



City of Lytle

14916 Main Street

P.O. Box 743

Lytle, Texas 78052

(830) 709-3692 * FAX (830) 772-3212

www.lytle.tx.org

August 19, 2025

Jorge Paramo
Pr. Regulatory Compliance Coordinator
900 E. Quincy
San Antonio, Texas 78215

RE: ****Updated Counter-Offer Letter**** - Notice of EAA General Manager Settlement Offer – Related to exceeding annual authorized groundwater withdrawals in 2024 from your Edwards Aquifer Well

Mr. Paramo:

On July 2, 2025, the City of Lytle ("City") received a letter from the Edwards Aquifer Authority ("EAA") regarding a review of the City's 2024 Groundwater Use Reporting Form, in which EAA determined that the City exceeded the annual groundwater withdrawal amount authorized by EAA. The letter indicated that the City reported withdrawing 947.660 acre-feet in 2024, thus exceeding its annual authorization by 441.389 acre-feet. According to the settlement offer provided in the letter, the City has a few options to mitigate the fine incurred for exceeding its authorized water withdrawal for 2024. This letter is the City's response to the settlement offer and notice that the City wishes to exercise Option D (Counter-Offer Proposal) in response.

Settlement Option D allows the City to provide evidence of infrastructure issues that can be associated with the overpumping of our system and not related to the allowance by individuals to consume water in excess of the City's annual authorized withdrawal amount. Since at least 2023, the City has experienced significant leaks and breaks in our system that have resulted in pumping more water than was needed to supply its customers, and the City's public works team have worked diligently to identify and remedy leaking or broken water lines. The City has also had contractors during that time hit our lines during construction activities, causing significant damage that needed to be addressed, all while water poured out, thus contributing to our overpumping, this includes a fiber contractor establishing a fiber network throughout the whole City, hitting our lines multiple times. This project happened from end of 2023 through December 2024. Attached as **Exhibit "A"** hereto, you will find several invoices that were paid to a third-party to address some of these issues, while in addition to this we have been tracking the active leaks starting at the end of 2024 to current, and addressing these with our crews as time allows. Since October 2024, we have completed at least 20 separate leak repairs, either by our crews or by a third-party contractor.

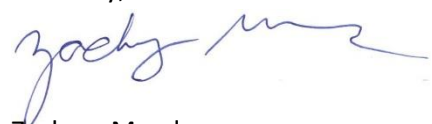
However, all of these minor to moderate leaks through the City *combined* pale in comparison to a major leak that was found while investigating our systems usage this April – May 2025. In May 2025, based upon the amount of water being used compared to the amount we were billing for consumption, City officials had a conversation with City Council regarding possible ways to discover the cause for such a large differential between actual vs billed pumping. (Attached hereto as **Exhibit "B"** is the breakdown that was provided to Council for the difference between billed vs pumped water). Following those discussion, the Mayor and I discussed with our Public Works Leadership staff the need to ensure no unauthorized taps to our system had been completed without our knowledge. During this conversation, we remarked, following a major accident on I-35, that the drainage area just to the south of the accident had significant

water, which made no sense because of the lack of rainfall for quite some time. The Public Works crew decided to investigate as we have a 6-inch waterline that services a small area outside of the City Limits, but in our CCN. About 5-10 feet into the brush along I-35 the Public Works Crew found a massive leak on our 6-inch line. Based on the location of the pipe, crews would have never found it until that accident had occurred, and we began further investigation to explain the presence of a large volume of water where there should have been none.

Pictures (attached in **Ex. B**) of the amount of water that had been flowing from this leak will show that this leak had been flowing for quite sometime, without a doubt covering all of 2024 and likely even prior years. Immediately crews began to address this leak and were able to patch it up the evening of May 21, 2025 the same day that the leak was found. Although addressed in May 2025, the City of Lytle believes that this leak contributed to most of the over pumping that occurred in 2024. We come to this conclusion by looking at our pumping numbers alone between the month of May 2025 to our recent months breakdowns (the month immediately preceding the fix of the major leak). The City reported in May 2025 a total of 96.660761 acre-feet (one of the highest for the city in a single month to date) and in June 2025 the amount pumped was a reported 49.363061 acre-feet - **a 51% percent reduction over a one-month time period.**

