



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, February 10, 2021 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 February 10, 2021. Six District Directors were present on the conference call constituting a quorum, including Directors Hennings, Dower, Scadden, Hunt, Davis, and Van Ackeren, Director Urie was absent. Also present were Kodi Sawin, Kirk Holland, Ty Embrey and Cole Ruiz with Lloyd Gosselink, Lane Cockrell, Virginia Smith, Vicky Kennedy, Charlie Flatten, hydrogeologist Andy Donnelly, 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.

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

- a. December 9, 2020 Minutes
- b. January 13, 2021 Minutes - Postponed

Director Scadden asked if there were any comments or questions on the minutes presented for approval and there were no comments or questions from the Directors.

On a motion by Director Van Ackeren and a second by Director Hennings, the Board approved the minutes from the December 9, 2020 – 5 Ayes to 0 Nays with Director Hunt Abstaining as he was absent from the December 9th meeting

A copy of the Minutes for December 9, 2020 is attached as Exhibit A



Action on approval of the January 13, 2021 minutes, which were not ready in time for this meeting, was deferred until the March meeting.

4. General Manager's Report

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

- Stakeholder communication and public inquiries
- Application and registration inquiries and status
- Drought stage status and outlook
- Regulatory Items and Updates
 - TWDB
 - TCEQ
 - GMA 9
 - Others
- Other Items of Interest not requiring Board action

General Manager Sawin provided a spreadsheet titled *Status of Registrations and Applications* summarizing well activity to date.

The Status of Registrations and Applications spreadsheet is attached as Exhibit B

Director Hunt asked about outreach efforts and how the District can get the word out before April 1st. General Manager Sawin said she is working from an extensive list of professionals to get clients registered. She has had contact with Public Water Supply and Irrigation users. She said the District could do some "press work" but right now we are trying to "shepherd" in the larger operating permit users, and the workflow that would result from press effort might be overwhelming. Director Dower asked GM Sawin what type of users are on her list of contacts. GM Sawin replied that there are about 56 irrigation users for which it needs to be determined if they are operating permit users or NDU users. Director Scadden added that the District is also contacting service providers for existing wells. GM Sawin said that the WTCPUA has information about groundwater users that have switched to surface water. Director Hennings commented that Hydrogeologist Cockrell has a list of smaller users for next tier of contacts. Director Scadden said that it looks like no Service Connection Fees have been collected yet, but they have been effective since October 2020. GM Sawin said that the District is working on Service Connection Fees with two water suppliers, and we are looking at subdivision build-out plans of the third.

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

- a. Finance – Director Scadden advised that he and Mr. Golde would present the Financial Report in Director Urie's absence. He then thanked Director Urie for setting up the new Escrow Account at the bank and he thanked Mr. Golde for setting up the Escrow Account in



QuickBooks Online. Director Scadden went on to say that we now have a General Fund that receives fee-based revenue and a separate Travis County Escrow Fund specifically designated for Travis County ILA funds. General Manager (GM) Sawin displayed the Balance Sheet and explained that it shows where we are funding-wise. In response to a question from Director Scadden, Mr. Golde explained that the remaining unpaid bills are represented by the Accounts Payable line on the Balance Sheet and the negative value on the Equity line indicates that you have spent more than you have taken in. Mr. Holland further explained that Equity is the organization's net worth. Director Dower commented that the unpaid bills are a lot less than before and GM Sawin said we will be chipping away at them and should be able to pay all in the next month or two. Director Scadden reiterated that the Travis County ILA is very specific that the District cannot co-mingle funds in these two accounts, and it is now setup as separate accounts both at the bank and in the District's QuickBooks.

Director Scadden suggested not looking at all the pages of the Financial Report since there is a lot to cover at this meeting and we will get to some of it in the Budget discussion. He asked the Directors if they had any questions or comments. Director Davis said that she had heard from the Texas water Development Board (TWDB) that there may be a possibility of a three-year loan, but the District's attorney would have to talk to the TWDB attorney to see if it is feasible. She also said that, in her talking to many people, the City of Austin might be a place to seek financial help. Director Hennings pointed out that BSEACD gets a large part of its funding from the City of Austin and since our District covers a small part of the City of Austin perhaps some small part of the funding can be applied to SWTCGCD. Mr. Holland said he was not optimistic about the possibility of getting funding from the City of Austin, but it could not hurt to ask. Director Scadden expressed the opinion that it is worth pursuing since the City of Austin has a lot of conservation land in our District. Director Hunt agreed and suggested focusing on support of the science research.

