

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 June 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, September 9, 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 September 9, 2020. Six District Directors were present on the conference call constituting a quorum, including Directors Urie, Hennings, Dower, Scadden, Hunt and Van Ackeren. Also present were Kodi Sawin, Kirk Holland, Legal Counsel Embry, visitors John Kevin Langford with Bee Cave Drilling, Olle Lorehn with Coves Water Supply, John R., Steve Johnson, Delton Glass and Pete Golde.

At the request of Director Scadden all present introduced themselves.

2. Public comments

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

Director Davis joined the meeting at 10:03, and all seven directors were then present.

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

July 29, 2020 Minutes
August 12, 2020 Minutes
August 17, 2020 Minutes

This Agenda Item was deferred until later in the meeting.

4. General Manager’s Report

This Agenda Item was deferred until later in the meeting.

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

a. Finance – Deferred until later in the meeting

- b. Legislative – Deferred until later in the meeting
- c. Science-Outreach – Deferred until later in the meeting

This Agenda Item was deferred until later in the meeting.

6. Time Set at 10:10 AM – Conduct Public Hearing to receive input from public regarding the SWTCGCD Fee Schedule for Fiscal Year 2021

Director Scadden suspended the regular meeting and opened the scheduled Public Hearing at 10:11 AM

Mr. Kirk Holland explained that the hearing would consist of two parts. Part I being a Staff presentation and Part II being comments and questions from the Directors and the public.

Mr. Holland presented the Part 1 – Staff Presentation on Contents of Proposed Fee Schedule.

The Part 1 – Staff Presentation As a Well Owner, What Fees Will I Pay? is attached as Exhibit A

Director Scadden then initiated Part II by asking if the Directors needed any clarifications.

Director Dower said that we have a definition for Aggregated Wells, and he asked if that means that a Public Water Supply District with multiple wells will have one permit? Mr. Holland answered, Yes, if they are aggregated under one district on one tract of land and operated as one system and metered as one system. Director Dower suggested that maybe we should call that out specifically in the Fee Schedule. Mr. Holland said we do address this in the Rules. Director Dower asked if we need a fee for Aggregated Wells and should we clarify that a system of Aggregated wells pay only one \$750 fee? Director Scadden agreed that we need to be sure this is clear in the Rules. Mr. Holland agreed that it may need to be addressed in the Fee Schedule as well. Director Dower said that the permit in this case goes with the system and not the individual well and maybe we should make that clear in the Rules and/or the Fee Schedule. Director Davis asked about multiple uses of one well such as a supply to a house and a barn for example. General Counsel Embrey asked if she were referring to use by the well owner or sale of water to others and she replied that it would be only normal use by the well owner. General Counsel Embrey replied that well would be exempt and that should not be an issue.

Director Scadden opened the hearing for public questions and comments.

Mr. Langford asked about the difference between a General Permit By Rule and an Operating Permit and if there were a community well serving say four homes would they have to pay the \$1,000 meter fee? Mr. Holland replied that there is no meter fee per se, if it is an existing Operating Permit well it has to be metered and that is at the expense of the well owner. If you are talking about well Construction Fees that is only for new wells. Director Scadden asked Mr. Holland to explain the \$1,000 Service Connection Fee. Mr. Holland explained that the enabling statute authorized the collection, on a one-time basis, a Service Connection Fee for activation a new connection to a public water supply and the Board has chosen to collect this fee from the public water supply permittee. Director Hunt asked Mr. Holland to address Mr. Langford's question about the difference between a General Permit By Rule and an Operating Permit and he noted that the vast majority of General Permit By Rule Wells could have been categorized as Operating Permit Wells requiring metering but this District decided to draw a line between those two categories of

wells and so we are talking about metering on very few wells. Mr. Holland explained the non-exempt domestic use General Permit wells are those whose only use is for domestic use and whose production capability exceeds that limit for an exempt well. Mr. Langford asked if the designation of General Permit By Rule for a domestic well is regardless of how much production they are planning? Mr. Holland replies that because there is no meter required for General Permit By Rule Wells there is no way to measure the production and therefore no way to enforce an upper limit. Mr. Holland added that the General Permit By Rule Wells do have to have a requirement for Drought Contingency and Water Conservation Plans and will be subject to specific mandatory curtailments. Director Dower noted that domestic use is for a single residence. Mr. Langford asked if irrigation is considered domestic use. Mr. Holland and Director Dower confirmed that lawn and landscape irrigation is considered domestic use.

Director Scadden asked if there were any other questions from the public and there were none.

Director Scadden closed the Public Hearing at 10:59 AM

7. Discuss and possibly act on matters related to proposed Fee Schedule for FY2021

Director Scadden said that he had a question on Well Construction Fees on the *Major Modifications* page (Page 9) of the *What Fees Will I Pay* document. It says *If a well remains or becomes Non-exempt and is or will be under an Operating Permit* there is an Application Fee which makes sense, but it also indicates there is a Well Construction Fee of \$1,000 or \$500 for an agricultural well. Presumably, this is an existing well so why would a construction fee apply? Mr. Holland replied that it may have been an existing Exempt Well, or it may have changed use or amount of production. Director Scadden said that he wondered if that was fair since the well would not require the type of analysis that would go into evaluating a new well. Director Dower said that he agreed that it is appropriate to charge an Operating Permit Application Fee if it becomes an Operating Permit Well but the Construction Fee seems unusual. Mr. Holland said that for Major Modifications we planned to treat the well as a Proposed New Well and that was the genesis of the Well Construction Fee being \$1,000. The Well Construction Fee is not only to evaluate the well construction standards but to evaluate the well's effect on adjacent wells. Director Scadden proposed a \$500 fee and the Board agreed. Director Davis proposed reducing the agricultural well fee from \$500 to \$250 and the Board also agreed with that change.