Accordingly, based upon the evidence and events described herein, the City believes that approximately 50% of the overconsumption that occurred in 2024 can be attributed solely to infrastructure defects which have since been remedied, with the bulk of overconsumption being attributable to the single, major leak discovered and repaired in May 2025. If the 50% reduction is used this would result in the City being under our pumping limits for the year. As such, the City respectfully submits a counter-offer to EAA to not have to pay a settlement based upon the facts outlined in this letter. In summary, we hope that the evidence provided to the maintenance of the City of Lytle water system will provide the Aquifer and its Board significant proof that the City is trying to maintain compliance at all costs, and has taken steps to identify and repair infrastructure defects which have previously caused overpumping of water but should not be an issue for the remainder of 2025 and subsequent years. We will continue to strive to ensure we have an adequate system and provide potable drinking water from the aquifer to residents and business within our community. We believe we have turned a corner as it relates to ensuring our pumping stays within the allowable limits given to us by the EAA.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Zachary Meadows', with a stylized flourish at the end.

Zachary Meadows
City Administrator
City of Lytle

COMPLETED

City Leak; 3rd Party Repair



Cruz Contracting of Texas, L.L.C.

P. O. Box 821

Lytle, Texas 78052

Phone: 210-372-3474

Email: gilbert.d@cruztxus.com

Date : December 1, 2024
Project: LYTLE
Location: City of San Antonio
Re: Daily Labor, Equipment & Materials

2" WATERLINE REPAIR ON LAKE STREET & N BENTON STREET

MANHOURS OVER TIME HOURS MIN 4 HOURS

1	DANIEL YBARRA	4.0	HRS	\$63.75	\$255.00
3	SID OLVERA	4.0	HRS	\$45.00	\$180.00
4	ADRAIN DURON	4.0	HRS	\$52.50	\$210.00
5	GILBERT GALLEGOS	4.0	HRS	\$52.50	\$210.00
6	GILBERT CRUZ REG HOURS	4.0	HRS	\$75.00	\$300.00
35%	LABOR BURDEN	1.0	LS	\$404.25	\$404.25

SUBTOTAL \$1,559.25

EQUIPMENT

1	TOOL TRUCK	1.0	DAY	\$120.00	120.00
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SUBTOTAL \$120.00

MATERIAL

1	MOBILIZE & DEMOBILIZE	0.0	EA	\$0.00	0.00
2	MISC. MATERIALS	0.0	LS	\$0.00	0.00
3	FUEL	0.0	GAL	\$4.50	0.00

SUBTOTAL \$0.00

SUBTOTAL \$1,679.25

10% MARK UP \$167.93

5% OVERHEAD \$83.96

GRAND TOTAL \$1,931.14 ✓

SUBMITAL

Gilbert D. Cruz

Gilbert D. Cruz
President / CEO

DECEMBER 1, 2024

DATE

Inv0001575



P.O. Box 821
Lytle, TX 78052

Phone 210-372-3474

Date: October 11, 2024
Project: CITY OF LYTLE MAIN REPAIR COTTAGE STREET
Location: FORTSAM HOUSTON
Re: DAILY LABOR, EQUIPMENT

JOB EXPENCES

MANHOURS NIGHT TIME WORK @ DOUBLE TIME THURSDAY OCTOBER 10, 2024

1	ALBERT CRUZ	5.0	HRS	\$70.00	\$350.00
2	DANIEL YBARRA	5.0	HRS	\$84.00	\$420.00
3	GILBERT GALLEG0	5.0	HRS	\$70.00	\$350.00
4	SID OLVERA	5.0	HRS	\$60.00	\$300.00
5	ADRAIN DURON	5.0	HRS	\$70.00	\$350.00
6	EDWARD DIAZ	5.0	HRS	\$44.00	\$220.00
	LABOR BURDEN			25%	\$497.50

SUBTOTAL \$2,487.50

MANHOURS DAYTIME WORK REGULAR PAY FRIDAY OCTOBER 11, 2024

1	ALBERT CRUZ	5.0	HRS	\$35.00	\$175.00
2	DANIEL YBARRA	5.0	HRS	\$42.00	\$210.00
3	SID OLVERA	5.0	HRS	\$30.00	\$150.00
4	EDWARD DIAZ	5.0	HRS	\$22.00	\$110.00
	LABOR BURDEN			25%	\$161.25

