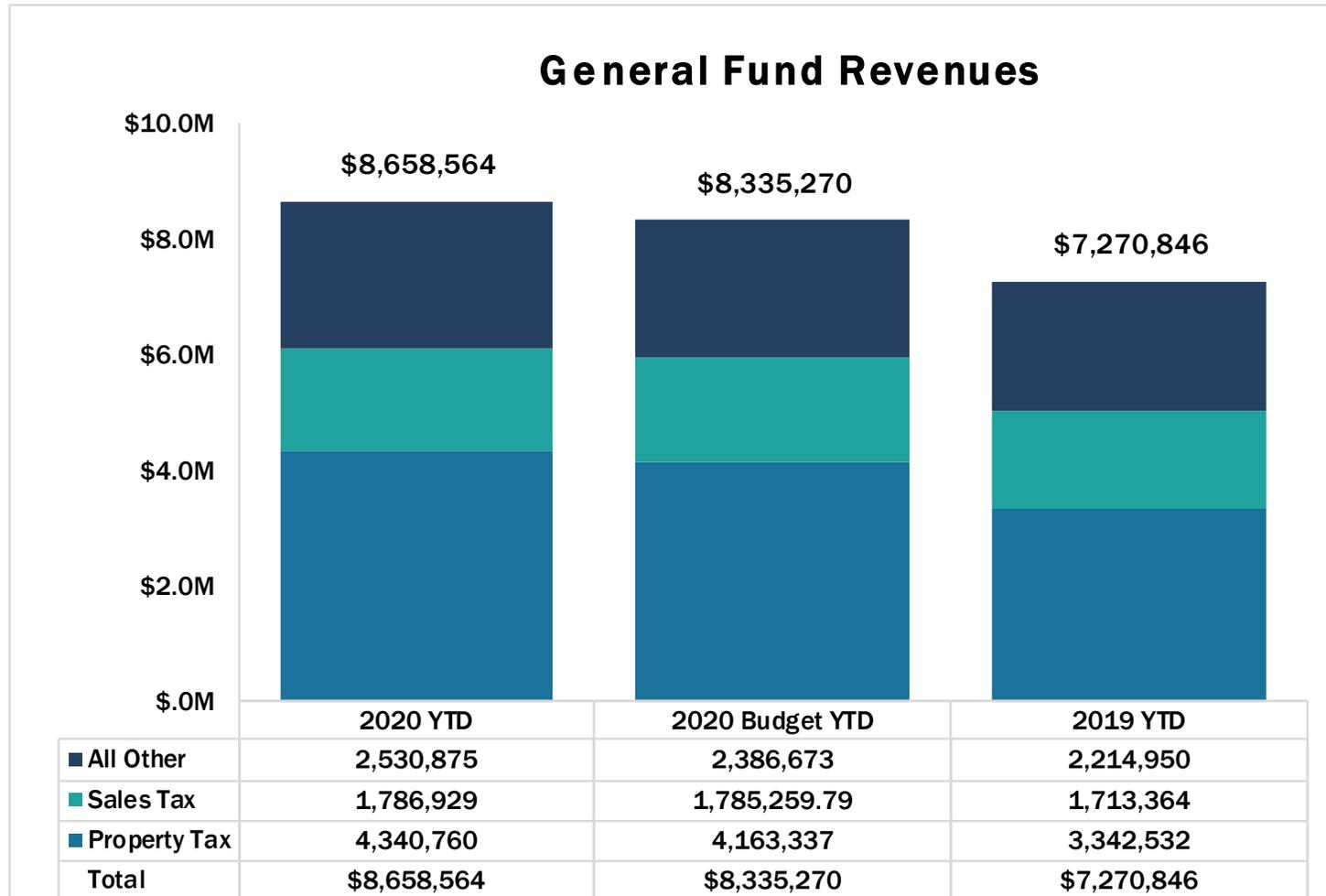
**City Council Meeting
January 28, 2020**