On a motion by Director Scadden and a second by Director Davis the Board approved reducing the Construction Fee on wells with Major Modifications that require an Operating Permit from \$1,000 to \$500 and to reduce the Construction Fee on similarly modified agricultural wells from \$500 to \$250 – 7 Ayes to 0 Nays

Director Scadden then asked if the Directors had any other questions on the Fee Schedule and there were none.

Mr. Holland suggested that the Board could approve the Fee Schedule today, including the above changes, or we can wait until September 23rd. General Counsel Embrey advised that there was no need to adopt the Fee Schedule before the Rules are adopted and Mr. Holland added that the final Rules may require fee changes. It was the consensus of the Board to wait until the 23rd to approve the Fee Schedule.

8. Discuss, and possibly act on matters related to formulating, promulgating, and implementing District Rules

General Manager Sawin reminded the Board that Rules hearings are scheduled for September 22nd at 6:00 PM and September 23rd at 10:00 AM. Mr. Holland advised that Notice for these hearing has already been posted and the version of the Rules that will be used for the hearings is based on the last meeting. He said that he would put together a Staff presentation for the hearings.

Director Scadden then asked if the Directors had any other questions on the Rules and there were none.

Director Scadden said that there was a question from a well drilling company concerning a well they have under contract, but it has not been drilled yet. Is that considered an Existing Well since it was under contract before October 1st, or is it a New Well? Mr. Holland said the current Rules say that a well that is “Spudded” is an existing well so if they have started turning dirt at the surface of the well with the drill bit by October 1st it is existing. General Manager Sawin said the caller with the question said that there have been delays in completion of wells due to the pandemic. General Counsel Embrey suggested adding a provision to the Rules rather than leaving it to the Board on a case-by-case basis. He said he would like to have some time to develop words since he thinks it can be addressed to avoid any kind of variance process. Director Scadden suggested a Rules Committee Meeting to take care of these things before the next Board meeting, there are a couple of loose ends. General Counsel Embrey said that would be preferred and Directors Dower and Hunt said they could be available for a Rules Committee meeting.

9. Discuss and possibly act on District Budget for FY2021

Director Dower said that there are no changes since the last time we looked at the Budget except for the decision not to discount fees for existing wells. Director Scadden said there was one computational error which Director Hennings found which has been fixed and he asked if any Board members had any further questions or comments and there were none. He said that we are slated to hopefully adopt the Budget at the meeting on September 23rd. Director Dower added that a little bit of money was added for a temporary office administrative person for a couple of months during the initial rush of registration applicants. On a question from Director Hennings, Director Dower explained that the production fee revenue was reduced from three quarters to two quarters due to the Board’s decision to delay the start of production fee assessment from October 1st 2020 to January 1st 2021 so only the first and second quarters in 2021 would be collected in FY 2021. Director Dower pointed out that there is a large amount of revenue from the initial registration fees of existing wells, but this is a one-time occurrence only in FY 2021. On a question from Mr. Holland, Director Dower confirmed that he has added he \$50,000 amount from Travis County for research projects as both a revenue item and an expense item.

The Draft Budget is attached as Exhibit B

Agenda Item 3. Approval of Meeting Minutes was now taken up

Director Scadden addressed the July 29th Meeting Minutes final draft and asked if there were any questions about the draft. Hearing none, he said that he had a comment saying that Mr. Holland had raised the question of whether it is appropriate to include the General Manager’s written report in the meeting minutes. He said that he did not think that level of detail is necessary or appropriate for the meeting minutes and he would like to suggest that we not include the written report from the General Manager with the meeting minutes. General Manager Sawin said that she would do whatever the Board wants. Mr. Holland agreed that it is whatever the Board desires and

it is not a requirement to have that written down as part of the minutes since the minutes are primarily to document actions of the Board. Director Hennings said she was the one who asked for a written report from the General Manager mainly because it is easier to follow if there is some sort of an outline. She said that she has since decided, after some discussion with General manager Sawin, that it would be acceptable to have a verbal report if it addressed specific standing topics to help organize our thoughts. Director Davis asked if we will be able to have some way to really see what's going on or will we just get a high-level overview if we do that? General Manager Sawin said that she could write a report which she does anyway and maybe she can just provide that to the Board. Director Scadden said that will be fine, but we just won't include the written report in the minutes. Pete Golde asked what the Board wanted to have included in the minutes for the General Manager's Report and Director Scadden suggested that only the topic that the GM reported on should be listed as posted in the agenda and the rest of the Board agreed.

Director Scadden asked if there were any further comments on the July 29th minutes or the August 12th and August 17th minutes? If there are no further comments, he asked for a motion to approve all three sets of minutes.