SUBTOTAL \$806.25

EQUIPMENT WITH INSURANCE

1	MINI EXCAVATOR	1.0	DAY	\$500.00	500.00
2	TOOL TRUCK	2.0	DAY	\$120.00	240.00

SUBTOTAL \$740.00

MOBILIZE / DEMOB

1	80 POUND BAG READY MIX CONCRETE	4.0	BAGS	\$7.00	28.00
2	MISC. PARTS	1.0	EA	\$80.00	80.00
3	EQUIPMENT MOB	1.0	EA	\$200.00	200.00
4	EQUIPMENT DEMOB	1.0	EA	\$200.00	200.00
5	FUEL	25.0	GAL	\$3.00	75.00

SUBTOTAL \$583.00

SUBTOTAL \$4,616.75

5% MARK UP \$230.84

10% OVERHEAD \$461.68

GRAND TOTAL \$5,309.26

Submitted By:

Gilbert D. Cruz

Gilbert D. Cruz
President

OCTOBER 11, 2024

Date

Inv001470

City Leak (spanning several years);
3rd Party Repair



INVOICE

CRUZ CONTRACTING OF TEXAS L.L.C

UTILITY & EXCAVATION CONTRACTOR

INVOICE # 20240628

DATE: JUNE 28, 2024

P. O. Box 821
LYTLE TEXAS 78052
PHONE: 210-372-3474
E-Mail: cruzutilityxcav@aol.com

TO City of Lytle
14916 Main St.
Lytle Texas 78052

PURCHASE ORDER #	JOB	PAYMENT TERMS	DUE DATE
	Emergency water line offset	100% COMPLETE	6/28/2024

QTY	DESCRIPTION	UNIT PRICE	LINE TOTAL
	15' Casting		
	6' C-900 PVC		
	6' 45 Bend		
	6' MJ Sleeve		
	Restraints		
	Offsite Soil Disposal		
	Load of Bull Rock At Wisdom Rd Bridge		\$18,349.00
	Mobilization	\$500.00	\$500.00

SUBTOTAL \$ 18,849.00

SALES TAX

TOTAL \$ 18,849.00 ✓

ZMM
OK 6/28/2024

Make all checks payable to CRLZ CONTRACTING OF TEXAS L. L. C.
THANK YOU FOR YOUR BUSINESS!

COPY



P.O. Box 821
Lytle, TX 78052

Phone 210 372-3474

Date: February 22, 2024
Project: CITY OF LYTLE
Location: LYTLE CAR WASH N BOUND 35
Re:

3" WATER LINE I 35 NORTH BOND LYTLE CAR WASH

WORK PERFORMED:

MANHOURS

7	ADRAIN	6.0	HRS
8	SID	6.0	HRS
9	SHORTY CRUZ	6.0	HRS
10	ALBERT CRUZ	6.0	HRS
11	DAVID SOTO	6.0	HRS
12	DANIEL YBARRA	6.0	HRS
13	EDWARD	6.0	HRS
	LABOR BURDEN		

SUBTOTAL \$655.50

EQUIPMENT

5	MINI EXCAVATOR	6.0	HRS
6	SKIDS STEEL	6.0	HRS
7	ROLLER 54"	6.0	HRS
8	TRENCH ROLLER	6.0	HRS
9	TOOL TRUCK	6.0	HRS
10	TOOL TRUCK	6.0	HRS
11	TOOL TRUCK	6.0	HRS
12	TOOL TRUCK	6.0	HRS

SUBTOTAL \$252.00

MOBILIZE

1	MOBILIZE	1.0	LS	\$500.00	\$500.00
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SUBTOTAL \$500.00

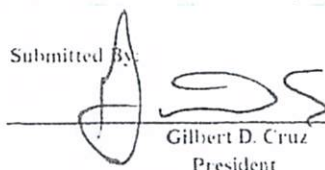
SUBTOTAL \$1,407.50

5% MARK UP \$70.38

10% OVERHEAD \$140.75

GRAND TOTAL \$1,618.63

Submitted By:


Gilbert D. Cruz
President

2-22-24
Date



Cruz Contracting of Texas, L.L.C.

