

MINUTES
OF THE
SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Via Telephone Conference

In accordance with the order of the Office of the Governor issued March 16, 2020, the SWTCGCD Board of Directors conducted the April Board Meeting as a remote access only meeting in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). The meeting was open to the public and instructions for accessing the conference call were provided with the Notice of Meeting

Wednesday, May 13, 2020 at 10:00 am

1. Call to order, declare meeting open to the public, take roll and declare quorum status

Director and Board President Scadden called the meeting of the Southwestern Travis County Groundwater Conservation District (SWTCGCD or District) Board of Directors to order at 10:01 AM on Wednesday May 13, 2020. Six District Directors were present on the conference call constituting a quorum, including Directors Hennings, Dower, Scadden, Davis, Hunt, and Van Ackeren. Also present were Kodi Sawin, Kayla Shearhart from Hays Trinity GCD, Kirk Holland, Ty Embry with Lloyd Gosselink, and Pete Golde. Director Urie joined the conference call meeting at 10:04 AM.

At the request of Director Scadden all present introduced themselves.

The meeting sign-in sheet is attached as Exhibit A

2. Public comments

Director Scadden called for public comments and there were no public comments.

3. Discuss, consider, and possibly act on approving the previous meeting minutes

Approval of the April 8, 2020 Meeting Minutes.

There were no comments on the April 8th Meeting Minutes.

On a motion by Director Dower and a second by Director Hennings, the draft version of the April 8, 2020 meeting minutes was approved – 7 Ayes to 0 Nays

A copy of the approved April 8, 2020 Meeting Minutes is attached as Exhibit B

4. General Manager’s Report

General Manager Sawin presented the General Manager’s report.

A copy of the General Manager’s report is attached as Exhibit C

5. Receive, discuss and take action as necessary for Board Committee Reports.

a. Finance

Director Urie presented the Financial Report for the period ending 4/30/20. He said there were 5 checks written for \$2,000.00 to Sawin Group, \$1,154.27 to Director Scadden for reimbursement for General Manager's notebook computer, \$171.50 to Dog Trick Studios for business cards, \$2,000.00 to Sawin Group, and \$125.00 to reimburse GM Sawin for Spectrum Internet bill. The ending balance as of 4/30/2020 is \$5,165.16 after a deposit of \$0.35 in interest.

The financial report is attached as Exhibit D

b. Legislative

Director Davis advised that there was nothing new to report.

c. Science-Outreach

Director Hennings discussed the exciting event tonight at 4:00 to 6:00 PM with an online report of the nine projects completed by the ACC GIS class. It is an interesting list of projects:

- Indications of the Bee Creek Fault
- Water utilities, water sources, and water demand
- Septic and petroleum tanks
- 3D visualization of the aquifer and water wells
- Open space inventory
- Map of land parcels, subdivisions, and neighborhood boundaries
- Wildfire history and potential within the district
- Land cover change
- Ground drought indicators over time

Director Hennings went on to explain that a Well Owner's Guide has been developed by BSEACD under the ILA, and they are now working on a version for SWTCGCD. Directors Hennings and Hunt, and Lane Cockrell with BSEACD have worked on it. When the draft is complete Director Hennings said that she would like to have it reviewed by Director Dower and Kirk Holland, and maybe Tom Griffith and Director Davis who are well owners.

Director Hunt discussed Phase 2 of the ILA work (Phase 1 was the Hydrogeologic Atlas). Phase 2 consists of the development of the Well Owner's Guide, studying the relationship of groundwater to surface water from rivers and lakes based on a geophysical study recently completed by USGS, study of the Bee Creek Fault, and development of a regional cross-section to the North East into Bell County. Reports on these efforts are planned to be completed by the end of August.

Director Dower reported the following website statistics; 458 views, 99 file downloads, and 2 contacts which were forwarded to GM Sawin.

Director Hunt added that the Hydrogeologic Atlas is complete and available as a large download. Printing of 200 copies has been completed by Travis County. It is an 11" X 17" book with 80 pages. Copies will be provided to the SWTCGCD.

Director Hunt then advised that yesterday Travis County completed a monitoring well in the Middle Trinity on land that the County purchased on the hill above Hamilton Pool about 1,000 feet from the Bintree RV Park. He spent several days with the drillers taking rock cuttings samples until the well reached the top of the Smithwick Shale at 400 feet, then drilled another 20 feet into the Smithwick. Director Scadden asked if Director Hunt had compared the well results to expectations in the Hydrogeologic Atlas and Director Hunt replied that he had not yet. Tom Griffith asked if any Hensel Sand was encountered and Director Hunt replied that yes it was, and he is making a log of his samples at 10 foot intervals, which will probably be wrapped into the Phase 2 reports since the idea is to get the data out there. Tom Griffith asked if the top of water was similar to the Bintree RV Park report and Director Hunt replied that it was.

Director Scadden advised that there was a press release prepared by him and GM Sawin providing an update on the GCD including hiring a GM and establishing an office. This turned out well for our outreach efforts resulting in articles in the Community Impact and Austin American Statesman.

Director Davis asked if the Middle Trinity is where the Cow Creek is and Director Hunt replied that yes both Bintree and the Travis County Monitoring wells drilled through the Cow Creek Formation.

6. Discuss, and possibly act on matters relating to ratifying bonding for new Board Member, Brian Hunt

Director Scadden said that bonding is in place for Director Hunt and Director Van Ackeren said that he was notified of that by TML yesterday. The cost of this bond had already been paid so there is no new expense until renewal. Legal Counsel Embrey from Lloyd Gosselink advised that no further action by the Board was required.

7. Discuss and possibly act on matters related to Cyber Security Training

GM Sawin advised that the Cybersecurity Training Policy is in the Board packet and it has been reviewed by Legal.

Director Dower suggested the reference to "all Directors and Employees" should read "all Employees who have access to District computers". Legal Counsel Embrey confirmed that would meet the intent of the legislation and Directors Van Ackeren and Hunt agreed to this amendment of their motion to approve.