On a motion by Director Scadden and a second by Director Dower, the Board approved the minutes for July 29, August 12 and August 17 with the written General Manager's Report removed – 7 Ayes to 0 Nays

The draft minutes for July 29, August 12 and August 17 are attached as Exhibit C

Agenda Item 5. Board Committee Reports was now taken up

5a. Finance – Director Scadden said that Jim Urie's report shows a bank balance of \$284.75. But the bigger financial issue is that both Kodi and Kirk have not been getting paid since early July because we don't have the money. He said he talked to Vicki Kennedy yesterday and she is doing everything she can. Kodi has been talking to Vicky about when we are going to get paid for the invoice we have already submitted. Director Scadden said the Vicky Kennedy asked if he would contact the Travis County Auditors because they are the ones holding it up and he called the Auditor's office yesterday and had to leave a message. Director Scadden asked General Manager Sawin how much she and Mr. Holland are owed, and she said she believed it was \$13,500. She added that we were working through this problem and Vicky Kennedy has really put some effort into this as well. Director Scadden said that he did not have any answers and that what we need is a bridge loan until we start collecting revenues. He suggested maybe talking to the bank, but we don't have any collateral except maybe our future revenues, and he asked Director Urie for his thoughts. Director Urie said he would talk to the bank but lacking any collateral the only possibility he saw was Travis County to maybe sign a small note promising payment of their commitment of funds. Director Hunt asked if this problem might be the result of the language in the ILA and couldn't the Commissioner's Court change the ILA language. General Manager Sawin said that a new ILA is required for the new fiscal year anyway. Director Van Ackeren asked if the Travis County Auditor has been involved in the past. Director Scadden said that the Auditors have not held up things in the past.

5c. Science and Outreach – Director Hennings advised that the Rainwater Revival is going to be a one day Zoom meeting on October 4th and everything they are doing is going to be virtual on-line. They are going to have a full day of presentations on that day and we have an opportunity to put together a 30 to 90 second long "advertisement" about our Groundwater Conservation District and they have given us some simple instruction on how to do that. It is due on September 18th. Director

Scadden said that he was concerned about putting more workload on General Manager Sawin and Kirk Holland and Director Dower said he agreed.

Director Hennings had to leave the meeting at 12:07 PM.

5b. Legislative – Director Davis said that she had emailed the Board an update on legislative issues and an interesting groundwater case.

Agenda Item 4. General Manager's Report was now taken up

General Manager Sawin presented the General Manager's report covering the following topics:

- Stakeholder communication and public inquiries
- Drought stage status and outlook
- Possible Bylaws amendments
- Regulatory Items and Updates
 - TWDB
 - TCEQ
 - GMA 9
- Others
 - Hours tracking
 - Items of Interest (include any items related to office hours, upcoming meetings, etc.)

10. Discuss and establish possible agenda items for future Board meetings

Suggested agenda topics were:

- Bylaws
- Rules
- Budget
- Fee Schedule
- Public Hearings

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

The next Regular Board Meeting was set for September 23, 2020 at 10:00 AM and will be a virtual meeting.

12. Adjourn

On a motion by Director Van Ackeren and a second by Director Dower, the Board voted to adjourn the meeting – 6 Ayes to 0 Nays. The meeting was adjourned at 12:16 PM.

PASSED, APPROVED AND ADOPTED THIS 14th day of October 2020

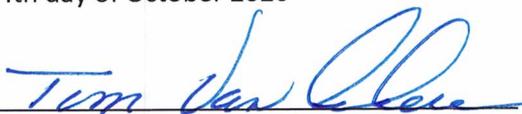

Tim Van Ackeren, Secretary

Exhibit A

Staff Presentation As a Well Owner, What Fees Will I Pay?

As a Well Owner, What Fees Will I Pay?

Southwestern Travis County Groundwater Conservation District
Public Hearing on District's Proposed Fee Schedule

September 9, 2020

Types of District Fees

Fees Authorized But Not Assessed by District Board

- Well Registration Fee, for All Wells
- Annually Recurring Per-Well Administrative Fee, for Most Wells

Fees for Certain Existing Wells

- Production Authorization (Permit) Application Fee, for Some Wells
- Production Authorization (Permit) Renewal Fee, for Some Wells
- Existing Well Modification Application Fee, for Some Existing Wells
- Well Construction Fee for Certain Types of Modifications of Some Existing Wells
- Quarterly Fee for Actual Production by Some New Wells, Per Thousand Gallons Used

Fees for Certain Proposed New Wells

- Well Drilling Authorization Application Fee, for All Proposed Wells
- Well Construction Fee, for Some Proposed Wells
- Production Authorization Application Fee, for Some New Wells
- Production Authorization Renewal Fee, for Some New Wells
- Quarterly Fee for Actual Production by Some New Wells, Per Thousand Gallons Used

Other Fees

- Service Connection Fee for Each New Connection to Public Water Supply Permittee
- Capping/Sealing/Plugging Fee, for Abandoned and Unused Wells
- Various Business Administration and Cost Recovery Fees (e.g., Late Payment Fee)

Do I Already Have A Well on My Property?

Yes

Apply to Register Well
with District for Free

No

You're good to go.
Thanks for visiting.