P. O. Box 821

Lytle, Texas 78052

Phone: 210-372-3474

Email: gilbert.d@cruztxus.com

Date : December 27, 2024
 Project: LYTLE
 Location: CITY OF LYTLE
 Re; Daily Labor, Equipment & Materials

LIVE OAK STREET 2" WATERLINE REPAIR

MANHOURS OVER TIME HOURS MIN 4 HOURS

1	DANIEL YBARRA	4.0	HRS	\$42.50	\$170.00
4	ADRIN DURON	4.0	HRS	\$35.00	\$140.00
5	GILBERT GALLEGOS	4.0	HRS	\$35.00	\$140.00
6	GILBERT CRUZ REG HOURS	1.5	HRS	\$75.00	\$112.50
35%	LABOR BURDEN	1.0	LS	\$196.88	\$196.88

SUBTOTAL \$759.38

EQUIPMENT

1	TOOL TRUCK	1.0	DAY	\$120.00	120.00
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SUBTOTAL \$120.00

MATERIAL

1	MOBILIZE & DEMOBILIZE	0.0	EA	\$0.00	0.00
2	MISC. MATERIALS	0.0	LS	\$0.00	0.00
3	FUEL	0.0	GAL	\$4.50	0.00

SUBTOTAL \$0.00

SUBTOTAL \$879.38

10% MARK UP \$87.94

5% OVERHEAD \$43.97

GRAND TOTAL \$1,011.28

SUBMITAL

Gilbert D. Cruz

Gilbert D. Cruz
 President / CEO

December 27, 2024

DATE

Inv0001622



Cruz Contracting of Texas, L.L.C.

P. O. Box 821

Lytle, Texas 78052

Phone: 210-372-3474

Email: gilbert.d@cruztxus.com

Date : January 16, 2025
Project: LYTLE
Location: City of San Antonio
Re; Daily Labor, Equipment & Materials

City Leak; 3rd Party Repair

VALVE AND TEE PLACEMENT @ NURSING HOME

MANHOURS

1	DANIEL YBARRA	8.0	HRS	\$63.75	\$510.00
2	SID OLVERA	8.0	HRS	\$45.00	\$360.00
3	ADRAIN DURON	8.0	HRS	\$52.50	\$420.00
4	GILBERT GALLEGOS	8.0	HRS	\$52.50	\$420.00
5	JUAN CRUZ	8.0	HRS	\$45.00	\$360.00
6	JUAN CARRILLIO	8.0	HRS	\$33.00	\$264.00
7	GILBERT CRUZ	2.0	HRS	\$75.00	\$150.00
35%	LABOR BURDEN	1.0	LS	\$869.40	\$869.40

SUBTOTAL \$3,353.40

EQUIPMENT

1	JOHN DEER 35 MINI EXCAVATOR	1.0	DAY	\$220.00	220.00
1	WATER PUMPS	2.0	EA	\$75.00	150.00
2	TOOL TRUCK	2.0	DAY	\$120.00	240.00

SUBTOTAL \$610.00

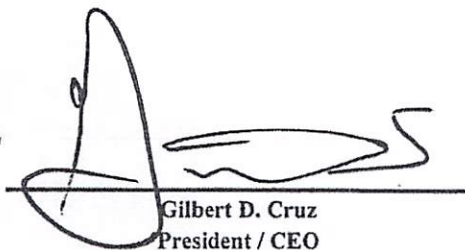
MATERIAL

1	MOBILIZE & DEMOBILIZE	1.0	EA	\$600.00	600.00
2	MISC. MATERIALS	1.0	LS	\$0.00	0.00
3	FUEL	10.0	GAL	\$4.50	45.00

SUBTOTAL \$645.00

SUBTOTAL \$4,608.40
10% MARK UP \$460.84
5% OVERHEAD \$230.42
GRAND TOTAL \$5,299.66 ✓

SUBMITAL


Gilbert D. Cruz
President / CEO

16-Jan
DATE

Inv 0001629



Cruz Contracting of Texas, L.L.C.

