



BOARD MEETING MINUTES

SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Wednesday, April 12, 2023, at 9:00 a.m.

A quorum of the Southwestern Travis County Groundwater Conservation District Board of Directors held a regular board meeting on Wednesday, April 12, 2023, at 9:00 a.m. at the District's office at 8656 W. Highway 71, Building A, Suite 224, Austin, Texas 78735. The meeting was open to the public and a videoconference remote participation option was provided, instructions for accessing the remote videoconference were provided with the Public Notice of Meeting.

- 1. Call to order, declare meeting open to the public, take roll and declare quorum status** – President Scadden called the public meeting to order at 9:06 a.m. on Wednesday, April 12, 2023. Six directors were present at the meeting constituting a quorum, including President Scadden, Director Van Ackeren, Director Norton, Director Hunt, Director Davis and Director Hennings. Also present were General Manager Lane Cockrell and District staff member Virginia Smith; Ed McCarthy, Jim Truitt, CJ Bennett, G.I.T., Philip Bullock, P.G., and Rusty Tarver, P.G. representing Clancy Utility Holdings, LLC; Lew Adams; Guy Leblanc; Vicky Kennedy with Travis County; Marisa Bruno with Hill Country Alliance; and Doug Wierman with The Watershed Association. The following individuals participated remotely by videoconference call: Audrey Cooper and Cole Ruiz with Lloyd Gosselink, Tom Smith, Greg Graml, and Archie Montemayor with Montemayor Britton Bender, P.C.
- 2. Announcements** – No announcements were presented.
- 3. Public Comments** – No public comments were presented under this agenda item.
- 4. Discuss and possibly act on approving previous meeting minutes** – This agenda item was taken out of number order. President Scadden presented the minutes for the February 8, 2023 regular board meeting for the Board's consideration. A motion was made by Director Van Ackeren to approve the minutes of the February 8, 2023 regular board meeting as presented. Motion seconded by Director Norton. Motion carried 4 Ayes – 0 Nays – 3 Absent.
- 5. Receive, discuss, and take action as needed on presentation regarding District financial audits for FY 2021 and FY 2022** – This agenda item was taken out of number order. Archie Montemayor with Montemayor Britton Bender, P.C., provided a presentation to the Board regarding the results of the District's financial audits for fiscal year 2021 and fiscal year 2022. Archie Montemayor reported that the District's financial audits for both fiscal years showed clean opinions with no negative results. Archie Montemayor reported that the audit reports for both fiscal years are currently in draft form, however he does not expect anything to change with the results of the District's audits in the final versions of the audit reports. Archie Montemayor reported that the District's financial statements for both fiscal year 2021 and 2022 are materially correct and comply with applicable statutes. Archie Montemayor reported that the District's net assets increased significantly from the end of fiscal year 2021 to the end of fiscal year 2022. Archie Montemayor provided a summary of the management / communications letter to the Board and thanked District staff for their efforts and assistance in



providing the auditors with the financial documentation they needed. President Scadden asked what next steps the District needs to follow in order to finalize the audits for both fiscal years. Archie Montemayor reported that the auditors still need a representation letter from the District and copies of the minutes from the District's most recent Board meeting. President Scadden thanked Archie Montemayor and the District's auditing firm for their work and presentation. No action taken.

6. **Receive presentation regarding Mirasol Springs development** – President Scadden reminded the public that this agenda item is for discussion purposes only, and no formal action will be taken on any permit applications under this agenda item. Jim Truitt with Mirasol Capital provided a presentation to the Board regarding the Mirasol Springs development plan. Jim Truitt presented site plans and a development summary of the Mirasol Springs Development showing the planned single-family homes and cabins for the area. Jim Truitt reported that the total Mirasol Springs Development is approximately 1,400 acres, with 30 residential cottages and 40 single-family homes planned, a hotel, and a University of Texas at Austin field station to be used by students and researchers of the University. Jim Truitt reported that over 70% of the developable acreage of the Mirasol project is dedicated to conservation. Jim Truitt reported that Pedernales River water authorized by the Lower Colorado River Authority ("LCRA") will be the primary water source for the project and estimated that surface water will be used 75% of the time. Jim Truitt reported that the project has a Protective Stormwater Management Plan and will require homeowners in the development to use rainwater if they wish to irrigate their lawns or landscaping. Jim Truitt reported that homeowners in the Mirasol development will not be permitted to use groundwater for irrigation purposes. Jim Truitt reported that development in the Roy Creek watershed will be minimal, with only approximately one house per 50 acres. Jim Truitt provided an overview of the environmental protection deed restrictions that will be included in the deed to each home in the Mirasol Springs development. Jim Truitt reported that the deed restrictions will prohibit individual homeowners in the development from drilling a private water well or putting in a septic system and will require homeowners to use native plants for landscaping. President Scadden asked that Mirasol Capital address questions from the Board regarding Mirasol Capital's hydrogeologic model and development plan. President Scadden asked what conditions would cause Mirasol to switch from using surface water to groundwater. Jim Truitt provided an explanation of the development's surface water intake system, and the surface water levels that would be required to supply the development. President Scadden reported concerns that the development plans to use groundwater during times when the hydrogeologic system is already under stress, and that might diminish spring flows in the area. Director Hunt reported that the hydrogeologic system in the area is a rain-dependent system and that a decrease in rainfall will cause spring flows to decrease in the area, and that any additional groundwater production during times of drought would decrease the amount of water available for spring flows. Doug Wierman with The Watershed Association raised concerns regarding the Board making permitting decisions based solely on the results of INTERA's modeling evaluations of the potential impacts associated with Clancy Utility Holdings, LLC's permit application. Tom Smith provided public comments and thanked the Board and expressed concerns about the impact of the development on local springs flows and the Pedernales River. No action taken.

