



Edwards Aquifer Authority

900 E. Quincy
San Antonio, TX 78215
EdwardsAquifer.org

Meeting Minutes - Draft

Board of Directors

Tuesday, June 14, 2016

3:00 PM

EAA Board Room

A. Call to Order – Roll Call – Pledge of Allegiance.

Chairman Buckner called the meeting to order at 3:04 p.m.

Present: 14 - Director Fohn Bendele, Chairman Luana Buckner, Director Rebekah Bustamante, Treasurer Ron Ellis, Director Rader Gilleland, Vice Chair Susan Hughes, Director Don Laffere, Director Byron Miller, Director Gary Middleton, Director Carol Patterson, Director Pat Stroka, Secretary Enrique Valdivia, Director Scott Yanta and Director Ben Youngblood III

Absent: 3 - Director Amy Akers, Director Craig Massouh and Director Ron Walton

B. Public comment.

There were no citizens who requested to address the board.

C. Treasurer's Report

C.1 Unaudited financial statements for April 2016.

Treasurer Ellis presented the unaudited financial statements for April 2016.

D. General Manager's announcements and reports.

D.1

- Staffing Items of Interest (anniversaries, new hires)
- Recent Activities/Events (reports on conferences attended, meetings held, etc.)
- Upcoming Activities/Events (conferences, meetings, etc.)
- Operational Announcements (schedule changes, program updates, etc.)
- Recent Activities of the Edwards Aquifer Habitat Conservation Program
- Recent Legislative Activities
- Aquifer Conditions

Mr. Roland Ruiz, General Manager, made the following announcements:

- *Mr. Victor Hutchison, Systems Technician, completed 15 years of service with the EAA.*
- *Organizational adjustments were made that were effective on June 6. Within the Regulatory & External Affairs division, Javier Hernandez assumed a new role as Special Projects Liaison, with a focus on interfacing with groundwater withdrawal permit holders as a resource specialist representing the full array of water management solutions available through EAA programs, and serving as a senior level advisor to management. In the same way Rick Illgner has effectively built strong customer relations with our permit holders, Javier would take on a similar service leadership role in anticipation of Rick's impending retirement next year. In the area of data management development and integration, Jared Morris moved from the Aquifer Management Services division to the Administration & Financial Services division where he assumed a new role as Applications Solutions Manager and reports directly to Felix Marquez. As part of this restructuring, Jovonne Gonzales reports to Jared with the expectation that together they would match their skills and focus their attention on continuing to invigorate our efforts to bring solutions to critical data-intensive need areas, including science, EAHCP, groundwater permitting, and all other present and potential sources for data input and data sharing for improved agency collaboration, communication, and transparency.*
- *The EAA was invited to testify before the Senate Committee on Agriculture, Water and Rural Affairs in Austin on June 20. They called a hearing by invited testimony only to hear from various agencies across the state on conservation.*
- *In directors' folders was the latest correspondence from USFWS regarding our annual report. After many months of deliberations and negotiations, HCP staff selected a contractor to provide the Long Term Refugia Operations as required by the Incidental Take Permit. There were initially three submissions to the Request for Proposals: 1) USFWS San Marcos and Uvalde Fish Hatcheries; 2) SWCA and the San Antonio Zoo; and 3) ZARA Environmental. Following EAA's Procurement procedures, the selection team chose USFWS as the contractor. Each RFP responder brought with them a long list of experience and qualified staff, however, it was USFWS long standing research and facilities that inevitably led them to being selected. After the selection, HCP and Kemp Smith staff worked together to draft an extensive contract and scope of work for the next 13 years. That draft contract has been presented to USFWS in San Marcos and is currently under review. Our hope is to be able to present a contract to the board in July. In the interim, EAA is still in compliance with the ITP by providing a Salvage Refugia under a separate contract with SWCA and the Zoo. Under that contract, SWCA and the Zoo constructed refugia facilities at the Zoo using modified shipping containers which now contain a fully functional refugia facility. SWCA and Zoo staff continue to work on developing collection methods of certain invertebrate species.*
- *Mr. Steve Johnson, Hydrogeology Manager, briefed the board on current aquifer conditions.*

E. Board Reports**F. Consent Agenda****F.1 Approval of previous board meeting minutes**

- Regular Board Meeting - May 10, 2016
- Special Board Meeting - May 21, 2016

Approval of previous board meeting minutes

- Regular Board Meeting - May 10, 2016
- Special Board Meeting - May 21, 2016

F.2 Consider recommendation from the Permits/Enforcement Committee regarding settlement counter-offers from Division Laundry & Cleaners, Inc., and Crystal Clear Water Supply Corporation, related to exceeding authorized groundwater withdrawals during 2015.

