



# **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, October 28, 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 28, 2020. Six District Directors were present on the conference call constituting a quorum, including Directors Scadden, Urie, Davis, Dower, Hunt and Van Ackeren. Director Hennings joined the conference call later. Also present were General Manager Kodi Sawin, General Counsel Ty Embrey, Kirk Holland, C. J. Bennett, Lane Cockrell, Christy Muse, and Pete Golde.

At the request of Director Scadden all present introduced themselves.

**2. Public comments**

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

**3. Discuss and possibly act on matters related to the Funding from Travis County**

Director Scadden advised that the current Travis County Inter Local Agreement (ILA) is being revised to incorporate the additional FY2021 funding of \$100,000 for SWTCGCD operations plus \$50,000 for scientific studies. The County staff are working on a draft which will have to go to the Travis County Commissioners’ Court for approval. We will review and comment on the draft before it goes to the Commissioners’ Court. We will submit one more invoice under the current ILA which expires on November 3<sup>rd</sup>.

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

Director Scadden said he and General Manager Sawin have marked up the current contract with Sawin Group to provide General Manager services using the parameters approved by the Board



at the last meeting. Payment will now be on an hourly basis at \$100 per hour starting November 1<sup>st</sup>. General Manager Sawin commented that the changes are pretty simple, but they will help with Travis County invoicing and payment issues by simplifying the whole process. Director Scadden asked if there were any questions or comments and there were none.

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

Director Scadden said the Board has been provided with a draft agreement with Holland Groundwater Management Consultants, explaining that we need a new contract since the old one expires on October 31<sup>st</sup>. He asked if there were any questions or comments from the Board or the public. Mr. Holland clarified that the previous contract was a sub-contract with Sawin Group and this proposed new contract is directly with the District. There were no further questions or comments.

***On a motion by Director Hunt and a second by Director Dower, the Board approved the proposed consulting agreement with Holland Groundwater Consultants LLC – 6 Ayes to 0 Nays***

**6. Discuss and possibly act on District Staffing**

Director Scadden reiterated that the Board had established a sub-committee consisting of himself, and Directors Dower and Van Ackeren tasked with looking forward at what we might do as far as staffing and the approach for operations as we implement our Rules. The sub-committee recommended that we bring Lane Cockrell on board to provide staffing. He explained that Lane is a hydrogeologist who has worked at BSEACD where he worked on the Travis County Hydrogeological Study with Director Hunt.

***Director Hennings joined the conference call at 10:15 AM***

Director Dower commented that the sub-committee considered the question of utilizing contractors versus employees and concluded the District is not ready to hire employees yet. They are proposing a 3-month contract for Lane but hope to transition to employee after that, but if not, we can extend the three month contract. Director Van Ackeren said that Lane seems very qualified and a good opportunity for the District to bring someone on board at this time. Director Hunt said he worked with Lane and he was pretty lucky to have him. He added that he doesn't think we could bring someone on board who is more qualified. Director Hennings said that Lane is an outstanding option for the District. He is an outstanding young hydrogeologist who knows this area better than anyone except Director Hunt.

***On a motion by Director Hunt and a second by Director Dower, the Board authorized Director Scadden and General Manager Sawin to complete negotiations with Lane Cockrell to get him on board as a contractor – 7 Ayes to 0 Nays***

**7. Discuss and possibly act on revising the FY2021 District Budget**

Director Scadden said that he put the budget item on the agenda in case the District needed to revise the budget if the Board decided to bring on employees rather than contractors, but in light of the decision to bring Lane on board as a contractor, there is no need to amend it now. Director



Scadden said he had nothing further on this item and he asked if anyone else had any comments. Director Dower reiterated his earlier comment that we are not quite ready to bring on employees with all that entails with the IRS, etc. but we hope to be able to transition to employees later this year.

