

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
DRIPPING SPRINGS WATER SUPPLY CORPORATION;  
SUPPORTING HB 2812 (89TH TEX. REG., 2025), BY REP.  
CARRIE ISAAC OF HAYS COUNTY; PROVIDING FINDINGS  
OF FACT; PROVIDING FOR OPEN MEETING**

**RECITALS**

**A.** Dripping Springs Water Supply Corporation's ("DSWSC") Board of Directors adopts this Resolution in support of House Bill 2812 (89th Tex. Reg., 2025) ("**H.B. 2812**"), by Rep. Carrie Isaac, of Hays County.

**B.** DSWSC is a member-owned, *nonprofit* corporation created and operating pursuant to Chapters 49 and Chapter 67, Texas Water Code.

**C.** DSWSC operates within Hays County for the purpose of furnishing potable water within DSWSC's certificated area under Water Certificate of Convenience and Necessity ("**CCN**") No. 10315.

**D.** DSWSC is subject to the jurisdiction of Hays Trinity Groundwater Conservation District ("**District**").

**E.** DSWSC supports H.B. 2812 because the District's rulemaking and enforcement practices exceed its statutory authority under Chapter 36 of the Texas Water Code, exceed the scope of authority granted by its enabling legislation, and implicate both due process and equal protection violations. Collectively, these issues have created a regulatory environment so uncertain that DSWSC and other regulated entities within the District are unable to effectively plan and budget such that they can ensure their future ability to comply with their statutory duty to provide continuous and adequate service.

**F.** Despite express limitations placed on the District by its enabling legislation on what fees it may collect to fund its budget, the District's board of directors have expanded the District's annual operating expenses by more than 29 percent in just four years, from \$577,520.00 in 2021 to \$781,643.80 in 2025 and imposed statutorily unauthorized penalties against entities that are bound by law to provide continuous and adequate water service within their service areas.

**G.** In 2021, during the 87th Texas Legislature (2021), District representatives informed DSWSC representatives that the District would not pursue legislation amending the District's enabling legislation, which would directly affect DSWSC, without first providing DSWSC with an opportunity to review and provide input on said legislation. Nevertheless, the District pursued a legislative amendment and, without providing notice to DSWSC in any manner, pushed for the legislation to be filed and heard before a substantive committee of the Texas House of Representatives.

**H.** The District’s enabling legislation prohibits it from assessing overproduction fees, and Chapter 36 does not authorize the District to assess administrative penalties. Further, DSWSC is a member-owned, non-profit water supplier. As a result, any fees paid by DSWSC to the District are ultimately paid by its members.

**I.** In 2023, the District issued a notice of alleged violation (“NOAV”) to DSWSC alleging DSWSC exceeded its drought reduction operating permit production limit and imposed a \$143,340.00 penalty against DSWSC. Within the NOAV, the District indicated that, “If conservation improvements (e.g., rainwater harvesting, beneficial reuse, etc.) or repairs for force-majeure incidents have been made, which you can support with evidence such as paid invoices, HTGCD may deduct reasonable costs from the NOAV settlement amount.” [*Sic.*]

**J.** In accordance with published District rules, DSWSC provided the District with receipts and other documentation evidencing DSWSC’s recent conservation efforts which have been extensive and exceed the 2023 NOAV penalty amount. Nevertheless, the District refused to provide full penalty forgiveness to DSWSC, despite having previously provided full penalty forgiveness to other Chapter 67 water supply corporations that presented substantially similar conservation evidence. The District’s failure to equitably apply its written rules does not provide regulated entities such as DSWSC with equal protection of the law.

**K.** Given the District’s history of disparate treatment, DSWSC’s Board of Directors foresees the District using the ongoing matters described above as illegitimate means of denying the renewal of DSWSC’s groundwater production permit.

**L.** On February 6, 2025, the District’s board of directors adopted Resolution and Order No. 232, therein purporting to regulate *spring water*, among other things. DSWSC provided timely comments notifying the District that it has no authority to regulate spring water under the District’s enabling legislation, Chapter 36 of the Texas Water Code, or elsewhere in law. Yet, as further evidence of District’s rulemaking exceeding its statutory authority, the District adopted the rule anyway.

**NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF DIRECTORS OF DRIPPING SPRINGS WATER SUPPLY CORPORATION THAT:**

**Section 1.** The preceding recitals are true and correct legislative findings of fact of the DSWSC Board of Directors.

**Section 2.** The DSWSC Board of Directors adopts this Resolution in support of H.B. 2812 and encourages all legislators to vote “FOR” the legislation.

**Section 3.** The Board of Directors considered this resolution in a duly noticed meeting that was open to the public, in compliance with Chapter 551, Texas Government Code.

[*Execution page follows.*]

**PASSED and APPROVED** this 17th day of February 2025.

  
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William Jackson, President

**ATTEST:**  
  
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Rick Broun, General Manager

