



BOARD MEETING MINUTES

SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Wednesday, May 8, 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, May 8, 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, May 8, 2024. Four directors were present at the meeting constituting a quorum, including President Scadden, Director Phillips, Director Davis, 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, Adam Friedman with McElroy, Sullivan, Miller & Weber, LLP, and Jim Truitt with Mirasol Capital. The following individuals participated remotely by videoconference call: Bill Dugat representing Travis County, CJ Bennett representing Mirasol Capital, Ed McCarthy representing Mirasol Capital, Scott Dunaway, Yann Curtis, and Courtney G. (no last name provided).
2. **Announcements** – No announcements.
3. **Public Comments** – No public comments were presented.
4. **Discuss and possibly act on approving previous meeting minutes** – President Scadden presented the draft minutes for the April 10, 2024 regular board meeting for consideration. A motion was made by Director Davis to approve the minutes for the April 10, 2024 regular board meeting as presented. Motion seconded by Director Van Ackeren. Motion carried 4 Ayes – 0 Nays – 3 Absent.
5. **Receive, discuss, and take action as necessary on Board Committee Reports:**
 - a. **Finance** – General Manager Cockrell provided a report to the Board regarding the financial reports dated April 30, 2024. The balance sheet indicated assets totaling \$93,051.48, and liabilities totaling \$72,295.78. The fiscal year to date profit and loss report indicated expenses totaling \$282,952.52, gross profit totaling \$70,348.28, and net income totaling \$-212,542.04 through April 2024. General Manager Cockrell 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 expenses by budgetary line item.
 - b. **Legislative** – Director Davis reported that the Senate Water, Agriculture, and Rural Affairs Committee will meet on May 15, 2024 to discuss and evaluate water system reliability. Director Davis reported that she has not seen any discussion of any interim charges

regarding groundwater or anything connected to groundwater districts. Cole Ruiz reported that legislation passed last session requires cities and counties to adopt rules requiring new subdivisions to provide a groundwater availability certification if the subdivision plans to rely on groundwater. Cole Ruiz reported that the TCEQ is working to adopt rules to implement this legislation.

- c. **Science & Outreach** – President Scadden reported that he is presenting information regarding rainwater harvesting for residential use at the Lakeway MUD Open House on May 21, 2024. General Manager Cockrell presented website traffic for the month of April showing a total of 686 unique visits to the District’s website. General Manager Cockrell provided an update on the UT Bureau of Economic Geology (“UT BEG”) dye trace study. Jim Truitt asked about the status of UT BEG and Travis County plans to drill new monitoring wells on the Meyers Tract near Hamilton Pool. General Manager Cockrell reported that he didn’t have any updates on that project.
 - d. **Rules** – No action taken under this agenda item.
6. **Discuss and possibly act on matters related to engaging outside legal counsel to represent the Board during SOAH proceedings** – President Scadden reported that the District has referred two permitting matters to the State Office of Administrative Hearings (“SOAH”) recently, for Clancy Utility Holdings, LLC and JPD Backyard Finance, LLC, and reported that the Board of Directors plan to engage separate outside legal counsel to represent them in both proceedings. Cole Ruiz explained that it’s necessary for the Board of Directors and District staff to have separate counsel during a contested case hearing in order for the Board to remain impartial and prevent any undue influence between the parties, as District staff may take a particular position on applications during the contested case process. President Scadden reported that the legal subcommittee considered potential firms referred to them, including McElroy, Sullivan, Miller & Webb, LLP, and President Scadden presented a draft engagement letter from Adam Friedman, partner at the firm. Adam Friedman introduced himself to the Board and provided a short presentation on his background in water law and experience working on contested cases with groundwater conservation districts. For transparency purposes, President Scadden disclosed that Virginia Smith’s son works for Mr. Adam Friedman’s firm. This relationship was not a factor in selecting the firm. Cole Ruiz provided a summary to the Board regarding the contested case process at SOAH and reported that the parties will be provided with the opportunity to file pre-filed testimony prior to a hearing on the merits. Cole Ruiz reported that the Board will likely not play a significant role in the contested case process until a proposal for decision is issued by the SOAH administrative law judges. Cole Ruiz answered questions for the Board regarding the settlement process for SOAH contested cases and reported that members of the Board will be able to watch the hearing in each case in-person or remotely. A motion was made by Director Davis to approve the engagement letter from Adam Friedman, partner at McElroy, Sullivan, Miller & Webb, LLP, and to authorize President Scadden to execute the engagement letter. Motion seconded by Director Van Ackeren. Motion carried 4 Ayes -0 Nays – 3 Absent.
7. **Discuss and possibly act on matters related to District drought stage status** – General Manager Cockrell presented an updated drought stage map for Travis County through April 30, 2024, showing that the majority of the District is currently under D-2 Severe Drought. General Manager Cockrell

recommended that the Board keep the drought stage at D-2 Severe Drought based on current conditions in the District. No action taken under this agenda item.