On a motion by Director Van Ackeren and a second by Director Hunt, the Board approved the SWTCGCD Cybersecurity Policy as amended – 7 Ayes to 0 Nays

8. Discuss, and possibly act on matters related to potential loan and grant opportunities

Director Scadden advised that he has learned that the Texas Water Development Board (TWDB) has not had an application for its loan program in 12 years and has not made a loan in 17 years.

While that is not encouraging, he said he would continue to talk to TWDB about it. GM Sawin said that she had spoken to LCRA and they do have some grant programs including community service grants and water conservation grants that might be able to be used on a project specific basis. Director Scadden suggested maybe a monitoring well proposal, which would help with drought management. Kayla Shearhart said that it can be difficult looking for capital projects. LCRA wants permanent signage giving them credit for funding. GM Sawin said that was helpful information. Director Hunt suggested that another possible project proposal might be installation of stream flow gages.

9. Discuss, and possibly act on matters related to Public Funds Investment Act, designating a SWTCGCD Chief Investment Officer, and training

Director Scadden said that a resolution is needed to appoint a Chief Investment Officer (CIO) and that small districts often appoint their General Manager as CIO to assure that investments meet the District's Investment Policy. He said that Legal Counsel Embrey had provided a standard Investment Policy to comply with State law. Legal Counsel Embrey said that two resolutions are required; one to appoint a CIO and a second to adopt the District Investment Policy. Director Hennings asked if the Board needed to appoint the General Manager as a position or GM Sawin specifically. Legal Counsel Embrey said that it needs to be an individual since that individual will need State mandated training.

On a motion by Director Hennings and a second by Director Urie the Board voted to appoint General Manager Sawin as the District's Chief Investment Officer – 7 Ayes to 0 Nays

Director Scadden asked for a motion to approve the District Investment Policy proposed by Legal Counsel Embrey. Mr. Embrey reiterated that the proposed Investment policy is a standard policy. Mr. Holland suggested that the District start numbering resolutions and Director Scadden said he thought that was a good suggestion and he would put it on next month's agenda.

On a motion by Director Van Ackeren and a second by Director Dower the Board voted to adopt the proposed Investment Policy for the District – 7 Ayes to 0 Nays

A copy of the adopted Investment Policy is attached as Exhibit E

10. Discuss the status of the draft Management Plan and possibly act to approve the draft Management Plan for purposes of setting Public Hearing

Director Scadden advised that the Texas Water development Board (TWDB) provided comments to GM Sawin and Kirk Holland. GM Sawin confirmed that comments were received from TWDB and the comments have been incorporated in the revised Groundwater Management Plan (the TWDB specifically requested insertion of the word Groundwater). Mr. Holland said that the email explained the comments well and the Board had an opportunity to review them. The next step is to hold a public hearing on the Groundwater Management Plan. He went on to say that there are a couple of additional comments from the Management Plan Committee, but the Groundwater Management Plan needs to be posted for the public hearing and then comments from the public hearing and other Board comments along with the Management Plan Committee comments can be added.

GM Sawin asked if there were any comments on the May 6th version of the Groundwater Management Plan. Director Scadden asked if any Directors plan to review the Groundwater

Management Plan further and make any additional comments. Director Hunt asked if there is an opportunity to look at the Groundwater Management Plan further as we go through the rulemaking process? Director Scadden said that there would be another opportunity at the June meeting. Director Hunt added that these things are iterative. Mr. Holland said he agreed but the Groundwater Management Plan is intended to go first. Director Hunt said that it sounds like there will be another opportunity at the June meeting and the Board should be into the rulemaking phase by the June hearing.

Director Scadden asked what the timing is for Legal review? Legal Counsel Embrey said that he has reviewed the current version of the Groundwater Management Plan and he has four comments and asked if the Board wants them now. Mr. Holland said yes, so the Groundwater Management Plan can be amended for use at the public hearing.

Legal Counsel Embrey added the Management Plan does go first but it is an organic document that can be modified later. Director Hunt added that it is a living document.

Director Hennings asked how long the rulemaking task will take. Mr. Holland said it should be completed later this summer but there will need to be public hearings with notice periods. Legal Counsel Embrey added that public involvement is unpredictable and can bog things down. Director Scadden asked if there is a way to establish the public hearing today and say the version of the Groundwater Management Plan to be used for the public hearing by say Friday? We would authorize the Management Plan Committee to determine the final version for the hearing. Since the Board had reviewed the Groundwater Management Plan several times, Director Scadden said he would expect any further comments to be editorial in nature and not substantive changes. Mr. Embrey said that even if there might be more substantive changes, they could be presented to the public at the public hearing just as public comments are.

Legal Counsel Embrey then reviewed his comments as follows:

1. On Page 14 Statement of Guiding Principles, add *Protecting landowner's property rights*. Mr. Holland asked if that can be added to the end of #4 and Legal Counsel Embrey responded, yes.
2. On Page 51 Item A.3 Performance Standards water level monitoring schedule shows 26 monitoring exercises a year, is that feasible? Director Hunt said that he agreed. Mr. Holland suggested saying one well in the Middle Trinity and one in the Upper Trinity.
3. On Pages 52 and 54 Control of Waste, prohibit new wells being completed in the Upper Trinity. Suggest saying second year since we do not know what is coming from the public. Mr. Holland said he was concerned about any prohibition against wells in the Groundwater Management Plan, Legal Counsel Embrey agreed. Director Scadden asked if that is because it should be in the Rules and Mr. Embrey said yes. Mr. Holland suggested using the word *restrict* rather than *prohibit* and in the second year.
4. On Pages 56 and 57, H1a and H2b says District will fully participate in GMA 9 activities. Suggest adding specific numbers like one meeting or two meetings to set a bar that you can easily meet and take out the word *fully* and refer to *majority of meetings*.

Mr. Holland said that Director Dower had several comments regarding the definition of drought conditions, which will be addressed in the next version, and brush control which is not expected to be an issue for this District, so no performance standard is required. Legal Counsel Embrey said that he agreed. Director Dower agreed that brush cover does not affect confined aquifers.

