



BOARD MEETING MINUTES

SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Wednesday, February 14, 2024, at 9:30 a.m.

A quorum of the Southwestern Travis County Groundwater Conservation District Board of Directors held a regular monthly board meeting on Wednesday, February 14, 2024, 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, February 14, 2024. Seven directors were present at the meeting constituting a quorum, including President Scadden, Director Leva, Director Urie, Director Van Ackeren, Director Norton, Director Davis, and Director Hunt. Also present were General Manager Lane Cockrell and District Regulatory Compliance Specialist Virginia Smith, Tom Smith, Victoria Rose with Save Our Springs, Jim Truitt with Mirasol Capital, Bill Dugat with Travis County, Ed McCarthy with Mirasol Capital and Clancy Utility Holdings, Don Rauschuber, Jim Phillips, and Karen Haden with Save the Pedernales. The following individuals participated remotely by videoconference call: Cole Ruiz and Audrey Cooper with Lloyd Gosselink, Rebecca Smyth with the UT Bureau of Economic Geology, Lew Adams, CJ Bennett and Rusty Tarver with Mirasol Capital, Pete Golde, District Volunteer, Christy Muse, Hamilton Jones, and Drew (no last name provided).
- 2. Announcements** – President Scadden congratulated Vicky Kennedy on her retirement from Travis County and thanked her for her help assisting the District over the years. General Manager Cockrell reported that he has a card for the Board and District staff to sign for Vicky Kennedy and requested that the Board stay after the meeting to sign the card.
- 3. Public Comments** – Don Rauschuber provided public comments to the Board regarding a permit application submitted to the District on behalf of Bearing Holdings. Don Reported that their permit application has been pending before the District for some time, awaiting administrative review, and reported that he is happy to work with District staff and provide any information needed to help expedite the review process.
- 4. Discuss and possibly act on matters related to Director resignation and resulting vacancy** – President Scadden reported that Director Hunt submitted his written resignation from the Board of Directors due to conflicts related to his ongoing work with the UT Bureau of Economic Geology. A motion was made by Director Van Ackeren to accept Director Hunt's resignation from the Board. Motion seconded by Director Urie. The Board said that Director Hunt's many contributions to the District are appreciated and that he will be greatly missed. Motion carried 6 Ayes – 0 Nays – 1 Abstaining. Director Hunt abstained from voting. President Scadden reported that the Board will need to fill the resulting vacancy on the Board pursuant to Chapter 36 of the Texas Water Code, and



General Manager Cockrell provided information regarding the eligibility requirements to serve on the Board.

5. **Discuss and possibly act on matters related to referring contested case hearing for Clancy Utility Holdings, LLC permit application to the State Office of Administrative Hearings (SOAH)** – President Scadden reported that at the Board’s January 22, 2024 permit hearing on Clancy Utility Holdings, LLC’s application, the applicant requested that this matter be referred to SOAH for a contested case hearing because of the number of individuals who submitted requests for a contested case hearing. President Scadden reported that the District considered engaging an independent hearings examiner to conduct the hearing but would be referring the matter to SOAH given the applicant’s request. The applicant will be responsible for the cost of participating in the SOAH process since they made the request to refer the matter to SOAH. Cole Ruiz provided a summary to the Board of the referral and hearings process at SOAH and reported that the administrative law judge assigned to handle this case at SOAH will be tasked with determining party status for those who filed requests for a contested case hearing. Cole Ruiz reported that his firm has been in contact with SOAH about the referral, and that the Board will need to issue a letter to formally request that the case be referred to SOAH and to provide SOAH with information about the nature of the case. Cole Ruiz reported that the District will need to enter into an interlocal agreement with SOAH and that the District will coordinate with Clancy Utility Holdings, LLC regarding payment of expenses related to the SOAH contract. Cole Ruiz reported that the timeline for the hearing depends on SOAH’s case load, but that it may take several months for the preliminary hearing to be held. Director Norton asked whether Hays Trinity GCD’s Board has referred its Clancy Utility Holdings’ permit to SOAH. General Manager Cockrell reported that Hays Trinity GCD’s Board determined party status for each individual protestant and instructed parties to take 30 days to attempt to reach settlement before the Board refers the application to SOAH. Ed McCarthy, attorney for Clancy Utility Holdings, LLC, confirmed this. Lew Adams provided public comments and asked why the District and Hays Trinity GCD are acting independently from each other. President Scadden stated that Hays Trinity GCD and Southwestern Travis County GCD are separate governmental entities with separate and distinct jurisdictions and rules, and that while the districts chose to coordinate on the INTERA report to share scientific knowledge, each district must make independent permitting decisions based on their respective rules and policies. Tom Smith provided public comments and asked whether the District’s Rules will still apply to the permit application once it’s submitted to SOAH. Cole Ruiz reported that once the permitting case is referred to SOAH, the District’s Rules, Chapter 36 of the Texas Water Code, existing case law, and SOAH’s administrative rules will apply. Cole Ruiz reported that today, the Board must refer the Clancy Utility Holdings, LLC permit application to SOAH, and provided a copy of the draft letter that will be issued to SOAH requesting referral of the case. Ed McCarthy reported that Clancy Utility Holdings understands their financial responsibility for anticipated costs related to SOAH and will submit funds in escrow to the District in accordance with the interlocal agreement.

