



# **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, October 14, 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 October 14, 2020. Six District Directors were present on the conference call constituting a quorum, including Directors Urie, Hennings, Dower, Scadden, Davis and Van Ackeren. Director Hunt was absent. Also present were Kodi Sawin, Kirk Holland, Legal Counsel Embry, visitors David Donohue (Lakeway resident), Cameron Holland (Consultant), C.J. Bennett and Eddie Ficker both Groundwater Consultants with Bullock Bennett Associates, 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**

August 26, 2020 Minutes  
September 9, 2020 Minutes  
September 22, 2020 Minutes

Director Scadden asked if there were any comments or questions on the three sets of minutes presented for approval and there were none.

***On a motion by Director Hennings and a second by Director Dower, the Board approved the minutes for August 26, 2020, September 9, 2020, and September 22, 2020 – 6 Ayes to 0 Nays***

***All three sets of minutes are attached as Exhibit A***



#### 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
- Drought stage status and outlook
- Possible Bylaws amendments
- Regulatory Items and Updates
  - TWDB
  - TCEQ
  - GMA 9
  - Others
- Items of Interest

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

- a. Finance – Director Urie presented the Financial report stating that the current bank balance is \$1,862.05 and he reviewed the deposits and checks for the month of September. He said that he expects a check for \$18,600 from Travis County this week for payment of Invoice #5.

Director Van Ackeren explained the Texas Municipal League (TML) bill for Director's Bonds and liability insurance. He asked if the board had to approve every bill for payment? Mr. Holland said that some GCDs set an amount above which Board approval is required. Director Dower said that we now have a budget and he suggested if an bill is for an item that is in the budget and is under \$1,000 it could be paid and over \$1,000 it needs to come to the Board for approval. Director Urie said he would pay the TML bill.

Director Dower asked what the turn-around time has been on Travis County paying the SWTCGCD invoices? Director Urie said it was better with Invoice #5 which was submitted on September 3<sup>rd</sup> and payment will be received this week. General Manager Sawin said the process is much more straight forward now and should be OK going forward. Director Scadden added that there is one more invoice under the present ILA and we need to negotiate the payment process on the new ILA to drop the September 30<sup>th</sup> cutoff.

***A copy of the September Financial Report (Reconciliation Detail) is attached as Exhibit B***

- b. Legislative – Director Davis said that there was not a lot going on at the Legislature. There are some water recycling things going on and some audits on select GCDs.
- c. Science-Outreach – Director Hennings said there was not much to report from BSEACD on Phase 2 work.



Director Dower discussed the website and advised that email accounts are due for renewal. The cost for those that are about to expire now is \$658 and the total to renew all accounts is \$900. Director Urie said that we wouldn't be left with much after paying the TML bill. Director Dower asked if we need the email archiving service. General Counsel Embrey advised that it depends on whatever the Records Retention Policy says. Director Scadden suggested that we should renew all of the accounts so we can invoice to Travis County in October. Director Dower said he would do that as soon as possible based on Board consensus. Mr. Holland said that it is not unlikely that we will get some registration fees in soon. General Manager Sawin said she agreed although we can guarantee when or how much. Director Scadden asked that this discussion be held until Agenda Item 7.

**6. Discuss and possibly act on matters related to implementing District Rules**

General Manager Sawin presented a document titled "Some Aspects of Rule Implementation for Board Consideration". Mr. Holland opined that the topics of the document are an invitation to the Board to share their thoughts.

***The document Some Aspects of Rule Implementation for Board Consideration is attached as Exhibit C***

Regarding Internal Processes Director Dower suggested that we probably need a bookkeeping consultant rather than an employee. Director Scadden agreed saying that he also wants to hire a consultant versus an employee. Director Dower said it was his understanding that we need an audit for 2020, and General Counsel Embrey said yes, it is required annually. Director Dower then asked if we need an audit for last year as well and General Counsel Embrey replied, yes. Mr. Holland recommended that the audits be done based on fiscal years within 90 days of the end of the fiscal year. General Counsel Embrey said that Chapter 36 says "annual", but he would also advise using fiscal years.

Regarding outreach to those who will have operating permits, Director Scadden commented that it makes sense to start with the largest permittees. Directors Hennings and Dower said they agreed and Director Dower asked if any of them had submitted applications yet, to which General Manager Sawin replied, no. Director Davis said that she agreed as well. General Manager Sawin suggested that Directors might want to be involved in outreach to people and "use types" they know. Director Davis said she has already started some discussions. Director Dower then expressed the opinion that Directors should not get involved in the permitting process, to which Director Davis suggested that they can help communicate. General Counsel Embrey said that spreading the work is OK, but permittees should be referred to the General Manager for questions and the permitting process. Director Scadden agreed the point of contact needs to be the General Manager especially if interpretation of Rules is needed. General Manager Sawin said Pete Golde will help with development of online registration forms, starting with the Well Registration Form and then possibly others later. A letter explaining the permitting process should be sent to the operating permittees possibly in mid-November and later PR for Exempt Well owners. Mr. Holland said that there will probably always be a need for PDF based hard copy forms but for other GCDs the web-based form was a life saver.