No, but I want one

Apply for Well Drilling
Authorization/Registration

District Determines
Type of Well

Exempt from
Permitting

Non-exempt – Qualifying
for General Permit by Rule

Non-exempt – Operating
Permit Required

Fees by Well Classification

Exempt Wells

❖ Criteria:

- Domestic Use with pumping capability less than 7 gpm
- Domestic and Livestock Use on more than 10 acres and pumping capability less than about 17.4 gpm
- A few other specialty-use wells (rig supply, fire suppression, dewatering wells, etc.)

❖ Applicable Fees:

- Registration – None (9/30/2021 deadline)
- Production from Existing or New Exempt Wells – None
- Well Drilling Authorization Application for **New/Proposed** Exempt Well - \$500

Fees by Well Classification (continued)

Non-exempt Wells Qualifying for General Permits by Rule

❖ Criteria:

- Don't meet any Exempt criteria
- Domestic Use wells with pumping capability more than 7 gpm
- Aquifer Test production wells, including hybrid production/observation wells

❖ Applicable Fees:

- Registration – None (9/30/2021 deadline)
- General Permit, initial/standard application - \$400 (\$200 for Existing Wells before 3/31/2021)
- General Permit, renewal - \$200 every five years
- Production Fee for Existing or New General Permit Non-exempt wells – None
- Well Drilling Authorization Application Fee for **New/Proposed** Non-exempt Well - \$500
- Well Construction Fee for **New/Proposed** Non-exempt Well under General Permit - \$500

Fees by Well Classification (continued)

Non-exempt Wells Requiring Operating Permits

❖ Criteria:

- Don't meet any Exempt criteria
- Don't qualify under a General Permit by Rule
- Differentiate wells for Non-Agricultural and Agricultural Uses

❖ Applicable Fees:

- Registration and Temporary Permit application – None (12/31/2020 deadline)
- Operating Permit, initial/standard Application Fee (Existing Wells - 3/31/2021 deadline):
 - Agricultural Use - \$400
 - Non-Agricultural Use - \$750
- Operating Permit, Renewal –
 - Agricultural Use - \$300 annually (\$150 if no PH required)
 - Non-Agricultural Use - \$400 annually (\$200 if no PH required)

(Fees continue next page)

Fees by Well Classification (continued)

- **Non-exempt Wells Requiring Operating Permits (continued)**

- ❖ Applicable Fees (*cont'd*):

- Production from Existing or New Non-exempt wells under Operating Permit (starting 1/1/2021, paid quarterly):
 - Agricultural Use – 4 cents per thousand gallons of actual use
 - Non-Agricultural Use – 20 cents per thousand gallons of actual use
- Well Drilling Authorization application for **New/Proposed** Non-exempt Well - \$500
- Well Construction Fee for **New/Proposed** Non-exempt Well under Operating Permit:
 - Agricultural Use - \$500
 - Non-Agricultural Use - \$1000
- One-time Connection Fee for new service connections to public water system wells:
 - New RV slip connection - \$200 each (paid in advance by PWS well permittee)
 - Other new PWS connection - \$1000 each (paid in advance by PWS well permittee)

Minor Modifications (of Previously Installed Wells/Permits)

Minor Modifications to Wells and/or Existing Permits

Include: Transfers of ownership without changing type or amount of use • Reductions in permitted volume • Changing well from Non-exempt to Exempt based on changes in type of use or production volume • Alteration of well physical configuration or well system that do not have characteristics of “Major Modifications” • Converting one well to a multi-user well • Aggregating two or more individually permitted wells by the same permittee under one permit • Increases of permitted volumes by less than 10% in aggregate over three-year period (if they do not have characteristics of “Major Modifications”)

Exclude: Repairs and replacements with similar well system components

Applicable Fees for Minor Modifications:

- *Exempt wells:* WDA application - Yes. WDA application fee - None. Well Construction Fee - None.
- *Wells under General Permits:* WDA application - Yes. WDA application fee - \$100. Well Construction Fee - None. No PH required for permit change, if any.
- *Wells under Operating Permits:* WDA application – Yes. WDA application fee - \$100. Well Construction Fee - None. No PH required for permit change, if any.

Major Modifications (of Previously Installed Wells/Permits)

Major Modifications to Wells and/or Existing Permits

Include: Increases in production that change well from Exempt to Non-exempt • Increases in permitted volumes by 10% or more in aggregate over three-year period • Alteration of well's physical configuration such that the groundwater production is from a different Aquifer Management Zone • Increases in permitted production such that stipulated well spacing cannot be achieved.

Applicable Fees for Major Modifications:

- *For all such wells:* Well essentially becomes a proposed new well.
- *For all such wells:* WDA application – Yes. WDA application fee - \$500.
- *If well remains or will be Exempt:* Well Construction Fee - None; no PH required
- *If well remains or becomes Non-exempt and is/will be under a General Permit:* New GP application fee - \$400. Well Construction Fee - \$500; PH required.
- *If well remains or becomes Non-exempt and is/will be under an Operating Permit:* New OP application fee – \$400 (unless Ag well - \$300). Well Construction Fee - \$1000 (unless Ag well - \$500); PH required.