A motion was made by Director Van Ackeren to refer Clancy Utility Holdings, LLC’s permit application to the State Office of Administrative Hearings for a contested case hearing and to authorize the issuance of the referral letter. Motion seconded by Director Urie. Motion carried 5 Ayes – 0 Nays – 1 Abstaining. Director Davis recused herself from Board activities regarding Clancy Utility Holding’s



permit application and abstained from voting. A motion was made by Director Van Ackeren to authorize President Scadden to execute the interlocal agreement with the State Office of Administrative Hearings on this matter, and for the agreement to be brought back to the Board for ratification. Motion seconded by Director Urie. Motion carried 5 Ayes – 0 Nays – 1 Abstaining (Davis).

6. **Discuss and possibly act on matters related to agreements with INTERA for technical services, including potential work order for technical support and testimony at contested case hearing for Clancy Utility Holdings, LLC permit application** – President Scadden reported that the District’s existing scope of work for technical evaluations related to the Clancy Utility Holdings, LLC application has been completed, but the District may require testimony from INTERA at the SOAH hearing(s). General Manager Cockrell reported that he contacted INTERA about engaging them to provide technical support and possible testimony at the contested case hearing on this matter. General Manager Cockrell reported that the resulting draft work order includes a not-to-exceed amount of \$4,500.00, equivalent to approximately 20 hours of Wade Oliver’s time. Director Norton asked whether the District may need other consultants for the contested case hearing. President Scadden reported that it’s unlikely the District would need to engage another consultant. A motion was made by Director Van Ackeren to approve the work order with INTERA for the Clancy Utility Holdings, LLC permit application, and to authorize President Scadden or General Manager Cockrell to sign the agreement. Motion seconded by Director Leva. Motion carried 5 Ayes – 0 Nays – 1 Abstaining. Director Davis abstained from voting on this matter.
7. **Discuss and possibly act on approving previous meeting minutes** – President Scadden presented the draft minutes for the January 10, 2024 regular board meeting. A motion was made by Director Leva to approve the minutes of the January 10, 2024 meeting as presented. Motion seconded by Director Norton. Motion carried 5 Ayes – 0 Nays – 1 Abstaining. Director Urie abstained from voting as he was not present at the January 10 meeting.
8. **Receive, discuss, and take action as necessary on Board Committee Reports:**
 - a. **Finance** – Pete Golde provided a report to the Board regarding the financial reports dated January 31, 2024. The balance sheet indicated assets totaling \$132,111.46, and liabilities totaling \$3,990.35. The fiscal year to date profit and loss report indicated expenses totaling \$139,458.28, gross profit totaling \$34,219.45, and net income totaling \$-105,176.63 through January 2024. Pete Golde provided a summary of the checks issued by the District since the last board meeting, a summary of expenses by vendor, a fiscal year to date summary of expenses by budgetary line item, and the reconciliation change report for the District’s general fund and escrow account. Pete Golde reported that he can’t reconcile the District’s general fund account because of an ongoing error in QuickBooks. President Scadden expressed concerns that this error in QuickBooks may cause problems for this fiscal year’s financial audit.
 - b. **Legislative** – Director Davis reported that interim charges for the Texas Senate should be released by February 15, and reported that she expects a few groundwater related



interim charges. Director Davis reported that she has not heard much from the Texas House on any groundwater charges.

- c. **Science & Outreach** – General Manager Cockrell reported that the District will be collaborating with the UT Bureau of Economic Geology and Brian Hunt to conduct a dye trace later this year. General Manager Cockrell reported that he visited several of the District’s monitoring wells with a representative from WelIntel to perform maintenance and repairs on monitoring equipment. General Manager Cockrell reported that the GMA 9 member districts are planning to conduct synoptic water-level measurements the last week of February, during which staff from each district will collect water-level data that will be compiled with other districts’ data to assess current aquifer levels across GMA 9. General Manager Cockrell reported that the District’s website received 1,551 unique visits during the month of January.
- d. **Rules** – No action taken under this agenda item.

9. **General Manager’s Report:**

- a. **Summary of permitting, application, and registration inquiries and submissions** – General Manager Cockrell provided a summary of the permit applications and well registrations received by the District during the month of January. General Manager Cockrell reported that the District received one (1) new well drilling authorization application for a new well, one (1) new general permit application, and seven (7) water utility service connections during the month of January. General Manager Cockrell reported that reported groundwater production for the month of January showed a total of 35.5 acre-feet (11.6 million gallons).
- b. **Regulatory items and updates related to TWDB, TCEQ, GMAs, and other organizations** – General Manager Cockrell reported that the next GMA 9 joint planning meeting is scheduled for March 26, 2024, at 10:00 a.m. at the Cow Creek GCD offices in Boerne, Texas, and that a videoconference option will be available for those unable to attend in person. General Manager Cockrell reported that the Texas Alliance of Groundwater Districts has hired a new executive director, Mr. Adam Foster, former hydrologist with the Texas Department of Licensing and Regulation’s Water Well Program.
- c. **Overview of current District groundwater monitoring program** – General Manager Cockrell presented a hydrograph showing water-level data from the District’s Lakeside Monitoring Well through February 13, 2024, along with Lake Travis levels. General Manager Cockrell reported that water levels in Lake Travis have recovered slightly since the end of last summer but are still well below full. General Manager Cockrell reported that water levels in the Cow Creek Formation of the Middle Trinity Aquifer have risen almost 1 foot at the Lakeside site since February 2022. General Manager Cockrell reported that water levels in the Lower Trinity Aquifer have fallen over 4 feet at the Lakeside site



