



September 15, 2011

Dr. Robert Gulley  
Texas A&M Institute of Renewable Natural Resources  
The Courtyard at Brackenridge Park  
2632 Broadway, Suite 301 South  
San Antonio, Texas 78215

Dear Dr. Gulley and Steering Committee Members:

The Texas Aggregates and Concrete Association (also known as "TACA") is an association of rock quarries, sand & gravel operations, concrete batch plants, and cement manufacturing plants. The aggregate, concrete and cement industries are a nearly \$5 billion industry in Texas. Our 200+ member companies employ hundreds of thousands of Texans through aggregate, concrete and cement plants.

The TACA members that operate in the region of Texas regulated by the Edwards Aquifer Authority employ thousands of individuals. They provide necessary services and materials, which are a key component to sustaining the residential, commercial, and municipal infrastructure. Many members of TACA rely on the Edwards Aquifer as their sole source of water for their operations.

We are in receipt of Mr. Dreher's letter dated July 19, 2011 regarding the proposed increase in aquifer management fees. In short, the proposed increase scheduled to take effect in 2012 will be devastating to this industry. As you are aware, this region like other parts of the country has been dramatically impacted by the current economic situation. In response to the economic climate the local TACA members have dramatically downsized their operations and cut costs at every opportunity. An increase in the aquifer management fees of the magnitude proposed would not only affect the members' ability to contribute to the local economy, but it could require TACA members to take additional cost saving measures including the possibility of a further reduction of jobs to offset the rising costs.

The TACA members appreciate the efforts of the EARIP and all of the work that has gone into developing a plan of action that would be acceptable to U.S. Fish and Wildlife Service. Moreover, the TACA members want certainty regarding the availability of Edwards Aquifer groundwater in the future. As an organization we are committed to educating Texans about the aggregate and concrete industry while maintaining a commitment to environmental stewardship through operationally practical and fiscally reasonable approaches.

Nonetheless, an increase of over 330% to the aquifer management fee rate will be detrimental, impact our ability to maintain current employment levels, and ultimately increase potential costs for the residential, commercial, and municipal market segments that need aggregates, concrete, and cement. We would ask that the EAA consider all available options before proposing such an extensive increase to the current aquifer management fee rate.

We look forward to working with this committee and the Edwards Aquifer Authority in an effort to jointly create a practical and reasonable solution. If there are any questions, please feel free to contact me at (512) 451-5100.

Sincerely,

Rich Szecsy, Ph.D., P.E.  
President  
Texas Aggregates and Concrete Association