Regarding comments on specific application forms, General Manager Sawin asked about Directors' comments on the forms. Mr. Holland said he would correct any misinformation on forms. Director Scadden asked if all of the fees stated on various forms had been cross checked against the final Fee Schedule and GM Sawin said she was in the process of doing that. Director Scadden also commented that he liked that the Well Registration Application form says at the top of the form that the fee is \$0 and he suggested that the Application for Change in Well Ownership should do the same. Other than that, he said that GM Sawin had addressed his other questions. GM Sawin commented that there will be a need to create databases for those application forms that will not be online.

Regarding the topic of Specific Board Direction or Concurrence, GM Sawin said the Staff needs feedback on the definition of Existing Wells and lots platted with wells prior to September 1, 2020. Mr. Holland explained that there are subdivisions with wells who plat multiple lots with wells located on the plat and they have a master drilling contract with a driller for the entire subdivision so there isn't a specific contract for each well. The question has been asked if those lots/wells will be considered existing wells if designed and platted prior to September 1, 2020 and drilling starts by December 31, 2020? Director Scadden asked for a recommendation from GM Sawin and Mr. Holland, and both indicated that they leaned toward considering these wells as existing as long as the thought process is documented, and General Counsel Embrey agreed. Director Scadden then asked the Directors for comments. Director Van Ackeren said he thought that made a lot of sense and Director Hennings agreed. Director Dower agreed and said that anything we can do to streamline the process would be good. Directors Urie and Davis also said they agreed. Director Scadden said he supports the recommendation as long as drilling is started by the end of the year.

GM Sawin introduced the next listed topic, Clarification of Actions Requiring 24 Hour Notice. Mr. Holland said there have been several comments from drillers who say they are required to give 24 hours' notice before they do anything. The only notice requirements actually in the Rules is 24 hours' notice prior to drilling a well with a capacity of 10,000 Gallons per Day (GPD) or more in the District or prior to installing a pump with a capacity of 10,000 GPD or more in the District. The other part of this discussion is what constitutes 24 Hours' notice? Drillers would prefer prior day notice language but that is not what our Rules say. Director Scadden added that is not what was intended either. Mr. Holland said he is good with sticking to the 24-hour language and this is not uncommon with most other GCDs. Director Dower suggested one business day rather than 24 hours but Director Scadden thought that would be more confusing and Director Van Ackeren commented that you also have weekends and they often drill on weekends so 24 hours is a reasonable standard. Director Hennings said she liked the 24-hour option and Director Scadden added 24 hours is 24 hours.

GM Sawin asked if the Directors and any further comments or questions and there were none.

Director Scadden thanked GM Sawin and Mr. Holland for their work on this.



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

Director Scadden said he spoke to a person at Travis County Accounts Payable and she said the Travis County Commissioners have Invoice #5 and it should be paid by tomorrow. The bulk of Invoice #5 which is pending will pay GM Sawin and Mr. Holland as well as two pending invoices from Lloyd Gosselink.

**8. Discuss, and possibly act on amending the Sawin Group contract and General Manager activities going forward**

Director Scadden advises that GM Sawin has provided a draft amended agreement to address the issues with the current agreement. GM Sawin explained that Travis County will no longer pay anything up-front but rather will only pay for work completed and invoiced. The original agreement does not work with the current Travis County Inter Local Agreement (ILA) nor will it work with the new ILA, we can't make it work. She went on to say that she does not think the District is in a position to afford a full time GM at her executive level and she cannot afford to do this much pro-bono work or delayed payments. She said she has recommended an amended agreement that solves her issues and the District's with an eye toward a different role for her or her transition out in the coming months. Because of the ILA, we need to move to hourly compensation on a month-to-month contract with her role being as a consultant GM so the Board can identify the most cost effective ways to manage the District until cash reserves can be built up over the next 12 months. The start date of the proposed amended agreement is the end of the current ILA, November 3, 2020.

GM Sawin went on to say that she sees a couple of different paths for the District, one being to bring a junior person on and, if in six or twelve months, you find that they are really GM material, you move them into the GM spot. There are several candidates for this path. Second, you have neighboring groundwater districts who have already built out their organizations and can manage the District for you, maintaining your autonomy, you own Board, your own Rules, your own attorney, but use their system and processes to do the day-to-day operations and management. Some may consider this a less desirable path, but the District should nevertheless consider it.

Director Scadden asked GM Sawin for her insight on fee income. GM Sawin said she expected potential cash flow will trickle in and whereas most GCDs are supported by one or two large producers that typically grow, you are not in the same situation and what exists now is not going to grow much. In the next few months, you can expect to collect around \$10,000 which would support a junior person.

Director Scadden asked if any Directors had questions or comments. Director Urie said that he always thought revenue would be low and we could contract with other GCDs. Director Hennings said we need to find out if other GCDs have the necessary resources and that will take time and it would need to be a fee based GCD. Director Dower agreed that lead time is an issue with contracting with another GCD and he asked what GM Sawin's time frame was? GM Sawin said she would stay as long as possible but at least two to three months and she reiterated her opinion that the District is not an employee setting in its current financial state. Director Dower asked how do we proceed, form a sub-committee? Director Scadden asked other Directors for their thoughts.