Questions and Comments

- From Directors, *then*
- From the Public

Exhibit B

Draft Budget

8/27/2020 12:30

Southwestern Travis County Groundwater Conservation District
Fiscal Year 2021 Draft
 October 1, 2020 - September 30, 2021

Revenues		FY 2020 Budget	FY 2021 Budget
Category/Description	EOY Projected	Draft	
Application Fee	\$0	\$15,000	
Non Exempt Operating Permit Well Construction Fee	\$0	\$5,000	
Non Exempt General Permit Well Construction Fee	\$0	\$12,500	
Permit Renewal Application Fees	\$0	\$0	
Water Utility Service Connection Fee	\$0	\$90,000	
Production Fee	\$0	\$33,436	
Production Authorization Application Fee (previously installed)	\$0	\$132,450	
Production Authorization Application Fee (new wells)	\$0	\$13,750	
Well Capping/Plugging Fee	\$0	\$1,000	
Interest Income	\$0	\$100	
Misc. Income (Administrative Fees)	\$0	\$250	
Funding from Travis County (1)	\$15,000	\$0	
Funding from Travis County (2) ILA	\$77,136	\$8,500	
Funding from Travis County (3)	\$0	\$100,000	
Funding from Travis County (4)	\$0	\$50,000	
Enforcement Penalty Income	\$0	\$0	
Technical Projects Cost Sharing Reimbursements	\$0	\$0	
Total Projected Revenues	\$92,136	\$461,986	
Expenses			
Outstanding Obligations	\$0	\$0	
Personnel Expenses	\$2,225	\$173,175	
Vehicle Expenses	\$2,000	\$4,000	
Contract/Professional Services	\$71,000	\$140,700	
Office and Administrative Expenses	\$14,911	\$62,801	
Technical Operations Expenses	\$2,000	\$69,025	
Reserve Funds	\$0	\$12,285	
Total Projected Expenses	\$92,136	\$461,986	
Fund Balance	\$0	\$0	

Exhibit C

Draft Minutes from draft minutes for July 29, August 12,
and August 17, 2020 Board Meetings



SPECIAL 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 a Special 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 in advance with the Notice of Meeting

Wednesday, July 29, 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 July 29, 2020. Six District Directors were present on the conference call constituting a quorum, including Directors Davis, Hennings, Dower, Scadden, Van Ackeren and Urie. Director Hunt was absent. Also present were General Manager Kodi Sawin, Kirk Holland, General Counsel Ty Embry, Carrol Norrell, Chris Knox with Texan Water and Pete Golde.

At the request of Director Scadden all present introduced themselves.

2. Public comments

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

3. Discuss and possibly act on matters related to the District Budget and submitting a draft budget to Travis County

Director Scadden proposed revision the Budget Committee membership to be Directors Scadden, Dower and Urie with Director Dower replacing Director Van Ackeren.

On a motion by Director Hennings and a second by Director Van Ackeren the Board approved the revised Budget Committee membership consisting of Directors Scadden, Dower, and Urie – 6 Ayes to 0 Nays

Director Scadden asked the Board for approval to share the draft budget with Vikki Kennedy at Travis County. Director Hennings suggested sending it after the first iteration of the Fee Schedule is complete. Director Dower suggested that it be sent after changes are made at today’s meeting, especially changes to the expenses. Director Hennings added that we should



note that this budget is preliminary and subject to change. Director Scadden said the budget needs to be finalized and adopted at the September Board meeting.

The Draft Budget is attached as Exhibit A

4. Executive Session to receive legal counsel from SWTCGCD Attorney regarding portions of the draft District Rules

The Board went into Executive Session at 10:39 AM in accordance with Section 551.071 of the Texas Open Meetings act to receive advice from Legal Counsel regarding District fees. Present in the Executive Session were Directors Davis, Hennings, Dower, Scadden, Van Ackeren and Urie, General Counsel Embrey, General Manager Sawin and Consultant Holland. The Executive Session concluded at 10:50 AM. No action was taken by the Board during the Executive Session.

The regular meeting was re-convened at 10:52 AM.

5. Discuss and possibly act on matters related to formulating District Rules, including setting a Public Hearing on the rulemaking at some future Board meeting.

Director Scadden said the Board would now discuss District Fees. Mr. Holland reviewed the Summary Fee Table which shows the Fees discussed at the last meeting in red.

The Summary Fee Table is attached as Exhibit B

Mr. Holland then reviewed the document titled *Several Additional Rulemaking Options for Board Consideration* which presents the following options:

Option A – Combined Well Drilling/Modification Authorization Applications and Construction Fee

Option B – Tiered Production Authorizations

Option C – More Favorable Treatment of Agricultural Use Wells

Option D – Incentivize Earlier Permit Applications

The Documents titled Several Additional Rulemaking Options for Board Consideration and Table Showing Alternative Fees are attached as Exhibit C

Mr. Holland advised that there is a need for the board to make decisions on these issues by Friday July 31st in order to post the required notice for a Public Hearing at the August meeting, but we could have the Public Hearing at a Special meeting at the end of August.

Mr. Holland went on to review the *Alternative Fees Table* which is based on the previously discussed options.

