



Edwards Aquifer Authority

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

Meeting Minutes - Draft

Board of Directors

Tuesday, August 13, 2019

3:00 PM

EAA Board Room

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

Chairman Buckner called the meeting to order at 3:09 p.m.

Present: 15 - Chairman Luana Buckner, Director Deborah Carington, Director Rader Gilleland, Director Kathleen Krueger, Director Don Laffere, Director Gary Middleton, Director Carol Patterson, Director Abe Salinas, Director Rachel Sanborn, Director Pat Stroka, Secretary Enrique Valdivia, Director Ron Walton, Director Clark Ward, Director Scott Yanta and Vice Chairman Ben Youngblood

Absent: 2 - Treasurer Ron Ellis and Director Byron Miller

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.)
- Legislative Activity
- 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. Bryan Anderson was hired as a Director for Data Management.*
- *Mr. Ben Jacobson was hired as a Groundwater Protection Coordinator.*
- *Mr. Joel "Walker" Cagle was hired as a Recharge Zone Protection Coordinator.*
- *On August 7, oral arguments in the LULAC v. EAA lawsuit were presented before the U.S. Fifth Circuit Court of Appeals in Houston.*
- *Directors were reminded about the board work session to be held September 13 - 14 in Boerne at the Bevy Hotel.*
- *The EAA office would be closed for a staff development day on August 16.*
- *Mr. Paul Bertetti, Director of Aquifer Science, briefed the board on current aquifer conditions.*

D. Treasurer's Report

D.1 Receive report from EAA staff on the unaudited financial statements for June 2019.

Treasurer Ellis was not in attendance at this meeting to present the unaudited financial statements for June 2019, but Ms. Shelly Hendrix, Director/Controller Financial Services, was available to answer questions.

E. Board Reports

F. Consent Agenda

**F.1 Approval of previous board meeting minutes
 - Regular Board Meeting - July 9, 2019**

*Approval of previous board meeting minutes
 - Regular Board Meeting - July 9, 2019*

F.2 Consider recommendation from the Permits/Enforcement Committee to authorize the General Manager to enter into a Compromise and Settlement Agreement regarding the pending enforcement matter with the William J. Bordelon Post 4700 Veterans of Foreign Wars of the United States.

Authorize the General Manager to enter into a Compromise and Settlement Agreement regarding the pending enforcement matter with the William J. Bordelon VFW Post 4700.

F.3 Consider recommendation from the Permits/Enforcement Committee to approve an application to convert base irrigation groundwater owned by LGI Homes of Texas, based on a change in land use.

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

[Attached and made a part of these minutes.]

- F.4 Consider recommendation from the Permits/Enforcement Committee to approve ASR springflow protection program forbearance agreements with Dos Ninas, LP; Dos Ninas, LLC; KO Water Land, LLC, a Texas limited liability company; Hattie Elizabeth Iredale; Marcy G. Rothe; Hart Components Land, L.P.; Sahil Management Ltd.; and 1909 Ltd., for the Aquifer Storage and Recovery Forbearance Program, in support of the Edwards Aquifer Habitat Conservation Plan, in the total amount of \$1,325,651.40.**

Adopt Resolution and Order No. 08-19-940 of the Edwards Aquifer Authority Board of Directors to approve springflow protection program forbearance agreements with the permit holders listed, to the EAA for the Aquifer Storage and Recovery Program in support of the Edwards Aquifer Habitat Conservation Plan and authorize the General Manager to execute the agreements.

[Attached and made a part of these minutes.]

- F.5 Consider recommendation from the Permits/Enforcement Committee to approve a Voluntary Irrigation Suspension Program Option forbearance agreement with Richard S. Castleberry and wife, Delores A. Castleberry, for Edwards groundwater withdrawal rights in the total amount of not less than \$8,528.22 and not to exceed \$33,797.02 for the Voluntary Irrigation Suspension Program Option in support of the Edwards Aquifer Habitat Conservation Plan.**

Approve a VISPO forbearance agreement for permitted Edwards groundwater rights between the EAA and Richard S. Castleberry and wife, Delores A. Castleberry, in the total amount of not less than \$8,528.22, and not to exceed \$33,797.02, for the Voluntary Irrigation Suspension Program Option in support of the Edwards Aquifer Habitat Conservation Plan and authorizing the General Manager to execute the Agreement.

- F.6 Consider recommendation from the Finance/Administrative Committee to approve the 2020 plan agreement with the Texas Counties and District Retirement System.**

Adopt Resolution and Order No. 08-19-941 of the Edwards Aquifer Authority Board of Directors approving the plan agreement with the Texas Counties and Districts Retirement System, for the period January 1, 2020 through December 31, 2020.

[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 June 2019.**

Approve payment to Kemp Smith in the amount of \$58,874.30, for legal services for June 2019.

- F.8** **Consider recommendation from the Finance/Administrative Committee to declare certain personal property of the EAA to be surplus and to authorize the disposal of the surplus property.**

Adopt Resolution and Order No. 08-19-942 of the Edwards Aquifer Authority Board of Directors declaring certain personal property of the EAA to be surplus and authorizing the General Manager to sell or otherwise dispose of the surplus property.

[Attached and made a part of these minutes.]

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

G. Individual Consideration

G.1

Consider EAA staff recommendation to approve a development agreement and associated 20-year lease with Morgan's Wonderland Camp, for the development and construction of an EAA Educational Outreach Center, in a total amount not to exceed \$3,146,953.76.