Director Van Ackeren said he agrees that the District cannot have employees at the present time with Travis County's ILA and he asked if anyone had visited with other GCDs about providing subcontracted services? Director Scadden said he didn't think so and Director Van Ackeren asked if any other districts are doing that? GM Sawin said she has seen it at the GMA level and General Counsel Embrey said that probably three to five GCDs that he works with are doing it. Mr. Holland added there are general managers who contract with multiple GCDs. Director Van Ackeren commented that it is not a given that we could afford what contracting with another GCD might cost. Director Davis said we have an office and we have a computer so we could have a data entry person and contract with other GCDs for field support. Director Urie commented that such a person would have to be paid at the end of every pay period and the cash flow is just not there. Director Dower said we have a complete set of rules that went into effect October 1<sup>st</sup> and people have questions. We need someone to answer the phone five days a week and work with them. Director Scadden reiterated we need to try to negotiate a new contract with GM Sawin, not at \$200 per hour but maybe \$100 per hour and limiting the hours to control liability to the District. We have a contract on the agenda with Mr. Holland for him and a junior level person, either Mr. Holland's son Cameron, or Lane Cockerel who is a hydrogeologist who worked with Brian Hunt on the T.C. Hydrogeological Study. We need to form a sub-committee as Director Dower suggested to talk to some of the other GCDs to see if it's a viable option to subcontract for operations support and he would be willing to work on that. Director Van Ackeren said he would also volunteer. Director Dower asked what would he charge be for that sub-committee? Director Scadden said he would like it to be broader. Director Dower responded the sooner the better, we really need an office person. Director Scadden asked the Directors if they were OK with him and Directors Dower and Van Ackeren being on the sub-committee to look at options for GCD operations going forward. Director Hennings said it was fine with her, Director Urie said the same and director Davis said that sounds good.

***On a motion by Director Hennings and a second by Director Urie, the Board approved forming a sub-committee consisting of Directors Scadden, Dower, and Van Ackeren to look at options for GCD operations in the future – 6 Ayes to 0 Nays***

GM Sawin said that she was OK with \$100 per hour but she is uncomfortable with the hours cap, she needs to be paid for hours worked. Director Dower asked if the new sub-committee could look into this and come back to the Board with a recommendation and he asked what do we think what that hours cap should be? GM Sawin said it depends on getting a junior person on board. Director Scadden asked for a definition of the proposed division of responsibilities between GM Sawin and Mr. Holland. GM Sawin said she will handle anything outside of Rules development including permitting. Mr. Holland said that up to now his responsibility was Rules Development but going forward it would be Regulatory Compliance.

***Director Urie left the conference call at 12:41.***

***On a motion by Director Scadden and a second by Director Van Ackeren, the Board approved amending the contract with Sawin Group to include up to 60 hours of work per month at a compensation rate of \$100 per hour – 5 Ayes to 0 Nays***





**9. Discuss and possibly act on matters related to District cash flow difficulty including but not limited to loans**

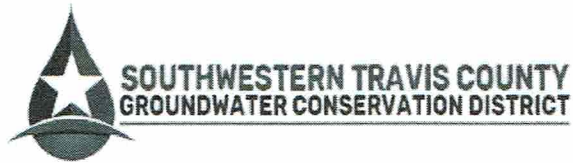
Director Scadden referred to last month's meeting when he brought up the possibility of some Directors making zero interest loans to the District. A question that has come up since is whether that is legal or not. Before even floating the idea, he said he asked General Counsel Embrey about that. General Counsel Embrey said that yes you can do that, the Chapter 36 language is pretty broad, but yes, it is legal. Director Scadden said making loans to the District is not something he wants to do but is willing to do as an individual to help the District over the cash flow hump. It would need to be a zero percent loan, so the Directors are not making any money from the District. He added that he understands that some Directors are not comfortable with something like this, but he has gotten feedback that some Directors are interested in doing this.

Director Van Ackeren said that he is willing to provide a non-interest bearing loan to the District and Director Dower said that he too was willing to make such a loan but he wished we could find another solution over the next few weeks. Director Scadden said that he and Directors Dower and Van Ackeren would work with General Counsel Embrey to get this set up.

**10. Discuss and possibly act on Consulting contract with Holland Groundwater Management Consultants**

Director Scadden asked Mr. Holland to present his proposal for a contract between the District and Holland Groundwater Management Consulting LLC. Mr. Holland reviewed that his contract with Swain Group expires at the end of October and he is proposing a new contract directly with the District starting November 1, 2020 and running through the end of FY 2021. He proposes providing support in a variety of areas with higher level professional consulting services plus lower level administrative support for the first phase running from November through the end of March 2021. His son Cameron has some availability through the end of March if the District is interested. Mr. Holland would bill his time at \$100 per hour and Cameron would be billed at \$22 per hour, not to exceed a total of \$6,000 per month, or \$29,000 for Phase 1 which can be cancelled at any time. Phase 2 would be for the remainder of FY 2021 with the scope and billing rates to be defined.