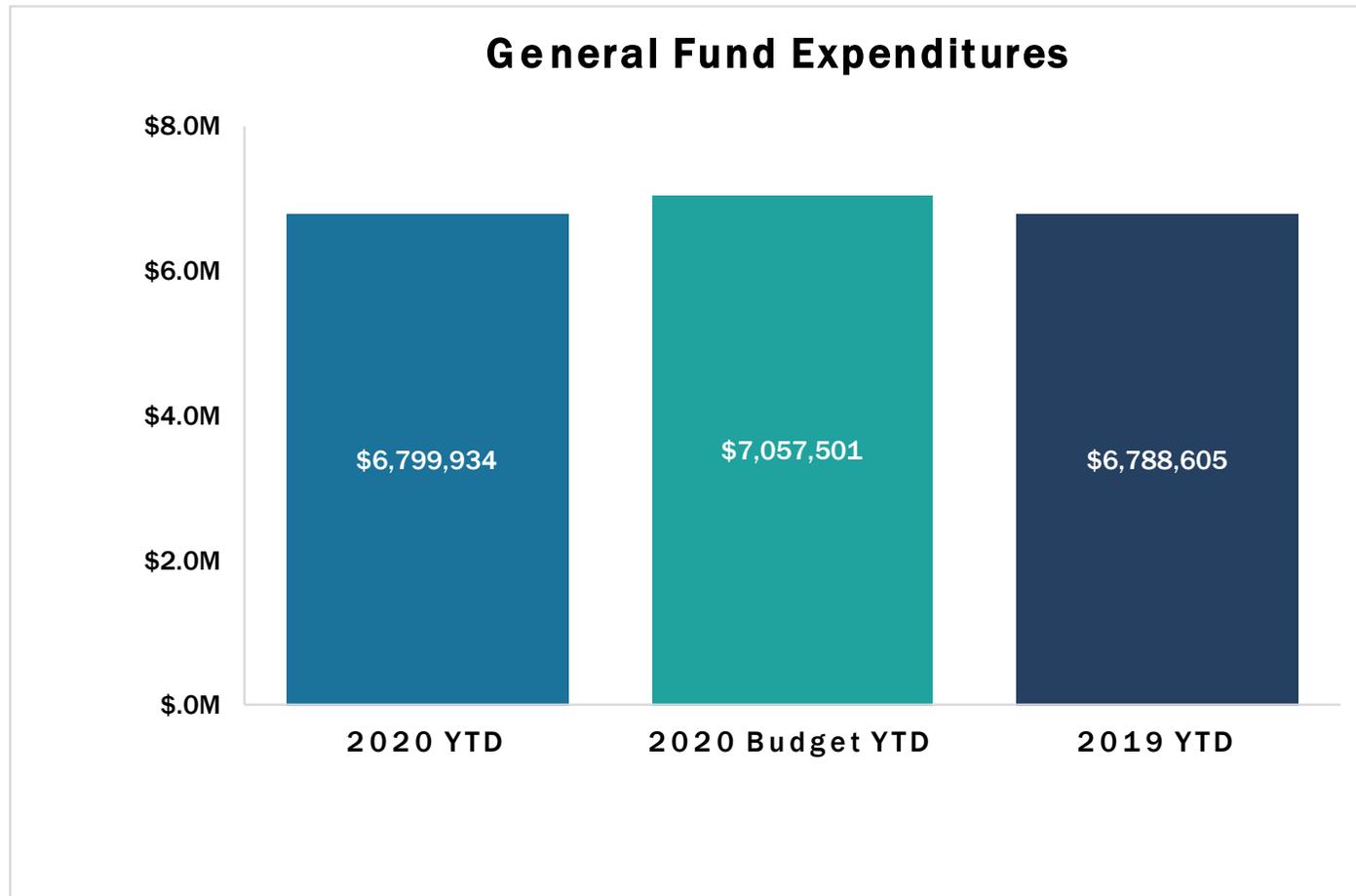
General Fund Summary

Fund	Total FY2020 Budget	Year to Date FY2020 Budget	Year to Date FY2020 Actual	Better / (Worse) than Budget	Year to Date FY2019 Actual	Change from FY2019
General Fund						
Revenues						
Property Tax	\$ 9,922,412	\$ 4,163,337	\$ 4,340,760	\$ 177,423	\$ 3,342,532	\$ 998,228
Sales Tax	7,470,865	1,785,260	1,786,929	1,669	1,713,364	73,566
Other Revenue	11,368,800	2,386,673	2,530,875	144,201	2,214,950	315,925
Total Revenue	28,762,077	8,335,270	8,658,564	323,294	7,270,846	1,387,718
Expenditures	28,762,077	7,057,501	6,799,934	257,567	6,788,605	11,329
Net	-	1,277,768	1,858,629	580,861	482,240	1,376,389

