



Edwards Aquifer Authority

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

Meeting Minutes - Draft

Board of Directors

Tuesday, May 9, 2017

3:00 PM

EAA Board Room

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

Chairman Buckner called the meeting to order at 3:14 p.m.

Present: 16 - Director Amy Akers, Chairman Luana Buckner, Treasurer Ron Ellis, Director Rader Gilleland, Director Susan Hughes, Director Don Laffere, Director Craig Massouh, Director Byron Miller, Director Gary Middleton, Director Carol Patterson, Director Pat Stroka, Secretary Enrique Valdivia, Director Ron Walton, Director Clark Ward, Director Scott Yanta and Vice Chair Ben Youngblood

Absent: 1 - Director Rebekah Bustamante

B. Public comment.

There were no citizens who requested to address the board.

C. General Manager's announcements and reports.

C.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
- Aquifer Conditions

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

- *Mr. Mark Hamilton, Executive Director - Aquifer Management Services, completed 15 years of service with the EAA.*
- *Mr. Jon Credit, Environmental Coordinator, completed 15 years of service with the EAA.*
- *Mr. Jose Barela, Field Inspection Supervisor, completed 10 years of service with the EAA.*
- *Ms. Shelly Hendrix, Director/Controller Financial Services, completed five years of service with the EAA.*
- *Directors received a copy of the first quarter investment report for 2017.*
- *Staff has begun a women in science blog featuring women scientist at the EAA and would be an on-going program for the next year. It was aimed at highlighting opportunities for women and minorities in the STEM fields.*
- *Proposed amendments to Article IX of the EAA bylaws pertaining to Investment Policy and Investment Strategy, were presented to the Finance/Administrative Committee at the April 25 meeting. EAA staff was not able to meet the 10-day requirement for the May 9 board meeting, therefore this item would appear on the June 13 board agenda.*
- *Mr. Marc Friberg, Executive Director - External & Regulatory Affairs, provided a legislative update on SB1392, HB 31, SB 862, and Representative King's abandoned well bill, and he noted that staff was continuing to track discharge bills.*
- *Staff would be filing two grant applications with the Texas Water Development Board related to agricultural conservation grants. The first would be a matching grant for telemetry equipment related to the automated meter reading program, and the second would be for additional funding to our existing internal grant program. Both grants would be reimburseable and would stretch the EAA grant program without impacting the reserve fund or the aquifer management fee. If granted, staff would come back to the the board through the proper committee and board protocol to request action.*
- *Mr. Geary Schindel, Chief Technical Officer/Director, briefed the board on current aquifer conditions.*

D. Treasurer's Report**D.1**

Receive report from EAA staff on unaudited financial statements for March 2017.

Treasurer Ellis presented the unaudited financial statements for March 2017.

E. Board Reports**F. Consent Agenda**

**F.1 Approval of previous board meeting minutes
 - Regular Board Meeting - April 11, 2017**

*Approval of previous board meeting minutes
- Regular Board Meeting - April 11, 2017*

**F.2 Consider recommendation from the Permits/Enforcement
 Committee to approve a conversion of base irrigation
 groundwater owned by LGI Homes - Texas, LLC, a Texas limited
 liability company, based on a change in land use.**

*Adopt a Final Order Granting Application to Convert Base Irrigation Groundwater for
Initial Regular Permit No. P100-503 (BE00207) based on changes in land use
submitted by LGI Homes - Texas, LLC, a Texas limited liability company.*

[Attached and made a part of these minutes.]

**F.3 Consider recommendation from the Finance/Administrative
 Committee to consider payment to Kemp Smith for legal services
 for March 2017.**

*Approve payment to Kemp Smith in the amount of \$78,348.50, for legal services for
March 2017.*

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

G. Individual Consideration

H. Staff Reports

**H.1 Receive report from EAA staff regarding Edwards Aquifer 2016
 permitted groundwater use.**

*Mr. Chuck Ahrens, Water Resources Manager, briefed the board regarding 2016
groundwater withdrawals reported by permit holders, and a preliminary review of
those permit holders who exceeded their annual authorized withdrawal amounts in
2016.*

This staff report was presented.

H.2 Receive report from EAA staff regarding the 2016 EAHCP Annual Report to the U.S. Fish and Wildlife Service.

Ms. Alicia Reinmund-Martinez, Director - HCP, briefed the board regarding the 2016 Annual Report submitted to the U.S. Fish and Wildlife Service (USFWS) which documents HCP implementation activities, such as the habitat conservation activities conducted in the Cornal and San Marcos ecosystems and the springflow protection activities and supporting science programs conducted by the EAA. The document also details adaptive management activities, the annual take estimate and recommendations for the upcoming year.

This staff report was presented.

H.3 Receive report from EAA staff on financial forecast scenarios and EAHCP reserve fund balance impacts.

Mr. Nathan Pence, Executive Director - HCP, provided the board with a brief overview of the reserve fund balance.

Ms. Shelly Hendrix, Director/Controller Financial Services, briefed the board regarding EAA projections which included methods used to calculate the projected expenses during a "Drought of Record," the impacts to the EAHCP reserve balance based on VISPO payouts, the frontloading of expenses in the Refugia and Regional Water Conservation programs, and aquifer management fee scenarios and revenue projections.

Mr. Ruiz noted that the EAA was doing what it was supposed to be doing, and was in good shape financially, in the event that we would go into a drought of record.

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 4:06 p.m.

I.1**Closed Session.**

1. Consultation with Attorney - Pending Litigation (§ 551.071)

Active Litigation:

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

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)
 - * Settlement of the well plugging matter between the EAA and Hot Wells LP, Lifshutz Management LLC, and James G. Lifshutz
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 4:25 p.m.

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

A motion was made by Director Youngblood, seconded by Director Akers, to approve the settlement between the EAA and Hot Wells LP, Lifshutz Management LLC, and James G. Lifshutz regarding the plugging of an Edwards well on property owned by Hot Wells LP as presented by counsel in closed session, and authorize the general manager to execute all documents necessary to effectuate the settlement.

The motion passed viva voce.

K. Discuss items for future board meeting agendas.

The board did not discuss future agenda items.

L. Adjournment.

There being no further business to discuss, the meeting adjourned at 4:27 p.m.

Enrique P. Valdivia
Secretary, Board of Directors

Jennifer Wong-Esparza
Assistant to Board Secretary