Director Scadden asked General Counsel Embrey about sole source contracting. General Counsel Embrey responded that the proposed contract looks good and meets all legal requirements for GCDs. Director Scadden then asked if the Directors had any questions or comments. Director Dower suggested that maybe this should be referred to the sub-committee to make a recommendation. Director Van Ackeren suggested that we consider that the proposed contract can be cancelled at any time and the contract with the Sawin Group expires at the end of the month. Director Hennings said she agreed with Director Van Ackeren. Director Davis said she would prefer to sleep on what we are doing if we are having another Board meeting before the end of the month. Director Scadden asked if October 28<sup>th</sup> was good for everyone to have another Board meeting and all were OK with that. Director Scadden then asked Mr. Holland if his son Cameron is the only person he would be willing to provide as the junior level person, or is there a possibility for Lane Cockerel to be that person? Mr. Holland said that he would need to think about that, but he was not rejecting it. Director Scadden added that Lane is a potential long-term employee in the



future and the sub-committee needs to look at this and include it with their recommendation on the 28<sup>th</sup>.

**11. Discuss, consider, and possibly act matters relating to hiring a bookkeeping company**

Director Scadden suggested that the Board needed to form another sub-committee to find a contract bookkeeper. Director Dower suggested, since we already have a sub-committee can't they do this? Director Scadden said that he did not want to commit to additional scope. Director Van Ackeren said he would volunteer for this new sub-committee and Director Davis said she would as well. Director Scadden said the Director Urie and he had already discussed this, and Director Urie is also willing to serve on this sub-committee.

***On a motion by Director Scadden and a second by Director Dower, the Board approved forming a sub-committee consisting of Directors Van Ackeren, Davis, and Urie to solicit input and select a bookkeeping company and auditor – 5 Ayes to 0 Nays***

**12. Discuss and possibly act on TAGD membership for FY2021**

Director Scadden advised that the dues for 2021 membership in TAGD are \$1,080 due November 1<sup>st</sup>. General Manager Sawin recommended membership especially this year with the legislative session. She said we will include this expense in Invoice #6 to Travis County and ask TAGD to let us pay a little bit late.

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

- Annual election of Board officers
- Bylaws

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

Special Board meeting on October 28, 2020 at 10:00 AM  
Regular Board meeting on November 11, 2020 at 10:00 AM

**15. Adjourn**

***On a motion by Director Davis and a second by Director Dower, the Board voted to adjourn the meeting – 5 Ayes to 0 Nays. The meeting was adjourned at 1:30 PM.***

PASSED, APPROVED AND ADOPTED THIS 9<sup>h</sup> day of December 2020

A handwritten signature in blue ink, appearing to read "Tim Van Ackeren", is written over a horizontal line.

Tim Van Ackeren, Secretary





## **Exhibit A**

August 26, 2020 Minutes  
September 9, 2020 Minutes  
September 22, 2020 Minutes



# **SPECIAL 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 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, August 26, 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 August 26, 2020. Six District Directors were present on the conference call constituting a quorum, including Directors Scadden, Urie, Davis, Hennings, Dower, and Van Ackeren. Director Hunt was absent. Also present were General Manager Kodi Sawin, Kirk Holland, 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 Groundwater Management Area 9 resolution**

Kirk Holland presented a draft resolution petitioning Groundwater Management Area 9 (GMA 9) to approve the boundary change between GMA 9 and GMA 8. The resolution was drafted by GMA 8. The Board needs to authorize Board President Scadden to present the petition at the next GMA 9 meeting. Director Scadden asked for a motion and Director Hennings made a motion to authorize Director Scadden to submit the resolution to GMA 9 and to sign it if approved by GMA 9. The motion was seconded by Director Dower.

***On a motion by Director Hennings and a second by Director Dower the Board approved the GMA 9/8 Resolution and authorized Director Scadden to sign it – 6 Ayes to 0 Nays***

***The Groundwater Management Area 9/8 resolution is attached as Exhibit A***



Mr. Holland then presented a second resolution between GMA 9 and GMA 10 also to approve boundary changes. He explained that it was provided to the Board at the May meeting and that it is not the exact wording as the GMA 9/8 resolution, but it is the same sense, and for the same purpose. Director Davis asked to get another copy of the resolution. Director Scadden asked her if she wanted to wait before approving it and she said no she just could not find a copy of it in her file.

***On a motion by Director Dower and a second by Director Van Ackeren the Board approved the GMA 9/10 Resolution and authorized Director Scadden to sign it – 6 Ayes to 0 Nays***

***The Groundwater Management Area 9/10 resolution is attached as Exhibit B***

**4. Discuss and possibly act on matters related to the District Budget**

This Agenda Item was deferred until after Agenda Items 5. And 6.

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

Kirk Holland presented *General considerations underpinning the latest changes in the Fee Schedule and Rules* and reviewed the proposed Fee Schedule for FY 2021 that he and Director Dower worked on.

***The General considerations underpinning the latest changes in the Fee Schedule and Rules document is attached as Exhibit C***

Mr. Holland said that the registration deadline for all but Single-Family Residential Wells and Livestock Wells is December 31, 2020 and the registration deadline for Single-Family Residential Wells and Livestock Wells is September 30, 2021. Mr. Holland then reviewed Fees and changes to Production Authorization Fees and discounts as shown on pages 3 and 4 of the Fee Schedule. Director Dower explained that the discount for General Permit By Rule Wells was extended for 12 months rather than six months due to early GCD staff workload. Director Scadden suggested that this discount might complicate things and due to the budget issue, we might not want to have a discount at all. After extensive discussion it was agreed that for numerous reasons the discount was no longer desirable.