7. **Receive, discuss, and take action as necessary on Board Committee Reports:**



- a. **Finance** – No action taken under this agenda item due to time constraints.
- b. **Legislative** – No action taken under this agenda item due to time constraints.
- c. **Science & Outreach** – No action taken under this agenda item due to time constraints.

8. **General Manager's Report:**

- a. **Summary of permitting, application, and registration inquiries and submissions** – General Manager Lane Cockrell provided a summary of the permit applications and registrations submitted to the District during the months of February and March 2023. General Manager Cockrell reported that the District received six (6) new well drilling authorization applications, one (1) application to plug or cap an existing well, two (2) operating permit applications, and twelve (12) reported water utility service connections during the month of February 2023. General Manager Cockrell reported that meter readings submitted by reporting well owners for the month of February show total production of 27.9 acre-feet (9,102,000 gallons). General Manager Cockrell reported that the District received three (3) new well registrations, seven (7) new well drilling authorization applications, two (2) applications to plug or cap an existing well, one (1) new general permit application, and five (5) reported water utility service connections during the month of March 2023. General Manager Cockrell reported that meter readings submitted by reporting well owners for the month of March show total production of 42.8 acre-feet (13,953,420 gallons).
- b. **Regulatory items and updates related to TWDB, TCEQ, GMAs, and other organizations** – General Manager Cockrell reported that the next GMA 9 meeting is scheduled for April 25, 2023 at the Cow Creek GCD offices in Boerne, Texas. General Manager Cockrell reported that the petition Clearwater UWCD received regarding annexing a portion of western Williamson County has been withdrawn. General Manager Cockrell reported that the next Texas Alliance of Groundwater Districts ("TAGD") business meeting is currently scheduled for June 6 and 7 at the Courtyard by Marriott in Pflugerville, Texas. General Manager Cockrell reported that the American Groundwater Trust Texas Groundwater Conference is also scheduled for June 6 and 7 at the Norris Conference Center in Austin, Texas. Finally, General Manager Cockrell reminded the Board to complete their mandatory cybersecurity awareness training by August 31, 2023.
- c. **Overview of current District groundwater monitoring program** – General Manager Cockrell presented a graph of water-level data from the St. Stephen's School monitoring well and reported that the water level has recovered approximately 30 feet since last August, but that the current water level is approximately 13 feet lower than it was at this time in 2022. General Manager Cockrell also presented a graph showing data from the District's Lakeside monitoring well which included water-level data for the Middle Trinity and Lower Trinity aquifers and water-level data for Lake Travis.
- d. **Other items of interest not requiring Board action** – No action taken under this agenda item.



Director Hennings left the open meeting at 11:57 a.m. President Scadden reported that four members of the Board remained present, constituting a quorum.

9. **Discuss and possibly act on matters related to District drought stage status and drought management methodology** – This agenda item was taken out of order due to time constraints. General Manager Cockrell reported that the District is currently under the D2 Severe Drought Stage and that the threshold for D3 Extreme Drought Stage had been reached the previous week, though recent rains had likely improved drought conditions enough to remain in the D2 stage. General Manager Cockrell presented drought data from the U.S. Drought Monitor for Travis County and for the District, showing more than 95% of the District’s territory is currently under D3 drought conditions, however the majority of Travis County is under D2 drought. General Manager Cockrell reported that current District Rules require drought declarations to be based on drought intensity data for Travis County, not on localized drought conditions within the District’s boundaries. General Manager Cockrell reported that he would provide an update on drought conditions after the next U.S. Drought Monitor drought map, which would reflect impacts of recent rains, was released. No action taken.