Mr. Holland said the he felt the Groundwater Management Plan was in good shape to approve as the basis for the public hearing. Director Scadden asked if the Board was comfortable in approving the current Groundwater Management Plan version as of today to be made available for the public hearing. Director Hunt said that he felt it was ready.

On a motion by Director Dower and a second by Director Hunt, the Board approved the Management Plan as Amended for sharing with the public for the June public hearing – 7 Ayes to 0 Nays

On a motion by Director Scadden and a second by Director Van Ackeren, the Board approved scheduling the Groundwater Management Plan public hearing to be part of the June Board meeting – 7 Ayes to 0 Nays

11. Discuss the progress of the Rulemaking Committee and set a date for a Board Work Session in May

Director Scadden advised that the Rulemaking Committee has met twice. He suggested scheduling a work session for the entire Board and asked if May 27th is a viable date. GM Sawin said the TAGD business meeting is in the afternoon on the 27th at 2:00 PM so is a 10:00 AM work session OK? All Board members indicated that would work. GM Sawin said that the work session would be a remote meeting and she would provide log in info in advance. Director Dower said that difficult and far reaching decisions need to be made at this meeting on the 27th. Mr. Holland added that because of groundwater conditions here the rules will be different from the adjacent GMA 9 GCDs, but we need to consider the use of Management Zones and we need to have one or two Directors focus on this. Director Scadden thanked GM Sawin and Mr. Holland for providing the Rulemaking framework.

12. Discuss the concept of designating Management Areas 1 and 2, and the process of defining the boundary for Management and Rulemaking purposes

Director Scadden said that he has asked Directors Hunt and Hennings to talk to the Board on Item 12 regarding management areas 1 and 2 which we have heard about in the Hydrogeologic Report performed by BSEACD and Travis County. We have in our Groundwater Management Plan the concept of different management areas between area 1 and area 2 because of the different hydrogeological conditions and it is important for the Board to understand that concept and the difficulty for the rulemaking process and defining where the boundary is between areas 1 and 2.

Director Hennings said she thought they would start with the description of the two areas and the boundary between them. She and Director Hunt showed 2 diagrams.

The diagrams are attached as Exhibit F.

She added that she just wanted to point out that faults express themselves differently and that is what that second set of block diagrams shows, just to assist people with visualizing the impact of the fault, and that we don't yet know what it looks like. Director Hennings went on to discuss the second diagram which is intended to illustrate different types of faults and hard and soft layers. Soft layers may bend at a fault while hard layers, which are brittle, usually break at a fault. The transition between areas 1 and 2 is a zone since we don't know exactly what the transition looks like. It may be that area 1 has consistent recharge while area 2 has more limited recharge, but we

may also have a transitional zone with unpredictable recharge characteristics, and we may need to be careful about how we District Rules are developed to address that possibility.

Director Hunt discussed the two areas within the district that have distinct differences in how they function hydrologically. He explained that on a regional view there are these two different areas but as Director Dower has pointed out there are areas such as his residence (which is along Bee Creek) that behave differently and may need special treatment in rulemaking. There are two different geographic areas but there are also three aquifers, the Upper, Middle and Lower Trinity which could also constitute management zones. You have the Upper Trinity blanketing portions of the area so that could constitute a management zone but as you step down you have compartmentalized areas drawn as Middle Trinity 1, Middle Trinity 2 and Lower Trinity 1 and Lower Trinity 2 which could be additional separate management zones with different District Rules. The Bee Creek Fault appears to be the best science-based boundary between areas 1 and 2. This diagram is to get us to start thinking about how we would define these areas. This is actually similar to what has been done in BSEACD. A buffer zone is possible to allow variances.

Director Scadden asked what different rules enforcement treatment might occur in the buffer zone. Director Hunt explained that partly it depends on what kind of rules we are talking about, for example what they did in the BSEACD where the goal is if you drill a saline Edwards Aquifer well right next to the fresh water boundary you are in this buffer and the rule basically prohibits large capacity wells from being drilled in that buffer because we don't want to pull in fresh water into the saline zone. What the buffer allows is for the well owner to drill a well and demonstrate that they are not impacting the freshwater side and in that case, they can have a well there. Mr. Holland explained that the idea is that for a well that is in this buffer zone there is almost a presumption that it is in either Zone 1 or Zone 2 and subject to the rules of that zone, but the fact that it is in that buffer zone means that more variances from the rules might be available. The permittee might be able to demonstrate through its own hydrogeologic studies that the proposed well is not in Zone 1 but in Zone 2, or vice versa.

Director Scadden said the it appears that there is a lot of uncertainty through that buffer zone. Director Hennings added that further study of the Bee Creek Fault can help to reduce that uncertainty. Director Scadden suggested that, besides regulatory issues there is public education value to studying the fault and the possibility of assisting landowners with siting of new wells. Director Hennings said that this kind of public understanding of the significance of the Bee Creek Fault is helpful in getting landowners to allow access to the fault for further location identification and study.

Director Dower asked if the buffer zone should be a separate third Management Zone. Directors Hunt and Hennings expressed the opinion that that would be premature until the rules are defined but might be considered later depending on rules differences across the zones. The important thing was to ensure the rules allow for flexibility for future adjustments if warranted.

13. Discuss and possibly act on establishing a Consulting contract with Kirk Holland

Director Scadden said the Kirk Holland has spent a lot of time assisting the SWTCGCD and has advised that he cannot continue to spend this much time without some compensation. Mr. Holland said that between now and the end of this fiscal year there will be quite a lot of work on getting the rulemaking done as well as other administrative matters. GM Sawin is already working far more hours than she is being compensated for and he feels that some form of minimum level of effort letter contract through the end of the fiscal year (end of September) would be

appropriate. Director Hunt said that he would second Director Scadden's comment that Mr. Holland has been invaluable in getting this far and we still have a lot of heavy lifting to do and the thought of doing it with diminished support from him is a daunting thought and he would fully support, if we can, entering into a contract with Mr. Holland. Director Hennings said that she agrees, as did Directors Urie and Van Ackeren. Director Hennings made a motion to establish a consulting contract with Mr. Holland, it was seconded by Director Hunt. Director Dower added that he agrees with Legal Counsel Embrey that we are way ahead of where other new GCDs are at this point and that is due in a large part to Mr. Hollands assistance.