***On a motion by Director Scadden and a second by Director Van Ackeren the Board approved eliminating the early registration discount – 6 Ayes to 0 Nays***

Mr. Holland reviewed the concept on page 4. of the Fee Schedule where a Temporary Operating Permit is initially issued which later gets converted to a Permanent Operating Permit and he explained this is a new concept which needs Board input. Director Scadden asked if the Temporary Operating Permit should expire and Mr. Holland and Director Dower said that is addressed in the Rules. After further discussion, Director Scadden asked if any Board members had any concerns or if any were opposed and there were none. All Directors expressed their support for proceeding as proposed. Mr. Holland advised that the transition from a Temporary permit to a Permanent permit does not constitute a modification of the permit and no fees are required. Both Temporary



Operating Permit holders and Permanent Operating Permit holders will be required to pay Production Fees as of January 1, 2021. Regardless of whether it is a Temporary Operating Permit, or a Permanent Operating Permit the Service Connection Fee will be collected starting October 1, 2020.

The Board needs to schedule a public hearing to adopt the Fee Schedule. Director Dower asked if we could combine with the Rules hearing. Director Scadden asked, since there was no public attendance at the evening hearing for the Rules, do we need to hold an evening public hearing for the Fees? Director Hennings expressed the opinion that there should be several evening meetings with no public participation before cancelling them and Director Scadden said he agreed and suggested that it be kept for the Rules hearing as well. Director Van Ackeren said he also agreed. Mr. Holland said that there have been several hearings on Fees, but we need one more and he suggested the September 9<sup>th</sup> Board Meeting, subject to review and approval of the proposed Fee Schedule by Legal Counsel.

***On a motion by Director Hennings and a second by Director Van Ackeren the Board approved setting a Public hearing on the Fees Schedule at the September 9, 2020 Regular Board Meeting – 6 Ayes to 0 Nays***

***The Proposed Fee Schedule is attached as Exhibit D***

**6. Discuss and possibly act on matters related to formulating District Fees Schedule, including setting a Public Hearing on Fees at a future Board meeting.**

Mr. Holland reviewed the Proposed Rules document starting with definitions explaining the terms New well, Existing Well, Proposed Well, Previously Installed Well. He asked if anyone had any specific questions about Rule 3? Mr. Holland reviewed the September 30, 2021 deadline for registration of Single Residential Household Domestic Use Permits and the December 31, 2020 deadline for all other wells. Director Davis suggested that we use the words Single Residential Household Use *and Livestock Use* to be more descriptive. Mr. Holland explained that both minor and major modifications to a well may require an amendment to the operating permit before that change is authorized and the well may not be able to be re-authorized as it was before and the amount of water that is permitted to be produced may change. Applications for Operating Permits must be submitted no later than December 31, 2020 and administrative complete applications for all Non-Exempt Existing wells must be submitted as soon as possible but no later than March 31, 2021 and they will be under the Temporary Permit after December 31, 2020, and after 180 days the Temporary Permit expires. Temporary Operating Permits and Permanent Operating Permits are treated the same regarding metering and Production Fee payments. Mr. Holland reviewed the aquifer test requirements for large Non-Exempt Wells. Mr. Holland pointed out that Permit By Rule Well owners will be required to have Water Conservation Plans and Drought Contingency Plans and Non-Exempt Domestic Use (NDU) Well owners will have to limit lawn irrigation. Mr. Holland asked if directors had any further questions regarding Rule 4? Director Davis had a question regarding the requirements for notification of neighbors for proposed larger wells and whether that was an example of protecting property rights. Mr. Holland said it is, but it is also a requirement of Chapter 36 and only adjoining well owners are required to be notified. A discussion ensued as to whether all adjoining property owners should be required to be notified regardless of whether they owned a well or not.



Mr. Holland moved on to discuss the designated TWDB Drought Monitor and Drought Contingency Plans before Director Hennings had to leave the meeting. Director Hennings said that she felt that the Drought Contingency planning requirements were straight forward and that she supports them as proposed. She said the Drought Monitor is the only real demonstrable way to trigger drought stages since nobody can really argue with it and it's pretty clear.

***Director Hennings had to leave the meeting at 12:00 Noon.***

Director Davis said that she found the reference to notification of neighbors regarding new wells and it does refer to all property owners within one quarter mile and not just well owners.

Mr. Holland said that we will need to develop templates for Drought Contingency Plans for use by well owners and he reviewed the drought curtailment stages and enforcement of curtailments. He pointed out that General Permits By Rule do not have meters so they will be required to achieve targeted water use reductions through specific Groundwater Usage Reduction Measures. He reviewed Aquifer Emergency procedures and administration of the Critical Groundwater Depletion Area and Groundwater Management Zones and enforcement of Drought Contingencies in those zones.

Mr. Holland reviewed the Procedural Rules (Rule 6.) and Enforcement Rules (Rule 7.) and changes suggested by Legal Counsel Ty Embrey. He also reviewed the Civil Penalty Schedule and proposed changes including those suggested by Legal Counsel. A discussion ensued regarding enforcement and penalties.

Mr. Holland said that he would get the latest Rules document out to the Board after this meeting for use at the Public Hearings.