**8. Discuss and possibly act on matters related to implementing District Rules and developing well construction guidelines**

Director Scadden asked General Manager Sawin, Mr. Holland, and General Counsel Embrey to lead the discussion on implementing District Rules and developing well construction guidelines. General Manager Sawin said she and Mr. Holland were going to review three items; 1. Status update on driller activities, 2. Review of Guideline documentation preparation, and 3. Possible Rule changes in the future.

General Manager Sawin reviewed driller activities sharing the following items:

- Bee Cave Drilling has applied for a replacement well, but it needs some additional work to be completed. They also submitted recommendations for Well Construction Standards which she forwarded to Director Hunt, Mr. Holland, and General Counsel Embrey.
- General Manager Sawin, Mr. Holland, and Directors Scadden and Hunt had a conference call with Central Texas Drilling regarding questions they had which were similar to Bee Cave Drilling.
- Texas Water has one Exempt Well with a contract signed before September 1, 2020 and they have other NDU wells that are in a holding pattern right now but also have contracts signed prior to September 1<sup>st</sup>.
- Apex Drilling has seven new NDU wells (one or two of those might end up being Exempt) with one contract in process of being completed, and they have six others to follow.
- The Well Drillers Workshop is scheduled for November 17<sup>th</sup> at 2:00 PM and has gotten a lot of interest.
- An email was sent to retail water service companies to give them a heads up on deadlines and there was a call from the general counsel for The Coves who advised that they have not had any new customers (rooftops) since October 1<sup>st</sup>.

Mr. Holland explained that there are several regulatory vehicles that are anticipated in our District Rules. The first step was developing a set of applications that are responsive to the information that the District and the applicants will need to move forward in getting an approved permit. We have a full suite of forms, so we are in good shape. As we go forward in time, those forms will evolve to pick up more, or less, information just as the Rules will be amended.

Mr. Holland advised that one of the things called out in the Rules is a set of hydrogeologic recording and testing guidelines. A draft of these is being reviewed and edited by the Rules Committee and a clean draft will be ready for the next Board meeting. These guidelines will be required by Operating Permit applicants. Director Hunt suggested that these guidelines should be shared with Vicky Kennedy at Travis County also. Mr. Holland agreed and said that Travis County also has guidelines which are complementary and need coordination.



Mr. Holland went on to say that a Well Construction Standards manual also needs to be developed and he suggested that specialized consulting support from a contractor will probably be needed. Director Scadden asked Mr. Holland to provide requirements for such consulting and he will seek pro bono support from INTERA. General Counsel Embrey commented that well drillers have raised some issues that need clarification, and he will provide a list to General Manager Sawin who reminded everyone that Rules changes require 20 days newspaper notices.

General Manager Sawin then asked if there were any questions and Director Dower asked what other guidelines we need to develop. General Manager Sawin replied that we need to develop a Drought Contingency Plan template and Mr. Holland added that we need a Water Conservation Plan template as well. He added, NDU permits will require one hybrid plan and we need a template for that, but all others will be outlines for permit applicant's consideration. Director Hunt opined that the Well Construction Standards are a lower priority than the templates and TLDR standards are already in place. Director Scadden pointed out that we don't have 20 days until the November meeting if any of the things we are considering for the November meeting will require Rules changes. Mr. Holland responded that these guidelines will be consistent with the current Rules but separate from the Rules.

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

Director Scadden advised that the three Directors who have volunteered to make zero interest loans to the District, himself, and Directors Dower and Van Ackeren will each loan \$3,000 for a total of \$9,000. Director Dower characterized this as a last-ditch effort to get the District through until fee revenue starts to come in. Director Scadden thanked Director Dower and Van Ackeren.