A copy of the February 6th Financial Report is attached as Exhibit C

- b. Legislative – Director Davis suggested that all Directors review the TAGD email that came out on March 5th and watch the video of Chairman Perry's keynote address to TAGD which is important, and he explains the direction that he is going. Director Davis went on to say that Chairman Perry's bill SB 601 regards "Produced Water" from oil field operations, but it is of interest because it contemplates use of the water after it is adequately treated to replenish depleted aquifers. Senate bill SB 152 and companion House bills HB 666 and HB 668 make changes to the Texas Water Code to change the work "shall" to "may" regarding court mandated recovery of attorney fees in frivolous lawsuits. They also create a pathway to challenge GCD rules without going to court. General Counsel Embrey advised that Chairman Perry said that he is not planning on filing any other bills. Ms. Kennedy asked if pathway to challenge GCD rules in SB 152 is considered good or bad and she said Travis County is planning to oppose it. General Counsel Embrey said that he had chaired a committee at the Texas Water Conservation Association that worked on this and the Petition for Rulemaking language is good and got 90% consensus. It makes GCDs just like other state agencies where the district makes the decision on a Petition for Rulemaking and there is no opportunity to appeal or sue the GCD if it is denied. He added that the Farm Bureau keeps bringing back the "Shall" to "May" language change which was killed last session. Mr. Flatten asked General Counsel Embrey to



explain where GCDs differ from other State agencies. General Counsel Embrey explained that the State Attorney General does not defend GCDs in lawsuits as it does for other State agencies. The “shall” language was put in the Water Code (Chapter 36) to protect CGDs from frivolous lawsuits. Mr. Flatten asked how many lawsuits there have been in the last 20 years and General Counsel Embrey estimate about 20.

- c. Science and Outreach – Director Hennings asked Director Hunt and Ms. Kennedy to provide an update on the ILA between the Bureau of Economic Geology (BEG) and Travis County. Director Hunt said they were hoping to kick off the work in March and Ms. Kennedy said that the funding has been approved and they are getting signatures on the ILA. Director Hunt suggested that the District consider hosting a webinar on the Hydrogeological Atlas and Director Hennings agreed saying that, with Director Hunt and Mr. Cockrell as authors of the study that produced the Atlas, the GCD would be ideal to conduct the webinar and she suggested breaking it up into perhaps four separate sessions to make them digestible.
- 6. Discuss and possibly act on matters related to implementing District Rules, including but not limited to plans, forms, guidelines, templates, and possible future Rules changes.**

GM Sawin said that Director Dower has recommended investigating some of the Rules requirements with the possibility of needing some changes. She presented a PowerPoint slide titled; Rules Status—Non-Exempt, Existing Wells (Operating Permit Requirements). Her recommendations are to wait until the March Board meeting to consider any changes, Rules changes are quite expensive, focus on the April 1, 2021 deadline which is when enforcement of District Rule 3.4 B begins. Director Dower commented that if we are going to make any Rules changes, we need to make them before April 1st. GM Sawin opined that the District Board may be able to make some considerations and directions that will allow us to operate in a modified fashion as we develop any Rules changes. General Counsel Embrey said it is up to the Board to decide how to enforce the District Rules. He went on to say that all the districts he has been involved with work with permittees and don’t want to hammer them in the beginning, but eventually the day comes where you need to enforce. GM Sawin said she was leery to change deadlines at this point because you want to keep the sense of urgency. Director Dower said he agreed with that. GM Sawin went on to say that actually applying Rules changes at this time would not only be expensive, but it would be disruptive and change how we do things since it impacts applications that have come in as well as those that will come in.

A copy of the slide Rules Status—Non-Exempt, Existing Wells (Operating Permit Requirements) is attached as Exhibit D

- 7. Discuss and possibly act on matters related to the funding from Travis County and the new Interlocal Agreement.**

Director Scadden advised that the new Travis County ILA has been established and amended to cover the period from December 22, 2020 through January 8, 2021. The Escrow Fund has been established and funded by Travis County with \$33,100. He said the Board members have been sent a copy of the ILA. Director Scadden expressed appreciation for the support Travis County has



provided and he said GM Sawin will prepare the first invoice under the new ILA. Director Dower thanked Director Scadden for his effort on this and Director Scadden thanked GM Sawin and Ms. Kennedy from Travis County as well.

8. Discuss, and possibly act on matters related to bookkeeping and hiring an auditor.

Director Davis advised that the subcommittee has identified three auditing firms. She said they had spoken to Montemayer and to Spencer but have not yet spoken to the third which is McCall Gibson. Director Dower asked what the time frame is for getting an Auditor on board, adding that he thinks that Auditor will be helpful to Director Urie and Mr. Golde. He asked if we can have a recommendation at next month's meeting and Director Davis said yes.

9. Discuss and possibly act on matters related to Lloyd Gosselink contract with the SWTCGCD.

Director Scadden initiated discussion saying that the work level and invoicing from Lloyd Gosselink has gone as General Counsel Embrey predicted with a lot early on during establishment of the District and Rulemaking, and then tapering off. Director Dower asked about the billing rate for Cole Ruiz as compared to Troup Brewer. General Counsel Embrey said that Cole Ruiz might have a slightly lower billing rate than Troup Brewer. Director Dower said that the District's major expenses are consultants Lloyd Gosselink and Holland Consulting. He asked if we need to take some steps to limit these expenses. GM Sawin said that the plan is to transition to Mr. Ruiz for monthly meetings. General Counsel Embrey said his firm will do whatever the Board wants. Gm Sawin said that the true cost of work of all of the consultants is not reflected in the billings and there are a lot of hours that the Board does not see in invoices, and she said she wanted to thank Mr. Holland and Lloyd Gosslink for that.

10. Discuss and possibly act on matters related to the Sawin Group consulting contract with the SWTCGCD

Item 10. was postponed until later in the meeting.

11. Discuss and possibly act on matters related to the Holland Groundwater Consultants consulting contract with the SWTCGCD

Director Scadden explained that he had asked Mr. Holland to stand down after December due to financial constraints. Director Dower said that Phase 1 of Mr. Holland's contact does not end until next month, so we don't have to start Phase 2 until next month.