P. O. Box 821

Lytle, Texas 78052

Phone: 210-372-3474

Email: gilbert.d@cruztxus.com

Date : January 30, 2025
Project: LYTLE
Location: City of San Antonio
Re: Daily Labor, Equipment & Materials

City Leak; 3rd Party Repair

1ST STREET @ HIGH SCHOOL 6" WATERLINE REPAIR

MANHOOURS

1	DANIEL YBARRA	4.0	HRS	\$63.75	\$255.00
2	SID OLVERA	4.0	HRS	\$45.00	\$180.00
3	ADRAIN DURON	4.0	HRS	\$52.50	\$210.00
4	GILBERT GALLEGOS	4.0	HRS	\$52.50	\$210.00
5	JUAN CRUZ	4.0	HRS	\$45.00	\$180.00
6	GILBERT CRUZ	4.0	HRS	\$75.00	\$300.00
35%	LABOR BURDEN	1.0	LS	\$467.25	\$467.25

SUBTOTAL \$1,802.25

EQUIPMENT

1	JOHN DEER 35 MINI EXCAVATOR	0.0	DAY	\$220.00	0.00
1	WATER PUMPS	2.0	EA	\$75.00	150.00
2	TOOL TRUCK	2.0	EA	\$120.00	240.00

SUBTOTAL \$390.00

MATERIAL

1	MOBILIZE & DEMOBILIZE	1.0	EA	\$600.00	600.00
2	MISC. MATERIALS	1.0	LS	\$0.00	0.00
3	FUEL	0.0	GAL	\$4.50	0.00

SUBTOTAL \$600.00

SUBTOTAL \$2,792.25

10% MARK UP \$279.23

5% OVERHEAD \$139.61

GRAND TOTAL \$3,211.09 ✓

SUBMITAL

Gilbert D. Cruz
President / CEO

30-Jan

DATE

Inv 0001700



CRUZ
CONTRACTING OF
TEXAS L.L.C.
Utility/Excavation
Contractor

INVOICE

CRUZ CONTRACTING OF TEXAS L.L.C

UTILITY & EXCAVATION CONTRACTOR

P. O. Box 821
LYTLE TEXAS 78052
PHONE: 210-372-3474
E-Mail: cruzutilityxcav@aol.com

INVOICE # 250312
DATE: MARCH 12, 2025

*Fiber Contractor hit waterline; 3rd Party
Repair*

TO CITY OF LYTLE
LYTLE, TEXAS 78052

PURCHASE ORDER #	JOB	PAYMENT TERMS	DUE DATE
	SADDLE RIDGE		

QTY	DESCRIPTION	UNIT PRICE	LINE TOTAL
	REPAIR 12" WATERMAIN		\$ 9,278.73
SUBTOTAL			
SALES TAX			
TOTAL			\$ 9,278.73

Make all checks payable to CRUZ CONTRACTING OF TEXAS L. L. C.
THANK YOU FOR YOUR BUSINESS!

city fire hydrant repair and leak;
3rd party repair



INVOICE

CRUZ CONTRACTING OF TEXAS L.L.C

UTILITY & EXCAVATION CONTRACTOR

INVOICE # 252305
DATE: MAY 23, 2025

P. O. Box 821
LYTLE TEXAS 78052
PHONE: 210-372-3474
E-Mail: cruzutilityxcav@aol.com

TO CITY OF LYTLE
LYTLE, TEXAS 78052

PURCHASE ORDER #	JOB	PAYMENT TERMS	DUE DATE
	HACKS REPAIR		5-23-2025

QTY	DESCRIPTION	UNIT PRICE	LINE TOTAL
	REPAIR INSTALL TEE & VALVE		\$ 4,514.44
SUBTOTAL			
SALES TAX			
TOTAL			\$ 4,514.44 ✓

Make all checks payable to CRUZ CONTRACTING OF TEXAS L. L. C.
THANK YOU FOR YOUR BUSINESS!

Billed vs. Consumption Water

Month	Well Pumpage Report	Billed Consumption Report	Unbilled Accounts	Total Consumption Billed vs Non-Billed	Net Difference Gallon
Jan-25	27,738,000	11,597,700	167,200	11,764,900	(15,973,100)
Feb-25	25,857,000	11,134,300	215,600	11,349,900	(14,507,100)
Mar-25	32,485,000	11,912,800	154,600	12,067,400	(20,417,600)
Apr-25	31,929,000	12,737,300	903,400	13,640,700	(18,288,300)





