



BOARD MEETING MINUTES

SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Wednesday, November 29, 2023, at 9:30 a.m.

A quorum of the Southwestern Travis County Groundwater Conservation District Board of Directors held a special called board meeting on Wednesday, November 29, 2023, at 9:30 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 9:30 a.m. on Wednesday, November 29, 2023. Seven directors were present at the meeting constituting a quorum, including President Scadden, Director Leva, Director Hunt, Director Norton, Director Davis, Director Van Ackeren, and Director Urie. Also present were General Manager Lane Cockrell and District regulatory compliance specialist Virginia Smith, Jim Truitt with Mirasol Capital, and Tom and Rebecca Smith. The following individuals participated remotely by videoconference call: Cole Ruiz and Audrey Cooper with Lloyd Gosselink, Ed McCarthy, representing Mirasol Capital and Clancy Utility Holdings, LLC, CJ Bennett with Bullock, Bennett & Associates, LLC, Vicky Kennedy with Travis County, Victoria Rose, representing Save Our Springs Alliance, and Karen Hadden.
- 2. Announcements** – President Scadden announced that the Board of Directors will not meet in December, and wished everyone in attendance happy holidays, and congratulated Lane Cockrell on the upcoming birth of his second child. General Manager Cockrell reported that Clancy Utility Holdings, LLC's permit application with the District was officially declared administratively complete by District staff on November 24, 2023, and that the District Rules require the Board to hold a hearing on the permit within 60 days. General Manager Cockrell reported that Geoprojects International began drilling the District's new monitoring well this week and have already finished coring.
- 3. Public Comments** – Tom Smith presented public comments to the Board of Directors regarding the Mirasol Springs development and Clancy Utility Holdings, LLC's permit application, and asked that the Board delay their decision on the permit until Clancy Utility Holdings has secured their TCEQ diversion permit. Additionally, Tom Smith raised the question of whether it is appropriate for the Board to consider granting the permit given current drought conditions. President Scadden stated that there will be an opportunity for the public to provide comments and make statements at the hearing on Clancy Utility Holdings' application. General Manager Cockrell reported that the Board must hold a hearing on the permit application within 60 calendar days of declaring the application administratively complete, pursuant to District Rules. Karen Hadden presented public comments to the Board regarding the Clancy Utility Holdings, LLC, permit application, and expressed concerns regarding potential impacts to the Pedernales River.



4. **Conduct a Public Hearing to receive input regarding proposed amendments to District Rules and Fee Schedule** – President Scadden closed the public meeting at 9:42 a.m. and called the public hearing on the District Rules and Fee Schedule to order at 9:42 a.m. A quorum of seven directors remained present, including President Scadden, Director Leva, Director Hunt, Director Norton, Director Davis, Director Van Ackeren, and Director Urie. General Manager Cockrell presented a summary to the Board regarding the proposed amendments to the District Rules and Fee Schedule. General Manager Cockrell reported that HB 3059, which was passed by the 88th Texas Legislature, allows groundwater conservation districts to charge an export fee of up to \$0.20 per 1,000 gallons of groundwater exported outside district boundaries, and that beginning in 2024, the maximum rate districts may charge for exported groundwater will increase 3% each year. General Manager Cockrell reported that the District’s current Fee Schedule includes export fees equivalent to \$0.10 per 1,000 gallons of groundwater exported out of the District for non-agricultural purposes, and \$0.02 per 1,000 gallons for agricultural purposes. General Manager Cockrell reported that the proposed amendments increase export fees for all uses (agricultural and non-agricultural) to \$0.20 per 1,000 gallons and allow the Board to increase this rate up to 3% annually beginning in 2024. General Manger Cockrell reported that the proposed amendments state that funds obtained from future rate increases may only be used to address impacts associated with groundwater development, including maintaining the operability of impacted wells, providing for alternative water sources, and conducting aquifer monitoring, data collection, and aquifer science. No public comments were presented regarding the proposed amendments to the District Rules and Fee Schedule. President Scadden closed the public hearing at 9:49 a.m. and reconvened the public meeting.
5. **Discuss and possibly act on matters related to proposed amendments to District Rules and Fee Schedule** – Director Hunt asked how the District determines the actual amount of groundwater being exported outside the District’s boundaries. General Manager Cockrell reported that District Rules require permittees to separately meter and report any portion of produced groundwater that is exported outside the District. Director Norton asked whether transporting produced groundwater outside the District via truck would be considered “export.” Cole Ruiz responded that if a permittee were to produce groundwater within the District and then transport that groundwater outside the District by truck it would be considered “export.” Director Hunt stated that Aquifer Storage and Recovery (“ASR”) systems are not subject to District Rules related to groundwater exports and pointed out potential complications of accurately metering groundwater exports in systems that utilize other water sources in addition to groundwater. Cole Ruiz responded that the proposed changes are intended to address export fees, not the manner in which groundwater exports are measured, and that the statute allows districts to negotiate an export fee with certain applicants under certain circumstances where metering is impractical. President Scadden requested that the Board Rules Subcommittee develop a clear definition of “export” for inclusion in the District Rules in the future. A motion was made by Director Davis to adopt the proposed amendments to the District Rules and Fee Schedule as proposed. Motion seconded by Director Hunt. Motion carried 7 Ayes – 0 Nays.