12. Discuss and possibly act on matters related to the Lane Cockrell's consulting contract with the SWTCGCD

Director Scadden reminded the Board that they talked about Mr. Cockrell's contract last month and the Board increased the contract compensation rate. He advised that the revised contract has been signed for work through Fiscal Year 2021.



13. Discuss and possibly act on matters related to the staffing for the SWTCGCD

General Manager Sawin presented a spreadsheet outlining a suggested reallocation of the General Manager funds in the Travis County ILA to various other functions. She concluded her presentation by saying that she needs a date at which her involvement with the District is phased out.

A copy of the Suggested Reallocation of General Manager Funds spreadsheet is attached as Exhibit E

Director Hunt said that he had a question about the spreadsheet and asked if the allocated funds shown are really the ILA money and General Manager Sawin said that is correct. Director Hunt then asked if there are other funds available from fees or is that revenue just not significant and how much would that be? General Manager Sawin said that would be discussed later in the meeting under another agenda item. Director Hunt said he had a follow-up saying that it looks like you are suggesting that we won't have a General Manager. He went on to say that he thinks operationally and from our Rules doesn't the District need a General Manager, the Rules even require General Manager approval for certain things. GM Sawin said the District needs more of a junior level General Manager. Director Hunt then asked what funds would be used for that General Manager? GM Sawin suggested further discussion of this in executive session and she repeated that she needs some clarity about when she can phase out by June 1. She went on to say that fees are coming in and that will be discussed in a later agenda item. Director Scadden said, to answer Director Hunt's question, in the proposed and approved FY 2021 Budget we had projected \$460,000 in revenue and \$150,000 or about one third of that is from the ILA and the other two thirds would be from projected fee revenue. That revenue has started to come in and the Budget is based on quite a lot more revenue to come. Director Hunt said he appreciated that, and he was aware of the Budget projections, but just didn't know how much of it has been realized. The way it is allocated as GM Sawin proposes, there is no allocation for a General Manager at any level, it looks like. Director Dower said Director Hunt is right and there seems to be some confusion about what is ILA and what is our operating fund. He asked GM Sawin if the spreadsheet is showing amounts just going forward and not including what has already been spent? GM Sawin said that was correct. She said the ILA funds are the one thing that we can rely on with certainty, we know what it is, and we know how to use it. Director Dower added that, to Director Hunt's point, there is going to be other funding available. Director Scadden asked if the Directors had any further questions and that he does want to have an Executive Session with just the Directors and Legal Counsel to discuss this. Director Dower said that GM Sawin made the statement that she is willing to continue until June 1 as a general consultant after that and he asked her how much time she felt she would be able to commit to the District after February 28th? GM Sawin replied that there is \$6,000 to play with and it is up to the Board how to use that whether it is \$2,000 per month or just go to the end of March. Director Dower said there are a lot of public hearings coming up, and issuance of temporary operating permits, and he asked if GM Sawin feels that is something she needs to be involved in or is that something Mr. Cockrell can handle? GM Sawin said it would be helpful for her to continue assisting with that through June as a general consultant.

Director Hunt then said, before we go into Executive Session, his thought is that we now know what GM Sawin wants, which is to step away from the District and to do that in a fashion that is not going to leave the District hanging. It also brings up the question of what sort of GM position



we need to be thinking about and the discussion seems to be pointing towards Mr. Cockrell and we need to ask him what he thinks. Director Scadden asked Mr. Cockrell if he wanted to say anything before the Board goes into Executive Session. Mr. Cockrell asked if the proposed re-allocation would require amendment of the Travis County ILA and is there any guarantee that the County will be on board with that? GM Sawin said that re-allocations do not require amending the ILA, just approval from the Travis County Transportation and Natural Resources. Mr. Cockrell said GM Sawin discussed this with him and his first reaction was one of hesitance and he was concerned if he stepped into the GM role the groundwater science would suffer. He said he would be willing to consider the GM position if he had some assurance that he would have access to the support that he needed, in support staff and budgeting, to ensure that he could be successful.

- 14. The Board may go into Executive Session to consult with Attorneys and discuss personnel matters related to staffing including but not limited to the staffing provided by existing Consultant contracts. This discussion may include the General Manager, staff Hydrogeologist, a potential administrative assistant or similar new position, and the consultants associated with those positions. The Executive Session will be for discussion only and any Board decisions will be made in the Open Meeting.**

Director Scadden adjourned the regular meeting at 12:50 PM and the Board went into executive session.

Director Scadden re-convened the regular meeting at 1:50 PM with all present except Director Urie.

Director Scadden said that the Board appreciates GM Sawin's work, understands what she is recommending, and wants to work through a phasing out of her functions at the District. He said the Board discussed hiring a new General Manager and he proposed a motion to appoint a sub-committee comprised of Directors Hennings, Dower, and Van Ackeren to find a new General Manager.

On a motion by Director Scadden and a second by Director Hunt, the Board approved the creation of a General Manager search Committee comprised of Directors Hennings, Dower, and Van Ackeren – 6 Ayes to 0 Nays

Director Scadden then asked about Virginia Smith's interest in working with the District and what her timing is? Ms. Smith replied that it depended on what the District wants her to do. Director Scadden said that he didn't mean to put her on the spot and her interest could be discussed further later.

