



BOARD MEETING MINUTES

SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Wednesday, June 12, 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, June 12, 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, June 12, 2024. Six directors were present at the meeting constituting a quorum, including President Scadden, Director Davis, Director Phillips, Director Van Ackeren, Director Leva, and Director Urie. Also present were General Manager Lane Cockrell and District Regulatory Compliance Specialist Virginia Smith, General Counsel Cole Ruiz with Lloyd Gosselink, Keith Shuley on behalf of Canyonside at Falconhead West, Pete Golde, Barbara Reyes, and Karen Hubert. The following individuals participated remotely by videoconference call: Audrey Cooper with Lloyd Gosselink, Lynn Sherman representing JPD Backyard Finance, LLC, and Joe Castillo, Kyle McDaniel and Lance Oriti on behalf of JPD Backyard Finance, LLC, Ed McCarthy representing Clancy Utility Holdings, LLC, Bee Cave City Councilor Andrea Willott, Archie Montemayor with Montemayor, Britton, Bender, P.C., and Christy Muse.
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 May 8, 2024 regular board meeting for consideration. A motion was made by Director Davis to approve the minutes for the May 8, 2024 regular board meeting as presented. Motion seconded by Director Van Ackeren. Motion carried 4 Ayes – 0 Nays – 0 Absent – 2 Abstaining. Director Urie and Director Leva abstained from voting as they were not present at the May 8, 2024 meeting.
5. **Receive, discuss, and possibly act on presentation regarding District financial audit for FY 2023** – Archie Montemayor with Montemayor, Britton, Bender, P.C., provided a presentation to the Board of Directors regarding the results of the District's financial audit for fiscal year 2023. Archie Montemayor reported that the District's fiscal year 2023 audit resulted in a clean opinion with no weaknesses or deficiencies noted. Archie Montemayor provided a summary to the Board of the fiscal year 2023 financial audit and the auditor's opinion and required disclosures. Archie Montemayor provided a summary to the Board of the management letter issued by his firm, and noted no difficulties encountered in performing the District's audit in coordination with District staff. President Scadden thanked Archie Montemayor and his firm for their work on the District's financial audit, and

thanked Lane Cockrell and Pete Golde for their efforts supporting the audit. No action taken under this agenda item.

6. **Discuss and possibly act on matters related to permitting requirements for Canyonside at Falconhead West** – General Manager Cockrell provided a report to the Board regarding the existing well located at the Canyonside at Falconhead West subdivision. General Manager Cockrell reported that the property has an existing well used for landscape irrigation in the 66-unit condo-home complex on approximately 19 acres. General Manager Cockrell reported that the existing well is capable of producing 12 GPM, with average daily withdrawals of 8,000 to 10,000 gallons per day. General Manager Cockrell reported that, after staff review, District staff are of the opinion that the existing well at Canyonside at Falconhead West is not exempt from the District’s permitting requirements. General Manager Cockrell reminded the Board that the District’s enabling act provides that wells used solely for domestic or livestock use that are located on a tract of land that is larger than 10 acres and are incapable of producing more than 25,000 gallons per day are exempt from permitting. General Manager Cockrell provided the District Rules’ definition of “domestic use” and reported that the well on Canyonside at Falconhead West’s property does not meet the definition of domestic use.

Keith Shuley provided public comments on behalf of the Canyonside at Falconhead West Condo Association and reported that his Board of Directors disagrees with the District’s definition of “domestic use”. Keith Shuley argued that the District is misinterpreting the Texas Legislature’s intent by defining “domestic use” as it does in its rules, and argued that the District’s definition would be struck down by a court. Cole Ruiz, the District’s General Counsel, reported that Chapter 36 of the Texas Water Code gives the District the power to adopt rules and regulations, including definitions for certain terms. President Scadden reported that the Board had clear intent in its definition for domestic use when drafting its rules, which were approved along with its management plan by the Texas Water Development Board. President Scadden reported that the District’s exemption for domestic use wells was intended for single family homes. President Scadden additionally reported that the Bee Cave area is experiencing drawdown in aquifer levels due to groundwater withdrawals, and that groundwater wells in that area are going dry. General Manager Cockrell provided a summary to the Board of the anticipated fees that Canyonside at Falconhead West would be required to pay, including the application fee, and any production fees, and how those fees may be split amongst the condo owners on the property. After some discussion, a motion was made by Director Davis to support District staff’s interpretation of the District Rules and staff’s determination that the existing well at Canyonside at Falconhead West is not exempt from permitting. Motion seconded by Director Urie. Motion carried 6 Ayes – 0 Nays – 1 Absent.