General Fund Revenues



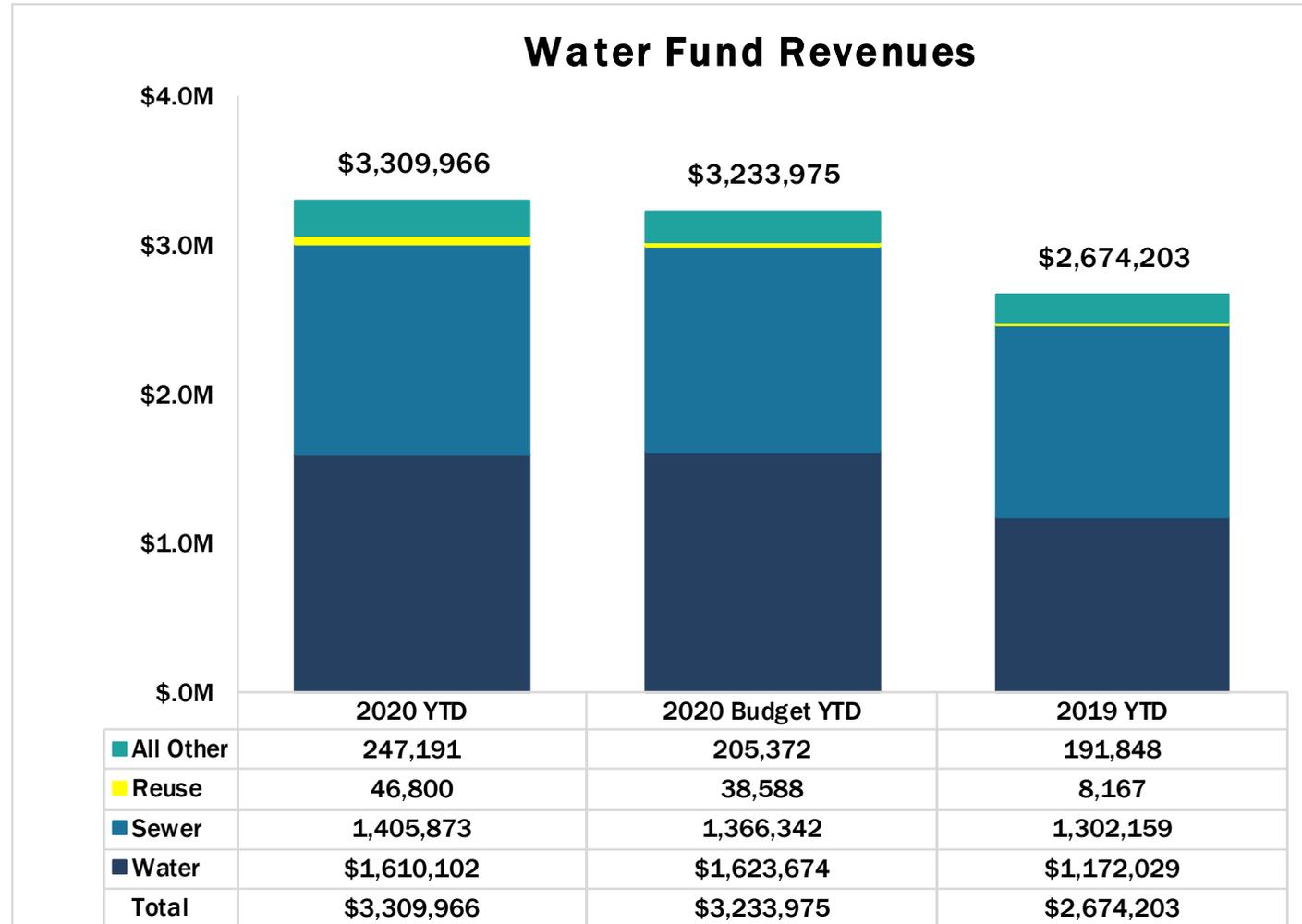
General Fund Expenditures



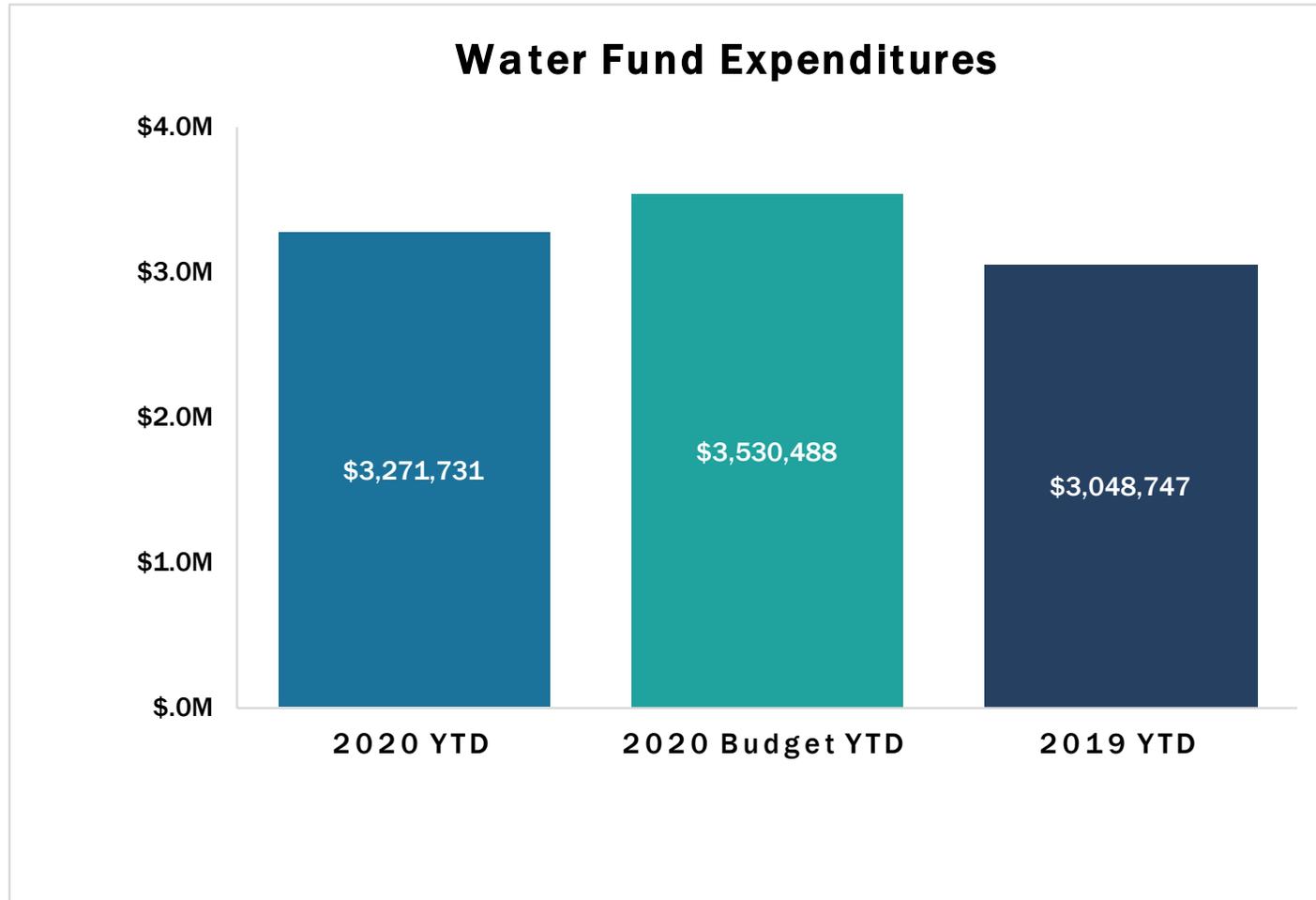
Water Fund Summary

Fund	Total FY2020 Budget	Year to Date FY2020 Budget	Year to Date FY2020 Actual	Better / (Worse) than Budget	Year to Date FY2019 Actual	Change from FY2019
Water Fund (Operating - excludes debt related revenue and expenditures)						
Revenues						
Water Sales	6,487,507	1,623,674	1,610,102	(13,572)	1,172,029	438,072
Sewer Sales	5,525,753	1,366,342	1,405,873	39,531	1,302,159	103,714
Reuse Sales	154,181	38,588	46,800	8,212	8,167	38,634
Other Revenue	868,153	205,372	247,191	41,819	191,848	55,343
Total Revenue	13,035,594	3,233,975	3,309,966	75,991	2,674,203	635,763
Expenditures	13,035,594	3,530,488	3,271,731	258,757	3,048,747	222,984
Net	-	(296,512)	38,235	334,747	(374,544)	412,778