A discussion ensued regarding the need to keep the Construction Fee separate and capped at \$1,000 to align with the enabling legislation. Director Scadden suggested referring to the Well



Drilling Application (WDA) Fee as the Well Drilling Authorization and Well Construction Application Fee with a maximum fee of \$1,000. Director Dower asked if Exempt Wells would be charged this fee and Director Scadden said the enabling legislation does not prohibit charging an Exempt Well a construction fee, but he acknowledged that it does prohibit charging Type 2 Exempt Wells with a construction fee. Directors Dower and Hennings reiterated that they felt that the Well Construction Fee needed to be kept separate as a line item and named as such to fall within the guidelines of the Enabling Legislation using the exact words used there. Mr. Holland agreed that Option A will keep the Well Construction Fee separate. Directors Scadden said he agreed and Director Hennings said she did as well, and she added that she thought it was important to keep the fee for agricultural wells as low as possible. Director Davis agreed with keeping the agricultural well fees low.

Director Davis asked if it was possible to color code each fee to indicate whether it is based on the enabling legislation or on Chapter 36. Mr. Holland said we have not yet said if the Fee Table would be part of the Fee Schedule, but we could. Director Scadden said he strongly felt that the Table should be included, and Director Davis said the Fee Schedule is hard to understand and explain.

A discussion took place regarding whether to have full up-front fees and the shock that might invoke versus raising fees later. Mr. Holland said that it appears that the revenue to be raised from production fees is not going to be enough and we may need to maximize other fees to raise the required revenue. Director Scadden said that we need to find the happy medium between the shock of charging fees that were never charged before and having the perception of creeping fees that rise later, and public education is important.

Mr. Holland said that clearly there is a prohibition on charging well Construction Fees on large tract (10 Acres or more) Domestic & Livestock Wells (ranch wells) producing less than 25,000 gallons per day. However there is no specific prohibition on charging a Construction Fee for other types of Exempt Wells, but as Director Dower points out, elsewhere in the Enabling Legislation there is language indicating that these types of fees were not intended to be charged to any Exempt wells. After some additional discussion it was agreed that no construction fees would be charged for Exempt Wells, and a discounted fee of \$500 would be charged for agricultural wells.

After some discussion of the proposed two-tiered fee schedule for small and large wells it was agreed the added complexity of such a tiered fee schedule was not justified.

Mr. Holland said the annual renewal of operating permits allows adjustment based on what is going on in the aquifer and is an incentive to comply with the permit requirements. It was agreed that the Renewal Fee would be \$200 without a public hearing and \$400 with a public hearing for non-agricultural wells and \$100 without a public hearing and \$200 with a public hearing for agricultural wells.

A discussion ensued regarding the desirability of incentivizing early registration through an early discount and the public outreach needed to educate well owners about requirements and fees.

There was a discussion of Well Plugging permit Application Fees and a \$100 per well across the board fee was agreed upon.



Mr. Holland said that he had eight questions that he wanted to get answers to from the Board and he felt that he had. He asked to run through the eight questions quickly. The questions are:

1. Do we want to include the Fee Summary Table along with the Fee Schedule narrative – Yes
2. Are we OK with looking at October 1, 2020 for the effective date of our Fee Schedule – Yes
3. Do we want to have less than the statutory maximum fees – Yes
4. Are we OK with having a two-stage WDA/permit application process – Yes
5. Are we OK with having separate WDA and Well Construction Permits – Yes
6. Are we OK with having two tiers of operating permits – No
7. Do we want to have early discount for general permit and operating permit fees for existing wells of 50% for the first six months – Yes
8. Are we OK with a service connection fee of \$1,000 per connection to a public water supply after October 1st and a \$200 fee to new RV slips after October 1st – Yes

Mr. Holland asked if it was OK with the Board that he and General Manager Sawin take the information from this meeting and create a new fee narrative and table and put them out for the Public Hearing. Director Scadden asked that they coordinate with the Rules Committee as much as possible and proceed.

Director Hennings asked if our fee schedule would include fines for enforcement actions or will that be done in a separate Public Hearing. General Counsel Embrey said that he envisioned that being done in a separate Public Hearing.

Mr. Holland and General Manager Sawin presented the schedule for approval of Fees and Rules.

Director Scadden thanked Mr. Holland and General Manager Sawin for their hard work.

6. Adjourn

On a motion by Director Dower and a second by Director Hennings, the Board voted to adjourn the meeting – 6 ayes to 0 nays. The meeting was adjourned at 1:24 PM.

PASSED, APPROVED AND ADOPTED THIS 9th day of September 2020

Tim Van Ackeren, Secretary



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 June 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, July 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 10:01 AM on Wednesday May 13, 2020. Seven District Directors were present on the conference call constituting a quorum, including Directors Hennings, Dower, Davis, Scadden, Hunt, Urie and Van Ackeren. Also present were Kodi Sawin, Kirk Holland, Legal Counsel Embry, Vicki Kennedy from Travis County and Pete Golde.

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

May 13, 2020 Minutes

There were no comments on the minutes as drafted.

On a motion by Director Dower and a second by Director Van Ackeren the Board approved the minutes for the May 13, 2020 Board Meeting – 7 Ayes to 0 Nays

June 10, 2020 Minutes

There were no comments on the minutes as drafted.



On a motion by Director Van Ackeren and a second by Director Dower the Board approved the minutes for the June 10, 2020 Board Meeting – 7 Ayes to 0 Nays

The minutes for both meetings are attached as Exhibit B

A discussion of the level of detail in the minutes ensued with the concern expressed about the amount of work required to prepare the minutes and several Directors expressing the opinion that this level of detail is desirable. It was agreed to keep the current level of detail.

