

RESOLUTION AND ORDER NO. 11-16-862

OF THE BOARD OF DIRECTORS OF THE EDWARDS AQUIFER
AUTHORITY ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR
2017, AND ASSESSING AQUIFER MANAGEMENT FEE AND
PROGRAM AQUIFER MANAGEMENT FEE RATES FOR 2017.

WHEREAS, the Edwards Aquifer Authority ("EAA") was created by the Edwards Aquifer Authority Act, Act of May 30, 1993, 73rd Legislature, Regular Session, chapter 626, 1993 Tex. Gen. Laws 2350, as amended ("Act"); and

WHEREAS, under Section 1.02(b) of the Act, the EAA is a conservation and reclamation district created by virtue of Article XVI, Section 59 of the Texas Constitution; and

WHEREAS, under Section 1.02(a) of the Act, the EAA is a governmental agency and body politic and corporate vested with the full authority to exercise the powers and to perform the functions specified in the Act; and

WHEREAS, under Section 1.08(a) of the Act, the EAA has all of the powers, rights and privileges necessary to manage, conserve, preserve, and protect the Edwards Aquifer and to increase the recharge of, and prevent the waste or pollution of water in the Aquifer; and

WHEREAS, Sections 36.154(a) and 49.057(b), Texas Water Code, Section 709.19(c)(1) of the Edwards Aquifer Authority Rules ("EAA Rules"), and Article 8.02(b) of the Edwards Aquifer Authority Bylaws require that the Board of Directors ("Board") of the EAA prepare and approve an annual budget; and

WHEREAS, Section 1.29(b) of the Act provides that the EAA "shall assess equitable aquifer management fees based on aquifer use . . . to finance its administrative expenses and programs authorized under [the Act]" and Section 709.17 of the EAA Rules provides that the EAA shall assess aquifer management fees ("AMFs") "for all authorized and unauthorized withdrawals of groundwater from the Aquifer;" and

WHEREAS, Section 709.18(a) provides that the AMFs shall consist of AMFs for the EAA's annual operating revenue requirements, and program AMFs for implementation of the Edwards Aquifer Habitat Conservation Plan ("EAHCP") Program; and

WHEREAS, Section 1.29(b) of the Act and Section 709.23(a) of the EAA Rules provide that the EAA may collect a total amount of AMFs that is reasonably necessary for the annual operating revenue requirements for the administration of the EAA; and

WHEREAS, Section 709.19(b) of the EAA Rules provides that the AMF shall be based on two user blocks: agricultural users and non-agricultural users; and

WHEREAS, Section 709.19(c)(1) of the EAA Rules provides that the Board, by resolution and order, shall annually adopt a Block I AMF rate and budget for non-agricultural users reflecting its annual operating revenue requirements for the succeeding fiscal year; and

WHEREAS, Section 709.19(c)(l) of the EAA Rules provides that, in addition to an AMF for its annual operating revenue requirements, the EAA shall calculate a program AMF necessary to implement the EAHCP; and

WHEREAS, Section 709.19(c)(2)(C) of the EAA Rules provides that the EAA shall calculate the AMF that may be assessed against Block 1 non-agricultural use on a unit basis and assessed on the total volume of groundwater authorized to be withdrawn in a groundwater withdrawal permit; and

WHEREAS, Section 1.29(e) of the Act and Section 709.19(c)(3) of the EAA Rules provide that the AMF for Block 2 agricultural users may not be more than \$2.00 per acre-foot; and

WHEREAS, the EAA held public meetings at the EAA's Conference Center at its principal place of business at 900 E. Quincy St., San Antonio Texas, and at locations in New Braunfels, Texas, and Uvalde, Texas, to take public comment on the proposed FY 2017 budget, AMFs, and program AMFs; and

WHEREAS, the Board has determined that adoption of the budget, AMFs, and the program AMFs associated therewith, is reasonably necessary for the administration of the EAA, and that each and every act, project and expenditure contained in the budget is an administrative expense or program authorized under the Act; and

WHEREAS, payment of AMFs alone does not guarantee the right to withdraw groundwater from the Edwards Aquifer, since all withdrawals are subject to the Act, the rules of the EAA, orders of the Board, the terms and conditions of any permits issued by the EAA, and any other applicable federal, state, and local law; and

WHEREAS, a regular meeting of the Board of the EAA was held on November 8, 2016, at 3:00 p.m., notice of public meeting having been duly and properly posted in accordance with Chapter 551, Texas Government Code; and

WHEREAS, the Board considered the Agenda Item that is the subject of this Resolution and Order; and

WHEREAS, a majority of the Directors were present and constituted a quorum of the Board; and

WHEREAS, a vote of the majority of the quorum of the Board present passed on, voted in favor of, and adopted the following Resolution and Order; and

WHEREAS, it is in the public interest that the EAA adopt an annual budget for FY 2017.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE EDWARDS AQUIFER AUTHORITY THAT:

Section 1. The recitals set out above are found to be true and correct, and they are hereby adopted by the Board of Directors and are made a part of this Resolution and Order for all purposes.

Section 2. The Fiscal Year 2017 Annual Budget attached to this Resolution and Order is hereby adopted.

Section 3. The Fiscal Year 2017 Annual Budget may be amended pursuant to a duly passed oral motion made at a duly called meeting of the Board of Directors of the EAA without the necessity of adopting a new or revised Resolution and Order.

Section 4. As provided by Section 709.19(c)(2)(C) of the EAA Rules, the aquifer management fee for Block 1 non-agricultural users shall be calculated and assessed by the General Manager of the EAA on a unit cost basis resulting in an aquifer management fee rate of \$44.00 per acre-foot per annum for fiscal year 2017.

Section 5. As provided by Section 709.19(c)(2)(C) of the EAA Rules, the program aquifer management fee for Block 1 non-agricultural users shall be calculated and assessed by the General Manager of the EAA on a unit cost basis resulting in a program aquifer management fee rate of \$40.00 per acre-foot per annum for fiscal year 2017.

Section 6. As provided by Section 1.29(e) of the Act and Section 709.19(c)(3) of the EAA Rules, the General Manager of the EAA shall calculate and assess the aquifer management fee rate for Block 2 agricultural users at \$2.00 per acre-foot per annum for fiscal year 2017.

Section 7. This Resolution and Order shall become effective from and after its adoption.

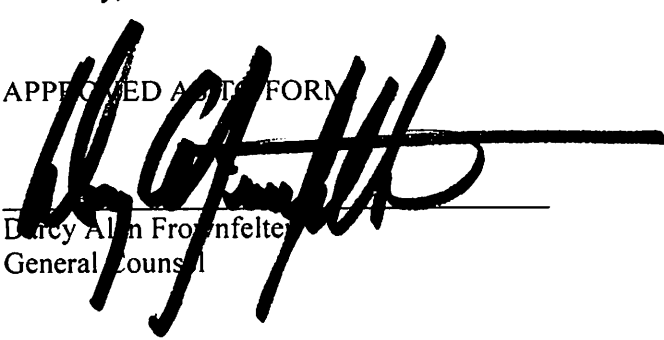
PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE EDWARDS
AQUIFER AUTHORITY THIS THE 8th DAY OF NOVEMBER 2016.

Luana Buckner
Chairman, Board of Directors

ATTEST:

Enrique P. Valdivia
Secretary, Board of Directors

APPROVED AND FORWARDED



Darcy Allen Frohenfelter
General Counsel