Director Scadden added that there is no change required now to the Sawin Group contract so no further discussion under Agenda Item 10 is necessary.

Lastly, Director Scadden advised that the responsibility for GMA9 and TAGD coordination and attendance will be picked up by Board members to remove that responsibility from GM Sawin.

Director Hennings and General Counsel Embrey left the meeting at 1:58 PM



15. Discuss and possibly act on matters related to the SWTCGCD Annual Budget

This discussion was postponed to the next meeting.

16. Discuss and possibly act on matters related to IT items including, but not limited, to email addresses, domain name renewal, and establishing a District Zoom account.

Director Dower reported that there were 208 page views on the website last month which is a concern since it is a decline. He also advised that he needs to renew the website hosting subscription for another year at a cost of around \$200 and Cybersecurity Training is due to be completed by June. He then proposed that the District subscribe to a Zoom account based on a District email address at a cost of around \$150 per year which was agreed to, and GM Sawin was asked to set it up.

17. Discuss and possibly act on matters related to future Board Meeting frequency and structure

Director Scadden said that he put this item on the agenda to address the length of some of the District Board meeting, like this one, and wondering if there are some things we can do to make then less time consuming. He said there probably isn't time to discuss now but asked if anyone had any comments. Director Dower said that if we meet once a month there is a time schedule in State law for paying invoices, but if we meet twice a month the time schedule is half as long, so perhaps we should stay with monthly meetings. Director Hunt said, in his experience at BSEACD where they were experiencing long, long meetings and they tried having them more frequently and all the ended up with was long, long meetings more frequently.

18. Discuss and possibly act on matters related to GMA 9

Director Scadden advised that he made a motion for a vote at the last GMA9 meeting concerning SWTCGCD's obligation to pay our share of the ongoing study work for the Exploratory Report and it was a tie vote. One district said they had not had time to discuss it among their board and they would go back and do that and the vote will be taken again at the next meeting. Also, the boundary adjustment to take us out of GMA10 so we will only be in GMA9 is moving forward.

19. Discuss and possibly act on agenda items for future Board meetings.

- Budget Review

GM Sawin and Director Davis will prepare the agenda and Director Davis will chair the meeting, provide any additional agenda items to them.

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

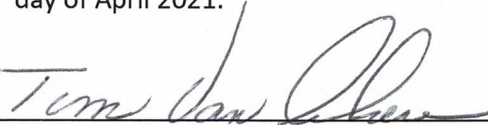
Regular Board meeting on March 10, 2021 at 10:00 AM, remote access only.



21. Adjourn

On a motion by Director Davis and a second by Director Dower, the Board voted to adjourn the meeting – 6 Ayes to 0 Nays. The meeting was adjourned at 2:10 PM.

PASSED, APPROVED AND ADOPTED THIS 14th day of April 2021.



Tim Van Ackeren, Secretary



Exhibit A

Minutes for December 9, 2020



MINUTES OF 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

Wednesday, December 9th, 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 December 9, 2020. Five District Directors were present on the conference call constituting a quorum, including Directors Davis, Hennings, Dower, Van Ackeren, and Scadden. Directors Urie and Hunt were absent. Also present were General Manager Kodi Sawin, Kirk Holland, and General Counsel Ty Embry, Marianne Cassels, Carl Jones, Charlie Flatten, Kyle Bates, Kevin Langford, Julie Podbielsk, and Pete Golde.

At the request of Director Scadden all present introduced themselves.

2. Public comments

Director Scadden called for public comments. Carl Jones said that he is concerned about another drought like 2011-2012 and he wanted to get a comment about that. Director Scadden advised that he and the board cannot engage in discussion during the Public Comments part of the meeting but the District is always concerned about drought and the District Rules included requirements for Drought Contingency Plans.

3. Conduct Public Hearing to receive input from the public regarding the proposed amendments to District Rules

Director Scadden closed the General Meeting and opened the Public Hearing at 10:08 AM.

General Manager Sawin advised that none of the proposed revisions are the result of one instance but rather a pattern of comments.

Mr. Kirk Holland provided a presentation of the SWTCGCD proposed amendments to the District Rules using a marked-up version of the District Rules. He explained that these proposed changes



have been approved by the District Board for this Public Hearing. Mr. Holland reviewed changes made to the Rule 2 Definitions and changes in Rule 3 including:

- Extending the deadline for registration of Non-Exempt Wells which will require an operating Permit from December 31, 2020 to February 28, 2021
- Repairs or replacement of equipment that do not constitute a Modification of the well does not require a Well Drilling Authorization
- District approval is required before drilling or modification actions are undertaken or before groundwater is produced under a Production Authorization
- Extended the deadline for having administratively complete applications for Existing Wells that are likely to be under Operating Permits from March 31, 2021 to June 30, 2021
- Additional language added to define what a Tier 1 Aquifer Test comprises
- Language added to emphasize that operating a non-exempt well that is not a Non-exempt Domestic Use (NDU) Well before either a Temporary Operating Permit or an Operating Permit has been issued is a violation of these Rules
- April 1, 2021 set as the date when wells requiring Operating Permits must have either a Temporary Operating Permit or an Operating Permit
- The date for Operating Permit holders to start their monthly meter reading and reporting is extended from January 1, 2021 to April 1, 2021
- Late fee payment date changed from the 10th of the month to the 15th of the month
- Added language that NDU permit holders may voluntarily meter their wells to demonstrated compliance with their curtailment targets in their Drought Contingency Plan

