

RESOLUTION AND ORDER NO. 03-17-870

OF THE EDWARDS AQUIFER AUTHORITY BOARD OF DIRECTORS APPROVING AN AMENDMENT TO THE EDWARDS AQUIFER HABITAT CONSERVATION PLAN FY2017 PROGRAM FUNDING APPLICATION OF THE EDWARDS AQUIFER AUTHORITY BY INCREASING THE 2017 FUNDING REQUEST FROM \$16,147,247 TO \$20,576,826; FOR THE PURPOSE OF FUNDING AND IMPLEMENTING THE REFUGIA CONSERVATION AND ADAPTIVE MANAGEMENT MEASURE AND THE ECOLOGICAL MODELING ADAPTIVE MANAGEMENT MEASURE.

WHEREAS, the Edwards Aquifer Authority ("EAA") was created by the Edwards Aquifer Authority Act of May 30, 1993, 73rd Leg., R.S., ch. 626, 1993 Tex. Gen. Laws 2350, as amended ("Act"); and

WHEREAS, under Section 1.02 of the Act, the EAA is a conservation and reclamation district created by virtue of Article XVI, Section 59 of the Texas Constitution; and 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 the powers, rights and privileges necessary to manage, conserve, preserve, and protect the Edwards Aquifer ("Aquifer") and prevent the waste or pollution of water in, the Aquifer; and

WHEREAS, under Sections 1.01, 1.11, 1.14 and 1.26A of the Act, the EAA is authorized to implement programs designed to protect threatened and endangered species associated with the Aquifer; and

WHEREAS, under Section 1.11(d)(9) of the Act, the EAA is authorized to hold an incidental take permit under the Federal Endangered Species Act of 1973 ("ESA"), 16 U.S.C. §§ 1531-1544; and

WHEREAS, Paragraph E of Incidental Take Permit No. TE63663A-1 ("ITP") issued by the U.S. Fish and Wildlife Service ("Service") to the EAA, the City of New Braunfels, the City of San Marcos, the City of San Antonio, acting by and through its San Antonio Water System, and Texas State University ("Permittees"), requires the Permittees to comply with the terms and conditions contained in the Edwards Aquifer Habitat Conservation Plan ("EAHCP"); and

WHEREAS, the EAHCP requires, among other things, the Permittees to implement various Conservation Measures intended to minimize or mitigate the impact of the use of groundwater withdrawn from the Aquifer on threatened and endangered species associated with the Aquifer and contribute to the recovery of such species, and the conducting of certain adaptive management activities to enhance the effectiveness of the EAHCP; and

WHEREAS, a part of the EAHCP is that certain Funding and Management Agreement ("FMA") effective January 1, 2012, that provides the terms of the rights and duties of the Permittees for managing and funding the implementation of the EAHCP, and the terms of the Adaptive Management Process; and

WHEREAS, Section 6.1 of the FMA requires each Permittee, including the EAA, to submit to the EAA a Program Funding Application ("PFA") to provide funding from the EAA to implement each Permittee's respective Conservation Measures, and such PFAs are required to be

approved by the Board of Directors (“Board”) of the EAA; and

WHEREAS, pursuant to Section 6.1 of the FMA, on October 13, 2016, the Board approved the EAA’s EAHCP 2017 program funding application in the amount of \$16,147,247 seeking funding for the Conservation Measures and Program Activities assigned to the EAA in Chapters 5 and 6 of the EAHCP; and

WHEREAS, the original funding application included \$1,678,597 for Refugia Operations; and

WHEREAS, on November 8, 2016, the EAA Board approved a multi-year contract with the Service for Refugia Operations, which projects costs in the amount of \$6,078,176 for 2017; and

WHEREAS, the EAA desires to increase the amount of funding required for 2017 activities for the Refugia Operations in the amount of \$4,399,579, for a new total of \$6,078,176; and

WHEREAS, the original funding application included zero funding for Ecological Modeling; and

WHEREAS, the EAA desires to increase the funding required for 2017 activities to complete the Ecological Modeling project in the amount of \$30,000, for a new total of \$30,000; and

WHEREAS, the EAA staff has reviewed the amended PFA and determined that it is complete and meets the approval criteria in Subsection 6.1.3 of the FMA, and recommends to the Board that the PFAs be approved as filed; and

WHEREAS, the Board hereby finds that the amended Application meets the application approval criteria Subsection 6.1.3 of the FMA as recommended by the EAA staff; and

WHEREAS, the Board has amended the Edwards Aquifer HCP Fund¹ budget and therefore finds that there are sufficient funds to provide funding to the EAA in the amount requested in the amended Application; and

WHEREAS, the EAA’s Finance Committee, on February 28, 2017 voted to recommend the Board adopt a resolution and order approving the amended 2017 PFAs submitted by the EAA; and

WHEREAS, a regular meeting of the Board was held on March 14, 2017, 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, an agenda item was duly listed in the notice of public meeting that is the subject of this Resolution and Order; and

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

¹ In the FMA, this fund is referred to as the HCP Program Account.” See FMA §1.1.27

WHEREAS, the Board hereby finds that the PFA meets the approval criteria in Subsection 6.1.3 of the FMA as recommended by the EAA staff; and

WHEREAS, pursuant to Sections 4.7, 5.2.2, and 6.1.4 of the FMA, the Board additionally finds that there are sufficient funds within the Edwards Aquifer HCP Fund to provide funding to the EAA in the amount requested in the amended PFA; and

WHEREAS, it is in the public interest that the PFAs be approved and funding be provided to implement the terms and conditions of the EAHCP in compliance with the FMA and the ITP.

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 Board of Directors hereby approves an amendment to the Edwards Aquifer Habitat Conservation Plan FY2017 Program Funding Application of the Edwards Aquifer Authority, by increasing the funding request from \$16,147,247 to \$20,576,826; for the purpose of funding the Refugia Conservation and Adaptive Management Measure and the Ecological Modeling Adaptive Management Measure.
- Section 3. Pursuant to Subsection 6.1.5 of the FMA, the General Manager is directed to provide notice to the Permittees in writing of the Board's decision on the Program Funding Applications.
- Section 4. This Resolution and Order shall become effective from and after its adoption.

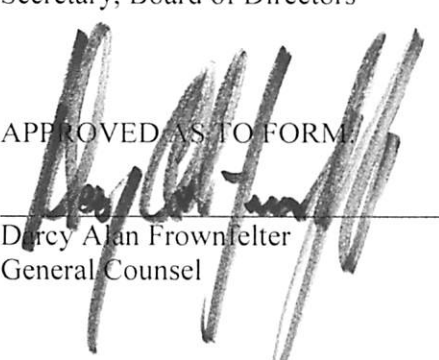
PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE EDWARDS AQUIFER AUTHORITY THIS 14th DAY OF MARCH, 2017.

Luana Buckner
Chairman, Board of Directors

ATTEST:

Enrique Valdivia
Secretary, Board of Directors

APPROVED AS TO FORM:



Darcy Alan Frownfelter
General Counsel