NEWS FROM THE SCENIC LOOP HELOTES CREEK ALLIANCE FOR IMMEDIATE RELEASE

Guajolote Ranch developers move ahead, despite no wastewater permit from TCEQ

Nov. 15, 2024 – Developers of the controversial <u>Guajolote Ranch</u> project in northwest Bexar County are moving ahead with construction plans, even though the state has yet to begin a contested-case hearing process for opponents of a wastewater permit to serve the development.

Pape-Dawson Engineers, the engineering firm for the proposed development by Florida-based Lennar Corp., <u>posted a legal notice</u> to accept construction bids for an "off-site water extension" project along Scenic Loop Road for Guajolote Ranch. Lennar wants to build 2,900 homes on about 1,100 acres west of the intersection of Scenic Loop and Babcock roads, north of Grey Forest, and dump an average of 1 million gallons a day of treated wastewater into Helotes Creek.

The firm set a bid due date of Nov. 22 – one day after <u>a preliminary hearing</u> scheduled by the State Office of Administrative Hearings that will determine a timetable for an expected months-long contested-case process on the wastewater permit for Municipal Operations LLC, Lennar's proposed wastewater operator for Guajolote Ranch.

The legal notice concluded with contact information for digital copies of plans and specifications for the water-line project, and questions (Bruna Spengler, bspengler@pape-dawson.com, 210-375-9000).

"It seems odd that they'd move ahead with water going in without assurance of waste coming out, and the development itself is far from assured," said Randy Neumann, with the Scenic Loop Helotes Creek Alliance, which represents residents in a wide corridor along Scenic Loop from Bandera Road to north of Babcock. "In fact, we aim to make sure it doesn't happen at all, as we are not willing to compromise our way of life, meaning safe water drawn from local wells and the recreational use of our creeks."

The San Antonio Metropolitan Health District, Greater Edwards Aquifer Alliance and landowner Ann Toepperwein were granted standing by the Texas Commission on Environmental Quality for a contested-case hearing to challenge the wastewater permit, with the case referred to the SOAH. The SLHCA is partnering with GEAA in the effort, with a preliminary hearing in the case set for Nov. 21 at 10 a.m., via Zoom videoconference.

Helotes Creek directly recharges the Trinity Glen Rose Aquifer, the primary water source in the immediate area, and flows across <u>the contributing zone and enters the</u> recharge zone of the Edwards Aquifer, the principal source of drinking water for about 2 million people across the region. Scientists believe that up to 15% of the Edwards Aquifer recharge comes from the Helotes Creek watershed.

The opponents fear that pollutants such as E. coli and toxins like harmful <u>"forever</u> <u>chemicals"</u> entering the aquifer would seriously threaten the health, safety and welfare of those living in and around San Antonio.*

Metro Health opposes the permit on grounds that the city of San Antonio has statutory authority to "prohibit the potential pollution or degradation of streams that may constitute or recharge the source of San Antonio's water supply," according to a filing with TCEQ.

<u>A study by the Southwest Research Institute</u> funded through the city of San Antonio's Edwards Aquifer Protection Plan found that *any* type of wastewater system pumping treated effluent into Helotes Creek could "significantly degrade the watershed and the quality of water recharging the Edwards Aquifer."

"The San Antonio Water System does not pretreat its Edwards Aquifer water supplies prior to distribution within its service area," said Annalisa Peace, executive director of GEAA. "Should pretreatment become necessary to meet water quality standards, it would cost SAWS customers billions of dollars to remediate pollution of this water supply."

The upcoming contested-case hearing process will resemble a civil trial, and GEAA's attorney can call expert witnesses. At the preliminary hearing, an administrative law judge for SOAH will ask attorneys on both sides to confer on a schedule for the contested-case hearing, expected in the next several months.

The judge also will consider new requests for standing from parties that previously were denied – including the city of Grey Forest – and approve or deny those requests. It won't be necessary for individual landowners to request standing again since GEAA will represent all of its members as affected parties.

Not the first time

This is not the first time Guajolote Ranch's developers have outwardly moved ahead without a decision from TCEQ on the wastewater permit.

<u>As recently as May of this year</u>, Lennar's agents started approaching landowners in the Altair neighborhood along what would be the only entrance to Guajolote Ranch off of Scenic Loop, seeking access to survey water-line easements, tagging and in some cases disturbing trees on their property.

The landowners received notices saying the long-time rock wall in front of the neighborhood would need to come down because Scenic Loop would be widened due to increased traffic demand to support the development, and that a path already was being cleared to lay water lines.

