



## BOARD MEETING MINUTES

### SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Wednesday, April 10, 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, April 10, 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, April 10, 2024. Five directors were present at the meeting constituting a quorum, including President Scadden, Director Phillips, Director Davis, Director Leva, and Director Van Ackeren. Also present were General Manager Lane Cockrell and District Regulatory Compliance Specialist Virginia Smith, General Counsel Cole Ruiz with Lloyd Gosselink, Pete Golde, and Lynn Sherman representing JPD Backyard Finance, LLC. The following individuals participated remotely by videoconference call: Audrey Cooper with Lloyd Gosselink, CJ Bennett and Rusty Tarver with Mirasol Capital, Ed McCarthy representing Mirasol Capital, and Bill Dugat representing Travis County.
2. **Announcements** – No announcements.
3. **Public Comments** – No public comments were presented.
4. **Discuss and possibly act on matters related to Director vacancy** – President Scadden reminded the Board that Director Norton moved to a new property and no longer meets the eligibility requirements to serve on the Board of Directors. President Scadden reported that no members of the public have expressed an interest in being appointed to the Board yet. President Scadden reported that Director Norton will remain a holdover on the Board until his vacancy is filled. A motion was made by President Scadden to accept Director Ian Norton's resignation from the Board of Directors. Motion seconded by Director Van Ackeren. Motion carried 5 Ayes – 0 Nays – 2 Absent. President Scadden thanked Director Norton for his service on the Board.
5. **Discuss and possibly act on matters related to District spacing requirements for proposed new wells, including possible authorization of proposed well locations with reduced spacing from property lines and/or existing wells** – General Manager Cockrell provided a presentation to the Board regarding the District's spacing requirements under District Rule 4.2(A), and reported that the District has received several Well Drilling Authorization Applications with proposed well locations that require Board authorization for variances from the District's standard spacing requirements. General Manager Cockrell reported that District Rule 4.2(A) requires at least 100 feet between proposed wells capable of producing up to 25,000 gallons per day and registered wells in the same aquifer, and at least 100 feet between proposed wells capable of producing up to 25,000 gallons per

day and recorded property lines. General Manager Cockrell reported that the Board may authorize reduced spacing between proposed wells and registered wells in the same aquifer management zone, and between proposed wells and recorded property lines under certain circumstances. General Manager Cockrell pointed out that District Rules require any prospective subdivision of property that proposes to use new wells in the District must ensure that the new property lines are located such that the District's spacing requirements are met.

General Manager Cockrell reported that the District received a Well Drilling Authorization Application for a new well to be located at a property on Pace Bend Road in Spicewood, Texas, where the applicant has an existing exempt domestic well on one tract, but would like to drill a second domestic well in the same aquifer on a neighboring vacant tract to supplement decreased production from their existing well. General Manager Cockrell reported that the applicant's properties were platted before the District's Rules were adopted, and that the proposed well would be located within 50 feet of the property line between the tracts, and within 100 feet of the existing well owned by the applicant. General Manager Cockrell recommended approving the proposed well location with reduced spacing given the circumstances. Director Davis expressed concerns regarding whether or not the applicant could sell their second tract in the future to a new landowner who would be impacted by the spacing of the wells. The Board discussed requiring the applicant to record an affidavit in the Travis County property records documenting the spacing variance. A motion was made by Director Davis to approve the proposed location of the proposed well on Pace Bend Road and to require documentation to be recorded in the Travis County Real Property Records documenting the reduced spacing, and requiring the issue to come back before the Board for reconsideration if the property where the proposed well will be located is sold. Motion seconded by Director Van Ackeren. Motion carried 5 Ayes – 0 Nays – 2 Absent.

Next, General Manager Cockrell reported that the District received a Well Drilling Authorization Application for a new well to be located at a property on Oak Hurst Road, in Austin, Texas, where the dimensions of the applicant's tract cannot accommodate the minimum spacing required by District Rules between the proposed well and the property lines. General Manager Cockrell reported that the property is located within Travis County WCID No. 17's water service area, and that the property was platted after the District's Rules were in place. Cole Ruiz reported that the applicant could obtain waivers from their neighbors or purchase groundwater rights from their neighbors in order to meet District spacing requirements. Cole Ruiz reported that many districts across the state work with their county to adopt rules regarding groundwater availability certifications for subdivisions as part of the platting approval process. The staff recommendation for this application was that the location of the proposed well does not comply with District Rule 4.2(A) and may not be authorized. After additional discussion, a motion was made by Director Davis to deny the Well Drilling Authorization Application for the proposed well on Oak Hurst Road because it does not comply with the District's spacing requirements. Motion seconded by Director Van Ackeren. Motion carried 5 Ayes – 0 Nays – 2 Absent.