Mr. Holland continued reviewing changes to Rule 4 which defines well spacing and reporting including;

- Setbacks from rights-of-way
- Reducing the setback of wells producing less than 25,000 gallons per day from 100 ft. to 50 ft. and requiring cementing of only the top 100 ft. of the annulus on those wells and not the entire annulus
- Replacement wells are not subject to the spacing requirements of this section but are subject to TDLR requirements
- Added general provision that all new well applicants must be able to demonstrate that the well construction materials and methods will prevent comingling of waters of poor quality with good quality waters and also prevent infiltration of surface contaminants.

Mr. Holland continued to review changes to Rule 5 which deals with Groundwater Protection, mainly conservation and drought contingency planning including;

- Elimination of monthly calculation of targeted curtailments for NDU well permit holders during drought and requiring quarterly calculation instead
- Increased targeted curtailment percentage for NDU Wells during Extreme Critical, and Exceptional Droughts to 30% reduction of normal use from 20%
- Added an alternative to NDU Well prohibitions on lawn and landscape watering and other outdoor water use during Critical and Exceptional Drought stages by voluntary metering and reporting of use during those drought stages



Mr. Holland went on to say that there are some additional changes that the Board has not seen yet including:

- Modification of the definition of Existing Well to be a well that was drilled or modified on or before October 1, 2020, or is a new well that is located on a tract of land that was platted for development on or before September 1, 2020, or that has an executed drilling contract on or before September 1, 2020, and in all cases the well must be spudded before December 31, 2020 and is registered with the District
- A new category was added and defined for Emergency Well repairs that won't require 24 hour advance notice to the District prior to start of work
- Establish April 1, 2021 as the latest date by which all Non-exempt Wells except for NDU Wells must have a Temporary Operating Permit or a regular Operating permit
- Allowing 60 days from date of application for applicants for NDU General Permits to submit a User Conservation Plan and a User Drought Contingency Plan which are required to change a temporary NDU permit to a regular NDU permit
- Temporary Permits are not renewable
- If emergency repairs are performed on a well that is not registered the owner has 48 hours to register that well

After Mr. Holland finished his presentation, Director Scadden asked if any Directors had any comments or questions regarding the proposed amendments to the District Rules and there were none.

Director Scadden then asked if there were any questions or comments from the public.

Mr. Page asked if there is no requirement for 24-hour notice before hand if emergency repairs such as lowering or replacing a pump are required? Mr. Holland explained that if the emergency is interruption of water supply for an unacceptable duration you still have to notify the District, but you don't have to wait 24 hours to perform the emergency work.

Director Scadden said these questions will be discussed in the next agenda item after the Public Hearing is closed.

Director Scadden closed the Public Hearing and re-opened the Board Meeting at 10:37 AM

Notes from the presentation on proposed amendments to the District Rules are attached as Exhibit A

The Marked-Up Version of the District Rules used for the Presentation during the Public Hearing is attached as Exhibit B

4. Discuss and possibly act on matters related to the proposed amendments to the District Rules

Director Scadden asked if there were any further questions on the proposed amendments to the District Rules or would someone like to make a motion to adopt the amendments to the District Rules.



Director Van Ackeren made a motion to adopt the proposed amendments to the District Rules and the motion was second by Director Scadden

Director Scadden asked if there was any further discussion. Director Dower said that he wanted to go on record that he supports these proposed changes, but he is still concerned that some smaller Operating Permit holders can't comply with all of the District Rules and he asked to take a look at that at next month's Rules Committee meeting. Directors Scadden and Davis said they agreed to discuss further at the next Rules Committee meeting. Director Scadden asked Director Davis if she could replace Director Hunt on the Rules Committee and after a brief discussion regarding the time commitment required Director Davis agreed. Mr. Holland suggested that it might be helpful to define the scope of the problem and what specific aspects of the Operating Permit application process is a problem for permittees. Director Davis said that she will commit to helping with this effort. Director Scadden pointed out that Director Dower has put a lot of this in writing and his work is a good starting point.

The Board approved the motion to adopt proposed amendments to Rules – 5 Ayes to 0 Nays

5. Conduct Public Hearing to receive input from the public regarding the proposed amendments to District Fee Schedule for Fiscal Year 2021

Director Scadden closed the General Meeting and opened the Public Hearing at 10:50 AM.

General Manager Sawin explained that the proposed amendments to the District Fee Schedule are changes to the Fees resulting from the Rules changes just adopted. Mr. Holland advised that the Fee changes consist of;

- Technical Edits
- New Dates
- No Fee amounts changed
- No change to Summary Table of Fees

Director Scadden asked if any Directors had questions and there were none, he then asked if any members of the public had question and there were none.

Director Scadden closed the Public Hearing and re-opened the Board Meeting at 10:56 AM

Notes from the presentation on proposed amendments to the District Fee Schedule are attached as Exhibit C

6. Discuss and possibly act on matters related to proposed revisions to the Fee Schedule for FY2021

Director Scadden asked if there were any further discussion of the proposed amendments to the District Fee Schedule and Board indicated that there was no further discussion required.