8. **Discuss and possibly act on matters related to Director vacancy** – President Scadden reported that the District has not received any interest from potential candidates regarding the vacant at-large position formerly held by Director Norton. President Scadden reported that he and General Manager Cockrell will continue to work on finding eligible candidates to fill the vacancy. 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 reported that the amendment to the Interlocal Agreement with Travis County presented at the April board meeting was approved by the Travis County Commissioners Court on April 16, 2024. General Manager Cockrell reported that the District’s first invoice submitted under the FY 2024 Interlocal Agreement was approved for payment by the Travis County Commissioners Court on May 7, 2024, and that payment would be issued by Travis County soon. General Manager Cockrell reported that he submitted a second invoice to Travis County on May 6 for \$9,242.65. General Manager Cockrell provided a summary of the funding allocation, invoice totals, and remaining balance for the FY 2024 Interlocal Agreement. General Manager Cockrell reported that Travis County’s auditors expressed problems with Travis County reimbursing the District for certain payroll tax expenses under the FY 2024 Interlocal Agreement, and reported that he will contact the auditors to address the issue. No action taken under this agenda item.
10. **Received update on Hamilton Pool Management Zone stakeholder process** – General Manager Cockrell provided an update to the Board on the status of the Hamilton Pool Management Zone (“HPMZ”) stakeholder group process. General Manager Cockrell reported that the stakeholder group met on April 29, 2024 at the Campsite at Shield Ranch, which operates 100% off-grid using solar power and a rainwater harvesting system. General Manager Cockrell reported that the stakeholder group received presentations from Mr. Nick Dornak, the water strategist behind the One Water school in Wimberly, and from Dr. Robert Mace, executive director of the Meadows Center for Water and the Environment at Texas State University. General Manager Cockrell reported that he also provided a presentation to the stakeholder group at the April-29 meeting regarding potential strategies for protecting springs and aquifers in the HPMZ. General Manager Cockrell reported that the next stakeholder meeting will be held on May 23, 2024. Director Davis, who is participating in the stakeholder group as a landowner, expressed support for the stakeholder meeting process and reported that the next two meetings will be crucial as the stakeholders will start discussing and developing proposed management recommendations. No action taken under this agenda item.
11. **Discuss and possibly act on matters related to insurance coverage for legal expenses** – General Manager Cockrell reported that the District has insurance coverage through the TML Risk Pool, which covers attorneys’ fees and damages up to \$1,000,000 in civil suits with a \$1,000 deductible. However, General Manager Cockrell reported that the District’s policy with TML does not provide coverage for SOAH contested case hearings. General Manager Cockrell reported that he can look into potential private insurance carriers that offer coverage for SOAH legal expenses if needed. No action taken under this agenda item.

12. **Discuss and possibly act on matters related to submitted Well Drilling Authorization Applications with proposed well locations that require Board authorization to reduce required spacing from property lines** – General Manager Cockrell reported that the Board considered several Well Drilling Authorization Applications during the April meeting that requested variances from the District’s Rules on spacing. General Manager Cockrell reported that the District has received seven more Well Drilling Authorization Applications in which the applicant has requested a variance from the District’s standard required spacing from recorded property lines. First, General Manager Cockrell presented a Well Drilling Authorization Application for a new exempt domestic well to be located on Blue Cat Lane on a 0.1-acre tract that was platted in 2006, before District Rules were in effect. General Manager Cockrell reported that the nearest property line is only 12 feet from the proposed well location due to the lot size. A motion was made by Director Van Ackeren to approve the well spacing variance for the proposed well on Blue Cat Lane. Motion seconded by Director Phillips. Motion carried 4 Ayes – 0 Nays – 3 Absent.

General Manager Cockrell presented a Well Drilling Authorization Application for a new well to be located on Yaupon Holly Road on a 2.85-acre tract that was platted in 2016, before District Rules were in effect. General Manager Cockrell reported that the proposed well would be used for residential irrigation, and that the proposed distance to the nearest property line would be 50 feet. President Scadden expressed concerns about the use of the well for irrigation when the applicant has access to surface water through West Travis County PUA. A motion was made by Director Phillips to approve the well spacing variance for the proposed well on Yaupon Holly Road. Motion seconded by Director Van Ackeren. Motion carried 3 Ayes – 1 Nays – 3 Absent.

General Manager Cockrell presented a Well Drilling Authorization Application for a new exempt domestic well to be located on Pedernales Canyon Trail on a 2.5-acre tract that was platted in 1973, before District Rules were in effect. General Manager Cockrell reported that Director Phillips will abstain from voting on this item as he owns this property. General Manager Cockrell reported that the proposed well is located on a property with no municipal water service, and the proposed distance to the nearest property line is 50 feet. A motion was made by Director Davis to approve the well spacing variance for the proposed well on Pedernales Canyon Trail. Motion seconded by Director Van Ackeren. Motion carried 3 Ayes – 0 Nays – 3 Absent – 1 Abstaining.