7. **Discuss and possibly act on matters related to contested case hearing for JPD Backyard Finance, LLC operating permit application** – General Manager Cockrell reminded the Board that JPD Backyard Finance, LLC requested the referral of their permit application to the State Office of Administrative Hearings (“SOAH”) for a contested case hearing. General Manager Cockrell presented an interlocal agreement with SOAH for the contested case hearing and reported that the estimated SOAH costs associated with the case are \$20,000.00, to be paid by the applicant. General Manager Cockrell reported that he will coordinate with the applicant on getting their deposit in escrow. A motion was made by Director Van Ackeren to approve the Interlocal Agreement with the State Office of Administrative Hearings for the JPD Backyard Finance, LLC hearing, and to authorize President

Scadden to execute the agreement. Motion seconded by Director Davis. Motion carried 6 Ayes – 0 Nays – 1 Absent.

General Manager Cockrell reported that the JPD Backyard Finance, LLC team reached out to him last month to confirm if they can produce water from their wells up to the previously authorized amount while the contested case hearing is ongoing. Cole Ruiz reported that it is not uncommon for a district to allow an applicant to produce water in the amount previously approved by the Board while the final permit is being contested. Lynn Sherman, counsel for JPD Backyard Finance, LLC, presented public comments and reported that JPD Backyard Finance, LLC is more than willing to enter into a written agreement with the District to agree not to produce water over the authorized amount, and to pay any fines or fees if JPD Backyard Finance, LLC were to go over the authorized amount.

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 10:47 a.m. President Scadden reconvened the open meeting at 11:22 a.m. A quorum of six directors remained present at the meeting, including President Scadden, Director Davis, Director Phillips, Director Van Ackeren, Director Leva, and Director Urie. President Scadden reported that, in consideration of all the factors in this matter, the Board of Directors will direct staff to issue a permit to JPD Backyard Finance, LLC, to operate their wells as approved by the Board in March.

8. **Discuss and possibly act on matters related to District staff** – General Manager Cockrell reported that the District is issuing an offer letter to Barbara Reyes for a part-time position as an Administrative and Hydrogeology Assistant for the District. General Manager Cockrell reported that Barbara has a degree in geology from Texas A&M University and that she would be able to assist the District with data collection for its monitoring well program in addition to assisting with administrative tasks. Barbara Reyes introduced herself to the Board and provided some background information on her experience. A motion was made by President Scadden to approve hiring Barbara Reyes as recommended by General Manager Cockrell. Motion seconded by Director Leva. Motion carried 6 Ayes – 0 Nays – 1 Absent.
9. **Discuss and possibly act on matters related to submitted Well Drilling Authorization Applications that require Board authorization to reduce required spacing from property lines** – General Manager Cockrell reported that there are several Well Drilling Authorization applications that require variances from the District's Rules related to the standard minimum spacing required between well sites and platted property lines. First, General Manager Cockrell presented a Well Drilling Authorization Application for a new public water supply well to be located on Bee Creek Road on a 3-acre tract platted in 1999, before District Rules were in effect. General Manager Cockrell reported that the TCEQ has already approved the construction of the well, and that the property is located outside of any existing water suppliers. A motion was made by Director Phillips to approve the well spacing variance for the proposed well on Bee Creek Road. Motion seconded by Director Van Ackeren. Motion carried 6 Ayes – 0 Nays – 1 Absent. Next, General Manager Cockrell presented a Well Drilling Authorization Application for a new domestic well to be located on Leatha Lane on a 0.215-acre tract platted in 1970. A motion was made by Director Davis to approve the well spacing variance for the proposed well on Leatha Lane. Motion seconded by Director Phillips. Motion carried 6 Ayes – 0 Nays – 1 Absent. Next, General Manager Cockrell presented a Well Drilling Authorization

Application for a new domestic well to be located on Lake Shore Drive on a 1.47-acre tract platted in 1959. A motion was made by Director Davis to approve the well spacing variance for the proposed well on Lake Shore Drive. Motion seconded by Director Leva. Motion carried 6 Ayes – 0 Nays – 1 Absent. Finally, General Manager Cockrell presented a Well Drilling Authorization Application for a new domestic well to be located on Hornsby Hill Road on a 2.75-acre tract platted in 1997. A motion was made by Director Van Ackeren to approve the well spacing variance for the proposed well on Hornsby Hill Road. Motion seconded by Director Phillips. Motion carried 6 Ayes – 0 Nays – 1 Absent.

