



**CANYON LAKE**  
ESTATES  
WATER SUPPLY

**Meeting Minutes:** Annual Membership Meeting; 09/13/2025

**Location:** 1070 Fuller Drive, Canyon Lake TX 78133

**Attendees:** President - Peter Hill, Vice President - Jack Moore, Treasurer - Cheryl Hill, Ronnie & Glen Stewart, Jeff & Stacy Biddle, Joline Browning, Stacy Chatwell, Christin Cooper, Anthony Deluca, Justin Harrison, Fran Moore, Jody Ramsey, Ross & Karen Raymond, Tom & Jennifer Roberts, Cindy & Bruce Vaughn

**Documents:** Meeting Agenda, Financial report (P&L), Formal Complaint

Peter Hill called the meeting to order at approximately 9:10 am. Voiced appreciation for the use of the property for the meeting. Burce Vaughn and Glen Stewart were acknowledged for assistance in preventing freezing pipes last winter. Thanked Bruce and Tommy Roberts for their time performing necessary chlorine testing of the water at the well. Peter stated that we need more volunteers to help cover the task. Peter thanked Jack Moore, Cheryl Hill, and Cindy Vaughn for their service on board and their input. Purpose of the board as mandated by Texas Commission on Environmental Quality (TCEQ) is 1) ensure that the well site functions from a mechanical standpoint – pumps, redundancy systems, etc. and 2) that the water being provided is safe for drinking, cooking, and bathing.

Minutes for the prior meeting were not printed to be provided for the membership, therefore, Ronnie Stewart verbally summarized the minutes from the Annual Membership Meeting on 10/05/2024. Peter made motion for the minutes to be accepted as read aloud, so moved by Ross Raymond, seconded by Tony Deluca. Motion passed and minutes approved.

Peter reminded the membership that notice had been received from TCEQ regarding a fine because there had been no action taken to make improvements that they mandated in their original notice. That fine has been increased to almost \$70K and TCEQ is suing CLEWS in their court. Ongoing research and conversations with attorneys and the TCEQ enforcement officer indicate that these results are based on the Texas legislature requiring that all water systems are brought up to standards and are operational. The fines are TCEQ's method of inducement to comply. Peter inquired with the enforcement officer what the response would be if CLEWS does not/cannot pay the fine nor make the improvements. TCEQ would then sue CLEWS in a district civil court and the projected outcome would be a judgement against us. Our system would be taken over by an assigned magistrate, funds would be garnished for payment of fine, all the necessary improvements would be made and a special assessment initiated to pay that cost. The membership would be responsible for the special assessment. However, if we pay the fine and show progress toward the improvements, TCEQ will work with us and we will retain control of our system. The Board assumes that this is the approach that the membership wants us to follow. Multiple attempts have

been made to have the fine waived or reduced, including filing a statement of our inability to pay. TCEQ has declined all requests, but they have agreed that instead of a lump sum single payment due immediately, they will allow an interest free, 36-month, unbalanced plan of payment. We can make payments at any rate (minimum \$100/month) as long as when we get to the end of the 36 months, the entire fine is paid. The Board plans to begin with \$100 per month for the first year, knowing that this will mean balloon payments will be necessary in the future. This approach allows time for additional people to join the system so that we can share the burden. In November, the state legislature will be voting on the creation of a statewide Texas Water Fund, into which the state will be putting \$1B per year for the next 25 years. This is intended to help fund water systems that cannot afford the necessary improvements. If this is approved, the hope is that we can get grants or low interest loans, depending on how the fund is structured. Peter was introduced to our local state senator, Donna Campbell, while leading an invocation prayer at one of the senate open sessions. He is hopeful that this relationship will result in her office being amenable to guiding us through the process of successfully applying for funding. Such funding would help pay the fine and/or pay for the capital improvements that are needed.

Last year, the Board hired Utility Engineering Group (UEG) to develop a site plan to redo everything at the well required by TCEQ. That plan has been completed, submitted to TCEQ for approval and is in review at this time. Outside of this plan, the tanks have issues requiring retrofits and upgrades (example – missing float level indicator). Our system was installed in the late 50s/early 60s and the tanks are not plumbed to work together. The larger tank is plumbed strictly for the house next door to the site. It is empty and not used as the home is being serviced from the smaller tank. TCEQ mandates a system reserve capacity of 200 gallons per tap. In using the smaller tank alone, we are below that requirement for the 60 active taps in our system. Both tanks are degrading and seeping, not leaking but will continue to require patches if left in service.