On a motion by Director Hennings and a second by Director Davis the board approved adopting the proposed amendments to the Fee Schedule for the District – 5 Ayes to 0 Nays



7. Discuss and possibly act on approving the previous meeting minutes

- September 23, 2020
- October 14, 2020
- October 28, 2020

General Counsel Embrey said he had completed his review of the September 23rd minutes which had been tabled at last month's Board Meeting and proposed the following language to be added to the discussion of the Rules in Item 4.:

Director Dower requested that language be added to the Board Resolution adopting the Rules for the District include language that the Board directed legal counsel to ensure compliance of the Rules for the District with the District's enabling legislation, Chapter 36 of the Texas Water Code, and the laws of the State of Texas.

And that the following wording be added to the motion adopting the Rules:

with the additional language related to the review by legal counsel

General Counsel Embrey also proposed the following language to be added to the discussion of the Fee Schedule in Item 5.:

Director Dower requested that language be added to the Board Resolution adopting the Fee Schedule for the District include language that the Board directed legal counsel to ensure compliance of the Fee Schedule for the District with the District's enabling legislation, Chapter 36 of the Texas Water Code, and the laws of the State of Texas.

And that the following wording be added to the motion adopting the Fee Schedule:

with the additional language related to the review by legal counsel

On a motion by Director Davis and a second by Director Hennings the Board accepted the changes proposed by General Counsel and approved the September 23rd minutes – 5 Ayes to 0 Nays

Director Scadden then asked if there were any comments or questions on the October 14th and 28th minutes and there were none.

On a motion by Director Van Ackeren and a second by Director Dower the Board approved the October 14th and the October 28th minutes – 5 Ayes to 0 Nays

The minutes for September 23, 2020, October 14, 2020, and October 28, 2020 as approved are attached as Exhibit D

8. General Manager's Report

- Stakeholder communication and public inquiries
 - Application and registration inquiries and status



- Drought stage status and outlook
- Regulatory Items and Updates
 - TWDB
 - TCEQ
 - GMA 9
 - Others
- Other Items of Interest not requiring Board Action

9. Receive, Discuss, and take action as necessary for Board Committee Reports

Finance – Director Scadden presented the Financial Report in Director Urie’s absence, advising that the bank balance is \$14,833.63. He said that he had emailed the Reconciliation Detail Report to each of the Directors. Since then Director Scadden said that he and General Manager Sawin reviewed several more recent receipts of fees and expense payments and we will get an update from Jim Urie on that next month.

The Reconciliation Detail report for the period ending 11/30/20 is attached as Exhibit E

Legislative – Director Davis said she would like to encourage everyone to keep up with the legislative area of the TAGD newsletter and the Texas Water Development Board. The main thing at this point is Senator Perry’s SB 152. General Counsel Embrey said he had been involved with the Texas Water Conservation Association Groundwater Committee who are looking at groundwater legislation and two bills have come out of that process. The first deals with unreasonable DFCs and the second concerns a petition for rulemaking to give landowners another avenue to address any concerns they have with a District through a petition for rulemaking process like the State Agency process. He reiterated that SB 152 is the main groundwater bill this session.

Science-Outreach – Director Hennings said that she received a note that the Kent Butler Summit will be held as small county level virtual meetings focused on land conservation, and she said she would be happy to attend on behalf of the District. Director Scadden asked if more than one person could attend from the District, and if there is a fee. Director Hennings said she would ask and if anyone has a strong interest in land conservation they can attend in her place or she will get them registered as well, if that is possible, and she said there is no fee. Directors Scadden and Davis indicated that they had interest in this topic and Director Hennings said she would get them connected with Summit folks. Director Dower reported that there were 309 views of the District Website last month and that he had added a new email account for staff use.

10. Discuss and possibly act on matters related to implementing District Rules, including but not limited to plans, forms, guidelines, and templates.

General Manager Sawin said we have worked with the community to make improvements to the Well Drilling Authorization application and an updated version will be posted to the website this afternoon. The Water Service Connection form has been finished and will be sent out to the appropriate Operating Permittees. The UDCP and UCP templates have been completed as well as the Groundwater Protection Plan template for NDUs. Mr. Holland commented that this is an easy way for NDUs to comply and he asked if anyone had any questions and there were none.



Director Dower asked if we need to notify well owners regarding Drought Stage D2. Director Scadden said he would add an agenda item to next months meeting to discuss Drought Declaration and he pointed out that curtailments do not apply until we have permit holders. Director Scadden then asked if the Directors had any questions or comments on these forms and Director Hennings replied that she thought they looked good and she thanked everyone for their work.

11. Discuss and possibly act on matters related to the funding from Travis County and a new Interlocal Agreement

Director Scadden provided an update on the Draft Travis County ILA advising that Travis County accepted some of the District comments. The final result is workable with \$185,000 available through the ILA. Director Scadden said that Resolution 2020-12-01 has been prepared to authorize him to finalize and sign the ILA. He then asked if any Directors had any questions and there were none. Directors Davis and Van Ackeren thanked Director Scadden, General Manager Sawin and General Counsel Embrey. General Manager Sawin thanked Vicky Kennedy, Director Scadden, and Anna Bolton.