Director Davis left the open meeting at 11:32 a.m. President Scadden reported that five members of the Board remained present, constituting a quorum.

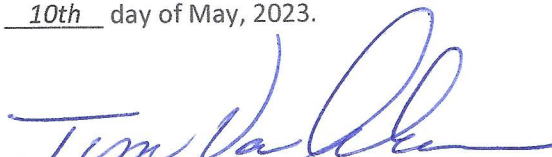
10. **Discuss and possibly act on matters related to INTERA evaluations of potential impacts of proposed groundwater production from Clancy Utility Holdings, LLC (a.k.a. Mirasol Springs development) permit application** – This agenda item was taken out of number order due to time constraints. President Scadden reported that the District and Hays Trinity Groundwater Conservation District (“Hays Trinity GCD”) jointly engaged INTERA to conduct an evaluation of potential impacts associated with proposed groundwater production from Clancy Utility Holdings, LLC’s permit application. President Scadden reported that INTERA provided a presentation regarding the results of their analysis at a joint meeting of both districts held on March 30, 2023. President Scadden asked if the Board or District Staff had any additional questions regarding INTERA’s evaluations or draft report. President Scadden reported that Board members from both districts provided comments and feedback to INTERA at the March 30, 2023 joint meeting, and that INTERA is working to revise their draft report. Director Hennings requested that a copy of the final draft be distributed to the full Board again to provide additional feedback. President Scadden reported that a copy of the final draft report from INTERA will be provided to the Board for feedback, and the final report will be provided to the public. General Manager Cockrell provided a general overview of the next steps in the permit hearing process to the Board and reported that the District has 60 days to hold a public hearing on a permit application once the application is administratively complete. General Manager Cockrell provided an update to the Board regarding the status of Clancy Utility Holdings, LLC’s permit application and District Staff’s review of the application supplement. No action taken.
11. **Discuss and possibly act on matters related to implementing District rules** – This agenda item was taken out of number order due to time constraints. General Manager Cockrell presented the Drought Compliance Report for permittees from January through March 2023. General Manager Cockrell reported that the majority of the permittees in the District have met the District’s drought



curtailment requirements for Q2 of 2023. General Manager Cockrell reported that only two permittees failed to meet the District's drought curtailment requirements based on their requested permit volume for Q2 of 2023. General Manager Cockrell reported that District Staff have addressed non-compliance with the drought curtailment requirements on a case-by-case basis. Director Hennings asked whether or not District Staff have mailed letters to permittees regarding drought compliance. General Manager Cockrell responded that staff have not sent enforcement letters regarding drought compliance, but that he reached out to permittees individually. No action taken.

12. **Discuss and possibly act on matters related to FY 2023 Interlocal Agreement with Travis County** – General Manager Cockrell reported that the District received the first distribution of funding from the fiscal year 2023 agreement on April 4, 2023. General Manager Cockrell reported that he coordinated with Vicky Kennedy at Travis County to develop the District's funding request for fiscal year 2024, which was submitted to Travis County on March 20, 2023. President Scadden thanked Vicky Kennedy for her help. General Manager Cockrell reported that he met with other stakeholders regarding the regional hydrogeologic study, including Clearwater UWCD and Central Texas GCD. No action taken.
13. **Discuss and possibly act on matters related to a potential Board Workshop for reviewing procedures related to permitting actions by the District** – This agenda item was taken out of order. President Scadden reported that the Board is considering holding a workshop to review the process and procedures related to holding permitting hearings and processing permit applications. President Scadden requested that the Board provide him with their availability to attend a workshop for scheduling purposes. After some discussion regarding scheduling, President Scadden proposed Wednesday, June 7, 2023, at 9:00 a.m. at the District's office for the workshop regarding permit hearing procedures. General Manger Cockrell requested that the Board let him know if they have any specific questions or topics they would like to discuss at the workshop. No action taken.
14. **Discuss and establish possible agenda items for future Board Meetings** –No action taken under this agenda item.
15. **Discuss and possibly act on setting the date, time, and location for the next Board Meeting** – President Scadden reported that the next meeting will be held on May 10, 2023 at 9:00 a.m. at the District's office.
16. **Adjourn** – A motion was made by Director Hunt to adjourn the meeting at 11:58 a.m. Motion seconded by Director Van Ackeren. Motion carried 4 Ayes – 0 Nays – 3 Absent.

PASSED, APPROVED, AND ADOPTED THIS THE 10th day of May, 2023.


Tim Van Ackeren, Secretary