Cheryl stated that the construction plan developed by UEG is present at the meeting for membership review. The necessary retrofits are plumbing the two tanks together to provide the required storage capacity or installing a new larger tank, installing a second pump for redundancy (new pump purchased pending installation), new wiring, new plumbing, upgraded pressure tanks. The construction cost is estimated to be approximately \$300K. Soil boring was completed to provide information for the completion of the foundation plan for a new tank. Research is underway regarding the required 150' of sanitary control easement around the well site. Because this was not a requirement when our system was established, there are adjoining properties that are less than 150' from the well, and some of those homes are built within that distance. Peter indicated that it remains to be seen whether we can be grandfathered and this requirement be adjusted or waived. Implementation start date and order in which of improvement actions will be taken are to be determined at this time. Where we can do the work ourselves vs hiring a professional, we intend to do so to save money. Peter stated the desire for a volunteer for construction oversight by a member or a referral to a professional outside the membership. Asked if there are any questions or comments.

Ross – in worst case scenario, state takes over our system, would they be required to perform the same upgrades being demanded of us? Peter – yes, at our expense in one fell swoop as a special assessment.

Ross – what about our pipes? Peter – TCEQ has not called out the age or size of our pipes as a required upgrade. Only addressing quality of water and functionality of the well. Our pipes are old but working, therefore, we do not anticipate that this will be added to the requirements being mandated at this time. Cheryl – inspection performed by TCEQ did not call out the size of pipes as an issue. Jack – however, they did require that we evaluate the type of pipe we have in our system to determine if leaching of lead is an issue. Peter – we perform this test regularly, multiple times per year on five member residences. Will increase to 10 homes in the future due to the growth of our membership. Pipes are galvanized steel, dipped in lead to prevent rusting, resulting in minor leaching of lead. Cheryl – our latest lead reports showed zero leaching as it is likely that all lead was depleted years ago and no longer a threat to our water quality.

Ross – float level indicator will be internal in the new tank vs installed externally on top of tank; referenced past freeze issue? Cheryl – yes, float will be internal with failsafe backups that we do not have on our current tanks. Peter – additionally, we are putting in a propane powered generator to keep the system working in the event of a power outage.

Financial reports (P&L) through the end of August 2025 provided in writing for membership. Report is broken up between operating expenses, capital expenses, and capital revenue. Capital revenue is from 2 new taps this year. Engineering Survey and Fees are all engineering fees of \$28K for the creation of our implementation construction plan. This includes emergency preparedness plan, lead, and copper inventory, addressing all issues cited by TCEQ and plans for improvements, as well as filing with TCEQ for their review and approval. Gross profit vs expenses are \$18K to the good. This is representative of most of the membership paying their access fees in full at the beginning of the year. There will be a few more expenses to be realized and recorded in excess of current profit. Known pending expenses are the TCEQ fine of \$69,764 and TerraCon soil boring for \$5,200 upon billing. Checking account balance is \$146,986 plus CD value at \$105,403 (\$5K of which is interest earned); for total cash \$252,390. Jack made motion for the financial statement to be accepted, seconded by Ross; motion carried.

Cheryl provided additional information for the membership regarding our tax-exempt status which was revoked in 2017 for noncompliance in filing taxes. She is currently working to recreate and file taxes for the last 12 years to request that exemption be reinstated for that period. Peter - Under exempt status we would not have owed taxes, however, if we are unable to be reinstated, there are a couple of recent years for which we will owe taxes. This is an ongoing project and outcome is to be determined.

A copy of the communication of a formal complaint provided to the membership regarding what appears to be high water temperature of cold inbound water. Peter read through the details and correspondence associated with the complaint. Complainant was provided time to address the membership describing the conditions upon which the complaint is based. Through discussion, the membership indicated that the warmer water during the summer months is common, with homes experiencing various levels of warmer temperatures. Some homes do utilize tanks which provide holding time for the water to cool before entering the house. Board is asking for approval by the membership to create a task force to investigate the issue before any action is taken. Cheryl made motion for the creation of a task force of 2-3 people, reporting back to the board, with the goal to clarify the real cause of the issue, how widespread it is and if it is a seasonal issue, how it can be solved and the expense to do so, and resources for funding the project. Jack second the motion, motion carried.

Peter began the process for election of board members, starting with President, Ross nominated Peter, Cindy Vaughn seconded, membership voted, approved. Peter nominated Jack for Vice President, membership voted, approved. Ronnie nominated Cheryl for Treasurer, membership voted, approved. Cheryl nominated Ronnie for Secretary, Cindy seconded, membership voted, approved.

Additional conversation:

Ross asked if we are aware of any new tap submissions currently pending approval or expected. One inquiry but not yet submitted for connection.


Bruce informed the membership that the work on the Canyon Lake Estates Architectural Committee is a dead topic. HOA is required to be the governing body that would collect fees as the ACC cannot do that on their own. Cost \$10K legal fees, documents and filing for the HOA. This is a courtesy notice to the membership that we have no way to prevent single wide mobile homes in the subdivision per the current deed restrictions document.

Website is a work in progress but intention is to use for as much transparency and communication as possible.

Peter made motion to adjourn the meeting, Jack seconded, membership voted to close. Motion carried and meeting adjourned at 10:33 am.



Ronnie Stewart, Secretary



Peter Hill, President