Board approved setting two Public hearings on the Proposed Rules one on the evening of September 22, 2020 and the second at the September 23, 2020 Board Meeting.

***The Proposed Rules document is attached as Exhibit E***

**Agenda Item 4. Discuss and possibly act on matters related to the District Budget  
Was now taken up.**

Director Dower pointed out that changes will have to be made to the Draft Budget based on changes to the Fee Schedule and Rules agreed on today and he reviewed the changes that affect the Budget. He said he would make the required changes to the Budget and Director Scadden said he would put approval of the Budget on the agenda for the September 9<sup>th</sup> meeting.

***The Draft Budget is attached as Exhibit F***





**7. Adjourn**

***On a motion by Director Dower and a second by Director Van Ackeren, the Board voted to adjourn the meeting – 5 Ayes to 0 Nays. The meeting was adjourned at 12:59 PM.***

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

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Tim Van Ackeren, Secretary

# **BOARD MEETING MINUTES**

## **OF THE**

### **SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT**

#### **Via Telephone Conference**

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**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 23<sup>rd</sup>. 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 23<sup>rd</sup> 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 22<sup>nd</sup> at 6:00 PM and September 23<sup>rd</sup> 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 1<sup>st</sup>, 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 1<sup>st</sup> 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 23<sup>rd</sup>. 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 1<sup>st</sup> 2020 to January 1<sup>st</sup> 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 29<sup>th</sup> 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 29<sup>th</sup> minutes or the August 12<sup>th</sup> and August 17<sup>th</sup> 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 4<sup>th</sup> 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 18<sup>th</sup>. 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

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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, September 22, 2020 at 6:00 PM**

**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 6:00 PM on Tuesday September 22, 2020. Four District Directors were present on the conference call constituting a quorum, including Directors Van Ackeren, Hennings, Hunt, and Scadden. Director Dower joined the meeting at 6:05 PM and Director Davis joined the meeting at 6:08 PM. Director Urie was absent. Also present were General Manager Kodi Sawin, Kirk Holland, Ty Embrey with Lloyd Gosselink, Chris Knox, Darrell Peckham, 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. Conduct Public Hearing to receive input from the public regarding the SWTCGCD proposed District Rules**

***Director Scadden opened the scheduled Public Hearing at 6:03 PM.***

Director Scadden explained that the Hearing would be conducted in two parts with Part 1 being a staff presentation and Part 2 soliciting comments first from the Board and then from the Public.

Mr. Kirk Holland made a Staff Presentation using the document titled *Public Hearing on Proposed Rules*.

***The Public Hearing on Proposed Rules presentation is attached as Exhibit A***



Mr. Holland then initiated Part II of the Hearing by turning it back over to Director Scadden who asked if the Directors had any questions or needed any clarifications.

Director Hunt said that he had received an email from Vicky Kennedy from Travis County asking that language be added to the Rules referring to other jurisdictions' regulations and requiring that the most stringent regulation be used. Mr. Holland said that he had discussed this comment with Ms. Kennedy and explained that this requirement is already in the Rules and she is satisfied with that.

Director Hunt said he had received a comment regarding the requirement that a copy of the TCEQ approval letter be submitted with the registration application for A Public Water Supply Well. Mr. Holland explained that there is specific well information in that approval letter, but he agreed the requested information could be massaged to make it more general.

Director Hennings asked how production volumes are calculated for Aggregated Wells. If there are three wells for example each of which could be Exempt based on their production volume, but whose aggregated production volume might push them into the Non-Exempt category. Mr. Holland advised that Aggregated wells are non-exempt by definition and are measured as a total. Director Hennings said she was curious about what the advantages of aggregating your wells are. Mr. Holland said the advantages are one permit and one meter. General Counsel Embrey added that wells can be taken offline and brought online, and they can be separately metered and summed. Director Dower asked if three wells have separate meters and they are summed, is that the same as having one master meter? Mr. Holland answered yes, as long as those three wells are always treated in an aggregated manner.

Director Scadden asked if any Board member had any more questions and there were none.

Mr. Holland reminded everyone that there is another Public Hearing tomorrow September 23 during the Board Meeting at 10:00 AM

Director Scadden then asked for public comments.

Mr. Chris Knox with Texan Water said he had a question about the October 1<sup>st</sup> effective date for new wells. He explained that his well drilling company is backlogged until January of 2021 and he asked if there could be a grace period for customers already under contract by October 1<sup>st</sup> allowing them to avoid complying with new well construction requirements which will cost several thousand dollars more than they contracted for. Director Scadden said the this could be discussed during Agenda Item 4.

Mr. Darrell Peckham said that he had sent a letter this afternoon and gave a brief overview here. He said that it was good that the SWTCGCD Board did not do historic and existing use treating the property owners differently. He asked that the Board always be conscious of balancing conservation and development of groundwater. He offered an example of developing firefighting systems using groundwater as something it would be great for GCDs to do. Mr. Peckham said that the Groundwater Depletion Area is a "guess-based" planning tool as is the Modeled Available Groundwater (MAG). He asked to take the modeling out of it and said new well owners must be



given equal rights and private property rights are for everyone. Director Davis said that she understood and that she knows a lot of people who feel that way. Mr. Holland commented that what Mr. Peckham is advocating is required by Chapter 36 and it's not as though a new well owner can use as much water as they want, but that they have an equal right to the water as does an existing well owner and if adjustments have to be made then that is going to be done proportionately with both old and new users and that is a common understanding. Mr. Holland said that he does not think our Rules, from the standpoint of what we must do and what we may consider while we do those things, have this sort of problem. He agreed that we might need to do some syntax changes or wordsmithing, but he does not think there is a need for a sea change in our philosophy here. Mr. Peckham thanked Mr. Holland commenting that he "Nailed it".