Water Fund Revenues



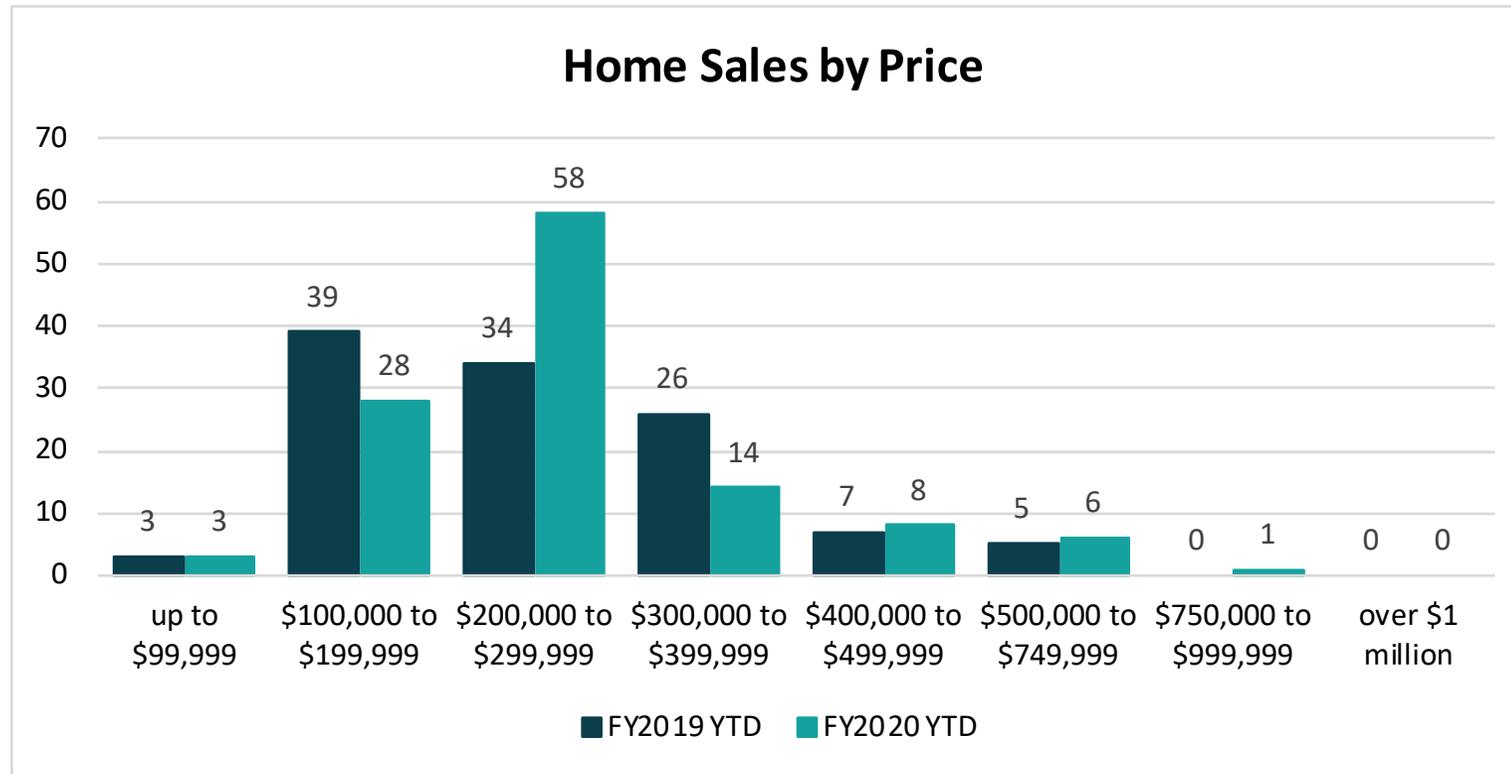
Water Fund Expenditures



Other Funds Summary

Fund	Total FY2020 Budget	Year to Date FY2020 Budget	Year to Date FY2020 Actual	Better / (Worse) than Budget	Year to Date FY2019 Actual	Change from FY2019
Development Services Fund						
Revenues						
Permits & Fees	688,870	277,218	297,649	20,432	110,436	187,213
Transfer In	237,422	59,355	59,355	-	177,172	(117,817)
Total Revenue	926,292	336,573	357,004	20,432	287,608	69,397
Expenditures	926,292	226,478	200,127	26,351	578,708	(378,581)
Net	-	110,094	156,877	46,783	(291,100)	447,978
Golf Fund						
Revenues	997,537	229,506	185,713	(43,793)	168,606	17,107
Expenditures	997,537	246,332	219,513	26,819	226,529	(7,016)
Net	-	(16,826)	(33,800)	(16,974)	(57,924)	24,124
Hotel Occupancy Tax Fund						
Revenues	1,458,500	319,579	340,858	21,279	303,269	37,590
Expenditures	1,458,500	363,857	320,144	43,713	322,165	(2,021)
Net	\$ -	\$ (44,278)	\$ 20,714	\$ 64,992	\$ (18,896)	\$ 39,610