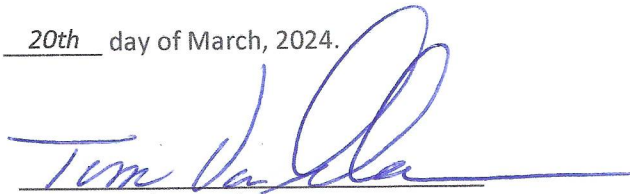
since February 2022, while Lake Travis water level is down nearly 8 feet during that time. General Manager Cockrell presented data from a TWDB monitoring well located in the eastern portion of the District (state well number 58-50-120), showing steady declines in Lower Trinity water levels.

- d. **Other items of interest not requiring Board action** – General Manager Cockrell reported that the District’s office will be closed on Monday, February 19 in observance of President’s Day. General Manager Cockrell reported that the District’s Northern Travis County monitoring well at Travis County ESD1 Station 104 was completed in December and provides data from the Lower and Middle Trinity aquifers. General Manager Cockrell reported that the final cost for the monitoring well was \$47,786. General Manager Cockrell reported that invitations were sent to stakeholders to participate in the Hamilton Pool Management Zone stakeholder group, and that the kickoff meeting will be scheduled for later this month. General Manager Cockrell reported that JPD Backyard Finance LLC’s permit application was declared administratively complete on January 31, 2024, and that the Board must hold a hearing on the permit by March 31, 2024. General Manager Cockrell reported that the District’s office lease was extended by Travis County through February 2025.
10. **Discuss and possibly act on matters related to District drought stage status** – General Manager Cockrell presented a map prepared by Virginia Smith showing the current drought stage in the District and surrounding areas. General Manager Cockrell reported that the threshold requirement to downgrade the drought stage from D-3 Extreme Drought to D-2 Severe Drought has been met according to data from the U.S. Drought Monitor. Director Norton reported that during the last weekly drought map meeting, the Texas State Climatologist discussed the lack of rainfall in Texas over the last year, particularly in central Texas. General Manager Cockrell reported that the District’s Rules allow the Board to consider other factors and data, including Lake Travis elevation levels, when declaring a higher or lower drought stage. Director Davis reported that drought conditions on her property in the District are still severe, despite recent rains. The Board agreed to downgrade District Drought Stage to D-2 Severe Drought by consensus and requested that General Manager Cockrell emphasize that the District is still under intense drought in the press release regarding the new drought stage status.
 11. **Discuss and possibly act on matters related to retaining bookkeeping services for the District** – General Manager Cockrell reported that he sought out potential candidates to provide bookkeeping services for the District. General Manager Cockrell reported that he reached out to neighboring districts for recommendations and that many districts do their bookkeeping in house. Pete Golde reported that he spoke with CPA Jeff Monzingo regarding potential candidates and that Mr. Monzingo would provide a list of potential CPAs. Pete Golde reported that he will follow up with General Manager Cockrell with any feedback or names of other potential bookkeepers. Pete Golde suggested that upgrading the District’s QuickBooks account may help address ongoing errors. The Board agreed by consensus to upgrade the District’s QuickBooks account.



12. **Discuss and possibly act on matters related to FY 2023 and FY 2024 Interlocal Agreements with Travis County** – General Manager Cockrell reported that he received confirmation that the Travis County Commissioner’s Court approved the fiscal year 2024 interlocal agreement with the District, and that he’s working with Vicky Kennedy and other Travis County staff on invoicing for the District’s expenses. General Manager Cockrell provided a summary of the funding categories included in the fiscal year 2024 agreement, including rollover funds from fiscal year 2023 in the amount of \$66,513.37. General Manager Cockrell reported that the District has an invoice pending with Travis County for expenses related to the District’s portion of the joint hydrogeologic study with LRE Water and the District’s monitoring well in northern Travis County. No action taken under this agenda item.
13. **Discuss and establish possible agenda items for future Board Meetings** – No action taken under this agenda item.
14. **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 March 20, 2024, at 9:30 a.m. at the District’s office, and that the Board may hold a permit hearing on that date as well.
15. **Adjourn** – A motion was made by Director Van Ackeren to adjourn the open meeting at 11:56 a.m. Motion seconded by Director Leva. Motion carried 6 Ayes – 0 Nays.

PASSED, APPROVED, AND ADOPTED THIS THE 20th day of March, 2024.


Tim Van Ackeren, Secretary