Director Dower expressed concern, as discussed last month with regard to legal services, that we are spending our available funds too quickly and we do not have an item in our budget for a consultant so I'm not sure where we would charge this expense. Director Hennings asked if we have ever found out if the committed funding from Travis County ends at the end of this fiscal year. Director Scadden said that there is not a definitive answer to that for example the Interlocal Agreement (ILA) does not say that it ends at the end of the current fiscal year but the guidance he has gotten from Travis County suggests that money is going to be tight and it would be better to draw as much as possible of the Travis County commitment before the end of the fiscal year rather than trying to carry it over. Director Hennings asked how much has been drawn so far to which Director Scadden responded that \$15,000 has been drawn so theoretically there is \$100,000 remaining, but that is just theory at this point since we have made a submittal to Vicky Kennedy and she rejected it and we are working on a new one so it's not just the idea that there is this pot of money at Travis County but how do we access it and get them to actually send checks. The biggest concern is cashflow.

The other concern is the precedent that it sets to start paying a resource who has been a volunteer because there are other volunteers who are not paid. We have to have our eyes wide open when we agree to enter into new contract and know how we are going to pay for it. Director Dower asked why the most recent draw request to Travis County was rejected.

Director Scadden said the we are still working through exactly want information we need to submit to Travis County in order to get reimbursed. Travis County and Ms. Kennedy as the gatekeeper for the County required us to show an exhaustion of the original \$15,000 before they would start to disburse the \$100,000. We are redoing the request in the format that Ms. Kennedy has requested, and we are asking for reimbursement of \$9,000.

Director Hunt said that he had to leave the meeting but that he felt that if we can sort out this funding issue we would be well served to have an additional contract for Mr. Holland's time to assist us.

Director Hunt left the meeting at 12:50 PM

Director Hennings said that she agrees with Director Hunt and feels that we are getting good advice from Travis County that we probably need to follow up with and we need to get the fund draw issue sorted out and then revisit the contract with Mr. Holland because we need his assistance. Director Urie said that he agreed with what Director Hennings just stated.

Director Scadden asked Mr. Holland if he wanted to propose something specific as far as hours and a billing rate for the Board to consider. Mr. Holland responded that his current consulting rate is \$145 an hour but most recently has been charging BSEACD \$100 an hour for a monthly bill of around \$3,000 and he would expect about half of that for SWTCGCD keeping in mind that he

would be spending more hours than what he will be billing in the next several months. He said he recognizes the SWTCGCD cannot afford a full billed consulting effort but he will continue his volunteer pro bono efforts to make up the hours required, say 4 hours a week paid and the rest pro bono through the end of this fiscal year. Director Scadden asked if there was any other discussion.

After extensive further discussion Director Hennings withdrew her motion and the item was tabled until the next Board meeting to further evaluate the logistics of establishing a Consulting agreement with Mr. Holland.

14. Discuss and possibly act on matters related to GMA 9 and initiating resolution of the GMA 9/10 boundary issue affecting SWTCGCD

Director Scadden said the he is continuing to work with the Texas Water Development Board (TWDB) on this and it appears the TWDB wants a resolution from GMA 9.

15. Discuss and possibly act on purchase/reimbursement of computer related items for the SWTCGCD office

Director Scadden said GM Sawin has the laptop now after the first one was not delivered even though Dell thought it was Dell credited his credit card and he reordered it. The price of the second order was less so \$22 and change will be reimbursed to the District by Director Scadden.

16. Discuss and establish agenda items for the next Board meeting

Agenda items suggested for next month's meeting were:

- Appoint Public Information Officer
- Resolution Numbering Policy
- Budget Amendment
- Management Plan
- Rulemaking

17. Discuss, consider, and possibly act on setting the date, time, and location for the next Board meeting

The Board agreed to set the next regular monthly Board meeting for 10:00 AM on Wednesday June 10th. The meeting will be a virtual meeting.

18. Adjourn

On a motion by Director Hennings and a second by Director Urie, the Board voted to adjourn the meeting – 6 ayes to 0 nays. The meeting was adjourned at 1:15 PM.

PASSED, APPROVED AND ADOPTED THIS 8th day of July 2020


Tim Van Ackeren, Secretary

Exhibit A

Attendee Sign-in Sheet

BOARD MEETING
OF THE
SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Teleconference Meeting

Wednesday May 13, 2020 at 10:00 AM

ATTENDEES

Name	Affiliation	Email Address
Rick Scadden	SWTCGCD Director - President	
Juli Hennings	SWTCGCD Director	
Jim Dower	SWTCGCD Director	
Jim Urie	SWTCGCD Director - Treasurer	
Tricia Davis	SWTCGCD Director - Vice President	
Tim Van Ackeren	SWTCGCD Director - Secretary	
Brian Hunt	SWTCGCD Director	
Kodi Sawin	SWTCGCD General Manager	
Kirk Holland	Consultant	
Ty Embrey	Lloyd Gosselink - Legal Counsel	
Tom Griffith	Well Owner	
Phillip Webster	Hays Trinity GCD	
Virginia Smith	ACC	
Pete Golde	Volunteer	

Exhibit B

Approved Minutes from April 8, 2020 Board Meeting

MINUTES

OF THE

SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Via Telephone Conference

In accordance with the order of the Office of the Governor issued March 16, 2020, the SWTCGCD Board of Directors conducted the April Board Meeting as a remote access only meeting in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). The meeting was open to the public and instructions for accessing the conference call were provided with the Notice of Meeting

Wednesday, April 8, 2020 at 10:00 am

1. Call to order, declare meeting open to the public, take roll and declare quorum status

Director and Board President Scadden called the meeting of the Southwestern Travis County Groundwater Conservation District (SWTCGCD or District) Board of Directors to order at 10:00 AM on Wednesday April 8, 2020. Five District Directors were present on the conference call constituting a quorum, including Directors Hennings, Dower, Scadden, Davis, Hunt, and Urie. Also present were future Director Brian Hunt, General Manager Kodi Sawin, General Manager Charlie Flatten from Hays Trinity GCD, Kirk Holland, Ty Embry with Lloyd Gosslink, and Pete Golde. Director Van Ackeren joined the conference call meeting at 10:18 AM.