Real Estate Metrics



	YTD FY2019	YTD FY2020	Change
Median Price:	\$ 239,000	\$ 247,750	3.7%
Average Price:	\$ 267,721	\$ 268,785	0.4%
Total Homesites Sold:	114	118	4
Average Days on Market:	87	90	2
Total Volume Sold:	\$ 30,520,207	\$ 31,716,663	3.9%

City of Kerrville
Financial Summary
For the Month Ended December 31, 2019

Fund	Total FY2020 Budget	Year to Date FY2020 Budget	Year to Date FY2020 Actual	Better / (Worse) than Budget	Year to Date FY2019 Actual	Change from FY2019	Variance Explanation
General Fund							
Revenues							
Property Tax	\$ 9,922,412	\$ 4,163,337	\$ 4,340,760	\$ 177,423	\$ 3,342,532	\$ 998,228	note A
Sales Tax	7,470,865	1,785,260	1,786,929	1,669	1,713,364	73,566	note B
Other Revenue	11,368,800	2,386,673	2,530,875	144,201	2,214,950	315,925	
Total Revenue	28,762,077	8,335,270	8,658,564	323,294	7,270,846	1,387,718	
Expenditures	28,762,077	7,057,501	6,799,934	257,567	6,788,605	11,329	note C
Net	-	1,277,768	1,858,629	580,861	482,240	1,376,389	
Water Fund (Operating - excludes debt related revenue and expenditures)							
Revenues							
Water Sales	6,487,507	1,623,674	1,610,102	(13,572)	1,172,029	438,072	note D
Sewer Sales	5,525,753	1,366,342	1,405,873	39,531	1,302,159	103,714	note D
Reuse Sales	154,181	38,588	46,800	8,212	8,167	38,634	
Other Revenue	868,153	205,372	247,191	41,819	191,848	55,343	
Total Revenue	13,035,594	3,233,975	3,309,966	75,991	2,674,203	635,763	
Expenditures	13,035,594	3,530,488	3,271,731	258,757	3,048,747	222,984	note E
Net	-	(296,512)	38,235	334,747	(374,544)	412,778	
Development Services Fund							
Revenues							
Permits & Fees	688,870	277,218	297,649	20,432	110,436	187,213	
Transfer In	237,422	59,355	59,355	-	177,172	(117,817)	note F
Total Revenue	926,292	336,573	357,004	20,432	287,608	69,397	
Expenditures	926,292	226,478	200,127	26,351	578,708	(378,581)	note F
Net	-	110,094	156,877	46,783	(291,100)	447,978	
Golf Fund							
Revenues	997,537	229,506	185,713	(43,793)	168,606	17,107	
Expenditures	997,537	246,332	219,513	26,819	226,529	(7,016)	
Net	-	(16,826)	(33,800)	(16,974)	(57,924)	24,124	

City of Kerrville
Financial Summary
For the Month Ended December 31, 2019

Fund	Total FY2020 Budget	Year to Date FY2020 Budget	Year to Date FY2020 Actual	Better / (Worse) than Budget	Year to Date FY2019 Actual	Change from FY2019	Variance Explanation
Hotel Occupancy Tax Fund							
Revenues	1,458,500	319,579	340,858	21,279	303,269	37,590	
Expenditures	1,458,500	363,857	320,144	43,713	322,165	(2,021)	
Net	\$ -	\$ (44,278)	\$ 20,714	\$ 64,992	\$ (18,896)	\$ 39,610	

Notes:

- A. Property Tax** - Property tax collections are strong, however a lawsuit related to prior year property valuations was recently settled that will result in an unbudgeted refund of approximately \$26.5K.
- B. Sales Tax** - Sales tax continues to track very close to budget with strong performance in the retail and food service categories.
- C. General Fund Expenditures** - General Fund expenditures are lower than budget primarily due to vacancies in Police and Parks, plus timing of maintenance expenditures in several departments.
- D. Water and Sewer Revenue** - Water and sewer revenue is tracking very close to budget and significantly higher than FY2019 due to dryer weather and a change in the rate structure.
- E. Water Fund Expenditures** - Water Fund expenditures are better than budget primarily due to the timing of maintenance and supply expenditures as well as staffing vacancies in 2 departments.
- F. Development Services Fund** - FY2019 contained a \$379K transfer in from the General Fund and transfer out to the Project Fund related to new Development Services software and the code rewrite project. These projects did not recur in FY2020.