Mr. Ruiz introduced this agenda item to the board, highlighting the vision behind the project. He also noted that Mr. Gordon Hartman, President - Morgan's Wonderland Camp, was in attendance to address the board.

Mr. Mike De La Garza, Senior Director - Communications & Development, briefed the board regarding the development agreement and associated 20-year lease agreement between the EAA and Morgan's Wonderland Camp, for the development and construction of an EAA Educational Outreach Center.

Mr. Hartman briefed the board regarding background information on Morgan's Wonderland and Morgan's Wonderland Camp.

A motion was made by Secretary Valdivia, seconded by Director Patterson, the board adopt Resolution and Order No. 08-19-943 of the Edwards Aquifer Authority Board of Directors approving a development agreement and associated 20-year lease agreement between the EAA and Morgan's Wonderland Camp, for the development and construction of an EAA Educational Outreach Center for the benefit of the EAA, in a total amount not to exceed \$3,146,953.76, for the period projected to begin at an as yet to be determined month in 2020 through an as yet to be determined month in 2040, and authorizing the General Manager to execute the agreement. The motion passed viva voce.

[Attached and made a part of these minutes.]

G.2

Consider recommendation from the Permits/Enforcement Committee to approve a moratorium on the processing of certain applications to convert base irrigation groundwater.

Mr. Marc Friberg, Executive Director - External & Regulatory Affairs, briefed the board regarding imposing a temporary moratorium on the acceptance and processing of specific applications to convert base irrigation groundwater ("BIG"). The moratorium only impacts applications to convert BIG based on changes of land use or applications to convert BIG due to the issuance of stacked BIG.

A motion was made by Secretary Valdivia, seconded by Director Yanta, the board approve a temporary moratorium on the acceptance and processing of certain applications to convert base irrigation groundwater. The motion passed viva voce.

[Attached and made a part of these minutes.]

- G.3 Consider recommendation from the Finance/Administrative Committee to approve the purchase of employee medical insurance from Humana of Texas through CBG Benefits Group, in the approximate amount of \$634,500, for the period October 1, 2019 through September 30, 2020.**

A motion was made by Secretary Valdivia, seconded by Vice-Chairman Youngblood, the board adopt Resolution and Order No. 08-19-944 of the Edwards Aquifer Authority Board of Directors approving the purchase of employee medical insurance for October 1, 2019 through September 30, 2020 from Humana of Texas, through CBG Benefits Group, in the approximate amount of \$634,500, with an option to renew for four additional years. The motion passed viva voce.

[Attached and made a part of these minutes.]

- G.4 Consider recommendation from the Finance/Administrative Committee to authorize the General Manager to negotiate a contract with RSM US LLP, to conduct the EAA's fiscal 2019 audit.**

A motion was made by Vice-Chairman Youngblood, seconded by Director Laffere, the board approve the following ranked order listing of the three interviewed offerors:

1. RSM US LLP
2. Armstrong, Vaughan & Associates, P.C.
3. Weaver and Tidwell, L.L.P.

A motion was made by Vice-Chairman Youngblood, seconded by Director Laffere, the board select RSM US LLP as the most qualified offeror and authorize the General Manager to negotiate a contract with RSM US LLP to conduct the EAA's fiscal year 2019 audit, with an option to renew for four additional years.

The motions passed viva voce.

- G.5 Consider recommendation from the Executive Committee to approve water conservation grant contracts in the total amount of \$199,064.86.**

Ms. Isabel Martinez, Conservation Coordinator, briefed the board regarding water conservation grant contracts with John T. Brigman for \$47,821.77, Lonesome Dove Corner/Rocky Ridge Mountain, LLC for \$73,037.39, and JV Limited for \$78,205.70.

A motion was made by Director Stroka, seconded by Director Laffere, the board authorize the general manager to execute water conservation grant contracts with John T. Brigman for \$47,821.77; Lonesome Dove Corner/Rocky Ridge Mountain, LLC for \$73,037.39; and JV Limited for \$78,205.70. The motion passed viva voce.

H. Staff Reports**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:

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

League of United Latin Am. Citizens v. Edwards Aquifer Auth. (5th Cir. filed Aug. 9, 2018)

Uvalde Cty. UWCD v. Edwards Aquifer Auth. (38th Uvalde Cty. filed Jan. 16, 2018)

Gonzales v. Mendez (285th Bexar Cty. filed Sept. 20, 2018; EAA intervened May 8, 2019)

Monitored Litigation:

In re Estate of Eva May Sanderlin (Cty. Ct., Uvalde Cty. filed Jan. 8, 2015)

In re Estate of Watts (Prob. Ct. No. 1, Bexar Cty. filed Jan. 27, 2016)

Flying "L" Guest Ranch, Ltd. v. Bandera Cty. RAGD (198th Bandera Cty. nonsuited July 11, 2019)

Stratta v. Harris (5th Cir. filed Nov. 29, 2018)

2. Consultation with Attorney - Attorney/Client Privileged Consultations (§ 551.071)**3. Consultation with Attorney - Settlement Offers (§ 551.071)****4. Deliberations Regarding Real Property (§ 551.072)****5. Deliberations Regarding Personnel Matters (§ 551.074)****6. Deliberations Regarding Security Devices or a Security Audit (§§ 551.076, 551.089)**

The board did not meet in closed session.

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 future board meeting agendas.

L. Adjournment.

There being no further business to discuss, the meeting adjourned at 4:05 p.m.

*Enrique P. Valdivia
Secretary, Board of Directors*

*Jennifer Wong-Esparza
Assistant to Board Secretary*