On a motion by Director Davis and a second by Director Dower the Board approved Resolution 2020-12-01 regarding the Travis County ILA – 5 Ayes to 0 Nays

The Draft Travis County ILA is attached as Exhibit F

12. Discuss and possibly act on matters related to hiring a bookkeeping company

Director Davis said that Director Urie is willing to continue to do the bookkeeping. Director Van Ackeren opined that there is a minimal amount of bookkeeping with Director Urie being willing to continue the committee is not pushing forward with a Bookkeeper search. Regarding the Auditor Director Davis advised that audit costs drop significantly after February and she asked General Counsel Embrey if there is a deadline for completing the audits. General Counsel Embrey replied No, just every year on a Fiscal Year basis. Director Scadden said he would prefer to go through the process of selecting an auditor now even if he or she did not start work until after February. Directors Davis and Van Ackeren agreed. Director Dower advised that Travis County is going to require a report on Spending v. Budget.

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

- Bookkeeper and Auditor
- Rules Implementation
- Drought Stage Declarations
- Rules changes for small Non-Exempt Owners

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

The next regular Board meeting will be January 13, 2021 at 10:00 AM

15. Adjourn



On a motion by Director Hennings and a second by Director Van Ackeren, the Board voted to adjourn the meeting – 5 Ayes to 0 Nays. The meeting was adjourned at about 11:59 AM.

PASSED, APPROVED AND ADOPTED THIS 10th day of February 2021

Tim Van Ackeren, Secretary



Exhibit B

Status of Registrations and Applications spreadsheet

Type	Number To Date
Well Registrations - total	58
WDA - total	31
WDA - new wells	26
WDA - incomplete (awaiting missing information and/or application fees)	11
WDA - new non-exempt wells (Production Authorization applications forthcoming)	2
Production Authorization - total	7
Production Authorization - Operating Permits, under review or incomplete	4
Production Authorization - General Permit, under review or incomplete	3
Production Authorization - Administratively Complete	0
Production Authorization - in communication with existing non-exempt wells	>20
Well Registrations - Operating Permit required, PA app forthcoming	9
Well Registrations - General Permit required, PA app forthcoming	8
Well Registrations - Domestic Use, additional info needed to determine exempt status	7



Exhibit C

Financial Report

Southwestern Travis County Groundwater Conservation District

BALANCE SHEET SUMMARY

As of February 8, 2021

	GENERAL FUND	T.C. ESCROW FUND	TOTAL
ASSETS			
Current Assets			
Bank Accounts	6,376.03	9,625.09	\$16,001.12
Total Current Assets	\$6,376.03	\$9,625.09	\$16,001.12
TOTAL ASSETS	\$6,376.03	\$9,625.09	\$16,001.12
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable		0.00	\$0.00
Other Current Liabilities	9,000.00		\$9,000.00
Total Current Liabilities	\$9,000.00	\$0.00	\$9,000.00
Total Liabilities	\$9,000.00	\$0.00	\$9,000.00
Equity	-2,623.97	9,625.09	\$7,001.12
TOTAL LIABILITIES AND EQUITY	\$6,376.03	\$9,625.09	\$16,001.12

Southwestern Travis County Groundwater Conservation District

PROFIT AND LOSS

October 1, 2020 - February 8, 2021

	GENERAL FUND	T.C. ESCROW FUND	TOTAL
Income			
Income from Travis County ILA 2 (OPS)		33,100.00	\$33,100.00
Income from Travis County ILA1 (2)	34,631.60		\$34,631.60
Interest Income	1.38		\$1.38
Misc. Income		1.00	\$1.00
Non-Exempt General Permit Well Construction Fee	1,500.00		\$1,500.00
Production Authorization Application Fee (new wells)	100.00		\$100.00
Production Authorization Application Fee (existing Wells)	1,900.00		\$1,900.00
WDA Application Fee	10,900.00		\$10,900.00
Well Capping/Plugging Fee	100.00		\$100.00
Total Income	\$49,132.98	\$33,101.00	\$82,233.98
GROSS PROFIT	\$49,132.98	\$33,101.00	\$82,233.98
Expenses			
Contract and Professional Services			\$0.00
Legal Services	13,197.00	11,761.50	\$24,958.50
Total Contract and Professional Services	13,197.00	11,761.50	\$24,958.50
Office and Administrative Expenses			\$0.00
Computer Equipment, Software, and Web Services	1,137.30		\$1,137.30
Public Relations/Advertising/Public Notices/Signs	475.68		\$475.68
Telephone/Internet	328.04		\$328.04
Total Office and Administrative Expenses	1,941.02		\$1,941.02
Personnel Expenses			\$0.00
Errors and Omissions Insurance	838.70		\$838.70
General Manager	29,221.00	7,500.00	\$36,721.00
Groundwater Technician	7,061.28		\$7,061.28
General Tech Support		301.93	\$301.93
Groundwater Monitoring		49.00	\$49.00
Permit Processing		3,863.48	\$3,863.48
Total Groundwater Technician	7,061.28	4,214.41	\$11,275.69
Professional Development/Licensing/Cont. Edu.	1,080.00		\$1,080.00
Public Officials and Staff Bonding	280.00		\$280.00
Total Personnel Expenses	38,480.98	11,714.41	\$50,195.39
Total Expenses	\$53,619.00	\$23,475.91	\$77,094.91
NET OPERATING INCOME	\$ -4,486.02	\$9,625.09	\$5,139.07
NET INCOME	\$ -4,486.02	\$9,625.09	\$5,139.07