10. **Discuss and possibly act on matters related to District drought stage status** – General Manager Cockrell presented a U.S. Drought Monitor map for Travis County and the District showing approximately 60% of the District is currently under D-0 drought, with the remaining 40% under “no drought” conditions. General Manager Cockrell recommended that the District remain at D-2 Severe Drought, though the District has reached the minimum threshold under the District Rules to consider downgrading to D-1 Drought. General Manager Cockrell reported that though the District has seen some recent improvements in rainfall amounts, Lake Travis levels and aquifer levels in the District are still stressed due to drought conditions. After some discussion, the Board decided to keep the current declared drought level at D-2 Severe Drought. No action taken under this agenda item.
11. **Discuss and possibly act on matters related to Director vacancy** – President Scadden reported that he invited Karen Huber to attend the Board of Directors meeting as a potential candidate to fill the vacancy created by Ian Norton’s resignation from the Board. President Scadden reminded the Board that Ian Norton resigned from his at-large position on the Board after moving to a new residence that prevented him from meeting requirements for serving as an at-large director. Karen Hubert introduced herself to the Board of Directors and provided some information regarding her background. No action taken under this agenda item.
12. **Discuss and possibly act on matters related to Interlocal Cooperation Agreement with Travis County** – General Manager Cockrell reported that he submitted invoices to Travis County for payment under the fiscal year 2024 interlocal agreement on May 6 for expenses through April, and again on June 7 for expenses through May. General Manager Cockrell reported that he contacted the Travis County Auditor’s Office to discuss their basis for denying reimbursement of employee payroll taxes paid by the District to the IRS, and that the County has agreed to reimburse District employee payroll taxes under the current ILA as they have in the past. General Manager Cockrell provided a summary of the funding remaining under the fiscal year 2024 interlocal agreement with Travis County. No action taken under this agenda item.
13. **Receive update on Hamilton Pool Management Zone stakeholder process** – This agenda item was taken out of order due to time constraints. Christy Muse provided a presentation to the Board of Directors regarding the status of the Hamilton Pool Management Zone stakeholder meeting process. Christy Muse reported that the stakeholder meetings have had solid participation from all sixteen stakeholders involved in the process, and that the group is working to formulate final recommendations for the management zone. Director Davis reported that one of the major items that the stakeholder group highlighted was the importance of education initiatives for the District to engage in and spread the word about conservation. Christy Muse provided a recap to the Board regarding the stakeholder meetings held on May 23rd and June 10th, and reported that the

stakeholder group plans to complete their final recommendations to the Board before the Board's July meeting. No action taken under this agenda item.

14. **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 May 31, 2024. The balance sheet indicated assets totaling \$169,872.71, and liabilities totaling \$9,889.90. The fiscal year to date profit and loss report indicated expenses totaling \$310,433.00, gross profit totaling \$237,055.87, and net income totaling \$-73,377.13 through May 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 expenses by budgetary line item.
- b. **Legislative** – Director Davis reported that no activity has taken place on groundwater matters at the state level.
- c. **Science & Outreach** – General Manager Cockrell provided an update to the Board regarding the regional hydrogeologic model on which the District is collaborating with Clearwater UWCD and Central Texas GCD. General Manager Cockrell reported that LRE Water is entering the final stages of the project, which should be completed by the end of the summer.
- d. **Rules** – No action taken under this agenda item.

15. **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 May. General Manager Cockrell reported that the District received four (4) new well registrations, four (4) new well drilling authorization applications, and one (1) long term water utility service connection during the month of May. General Manager Cockrell reported that total groundwater production reported by permittees for the month of May was approximately 26.9 acre-feet.
- 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 June 18, 2024 at the Cow Creek GCD offices in Boerne, Texas, and that a videoconference option is available. General Manager Cockrell reported that the TCEQ will hold a hearing on the proposed implementation of SB 2440 this month regarding groundwater availability certifications for platting.
- c. **Overview of current District groundwater monitoring program** – General Manager Cockrell presented a graph of data collected from the Lakeside Park monitoring well, showing water-level measurements in the Lower Trinity and Middle Trinity Aquifers with Lake Travis levels.

- d. **Other items of interest not requiring Board action** – General Manager Cockrell provided a reminder to the Board regarding the deadline to complete their mandatory cybersecurity awareness training by August 31, 2024.
16. **Discuss and establish possible agenda items for future Board Meetings** – President Scadden reported that an agenda item will be added to the next agenda to discuss matters related to the fiscal year 2025 budget.
17. **Discuss and possibly act on setting the date, time, and location for the next Board Meeting** – President Scadden reported that the next board meeting will be held on Wednesday, July 17, 2024 at 9:30 a.m. at the District’s office.
18. **Adjourn** – A motion was made by Director Davis to adjourn the open meeting at 12:45 p.m. Motion seconded by Director Urie. Motion carried 6 Ayes – 0 Nays – 1 Absent.

PASSED, APPROVED, AND ADOPTED THIS THE 19TH day of July, 2024.


Tim Van Ackeren, Secretary