General Manager Cockrell presented a Well Drilling Authorization Application for a new well to be located on Sam Carter Drive on a 1.86-acre tract that was platted in 1970, before District Rules were in effect. General Manager Cockrell reported that the proposed distance to the nearest property line would be 56 feet, and that the width of this tract makes it impossible for this applicant to comply with the District’s spacing requirements for property lines. Director Davis expressed concerns about the use of the well for irrigation when the applicant has access to water through the City of Austin. A motion was made by Director Van Ackeren to approve the well spacing variance for the proposed well on Sam Carter Drive. Motion seconded by Director Phillips. Motion carried 3 Ayes – 1 Nays – 3 Absent.

General Manager Cockrell presented a Well Drilling Authorization Application for a new exempt domestic well to be located on Dexler Drive on a 0.52-acre tract that was platted in 1970, before District Rules were in effect. General Manager Cockrell reported that this property does utilize rainwater harvesting, and that the proposed distance to the nearest property line is 18 feet. A motion

was made by Director Van Ackeren to approve the well spacing variance for the proposed well on Dexler Drive. Motion seconded by Director Phillips. Motion carried 4 Ayes – 0 Nays – 3 Absent.

General Manager Cockrell presented a Well Drilling Authorization Application for a new well to be located on Cool Breeze Cove on a 1.286-acre tract that was platted in 2018, before District Rules were in effect. General Manager Cockrell reported that the applicant does not have access to another source of water, and that the proposed set back is 53 feet to the nearest property line. A motion was made by Director Phillips to approve the well spacing variance for the proposed well on Cool Breeze Cove. Motion seconded by President Scadden. Motion carried 3 Ayes – 1 Nays – 3 Absent.

General Manager Cockrell presented a Well Drilling Authorization Application for a new exempt domestic well to be located on Thurman Bend Road on a 1.21-acre tract that was platted in 2004, before District Rules were in effect. General Manager Cockrell reported that the proposed set back is 50 feet to the nearest property line. A motion was made by Director Davis to approve the well spacing variance for the proposed well on Thurman Bend Road. Motion seconded by Director Phillips. Motion carried 4 Ayes – 0 Nays – 3 Absent.


13. **Discuss and possibly act on matters related to contested case hearing for JPD Backyard Finance, LLC operating permit application** – General Manager Cockrell reported that he submitted a referral letter to SOAH for the JPD Backyard Finance, LLC permitting case, and that he’s waiting to hear back from SOAH staff on next steps. General Manager Cockrell reported that a representative for JPD Backyard Finance, LLC reached out to ask whether they can produce water from their well for testing purposes while the application is headed to SOAH. After some discussion, a motion was made by Director Davis to approve JPD Backyard Finance, LLC’s request to utilize their well to produce up to 250 gallons of water for testing purposes. Motion seconded by Director Phillips. Motion carried 4 Ayes – 0 Nays – 3 Absent.

14. **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 April. General Manager Cockrell reported that the District received one (1) new well registration, seven (7) new well drilling authorization applications, and one (1) new application to plug or cap an existing well. General Manager Cockrell reported that the District received two (2) water utility service connections in April.
- b. **Regulatory items and updates related to TWDB, TCEQ, GMAs, and other organizations** – General Manager Cockrell reported that the next GMA 9 meeting will be held on June 18, 2024, at 10:00 a.m. at the Cow Creek GCD offices in Boerne, Texas.
- c. **Overview of current District groundwater monitoring program** – General Manager Cockrell presented a hydrograph for the HEB monitoring well (Lower Trinity Aquifer) and reported that the water level in the well has fallen nearly fifteen feet in the last year. General Manager Cockrell also presented a hydrograph for the Johannsen monitoring well (Middle Trinity Aquifer) near Hamilton Pool, which showed a slight recovery since last summer.

- d. **Other items of interest not requiring Board action** – No action taken under this agenda item.
15. **Discuss and establish possible agenda items for future Board Meetings** – No action taken under this agenda item.
16. **Discuss and possibly act on setting the date, time, and location for the next Board Meeting** – President Scadden reported that the next regular meeting will be held on June 12, 2024, at 9:30 a.m. at the District's office.
17. **Adjourn** – A motion was made by Director Davis to adjourn the open meeting at 11:36 a.m. Motion seconded by Director Phillips. Motion carried 4 Ayes – 0 Nays – 3 Absent.

PASSED, APPROVED, AND ADOPTED THIS THE 12th day of June, 2024.



Tim Van Ackeren, Secretary