At the request of Director Scadden all present introduced themselves.

The meeting sign-in sheet is attached as Exhibit A

2. Public comments

Director Scadden called for public comments. There were no public comments.

3. Discuss, consider and possibly act on approving the previous meeting minutes

Approval of the March 11, 2020 Meeting Minutes.

There were no comments on the March 11th Meeting Minutes.

Director Scadden provided a follow-up to the March meeting stating that he had received a copy of the Bentree RV Report.

On a motion by Director Dower and a second by Director Hennings, the draft version of the March 11, 2020 meeting minutes was approved – 5 Ayes to 0 Nays

Director Scadden requested that copies of the final approved minutes be emailed to the Board.

A copy of the approved March 11, 2020 Meeting Minutes is attached as Exhibit B

4. General Manager's Report

General Manager Sawin presented the General Manager's report.

A copy of the General Manager's report is attached as Exhibit C

Director Van Ackeren joined the conference call meeting at 10:18 AM.

Director Dower asked if the General Manager (GM) Task List will have GM Sawin or Kirk Holland lead the rulemaking process or will it be led by Legal? Director Scadden commented that regardless, it should be on the GM Task List and further discussion should wait until Agenda Item 10. Director Dower suggested that it affects Item 6. as well. Director Scadden replied that Rulemaking is in scope for Legal Services firm. Director Dower stated that legal expenses will be a big part of the budget. Director Scadden agreed that legal expenses are a significant component of the District budget and said that selecting a firm to provide Legal Services under Item 6. does not have impact on Item 10. To discuss a Rulemaking Committee. Director Scadden asked Director Dower to make his comment during the discussion on Item 6.

5. Receive, discuss and take action as necessary for Board Committee Reports.

a. Finance

Director Urie presented the Financial Report for the period ending 3/31/20. He said there were checks written for \$1.00 to Travis County, and \$115.66 and \$75.25 to GoDaddy got Office 365 and General Manager Sawin's email. The ending balance is \$8,675.58.

The financial report is attached as Exhibit D

b. Legislative

Director Davis advised that the Texas State Water and Rural Affairs Joint Meeting the was scheduled for April 30th has been postponed.

c. Science-Outreach

Director Hennings asked Brian Hunt to comment on the timing for publishing the Hydrogeologic Atlas. Mr. Hunt said that it will be available next week via DropBox initially then in the UT digital archive. Printing will be done by Travis County, but the date is not known yet. Director Davis said that she was excited to see the completed atlas.

Director Hennings reported that she talked with the students involved in the ACC GIS Service Learning Project on March 30th and that she has asked for data from BSEACD. She also advised that Tom Griffith is field checking for evidence of the Bee Creek Fault on the Peacock and Preservation Ranches.

Director Hennings said that she had received a survey questionnaire from UT regarding experiences working with the Texas Water Development Board (TWDB) and she asked if anyone else had received this survey. Director Scadden as well as Brian Hunt and Kirk Holland

said they had received it. Director Hennings said she would complete the survey and send it back and General Manager Sawin asked for a copy.

Director Dower advised that there had been 616 views of the website, 105 files downloaded, and 0 contact requests last month. He then asked Director Scadden if he wanted the contact requests re-directed to the General Manager instead of to Director Scadden to which Director Scadden replied yes.

6. Discuss, and possibly act on contracting for legal services

Director Dower stated that the question he has regarding the committee's recommendation for legal services is cost. He pointed out that in her Statement of Qualifications Mary Sahs said that she has spent 300 Hrs. on previous GCD rulemaking efforts. He went on to say that at the Lloyd Gosselink billing rates that would amount to around \$80,000. He asked if the committee considered this. Director Scadden replied that the committee had reviewed and discussed the proposed billing rates of the three firms.

Director Scadden reviewed the RFQ process saying that a committee was formed comprised of Directors Davis, Van Ackeren, and Scadden who issued an RFQ on March 20th, received Statements of Qualifications from DeLeon, Washburn & Ward; Mary Sahs; and Lloyd Gosselink. The committee has recommended Lloyd Gosselink.

Director Scadden then opened the meeting for discussion and to allow the Directors to ask questions of the committee and Ty Embrey from Lloyd Gosselink. Director Dower said the question remains, has there been consideration of how many hours are required? He continued saying that we have \$20,000 and at Lloyd Gosselink's rate that is about 70 hours. We have an approved budget of \$20,000. We cannot expect the legal firm to lead the rulemaking effort for a \$20,000 budget. We cannot afford to have the legal team lead the effort. Director Scadden asked for Ty Embrey's perspective, is \$20,000 enough? Mr. Embrey responded that he knows most of the Directors and he is excited that Lloyd Gosselink has been chosen to work with the SWTCGCD. Mr. Embrey said that he thinks Lloyd Gosselink can make that \$20,000 work. Mr. Embrey went on to say that most GCD Boards start at zero and legal expenses are likely to be heaviest in the first couple of years. As sophisticated as the SWTCGCD is, I think we can do this. The wild card is public involvement, but the 75% approval vote was impressive and that bodes well. The caveat is, how much public opposition will there be. Mr. Embrey added that he is here in Austin so there will be no charges for travel time like other GCDs.