4. General Manager's Report

General Manager Sawin provided and reviewed the General Manager's Report.

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 reviewed the Financial Report. For the period ending 6/30/20 two checks were written, one to Sawin Group for \$2,000 and the other to Spectrum for \$82.59. Three deposits were made for \$22.01 from Director Scadden, \$1,000 from Hamilton Pool Road Matters and \$0.04 in interest. The ending balance as of 6/30 was \$315.26.

The Financial Report is attached as Exhibit D

Director Van Ackeren asked how often we bill Travis County. Director Scadden said that we have billed for June and July and we are projecting August and will bill for that. Director Van Ackeren asked if Travis County has agreed to pay based on projections. Director Scadden said yes, they have. Vicky Kennedy approves the payments and they are supposed to be monthly, but they are trying to get caught up with two-month projections. He added that there are two invoices from Lloyd Gosselink, and another is expected in July. Vicky Kennedy stated that the District's invoices need to be submitted every month to help assist with process. Director Dower said that he would like to see the Lloyd Gosselink invoice detail when it is received. Director Scadden committed to send the new Lloyd Gosselink invoice to the Board when it is received. Legal Counsel Embrey explained that most of the legal time is spent up front, mostly for getting the Rules in place with an occasional drafting of a resolution for the Board.

- b. Legislative – Director Davis provided an update on State activities. She said the TCEQ is working on Produced Water and lots is going on regarding Flooding and River Authorities
- c. Science-Outreach – Director Hennings and Director Hunt provided a brief overview of the USGS presentation by Scott Ikard of the interaction between the Colorado River and the Trinity Aquifer. Director Hunt said that Phase 2 of the Travis County/BSEACD ILA was to evaluate the relationship between rivers and lakes, and the aquifer. USGS used a tool to run a transect from Pace Bend to below the Bee Creek Fault. This was a success and gave us information that we did not have. Director Hennings said that there are a couple of distinct features to be investigated. They did see a change at the Bee Creek Fault and Director Hunt added that it is really promising. Director Dower asked if the study looked at the effect of wells drilled next to



the river. Director Hunt said that it did not look in that detail but rather at gross overall flows in or out. Vicky Kennedy said that this technology could be used to look at alluvial wells that pump from the lake. Director Scadden suggested that a link to this presentation be put on our website.

Director Hunt advised that he has 50 hard copies of the Atlas which he will give to General Manager Sawin at the office.

Director Dower advised that there were 361 views of the website, 71 downloads and 1 contact during the past month.

6. Discuss, and possibly act on matters related to formulating District Rules

General Manager Sawin said the rules committee has met several times including a board workshop to work through the various components of the rules from permitting process to fees. The Rules Committee will cover additional items with the Board in our next workshop. She thanked the Board for their guidance so far. She went on to say that the Rules Committee has started to work through definitions to bring to the board for review. Mr. Holland commented that the definitions set the philosophy and tone of the Rules and the Rules Committee has spent a lot of time working on them and the next step in next Monday's meeting. GM Sawin said that the Rules Committee will send the Board information on the meeting in advance so that Directors can think through any questions they might have.

GM Sawin said that she continues to move through the list of Public Water Supplies in the area to obtain up to date contact information and to discern whether or not the system is on groundwater or has moved to surface water.

7. Discuss setting a date for a Board Work Session to discuss the District Rules

Director Scadden suggested Wednesday July 22nd at 10:00 AM for the next Board work session meeting to discuss the District Rules. Directors Davis and Hennings said that they had conflicts on that date and Director Scadden then suggested Tuesday July 21st. The next Board work session meeting to discuss the District Rules was set for July 21st at 9:00 AM since several Directors had existing commitments in the early afternoon.

8. Discuss and possibly act on matters related to designating official office location

GM Sawin presented Resolution 2020-07-01 drafted by Legal Counsel to designate an official office location. Director Scadden suggested that the second "Whereas" paragraph be deleted since the Board had not previously designated an office address. Legal Counsel Embrey agreed.

On a motion by Director Davis and a second by Director Hennings the Board voted to approve Resolution 2020-07-01 as amended – 7 Ayes to 0 Nays

Resolution 2020-07-01 is attached as Exhibit E



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

Director Scadden advised that SWTCGCD was not selected for the INTERA Stewardship Scholarship but INTERA has offered to provide some pro bono technical support. He suggested the possibility of work on a new revenue estimate and a senior person review of the SWTCGCD Rules. GM Sawin said that she will revisit the availability of LCRA funds with David Wheelock at LCRA based on new information re: interaction between Colorado River and Trinity Aquifer.

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

- District Rules development
- TAGD Groundwater Summit attendance
- August Board work session

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

The next Board meeting was set for August 12th, 2020 at 10:00 AM and will be a virtual meeting.

12. Adjourn

On a motion by Director Hunt and a second by Director Hennings the Board voted to adjourn the meeting – 7 Ayes to 0 Nays. The meeting was adjourned at 11:19 AM.