Accept the counter-offers from Division Laundry & Cleaners, Inc., and Crystal Clear Water Supply Corporation regarding the pending enforcement matters.

F.3 Consider recommendation from the Permits/Enforcement Committee to approve leases of permitted Edwards groundwater rights with Jim Bob Davenport; Martin E. Garza and Elizabeth Garza; Donald E. Mosing, Larry K. Mosing, Billy F. Mosing and Mosing Land and Cattle Co. d/b/a 4-M Ranch; City of Converse; Briscoe Ranch, Inc.; City of Leon Valley; Jana Lyda Mask; L. Carper Capt; Van L. Crapps and Lulu M. Crapps; Hunter and Kita Schuehle; Manry Family Investments, Ltd., Vidya Gaitonde; Mike H. McCraw and Paula N. McCraw, husband and wife; Henry Verstraeten, Jr.; Richard Verstraeten; Malvern J. Benke and Deborah Keller Benke, husband and wife; Frank Verstraeten; Deborah Ann Benke; and New Alsace Water Supply Co., for the Aquifer Storage and Recovery Project of the San Antonio Water System, in support of the Edwards Aquifer Habitat Conservation Plan, in the total amount of \$1,294,855.72.

Adopt Resolution and Order No. 06-16-844 of the Edwards Aquifer Authority Board of Directors to approve leases of permitted Edwards groundwater rights from the permit holders as listed herein, to the EAA for the Aquifer Storage and Recovery Project of the San Antonio Water System in support of the Edwards Aquifer Habitat Conservation Plan, and authorizing the General Manager to execute the leases.

[Attached and made a part of these minutes.]

- F.4 Consider recommendation from the Permits/Enforcement Committee to approve an amended lease of permitted Edwards groundwater rights with John T. Brigman for the Aquifer Storage and Recovery Project of the San Antonio Water System, in support of the Edwards Aquifer Habitat Conservation Plan, in the total amount of \$62,427.00.**

Approve an amended lease of permitted Edwards groundwater rights from John T. Brigman to the EAA for the Aquifer Storage and Recovery Project of the San Antonio Water System in support of the Edwards Aquifer Habitat Conservation Plan, and authorizing the General Manager to execute the amended lease.

- F.5 Consider recommendation from the Permits/Enforcement Committee to approve a conversion of base irrigation groundwater owned by Henry P. DeCock, based on a change in land use.**

Adopt a Final Order Granting Application to Convert Base Irrigation Groundwater for Initial Regular Permit No. P102-394 (BE00315) based on changes in land use submitted by Henry P. DeCock.

[Attached and made a part of these minutes.]

- F.6 Consider recommendation from the Permits/Enforcement Committee to approve a conversion of base irrigation groundwater owned by Marion Fey, Margaret U. Keller, and Henry P. DeCock, based on a change in land use.**

Adopt a Final Order Granting Application to Convert Base Irrigation Groundwater for Initial Regular Permit No. P100-656 (BE00315) based on changes in land use submitted by Marion Fey, Margaret U. Keller, and Henry P. DeCock.

[Attached and made a part of these minutes.]

- F.7 Consider recommendation from the Finance/Administrative Committee to approve payment to Kemp Smith for legal services for April 2016.**

Approve payment to Kemp Smith in the amount of \$59,281.67 for legal services for April 2016.

- F.8 Consider recommendation from the Finance/Administrative Committee to approve general amendments to the Edwards Aquifer Authority Bylaws, and to reapprove Article IX of the Bylaws (Investment Policy and Investment Strategy Statement).**

Approve the proposed amendments to the Edwards Aquifer Authority Board of Directors Bylaws and adopt Resolution and Order No. 06-16-845 of the Edwards Aquifer Authority Board of Directors reapproving Article IX of the Bylaws.