Director Scadden thanked Mr. Embrey for his comments. Director Dower said that he appreciated Mr. Embrey's remarks as well. If the rulemaking process becomes contentious it can get expensive. He asked Mr. Embrey if he had ever entered a contract with a GCD that is based on a monthly fixed retainer. Mr. Embrey responded that there is one GCD that did that but only after the rules were in place. He said that he had deferred bills until a later fiscal year on occasions. Mr. Embrey then reiterated that he felt this rulemaking process will go quickly due to the sophistication of the SWTCGCD Board and cause for optimism regarding the potential for there not being substantial opposition and I think we can make it work. Director Dower said he appreciated the information and again thanked Mr. Embrey for his comments.

Director Scadden asked if the Board had any other questions. Director Van Ackeren said that the committee had discussed some things that Director Dower brought up. They did discuss the possibility of a flat fee but did not feel it was workable. Director Dower then asked if the

committee had spoken to any of the references and Director Scadden replied that they had not because the committee members believed they had good firsthand knowledge of each of the firms. Director Davis said they did speak to others (not the references in the submittals) and the choice of Lloyd Gosselink was by far the best. Director Urie said the SWTCGCD Board had a positive experience with Lloyd Gosselink previously. Director Dower said that he had nothing more to add.

Director Davis made a motion to select Lloyd Gosselink to provide legal services to the SWTCGCD. Director Dower asked about contract negotiations and Director Davis added, and enter contract negotiation, to her motion. Director Dower proposed the committee bring the negotiated contract back to the Board at next month's meeting for approval. Director Scadden said that he did not want to delay the start of work and suggested that he and General Manager Sawin be authorized to execute the contract after negotiation and Director Davis offered to assist. Director Dower then suggested that the process for selection of professional service is to select a firm based on qualifications and then attempt to negotiate the terms and if that proves to not be possible with the first choice then go to the second choice and attempt to negotiate with them. The award and the negotiation need to be separated and the Board needs to approve the final contract. Director Scadden said that he disagreed that the contract needs to come back to the Board. Director Dower then asked if the contract would have a \$20,000 limit and Director Scadden replied, no because it is anticipated to last into future fiscal years. Director Dower then asked if the contract would be just for this fiscal year? Director Scadden asked Mr. Embrey for his thoughts. Mr. Embrey expressed the opinion that the contract should have adequate flexibility to get the work done and specific billing and payment details could be managed and I can give you my word that we will work with you to be sure that we don't bust your budget.

Director Dower asked if we could make the contract to the end of the fiscal year instead of locking it in for twelve months? Mr. Embrey responded that they could if that is what the Board wants.

On a motion by Director Davis and a second by Director Urie the Board voted to approve the selection of Lloyd Gosselink to provide legal services to the SWTCGCD and to enter contract negotiations – 6 Ayes to 0 Nays

Director Scadden then asked if the Board wanted to authorize a committee to negotiate the contract with Lloyd Gosselink saying that he and General Manager Sawin should be involved. He asked who else might be interested in being on that committee. Directors Dower and Davis said they would like to be on the committee.

On a motion by Director Scadden and a second by Director Van Ackeren, the Board voted to establish a committee comprised of Directors Scadden, Davis, Dower and General Manager Sawin to negotiate a contract with Lloyd Gosselink – 6 Ayes to 0 Nays

Director Scadden asked for Lloyd Gosselink to provide a draft contract. Ty Embrey replied that he would, thanked the Board, and said that he was excited to be working with the SWTCGCD again.

Mr. Embrey asked if the Board President is authorized to execute the contract after negotiation. Director Scadden replied that he did not think that question had been answered and asked the Board for their thoughts on whether they were comfortable with the contract being executed after the committee finishes the negotiation. Directors Hennings, Urie and Van Ackeren said they were comfortable with that. Director Dower asked how difficult it would be to call a special meeting to approve execution of this contract. General Manager Sawin said it would not be

difficult, but meeting notice requirements would have to be met. Director Scadden said he did not support having a special meeting and Directors Van Ackeren and Urie said they agreed.

On a motion by Director Dower and a second by Director Urie, the Board authorized the President to execute a contract with Lloyd Gosselink based on approval by the committee members – 6 Ayes to 0 Nays

Director Scadden said that he wanted to thank Theresa Golde who worked hard with passion and zeal to get us through the November 2019 election process and Pete Golde for funding that effort. The Directors all acknowledged their appreciation as well.

7. Discuss and possibly act on items related to the new SWTCGCD office space

This is a catch-all item.

Director Scadden thanked Director Van Ackeren for picking up the keys from Travis County, Pete Golde for getting Internet service set up from Spectrum, and Director Dower for his help in getting computer related items taken care of. Director Scadden also asked GM Sawin for a list of furniture needs so we can solicit donations.

8. Discuss, and possibly act on items related to conducting virtual (remote) meetings, including but not limited to, any necessary equipment, software, or license purchases

Director Scadden asked if we need any conference call software or is Zoom OK for now. Please get with Kodi if you have any additional thoughts.

9. Discuss an update on the status of draft Management Plan

Director Scadden said that the draft Management Plan was submitted to TWDB for pre-review on March 30, 2020.

Kirk Holland said we are in a waiting mode now and that he expects comments to be format related and he hopes to have that by the next Board meeting. The plan is for the Management Plan committee to take the TWDB comments and make any needed revisions and present the revised Management Plan at the next available Board meeting. We will then have to have a public hearing on that Management Plan as revised and send it to Region K and GMA 9 planning committees. We also will be adopting that plan with a very formal resolution after the public hearing.

Kirk asks that the Draft Management Plan be sent to Lloyd Gosselink.

Director Scadden thanked Kirk Holland for his work on the Management Plan and Director Davis also thanked Kirk.

10. Discuss, and possibly act on establishing a working committee for Rulemaking

Director Scadden asked Kirk Holland if he can continue to lead the effort. Mr. Holland responded that now that General Manager Sawin and Lloyd Gosselink are on board, he cannot continue at the level he has been working. He suggested Ron Fieseler and H.L. Sauer as good resources who will help as much as possible. General Manager Sawin should take the lead and Mr. Embrey agreed with that recommendation.