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

Revenues					
			FY 2021 Budget	Actual 2-6-21	%
	Category/Description				
	WDA Application Fee		\$15,000	\$10,900.00	72.7%
	Non Exempt Operating Permit Well Construction Fee		\$5,000	\$0.00	0.0%
	Non Exempt General Permit Well Construction Fee		\$12,500	\$1,500.00	12.0%
	Permit Renewal Application Fees		\$0	\$0.00	N/A
	Water Utility Service Connection Fee		\$90,000	\$0.00	0.0%
	Production Fee		\$33,436	\$0.00	0.0%
	Production Authorization Application Fee (previously installed)		\$132,450	\$1,900.00	1.4%
	Production Authorization Application Fee (new wells)		\$13,750	\$100.00	0.7%
	Well Capping/Plugging Fee		\$1,000	\$100.00	10.0%
	Interest Income		\$100	\$1.38	1.4%
	Misc. Income (Administrative Fees)		\$250	\$1.00	0.4%
	Funding from Travis County (1)		\$0	\$0.00	N/A
	Funding from Travis County (2) ILA		\$8,500	\$34,631.60	407.4%
	Funding from Travis County (3)		\$100,000	\$33,100.00	33.1%
	Funding from Travis County (4)		\$50,000	\$0.00	0.0%
	Enforcement Penalty Income		\$0	\$0.00	N/A
	Technical Projects Cost Sharing Reimbursements		\$0	\$0.00	N/A
	Total Projected Revenues		\$461,986	\$82,233.98	17.8%
Expenses					
	Outstanding Obligations		\$0		N/A
	Personnel Expenses		\$173,175	\$50,195.39	29.0%
	Vehicle Expenses		\$4,000		0.0%
	Contract/Professional Services		\$140,700	\$24,958.50	17.7%
	Office and Administrative Expenses		\$62,801	\$1,941.02	3.1%
	Technical Operations Expenses		\$69,025		0.0%
	Reserve Funds		\$12,285		0.0%
	Total Projected Expenses		\$461,986	\$77,094.91	16.7%
	Fund Balance		\$0		



Exhibit D

Rules Status—Non-Exempt, Existing Wells
(Operating Permit Requirements)

Rules Status—Non-Exempt, Existing Wells (Operating Permit Requirements)

- Recommendation unchanged for Jan. board meeting, in particular:
 - Base next series of amendments on data and information gathered through application and registration process, as well as work with the County – in other words, define the “why” of making a particular change
 - Wait until March 2021 Board Meeting to discuss possible Rules changes—*when and which ones*—with Board and set a schedule if changes are desired– simply won’t know enough to justify expense until then
- Critical dates:
 - February 28, 2021—Registration, production authorizations and fees due to the District
 - April 1, 2021—Meters on wells, production fees begin to accrue, and **enforcement of Rules begins**
 - June 30, 2021—Existing Non-Exempt Wells applications must be complete Administratively Complete
- Board consideration:
 - At March board meeting, the consulting team will have enough information to determine
 - *If data accumulated through application submissions highlights systemic problems with the Rules. The team with the input of the Rules Committee will present the recommendations on possible changes to the Board at a workshop or future meeting, likely April*
 - or–
 - *The team will present questions for Board’s consideration to provide direction instead of formal Rule changes, if necessary—one area that will be a focus is the April 1, 2021 date and the language of enforcement of the Rules.*

Any questions or comments—feedback appreciated?



Exhibit E

Suggested Reallocation of General Manager Funds spreadsheet

RECOMMENDATIONS: These recommendations are an extension of recommendations made by the consulting General Manager at the October 2020 to which the Board formed a committee to either a) evaluate hiring GCDs to manage the District, or 2) hire a junior person to replace Sawin as consulting General Manager in months following hire - 3 months since hire made

- 1) Funds dedicated to GM SOW be reallocated to necessary specialists and additional compensation to Lane Cockrell to support organizational objectives
- 2) Sawin Group becomes a day-to-day support system until Sawin Group funds are exhausted and supportive hires are in place

	New Allocation		Total Available
			\$185,214.73
Outstanding	\$13,261.50 (Reserve for unexpected items, consulting hydrogeologist, GMA, TAGD, additional support, etc.)		NOTE: District fees can be used for these items too
Legal			\$22,238.50
GM	\$52,500.00		
		\$12,000.00	To Accounting/Financial
		\$12,000.00	To Legal Reserve
		\$18,000.00	To Sawin Group – General Consulting (This includes payments for January and February with \$6000 to be used as the District sees fit)
		\$10,500.00	To Regulatory Compliance-experience in regulatory permitting process and/or technical documents development or other items
		\$52,500.00	Total Reallocation
Permit process	\$28,000.00 (Additional funds for application review and support, i.e., Lane Cockrell, hire support, in particular Exempt and Non-Domestic Use applications)		
Groundwater study and equipment	(\$50,000 Personnel – District Hydrogeologist split \$30k and \$20k) (\$19,000 District Equipment and Licenses)		\$69,000.00