[Attached and made a part of these minutes.]

A motion was made by Director Laffere, seconded by Director Youngblood, to approve the consent agenda. The motion passed viva voce.

G. Individual Consideration

- G.1 Consider recommendation from the Aquifer Management Planning Committee to approve a Variance Application - Chapter 713 Subchapter G, from Express Oil Change & Tire Engineers, regarding the installation of aboveground storage tanks.**

Mr. Ben Urbanczyk, Recharge Zone Protection Supervisor, briefed the board regarding the variance application from Express Oil Change & Tire Engineers, regarding the installation of aboveground storage tanks.

A motion was made by Director Stroka, seconded by Treasurer Ellis, to approve a Final Order Granting the Application For Variance From Certain Chapter 713, Subchapter G, Water Quality Rules approving the application by Express Oil Change & Tire Engineers for a variance from specific provisions within the EAA's Water Quality Rules. The motion passed viva voce.

[Attached and made a part of these minutes.]

- G.2 Consider recommendation from the Aquifer Management Planning Committee to approve a conservation easement on the 159.786 acre Classen-Steubing Ranch in Bexar County.**

Mr. Brock Curry, Deputy General Manager, briefed the board regarding the conservation easement on the Classen-Steubing Ranch in Bexar County.

A motion was made by Director Stroka, seconded by Director Patterson, to approve a conservation easement on the 159.786 acre Classen-Steubing Ranch in Bexar County, and authorize the General Manager to execute the conservation easement accordingly. The motion passed viva voce.

H. Staff Reports

H.1 Receive report from EAA staff on the EAA's aquifer protection program.

Mr. Marc Friberg, Executive Director - External & Regulatory Affairs, briefed the board on the status of activities related to the EAA's aquifer protection program.

This staff report was presented.

H.2 Receive report from EAA staff on the Habitat Conservation Program budget and financial forecast.

Mr. Curry briefed the board on oversight procedures to ensure proper spending and allocation of EAA funds within the HCP program.

Mr. Ruiz briefed the board on the reserve fund balance in detail.

This staff report was presented.

I. Closed Session.

The Board of Directors of the Edwards Aquifer Authority may go into a closed session under the authority of the Government Code, Chapter 551, Texas Open Meetings Act, to discuss:

Chairman Buckner closed the meeting to the public at 4:00 p.m.

I.1**Closed Session.****1. Consultation with Attorney - Pending Litigation (§ 551.071)****Active Litigation:**

Guadalupe-Blanco River Auth. v. Royal Crest Homes (22nd Hays Cnty. filed June 15, 1989)

Bragg v. Edwards Aquifer Auth. (38th Medina Cnty. judgment May 17, 2016)

League of United Latin Am. Citizens v. Edwards Aquifer Auth. (W.D. Tex. filed June 21, 2012)

GG Ranch, Ltd. v. Edwards Aquifer Auth. (5th Cir. decision May 5, 2016)

In re Jaffe, No. 16-50355 (W.D. Tex. filed Feb. 12, 2016)

Active Litigation - Enforcement:

Edwards Aquifer Auth. v. Barnard (274th Hays Cnty. filed Oct. 6, 2010)

2. Consultation with Attorney - Attorney/Client Privileged Consultations (§ 551.071)**3. Consultation with Attorney - Settlement Offers (§ 551.071)****4. Consultation with Attorney (§ 551.071)****5. Deliberations Regarding Real Property (§ 551.072)****6. Deliberations Regarding Personnel Matters (§ 551.074)**

Chairman Buckner reopened the meeting to the public at 4:15 p.m.

J. Consider recommendation(s) regarding matters discussed in closed session.

The board did not consider any recommendations.

K. Discuss items for future board meeting agendas.

The board did not discuss any future board meeting agendas.

L. Adjournment.

There being no further business to discuss, the meeting adjourned at 4:16 p.m.

*Enrique P. Valdivia
Secretary, Board of Directors*

*Jennifer Wong-Esparza
Assistant to Board Secretary*