Mr. Holland suggested considering setting up some temporary rules to allow some revenue to come in. Mr. Embrey agreed that temporary rules would be a good idea for this District since its revenue is production fee based. The same rulemaking process is used but it is stripped down and focused and much quicker to develop and get in place.

Directors Dower and Hennings also expressed their appreciation for Mr. Holland's work.

Director Scadden said that he wants to be on the Rulemaking committee and asked for two other Directors to volunteer. Directors Davis, Hunt, and Dower indicated an interest and Director Davis deferred to Director Dower.

On a motion by Director Scadden and a second by Director Hennings, the Board voted to approve a Rulemaking committee comprised of Directors Scadden, Hunt, and Dower and led by General Manager Sawin – 6 Ayes to 0 Nays

11. Discuss individual director actions related to compliance with the Texas Conflicts of Interest Disclosure Statement promulgated under Government Code, Section 176

This item was carried over from the March meeting if additional discussion was required. There was no additional discussion.

12. Discuss, and possibly act on matters related to GMA 9 and initiating resolution of the GMA 9/10 boundary issue affecting SWTCGCD

Director Scadden said that he would work on a draft resolution. There is discussion of possibly postponing the May 4th GMA 9 meeting. Director Scadden said the he has requested the meeting take place as a virtual meeting since there are several long pending SWTCGCD questions that need action. Mr. Holland advised that there is a parallel resolution to resolve the boundary issue in GMA 10 and this change is supported by the TWBD.

13. Discuss and possibly act on purchase/reimbursement of computer-related items for the SWTCGCD office

Director Scadden recognized Pete Golde for providing a desktop computer for the new SWTCGCD office.

Director Scadden purchased a monitor for the desktop computer (\$184.01) and a laptop computer for the General Manager (\$970.26) total (\$1,154.27). We did a lot of shopping on the Internet for these items to get the best value. I request reimbursement from the District for these items which are covered by the approved District budget.

On a motion by Director Dower and seconded by Director Hennings, the Board voted to authorize reimbursement of Director Scadden in the Amount of \$1,154.27 – 4 Ayes to 0 Nays with 1 Abstention by Director Scadden

Director Davis had left the meeting before the vote.

14. Discuss and establish agenda items for the next Board meeting

Agenda items suggested for next months meeting were:

- Management Plan
- Rulemaking
- TWDB Loan Program
- Hydrogeologic Atlas
- Approval of Bond for Director Hunt

15. Discuss, consider, and possibly act on setting the date, time, and location for the next Board meeting

The Board agreed to set the next meeting for 10:00 AM on Wednesday May 13th. The meeting will be a virtual meeting.

16. Adjourn

On a motion by Director Van Ackeren and a second by Director Urie, the Board voted to adjourn the meeting – 6 ayes to 0 nays. The meeting was adjourned at 12:32 PM.

PASSED, APPROVED AND ADOPTED THIS 13th day of May 2020

Tim Van Ackeren, Secretary

Exhibit C

General Manager's Report

General Manager Report – May 13, 2020

1. Management Plan and Rules

- We received comments back from the TWDB on our pre-review of the draft Management Plan. I have made the recommended and suggested changes, and once we have feedback for committee and Ty, we can finish the last pre-review.
- We had 2 meetings to begin the process of developing the rules. The 3rd meeting will be a public meeting so others can participate.
 - Discussed other district rules with H.L (2) times, Hays Trinity (Linda Kaye and Charlie), and placed additional calls to others.
 - Will continue to review rules and reach out to others to discuss rules development.
 - To prepare for the 3rd meeting will need to engage with relevant stakeholders to ask to inform them of our activity and ask for their participation.

2. LG Agreement

- The agreement for Legal Services has been signed with Lloyd Gosselink, and the attorneys have started working with us.

3. Director Hunt

- He was sworn in and paperwork submitted to the Secretary of State.

4. Hours tracking

- I have set up hours tracking software. While I had been keeping notes of my time, I switched over to tracking software.

5. TAGD Cybersecurity Training Program

- Please remember that you must finish your cybersecurity training. If you will, please forward me your certificates when they are complete.
- Training must be completed by June 14, 2020.
- If you have any other documents from Open Meetings training, feel free to send those.

6. Office Update

- Because of county stay at home orders, we have been up to the office only to set up the internet and phone and other basic office functions.
- However, I will spend more time up there, starting this week to start organizing. As mentioned last month, I have key cards and keys and can begin to hand them out. I am working with Tim on a couple of remaining issues related key cards
- I hesitated to ask for office furniture and needs until we had more clarity on the stay at home orders. As I spend some time in the office, I will be able to get a better sense of what we are missing and send around an email.

1. Public Inquiries

- We had 2 requests for general information thru the website
 - Real estate question (Linda Holmbeck) – was property located in the district and the answer was yes
 - Status of our permitting process (Christy Aylesworth, Kutscher Drilling)

- Stakeholder Database
- Continue to build out the stakeholder database. It is coming along and can be found in the virtual filing cabinet.

9. Virtual filing cabinet

- I will resend the link to the cabinet for your review and to move documents into it that you think should be filed.

10. Grants and loans

- David Wheelock LCRA
- Groundwater districts and TAGD re: TWDB startup loans

11. Items of interest

- As a reminder, there is a showcase of the ACC students work on the GIS projects today at 4 PM – 6 PM, please let me know if you wish for me to resend the information
- TAGD virtual business meeting - May 27 2 PM – 4 PM – no fee to sign up and Kodi will send the link
- GMA July 9 13, 2020 – 10:00 AM
- September 1-3
-

12. Financial Training

Public Funds Investment Act training as a live webinar on May 28. The 6-hour training will run from 10 AM-12 PM and 1 PM-5 PM. Resolution appoints

LCRA grants

<https://www.lcra.org/community-services/Pages/community-grant-program.aspx> (capital improvements)

<https://www.lcra.org/water/watersmart/Pages/firm-water-programs.aspx> (firm customers)

Exhibit D

Financial report for the period ending 4/30/2020

10:32 AM

05/11/20

SW Travis Cty. Groundwater Conservation Dist.
Reconciliation Detail
Independent Bank, Period Ending 04/30/2020