Director Scadden asked if there were any other questions or comments and there were none.

***Director Scadden closed the Public Hearing at about 7:19 PM***

#### **4. Discuss and possibly act on matters related to the District Rules**

Director Davis opined that she felt that well drillers customers should be taken on a case-by-case basis regarding a grace period for wells that were contracted before October 1<sup>st</sup> but were delayed in the start of drilling. Director Scadden expressed the view that the Board has a fiduciary obligation to the District for funding and needs to be consistent. Director Dower said it seemed to him we could leave the Rules as they are but consider on a case-by-case basis. General Counsel Embrey said that doing things on a case-by-case basis made him uncomfortable. He said words to the effect of "If you have a signed contract as of a certain date could be added, for example as of June 1<sup>st</sup> then a well could be considered an Existing Well as of October 1<sup>st</sup>. Director Hennings said that she felt, during this transition period, we need to be flexible and she agreed with the idea of setting a specific date. Director Hunt said he agreed that we could set a date. Director Van Ackeren also agreed that setting a date would not be arbitrary and maybe we could have a cut-off date by which the well has to be drilled. Director Scadden reminded the Board that we all agreed that October 1<sup>st</sup> was the date by which a well had to be spudded to be an existing well, but we want to be fair with people and as a new district we want to build a good relationship and not have some people feeling that they are suffering as a result of the new district. He said we will have more discussion about this at tomorrow's meeting.

Regarding Mr. Knox comment, Director Scadden asked for an explanation of the construction cost difference prior to the new SWTCGCD rules and with the new Rules. Mr. Knox explained that the main cost difference is the requirement for a longer annulus grout seal which depending on the specific location of the well you could be talking about 50 ft. for the annulus or you could be talking about and 700 ft for the annulus and that is a difference between few hundred dollars and five or six thousand dollars depending on the well. Director Scadden said he agreed that is a big difference.

Regarding Mr. Peckham's comment Director Hunt said that he understood Mr. Peckham's point about the MAG, but the MAG is just one consideration. In paragraph C.6. the MAG is just one consideration in a long list of items but in paragraph C.7. it sort of stands alone there and we should really weigh the potential for "Unreasonable Impacts". Mr. Holland said that we have





eliminated reference to the MAG in other areas and he agreed that it might need some wordsmithing. General Counsel Embrey said he agreed as well.

Director Scadden asked if there were any other comments.

Mr. Peckham said that in the context of a severe situation where you have to enforce restrictions on production you don't want to be limited in your options, the MAG is a planning tool and not a management tool, don't let it trap you, the word "Shall" is the problem. Director Scadden thanked Mr. Peckham and Director Hunt said that he felt we all understand the point and thanked Mr. Peckham for his help to clarify this.

Mr. Knox said he had nothing else.

## 5. Adjourn

***On a motion by Director Davis and a second by Director Hunt, the Board voted to adjourn the meeting – 6 Ayes to 0 Nays. The meeting was adjourned at about 7:41 PM.***

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

---

Tim Van Ackeren, Secretary



## **Exhibit B**

### September Financial Report

**SW Travis Cty. Groundwater Conservation Dist.**  
**Reconciliation Detail**  
 Independent Bank, Period Ending 09/30/2020

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						284.75
<b>Cleared Transactions</b>						
<b>Checks and Payments - 4 items</b>						
Bill Pmt -Check	09/18/2020	136	Sawin Group	X	-7,500.00	-7,500.00
Bill Pmt -Check	09/18/2020	137	Lloyd Gosselink	X	-4,602.00	-12,102.00
Bill Pmt -Check	09/21/2020	100	Spectrum	X	-82.01	-12,184.01
Bill Pmt -Check	09/24/2020	138	Sawin Group	X	-3,000.00	-15,184.01
<b>Total Checks and Payments</b>					-15,184.01	-15,184.01
<b>Deposits and Credits - 3 items</b>						
Deposit	09/18/2020		Travis - County	X	13,679.10	13,679.10
Deposit	09/24/2020		Travis - County	X	3,082.01	16,761.11
Deposit	09/30/2020			X	0.20	16,761.31
<b>Total Deposits and Credits</b>					16,761.31	16,761.31
<b>Total Cleared Transactions</b>					1,577.30	1,577.30
<b>Cleared Balance</b>					1,577.30	1,862.05
<b>Register Balance as of 09/30/2020</b>					1,577.30	1,862.05
<b>Ending Balance</b>					<b>1,577.30</b>	<b>1,862.05</b>