PASSED, APPROVED AND ADOPTED THIS 12th day of August 2020

Tim Van Ackeren, Secretary



MINUTES OF SPECIAL BOARD MEETING OF THE SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Via Video and Telephone Conference

In accordance with the order of the Office of the Governor issued March 16, 2020, the SWTCGCD Board of Directors conducted a Special 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 in advance with the Notice of Meeting

Monday, August 17, 2020 at 6:00 PM

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

Director and Board Vice President Davis called the meeting of the Southwestern Travis County Groundwater Conservation District (SWTCGCD or District) Board of Directors to order at 6:00 PM on Monday August 17, 2020. Four District Directors were present on the conference call constituting a quorum, including Directors Davis, Hennings, Dower, and Van Ackeren. Directors Scadden, Hunt and Urie were absent. Also present were General Manager Kodi Sawin, Kirk Holland, and Ty Embry with Lloyd Gosselink.

At the request of Director Davis all present introduced themselves.

2. Public comments

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

3. Conduct Public Hearing to receive input from the public regarding the SWTCGCD Fee Schedule for Fiscal Year 2021

Director Davis opened the scheduled Public Hearing at 6:04 PM.

Mr. Kirk Holland explained that the presentation at this hearing is the same presentation that we had at the hearing last week, this is round 2. He said he would be talking about the proposed Fee Schedule, the types of fees there are and what fees apply to what kinds of wells. This is a prelude to the Board’s consideration of adopting the Fee Schedule sometime soon. This presentation is pointed toward a well owner here in the District who wants to know what fees might be assessed for that person to pay.



Mr. Holland presented Part 1 – Staff Presentation on Contents of Proposed Fee Schedule.

The Part 1 – Staff Presentation on Contents of Proposed Fee Schedule outline document is attached as Exhibit A

Director Davis then initiated Part II of the Hearing by asking if the Directors needed any clarifications.

Director Dower asked about the Production Authorization Application Fee for existing wells. He said the Board has gone back and forth on this but has decided that we will charge a Production Authorization Application Fee for existing wells but we will discount it by 50% for six months to incentivize them to register and get permitted early. He asked the Board if the intent was to make that discount applicable to all wells in the first six months or just to the existing wells? Do new wells get that discount also? Mr. Holland replied that the intent was to get existing wells permitted early but if someone came in during the first six months and wanted to permit a new well, we would honor that discount. Director Davis said that she thought it was just for existing wells. She asked if anyone else had any thoughts on that. Director Dower said he also thought it was just for existing wells and Director Van Ackeren said that he did also. Mr. Holland suggested that, as a practical matter it would be nearly impossible for someone to have a new well permit application in the first half of FY 2021. Director Hennings pointed out that the Fee table does not indicate the discount for new wells. Mr. Holland said he thought that the written narrative Fee Schedule does indicate that the discount applies to the new wells and he said he would go back and look at it and make sure they agree. The Board agreed that it needs to be clear what the discount applies to and that it should not apply to new wells.

Director Dower had another question regarding Production Authorization on existing wells. Are we going to authorize production based on historical production from the well or are we going to go through rigorous analysis of the aquifer and those sorts of things? Mr. Holland said he did not think the data would be available about how much an existing well had been producing because they are not metered or recorded. The permittee will be requesting a production amount in their application and we will look to see if that is reasonable regarding the use, amount of land, etc. and do some evaluation of whether it is reasonable use. Director Dower said his point is that the evaluation of an application for an existing well is going to more or less “perfunctory” based on some simple guidelines and, that being the case, do we think we can justify charging an application fee of \$400? Mr. Holland responded yes, it is between five and six hours of work for somebody at \$70/Hr.

Director Davis asked about well repairs such as pulling a pump. Do you have to get a permit for that? Mr. Holland responded yes, if you are modifying the well, but if it is replacing something such as a pump with one of the same size, then no. Outright repairs are not even considered modifications.

Director Dower asked if we should charge a late registration penalty fee for late registration of existing wells? Director Hennings asked how much time we would be thinking about? Director Dower said if an Operating Permit well were to be several years late we would have been missing out on several years of productions fees and we should be able to back charge for those fees, or what can we do to get those guys to register those wells? Mr. Holland advised that if an owner of



a well requiring an operating permit is operating the well without a permit they are in violation of the District Rules and there is a fine of like \$1,000 per day and that applies to a General Permit by Rule well also. He indicated it is a valid question to ask if we should have a specific time or date by which all wells are required to be registered and permitted. General Counsel Embrey said that he was in favor of a specific time period.

Director Davis asked if any Board member or member of the public had any more questions and there were none.

Director Davis closed the Public Hearing at about 7:02 PM

4. Discuss and possibly act on matters related to the District Fee Schedule

Director Dower asked if the Board had any further comments about a period by which all wells must be registered. Director Van Ackeren expressed the position that one year seems like an appropriate time period. Director Davis asked if we could separate the Exempt Wells with regard to this penalty. It was agreed that that is possible and desirable.

Director Davis asked if there was any further discussion and there was none.

5. Adjourn

On a motion by Director Van Ackeren and a second by Director Hennings, the Board voted to adjourn the meeting – 5 Ayes to 0 Nays. The meeting was adjourned at about 7:10 PM.

PASSED, APPROVED AND ADOPTED THIS 9th day of September 2020

Tim Van Ackeren, Secretary