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						10,675.58
Cleared Transactions						
Checks and Payments - 5 items						
Bill Pmt -Check	04/02/2020	121	Sawin Group	X	-2,000.00	-2,000.00
Bill Pmt -Check	04/13/2020	122	Rick Scadden	X	-1,154.27	-3,154.27
Bill Pmt -Check	04/13/2020	123	Dog Trick Studios	X	-171.50	-3,325.77
Bill Pmt -Check	04/18/2020	124	Sawin Group	X	-2,000.00	-5,325.77
Bill Pmt -Check	04/24/2020	125	Kodi Sawin	X	-185.00	-5,510.77
Total Checks and Payments					-5,510.77	-5,510.77
Deposits and Credits - 1 item						
Deposit	04/30/2020			X	0.35	0.35
Total Deposits and Credits					0.35	0.35
Total Cleared Transactions					-5,510.42	-5,510.42
Cleared Balance					-5,510.42	5,165.16
Register Balance as of 04/30/2020					-5,510.42	5,165.16
New Transactions						
Checks and Payments - 2 items						
Bill Pmt -Check	05/05/2020	126	Sawin Group		-2,000.00	-2,000.00
Bill Pmt -Check	05/05/2020	127	Kodi Sawin		-59.93	-2,059.93
Total Checks and Payments					-2,059.93	-2,059.93
Total New Transactions					-2,059.93	-2,059.93
Ending Balance					-7,570.35	3,105.23

Exhibit E

Investment Policy

**RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTHWESTERN TRAVIS
COUNTY GROUNDWATER CONSERVATION DISTRICT ADOPTING AN
INVESTMENT POLICY FOR THE DISTRICT**

THE STATE OF TEXAS	§
	§
SOUTHWESTERN TRAVIS COUNTY	§
GROUNDWATER CONSERVATION DISTRICT	§

WHEREAS, the Southwestern Travis County Groundwater Conservation District (“District”) was created by Chapter 8871 of the Texas Special District Local Laws Code (Chapter 644, Acts of the 85th Legislature (2017)) (“Enabling Act”) and under the authority of Section 59, Article XVI of the Texas Constitution and Chapter 36 of the Texas Water Code;

WHEREAS, Section 8871.101 of the Act grants the District with the rights, powers, privileges, functions, and duties provided by the general law of Texas, including Chapter 36 of the Texas Water Code;

WHEREAS, the Public Funds Investment Act, Government Code, Chapter 2256, applies to any local government defined as a district or authority, created under Section 52(b)(1), Article III or Section 59, Article XVI of the Texas Constitution and sets out the terms and conditions under which the governing body of the District may invest public funds;

WHEREAS, Section 36.061 of the Texas Water Code requires a groundwater conservation district to adopt a policy relating to District investments;

WHEREAS, the Board now finds that the adoption of an Investment Policy for the District is necessary and required under Chapter 36 of the Texas Water Code and Chapter 2256 of the Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT THAT:

1. The above recitals are true and correct.
2. The Board of Directors for the District hereby adopts the attached Investment Policy for the District.
3. The attached Investment Policy, attached as Exhibit “A”, shall continue in effect until modified by the Board of Directors.
4. The Board of Directors hereby authorizes and directs its General Manager, District Staff, and legal counsel to take any and all action necessary to implement the terms of this Resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 13th day of May, 2020.

**SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION
DISTRICT**

By: _____
Richard A. Scadden, President
SWTCGCD, Board of Directors

ATTEST:

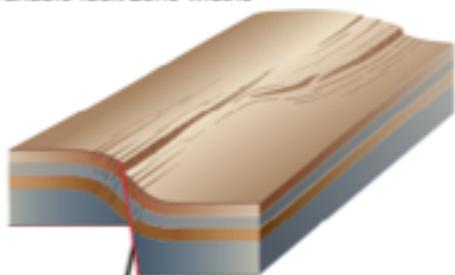
Tim Van Ackeren, Secretary
SWTCGCD Board of Directors

EXHIBIT F

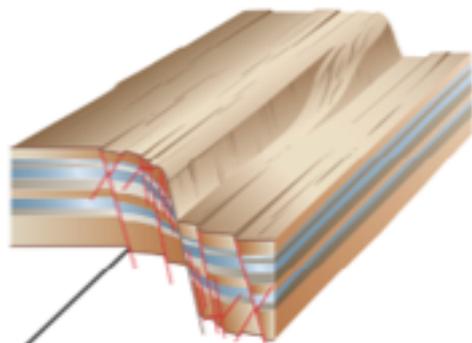
Figures shown for item 12

$$\frac{\text{incompetent}}{\text{competent}} \approx 1.4$$

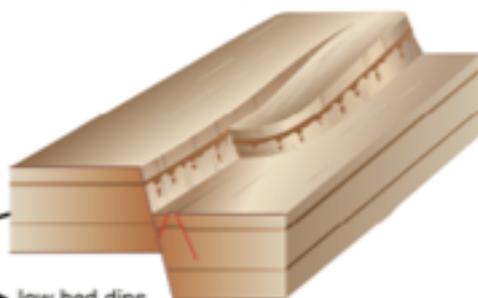
- ▶ variable bed dips
- ▶ high displacement gradients
- ▶ variable fault zone widths



$$\frac{\text{incompetent}}{\text{competent}} \approx 0.7$$



$$\frac{\text{incompetent}}{\text{competent}} \approx 0.07$$



- ▶ low bed dips
- ▶ low displacement gradients
- ▶ narrow fault zones

Displacement

Incompetent

Mixed

Competent

Propagation

For Discussion Purposes: Potential SWTCGCD Management Zones & Regulations

	Stratigraphy	
	Litho	Hydro
Trinity Group	Upper Glen Rose	Upper Trinity
	Lower Glen Rose	Middle Trinity
	Herrin	
	Cow Creek	
	Hammett	Confining
	Slige	
	Houston	Lower Trinity
	Undifferentiated Paleozoic	Paleozoic Aquifers