6. **Discuss and possibly act on matters related to District drought stage status** – General Manager Cockrell reported that the District has reached the drought trigger requirements to declare a lower drought stage. General Manager Cockrell reminded the Board that District Rules require at least 50% of the District’s territory to be at the lower drought stage for at least four consecutive weeks before the Board may downgrade the declared drought stage. General Manager Cockrell reported that the District’s current declared drought stage is D-4, however the District’s territory has been under D-3 drought conditions for the last four weeks. General Manager Cockrell recommended downgrading the drought stage to D-3 based on current data from the U.S. Drought Monitor. A motion was made by Director Hunt to downgrade the declared drought stage to D-3. Motion seconded by Director Urie. Motion carried 7 Ayes – 0 Nays.

7. **Discuss and possibly act on matters related to stakeholder process for Hamilton Pool Management Zone** – General Manager Cockrell provided an update to the Board regarding the stakeholder process for the Hamilton Pool Management Zone and the Board’s decision to engage a professional facilitator to manage the stakeholder group process. General Manager Cockrell reported that after meeting with three potential facilitator candidates, he recommended that the Board proceed to engage Christy Muse to act as facilitator for the Hamilton Pool Management Zone stakeholder group. General Manager Cockrell requested authorization for the Rules Subcommittee and himself to draft an agreement with Ms. Muse for Board consideration and approval early next year. Director Van Ackeren voiced his support for contracting with Ms. Muse. President Scadden asked that he be involved in the process to develop a professional services contract to engage Ms. Muse, given his experience with professional contracts, and pointed out that a Director from the Rules Subcommittee would need to abstain from participating in the negotiations to avoid a walking quorum. After discussion, the consensus was for President Scadden, Director Hunt, and General Manager Cockrell to work with Ms. Muse to develop a professional services contract and scope of work to present to the Board for consideration and approval in January. Jim Truitt with Mirasol Capital provided public comments and expressed concerns about the Board engaging Christy Muse as the facilitator for the stakeholder group because of potential bias against the Mirasol development. General Manager Cockrell responded that the District takes concerns regarding bias seriously, and reported that Christy Muse herself addressed any potential biases during her meeting with District staff. President Scadden disclosed that Christy Muse is a friend of his wife. A motion was made by Director Hunt to authorize General Manager Lane Cockrell to move forward with negotiations with Christy Muse to serve as the facilitator for the Hamilton Pool Management Zone stakeholder group. Motion seconded by Director Van Ackeren. Motion carried 7 Ayes – 0 Nays.

8. **Discuss and establish possible agenda items for future Board Meetings** – President Scadden reported that the next Board meeting will be held in January after the holidays. General Manager Cockrell reported that the next agenda will include items to revisit contract discussions for the facilitator for the Hamilton Pool Management Zone, and the Board will need to discuss setting a date and time for the Clancy Utility Holdings, LLC permit hearing.

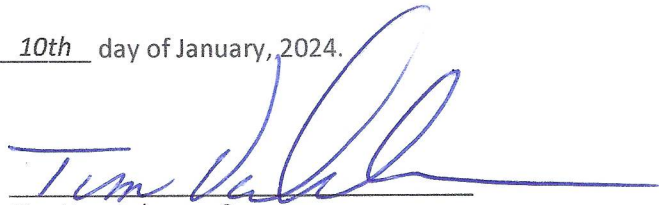
9. **Discuss and possibly act on setting the date, time, and location for the next Board Meeting** – President Scadden reported that the next regular board meeting will be held on January 10, 2024, at 9:30 a.m. at the District office. President Scadden also reported that the permit hearing for Clancy



Utility Holdings, LLC's application will be held on January 22, 2024, at 5:30 p.m. at a location to be determined.

10. **Adjourn** – A motion was made by Director Van Ackeren to adjourn the public meeting at 10:33 a.m. Motion seconded by Director Norton. Motion carried 7 Ayes – 0 Nays.

PASSED, APPROVED, AND ADOPTED THIS THE 10th day of January, 2024.



Tim Van Ackeren, Secretary