3090 Craig Drive  
PO Box 3035  
McKinney, TX 75070

0005994  
6193INDP  
31825C00X.007

\*0005994 S3  
SOUTHWESTERN TRAVIS CO GROUNDWATER CONS  
PO BOX 340595  
LAKEWAY TX 78734-0010



ACCOUNT NUMBER	xxx3546
STATEMENT DATE	9/30/20
PAGE	1 of 4

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**PUBLIC FUND NOW ACCT**

Account Number	xxx3546	Statement Dates	9/01/20	thru	9/30/20
Previous Stmt Balance	284.75	Days in Statement Period	30		
Deposits/Credits	16,761.11	Average Collected	5,036.49		
Checks/Debits	15,184.01	Average Ledger	5,036.49		
Service Charge	0.00	Interest Earned	0.20		
Interest Paid	0.20	Annual Percentage Yield Earned	0.05 %		
Current Stmt Balance	1,862.05	2020 Interest Paid	2.44		

**DEPOSITS AND OTHER CREDITS**

Date	Description	Amount
9/18	XXXXXXXXXX TRAVIS COUNTY 1746000195 20/09/18 ID #- 000001000025642 SW TRAVIS CO GROUNDWAT	13,679.10
9/23	XXXXXXXXXX TRAVIS COUNTY 1746000195 20/09/23 ID #- 000001000025642 SW TRAVIS CO GROUNDWAT	3,082.01
9/30	Interest Deposit	0.20

**OTHER DEBITS**

Date	Description	Amount
9/21	SPECTRUM DBT CRD 2331 09/20/20 252731 855-707-7328 TX Card# 8345	82.01-







0005994

SOUTHWESTERN TRAVIS CO GROUNDWATER CONS  
PO BOX 340595  
LAKEWAY TX 78734-0010

<b>ACCOUNT NUMBER</b>	xxx3546
<b>STATEMENT DATE</b>	9/30/20
<b>PAGE</b>	3 of 4

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31827COOK.007

<b>CHECKS IN NUMBER ORDER</b>
-------------------------------

Listed in numerical order

Date	Check	Amount	Date	Check	Amount
9/28	136	7,500.00	9/28	138	3,000.00
9/25	137	4,602.00			

(\*) indicates gap in sequence

<b>DAILY BALANCE SUMMARY</b>
------------------------------

Date	Balance	Date	Balance	Date	Balance
9/01	284.75	9/23	16,963.85	9/28	1,861.85
9/18	13,963.85	9/25	12,361.85	9/30	1,862.05
9/21	13,881.84				

26FDP

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SOUTHWESTERN TRAVIS CO GROUNDWATER CONS  
PO BOX 340595 DATE 9-21-20 0136  
LAKEWAY, TX 78734  
PAY TO THE ORDER OF Savin Group \$ 7500.00  
Seventy-five hundred and 00/100 DOLLARS  
1206  
MEMO 8-9-10 [Signature]  
⑆111916326⑆ 1000943546⑆ 0136

SOUTHWESTERN TRAVIS CO GROUNDWATER CONS  
PO BOX 340595 DATE 9-21-20 0137  
LAKEWAY, TX 78734  
PAY TO THE ORDER OF Lowd Bass Link \$ 4602.00  
Forty-six hundred two and 00/100 DOLLARS  
MEMO 97512308 3947-1 [Signature]  
⑆111916326⑆ 1000943546⑆ 0137

Check 136 Amount \$7,500.00 Date 9/28/2020

Check 137 Amount \$4,602.00 Date 9/25/2020

SOUTHWESTERN TRAVIS CO GROUNDWATER CONS  
PO BOX 340595 DATE 9-24-20 0138  
LAKEWAY, TX 78734  
PAY TO THE ORDER OF Savin Group \$ 3000.00  
Three thousand and 00/100 DOLLARS  
MEMO I-42020-116CD [Signature]  
⑆111916326⑆ 1000943546⑆ 0138

Check 138 Amount \$3,000.00 Date 9/28/2020

0005994

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## **Exhibit C**

Some Aspects of Rule Implementation for Board Consideration



## Some Aspects of Rule Implementation for Board Consideration

### Internal Processes

- Identify immediate personnel (bookkeeper, administrative person and/or field technician)
  - Do we wait until we have clarity of new ILA
- Set up bookkeeping for self-regulating type fee collection; spreadsheet-based approach or use bookkeeping and accounting software to track revenue by source; develop and use receipts to evidence payment of fees.

### Near-term Guidelines Development

- Supporting documentation for rules – updated guidance document, well construction standards, hydrogeologic testing guidelines, templates for user drought contingency plans and water conservation plans – *May need engage project-based consultant to develop*
- Permit Certificates for wells (for Operating Permits and General Permits)

### Comments on Specific Application Forms

- Specific applications and questions/recommendations
- Database creation
- Continuing data entry

### Outreach

- Reach out to individual companies that will have operating permits to review rules and applications and next steps (i.e., Cypress Ranch, Cove WSC) – may need to prioritize largest to smallest producers, do you have direction of this? Directors, do you want to be involved with outreach in your Precinct?
- Intention to start process in mid-November direct mail and press work for Exempt wells – Note: The goal is to have web-based form by end year.

### Specific Board Direction or Concurrence

- Board direction – on specific items to implement the Rules
  - Definition of universe of existing wells – For instance, lots plotted prior to October 1
  - Clarification of what constitutes and what actions require “24-hour notice”
  - Others at Board discretion?