They were told the surveying was being done at the request and direction of Lennar and Pape-Dawson, but that once the lines were complete, they would be maintained by SAWS. One notice said construction would "occur in the next few months."

When contacted at the time, a SAWS representative said they knew nothing about the activity.

More than a residential development?

<u>The Huntress Family of Terrell Hills</u> owns Guajolote Ranch, as for-profit Guajolote Ranch Inc., with Lennar holding an option to purchase the property. The owners made a public filing in March 2023, <u>petitioning Bexar County Commissioners Court to create a</u> <u>Public Improvement District (PID)</u> to be named the Guajolote Ranch Special Improvement District. It provides a glimpse of a vision for an overall mixed-use, mini-city residential *and commercial* development.

The PID calls for the county to authorize the district for more than \$138 million in public "improvements" paid for in part by new taxes and issuance of bonds, saying it is "necessary" for economic development. It would support "residential and commercial activity" and "business and commercial activity," and impose sales and use taxes in addition to property taxes. It is still before county commissioners, and <u>very much a live issue</u>.

"Adding insult to injury, the people who oppose polluting the drinking water of 2 million people in and around San Antonio are the very ones who would be forced by Bexar County Commissioners Court to help pay for the Guajolote development," said Michael Wm. Schick, also a member of SLHCA. "Elected and appointed government officials are supposed to protect the health, safety and welfare of people, not put them in harm's way - medically or economically."

Anyone patronizing businesses there (retail, services, restaurants, hotels, etc.) would pay the new sales and use taxes authorized by the county. And homeowners there would be forced to pay new property taxes. Plus, county taxpayers would be on the hook to repay bonds if the development fails.

The PID was filed by Richard "Rick" LePere, treasurer of Guajolote Ranch Inc., and president of <u>LePere Commercial Real Estate Services LLC</u>. He is a son-in-law of Diana Huntress, registered agent and director of Guajolote Ranch Inc., and grandson-in-law of late family patriarch Frank G. Huntress Jr., who filed <u>the original deed</u> for the ranch in 1969.

"While we were thinking the development would add 6,000 cars to two-lane Scenic Loop, the possibility of restaurants, hotels, shopping centers and offices would mean even more cars, and more wastewater," Neumann said. "And there also would be an issue with stormwater runoff from the development. The pesticides, herbicides, automotive waste, household chemicals, pet waste, lawn waste and other pollution that will wash down Helotes Creek will add to well pollution, flooding and the ruination of our recreational facilities."

About 80 neighbors and other individuals and entities filed to contest the permit application, fearing illness or high costs of retrofits to safeguard their wells or water systems. Among the opposition, in addition to Metro Health, GEAA and Toepperwein, were San Antonio Mayor Ron Nirenberg, the San Antonio Water System, the cities of Helotes and Grey Forest, <u>State Rep. Mark Dorazio</u> and <u>State Sen. Roland Gutierrez</u>.

To join the Nov. 21 videoconference by computer: <u>https://soah-texas.zoomgov.com/</u>. Meeting ID: 160 557 5364. Password: TCEQ5822. To join by phone: (669) 254-5252, or (646) 828-7666. Meeting ID: 160 557 5364. Password: 91377005.

* Pathogens such as E. coli, Enterococcus, Pseudomonas, Candida, Aspergillus and Norovirus could impact the ecosystem and potentially enter drinking water wells causing gastric distress and illness. In the last several years polio virus has been found in sewer effluent in Canada, Utah and New York.

The EPA has recently established guidelines for forever chemicals in sewer effluent. Forever chemicals are found in clothing fibers, carpet fibers, non-stick products, plastics and firefighting chemicals among many other sources and are known carcinogens – cancer-causing chemicals that can also cause infertility and birth defects.

Even after treatment, the effluent discharge would potentially pollute Helotes Creek with pharmaceuticals, hormones, over-the-counter medications, illicit drugs, narcotics, heavy metals and other compounds that will likely bioaccumulate, degrading the quality of the water in Helotes Creek, changing or destroying the ecosystem along the creek, potentially harming endangered species, precluding fishing and preventing the use of the creek for recreational purposes: a use which the neighborhood has enjoyed for 95 years.

About the Scenic Loop Helotes Creek Alliance

The Scenic Loop Helotes Creek Alliance represents the largest neighborhood by square mile recognized by the San Antonio Neighborhood & Housing Services Department, a wide corridor along Scenic Loop Road from Bandera Road to north of Babcock Road. Go to https://www.scenicloop.org/

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Property at ground zero where wastewater would leave Guajolote Ranch and flow down Helotes Creek

Altair residents

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