General Manager Cockrell presented a third Well Drilling Authorization Application to the Board for consideration for a new well to be located at a property on Martelli Lane in West Lake Hills, Texas. General Manager Cockrell reported that due to the dimensions of the applicant's tract, building location, and the location of sewer lines, the applicant cannot meet the minimum spacing required by District Rules between the proposed well and the property lines. General Manager Cockrell reported that the applicant owns the neighboring lot which the proposed well encroaches on, and

that the properties were platted after the District Rules were adopted. The staff recommendation for this application was that the location of the proposed well does not comply with District Rule 4.2(A) and may not be authorized. After additional discussion, a motion was made by Director Van Ackeren to deny the Well Drilling Authorization Application for the proposed well on Martelli Lane because it does not comply with the District's spacing requirements. Motion seconded by Director Davis. Motion carried 5 Ayes – 0 Nays – 2 Absent. President Scadden encouraged General Manager Cockrell to meet with the applicant to explore available options to comply with the District's Rules.

6. **Receive update on Hamilton Pool Management Zone stakeholder process** – President Scadden reported that Christy Muse was unable to attend the meeting to provide an update on the Hamilton Pool Management Zone stakeholder meeting process. President Scadden reported that the stakeholder group has met twice so far, and that the next meeting will be held on April 29, 2024 at Shield Ranch. General Manager Cockrell provided the Board with copies of the waiver form provided by Shield Ranch for the April 29, 2024 meeting, and reported that any directors that wish to attend must sign and return the waiver. No action taken under this agenda item.
  
7. **Discuss and possibly act on matters related to JPD Backyard Finance, LLC operating permit application** – President Scadden reported that counsel for JPD Backyard Finance, LLC submitted a demand letter to the District requesting the referral of JPD Backyard Finance, LLC's permit application to the State Office of Administrative Hearings ("SOAH"). General Manager Cockrell reported that the District's Rules require the Board to refer a contested case hearing to SOAH upon request of the applicant. General Manager Cockrell reported that this matter would require the District to enter into a new interlocal agreement with SOAH and open an additional bank account to hold JPD Backyard Finance, LLC's SOAH deposit in escrow. Lynn Sherman provided public comments on behalf of JPD Backyard Finance, LLC, and reported that while the applicant disagrees with the Board's consideration of using groundwater as makeup water for their retention pond as a factor when evaluating the application, JPD Backyard Finance, LLC looks forward to resolving this matter at SOAH.

President Scadden reported that the Board will enter executive session pursuant to Texas Government Code § 551.071 to discuss attorney-client matters with the District's general counsel. President Scadden adjourned the open meeting and the Board went into executive session at 10:48 a.m. President Scadden reconvened the open meeting at 11:33 a.m. A quorum of five directors remained present at the meeting, including President Scadden, Director Phillips, Director Davis, Director Leva, and Director Van Ackeren. President Scadden requested that General Manager Cockrell and Cole Ruiz work to initiate the docketing of this matter with SOAH.

8. **Discuss and possibly act on matters related to contested case hearing for Clancy Utility Holdings, LLC operating permit application** – President Scadden reported that he executed an interlocal agreement with SOAH for the referral of the Clancy Utility Holdings, LLC permitting matter, and provided a copy of the executed interlocal agreement to the Board. President Scadden reported that the Board will need to engage outside counsel for the limited purpose of representing the Board in this SOAH hearing process and requested that Cole Ruiz put the Board in touch with the two attorneys that have been recommended for interviews. No action taken under this agenda item.
  