***On a motion by Director Hunt and a second by Director Hennings, the Board approved Resolution 2020-10-04 – 4 Ayes to 0 Nays with Directors Scadden, Dower and Van Ackeren abstaining***

***Resolution 2020-10-04 is attached as Exhibit A***

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

Director Scadden reviewed one thing that came up during staffing discussions at the last meeting which was the need for a bookkeeper and we formed a sub-committee consisting of Directors Van Ackeren, Davis, and Urie to find and recommend a Bookkeeping firm. Director Davis advised that the Sub-committee has not gotten very far yet because it is a real niche market and they have only contacted one company so far. Director Van Ackeren said they are working on a list of candidate companies and that bookkeeping is the main function and it does not necessarily entail an accounting firm to do that. Director Urie said the bookkeeping right now is pretty simple and he is willing to do it for the rest of the year. Director Van Ackeren said he agreed with Director Urie and suggested that the District does need a QuickBooks software subscription as Director Urie outlined. Director Scadden said that Hays Trinity has hired an administrative/bookkeeping person and maybe we can share that person if they are not fully utilized. He went on to suggest that we suspend the search for a bookkeeper. Director Van Ackeren offered to discuss the bookkeeping issue with Charlie Flatten at Hays Trinity.



Director Scadden said we still need an auditor for FY 2020. Director Hennings suggested contacting Emily at Comal Trinity, and Director Urie said he would do that. Director Davis said she would contact Vanessa at BSEACD.

**11. Discuss and establish possible agenda items for future Board meetings**

- Proposed Bylaw changes
- Hydrogeological Test Guidelines
- Well Construction Guidelines
- Election of Board Officers
- Drought and Conservation Plan Templates

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

The next meeting will be the Regular Monthly Meeting on November 11, 2020 at 10:00 AM.

**13. Adjourn**

***On a motion by Director Van Ackeren and a second by Director Hennings, the Board voted to adjourn the meeting – 7 Ayes to 0 Nays. The meeting was adjourned at 11:18 AM.***

PASSED, APPROVED AND ADOPTED THIS 9th 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

Resolution 2020-10-04

**DISTRICT BOARD RESOLUTION NO. 2020-10-04**

**RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTHWESTERN TRAVIS COUNTY  
GROUNDWATER CONSERVATION DISTRICT APPROVAL OF LOANS**

THE STATE OF TEXAS

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SOUTHWESTERN TRAVIS COUNTY

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GROUNDWATER CONSERVATION DISTRICT

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

**WHEREAS**, pursuant to Section 8871.101 of the District’s Enabling Act, the Board of Directors of the District (“District Board”) has the general management powers granted under Chapter 36 of the Texas Water Code unless otherwise provided by the District’s Enabling Act;

**WHEREAS**, pursuant to Section 36.158 of the Texas Water Code, the District may make or accept loans in any form to and from any source approved by the District Board, and may enter into contracts, agreements, and covenants in connection with the loans that the District Board considers appropriate;

**WHEREAS**, the District is in need of financial resources to fund its operational expenses during the time period before the District is able to collect fees as established in the District Fee Schedule by the District Board;

**WHEREAS**, Jim Dower, Tim Van Ackeren, and Richard Scadden have offered to provide funds to the District in the form of loans to help the District with its operational expenses; and

**WHEREAS**, the District Board finds that entering into loans to help the District pay for the District’s operational expenses is in the best interest of the District.

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

1. The above recitals are true and correct.
2. The Board of Directors approves the District entering into loan agreements with Jim Dower, Tim Van Ackeren, and Richard Scadden to provide funds to the District to pay for the District's operational expenses.
3. Any member of the Board of Directors who is not providing loans to the District is authorized by this resolution to execute the loan agreements and all other related documents on behalf of the District.
4. The Board of Directors, District staff, and General Counsel are further authorized to take any and all action necessary to otherwise implement this resolution.

**AND IT IS SO ORDERED.**

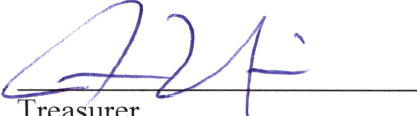
**PASSED AND ADOPTED** on this 28<sup>th</sup> day of October, 2020.

**SOUTHWESTERN TRAVIS COUNTY GROUNDWATER  
CONSERVATION DISTRICT**

By:

  
Vice President, Board of Directors

ATTEST:

  
Treasurer