9. **Discuss and possibly act on matters related to Interlocal Cooperation Agreement with Travis County** – General Manager Cockrell provided an update to the Board regarding the status of invoicing

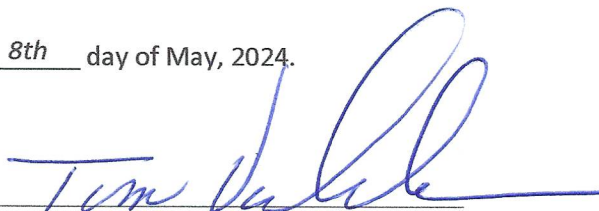
with Travis County under the fiscal year 2024 interlocal agreement. General Manager Cockrell reported that he submitted a new invoice to Travis County for expenses from October 2023 through March 2024. General Manager Cockrell reported that Travis County prepared a proposed amendment to the fiscal year 2024 interlocal agreement to help streamline the invoicing process in the future, and that President Scadden executed the proposed amendment, which would be included on the agenda of an upcoming County Commissioners Court voting session for approval. No action taken under this agenda item.

10. **Discuss and possibly act on matters related to District drought stage status** – General Manager Cockrell provided an update to the Board regarding current drought conditions in Travis County. General Manager Cockrell presented a map showing that the majority of Travis County is under D-2 Severe Drought. General Manager Cockrell recommended that the District remain at D-2 Severe Drought due to current conditions. No action taken under this agenda item.
11. **Discuss and possibly act on approving previous meeting minutes** – President Scadden presented the draft minutes for the March 20, 2024 regular board meeting for consideration. A motion was made by Director Davis to approve the minutes for the March 20, 2024 regular board meeting as presented. Motion seconded by Director Phillips. Motion carried 5 Ayes – 0 Nays – 2 Absent.
12. **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 March 31, 2024. The balance sheet indicated assets totaling \$97,809.10, and liabilities totaling \$28,995.94. The fiscal year to date profit and loss report indicated expenses totaling \$226,227.41, gross profit totaling \$61,730.63, and net income totaling \$-164,484.58 through March 2024. Pete Golde provided a summary of the checks issued by the District since the last board meeting, a summary of expenses by vendor, and a fiscal year to date summary of revenue and expenses by budgetary line item.
  - b. **Legislative** – Cole Ruiz reported that SB 2440, passed by the 88<sup>th</sup> Texas Legislature, made changes to the statute that authorized municipalities and counties to require groundwater availability certifications for subdivisions. Cole Ruiz reported that the Texas Commission on Environmental Quality (“TCEQ”) is working to develop rules to implement the changes made by SB 2440.
  - c. **Science & Outreach** – No action taken under this agenda item.
  - d. **Rules** – No action taken under this agenda item.
13. **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 March. General Manager Cockrell reported that the District received four (4) new well drilling authorization applications for new wells, no new well registrations, and no new operating permit applications during the month of March. General Manager Cockrell reported that the

District received four (4) water utility service connections in March, and that reported production for the month shows a total production of 23.8 acre-feet (7.8 million gallons).

- b. **Regulatory items and updates related to TWDB, TCEQ, GMAs, and other organizations** – General Manager Cockrell reported that registration is open for the 2024 Texas Groundwater Summit hosted by the Texas Alliance of Groundwater Districts, and recommended that the Board and staff attend if interested. General Manager Cockrell reported that the next GMA 9 meeting will be held on June 18, 2024, at 10:00 a.m. in Boerne, Texas. General Manager Cockrell reported that GMA 9 has begun discussing shifting the desired future conditions adopted by GMA 9 to address more local conditions within each member district. General Manager Cockrell reported that developing more localized desired future conditions would require more intensive groundwater modeling. General Manager Cockrell reported that the next Lower Colorado Regional Water Planning Group (Region K) meeting will be held on April 17, 2024.
  - c. **Overview of current District groundwater monitoring program** – No action taken under this agenda item.
  - d. **Other items of interest not requiring Board action** – General Manager Cockrell reminded the Board that they must complete their annual cybersecurity awareness training no later than August 31, 2024, and provided the Board with information on TAGD’s training.
14. **Discuss and establish possible agenda items for future Board Meetings** – President Scadden requested that an agenda item be added to the next meeting to discuss insurance coverage for legal expenses. President Scadden also requested that an agenda item be included to discuss coordination with SOAH on JPD Backyard Finance, LLC’s permit application.
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 8, 2024, at 9:30 a.m. at the District’s office.
16. **Adjourn** – A motion was made by Director Davis to adjourn the open meeting at 12:07 p.m. Motion seconded by Director Leva. Motion carried 5 Ayes – 0 Nays – 2 Absent.

PASSED, APPROVED, AND ADOPTED THIS THE 8th day of May, 2024.

  
Tim Van Ackeren, Secretary