



# Edwards Aquifer Authority

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

## Meeting Minutes Board of Directors

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Tuesday, April 11, 2017

3:00 PM

EAA Board Room

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

*Chairman Buckner called the meeting to order at 3:03 p.m.*

*Present: 7 - Chairman Luana Buckner, Director Ron Ellis, Director Susan Hughes, Director Don Laffere, Director Craig Massouh, Director Ron Walton, Director Clark Ward*

*Absent: 3 - Director Amy Akers, Director Rebekah Bustamante, Director Pat Stroka*

**Present:** 7 - Director Rader Gilleland, Treasurer Byron Miller, Director Gary Middleton, Director Carol Patterson, Chair Enrique Valdivia, Director Scott Yanta and Secretary Ben Youngblood

### 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
- Recent Legislative Activities
- Aquifer Conditions

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

- *Mr. Newfel Mazari was hired as Data Collection Supervisor for the Modeling & Data Management department.*
- *Included in directors' folders was the annual 2016 EAA Staff Diversity Report. This report was formally presented by staff to the Finance/Administrative Committee at the March 28 meeting. Moving forward, this report would be encompassed in a much broader update that incorporates staffing issues as they coincide with the programmatic priorities as identified by the board. This report would be presented at the annual board work session.*
- *Mr. Marc Friberg, Executive Director External & Regulatory Affairs, briefed the board on the latest bills that staff was tracking.*
- *Mr. Roger Andrade, Groundwater Protection Manager, provided an update on recent positive developments with regard to the abandoned well program, and updated the board on the Sunshine Cleaners and CPS well pluggings and the El Dorado Superfund site.*
- *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 February 2017.**

*Treasurer Ellis presented the unaudited financial statements for February 2017.*

**E. Board Reports****F. Consent Agenda****F.1**

**Approval of previous board meeting minutes**

- **Regular Board Meeting - March 14, 2017**

*Approval of previous board meeting minutes*

- *Regular Board Meeting - March 14, 2017*

- F.2 Consider recommendation from the Executive Committee to approve a conversion of base irrigation groundwater owned by Scott G. Yanta and wife, Kimberly Yanta, based on the installation of conservation equipment.**

*Adopt a Final Order Granting Application to Convert Base Irrigation Groundwater for Initial Regular Permit No. P101-157 (ME00413) based on the installation of conservation equipment submitted by Scott G. Yanta and wife, Kimberly Yanta.*

*[Attached and made a part of these minutes.]*

- F.3 Consider recommendation from the Permits/Enforcement Committee to approve a conversion of base irrigation groundwater owned by FDSS, Ltd., based on the installation of conservation equipment.**

*Adopt a Final Order Granting Application to Convert Base Irrigation Groundwater for Initial Regular Permit No. P100-127 (ME00374) based on the installation of conservation equipment submitted by FDSS, Ltd.*

*[Attached and made a part of these minutes.]*

- F.4 Consider recommendation from the Permits/Enforcement Committee to approve a conversion of base irrigation groundwater owned by Mildred Celina Verstuyft, Lorraine Agnes Wauters, and Norman Robert Suberg, based on a change in land use.**

*Adopt a Final Order Granting Application to Convert Base Irrigation Groundwater for Initial Regular Permit No. P100-158 (BE00059) based on changes in land use submitted by Mildred Celina Verstuyft, Lorraine Agnes Wauters, and Norman Robert Suberg.*

*[Attached and made a part of these minutes.]*

- F.5 Consider recommendation from the Permits/Enforcement Committee regarding a Groundwater Trust Transfer Contract with Mr. Michael Humphreys.**

*Authorize the General Manager to enter into a Groundwater Trust Transfer Contract with Michael Humphreys regarding Regular Permit No. P103-540 (75 acre-feet).*

**F.6 Consider recommendation from the Finance/Administrative Committee to approve an amended Edwards Aquifer Habitat Conservation Plan Program FY2017 Funding Application for the City of San Marcos.**

*Approve an amendment to the EAA Edwards Aquifer Habitat Conservation Plan Program 2017 Program Funding Application for the City of San Marcos, decreasing the funding request from \$641,000 to \$611,000, and decreasing the funding amount for the LID/BMP conservation measure.*

*[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 February 2017.**

*Approve payment to Kemp Smith in the amount of \$51,386.64, for legal services for February 2017.*

*A motion was made by Director Laffere, seconded by Treasurer Ellis, to approve the consent agenda. The motion passed viva voce. Director Yanta abstained from the vote on agenda item F.2.*

**G. Individual Consideration**

**G.1 Receive report from independent auditor, RSM US LLP, and consider final audit report for the 12-month period of January 1, 2016, through December 31, 2016.**

*Mr. Felix Marquez, Executive Director - Administration & Financial Services, briefed the board regarding the final audit report for the 12-month period of January 1, 2016, through December 31, 2016.*

*Mr. Joel Perez and Mr. Robert Williams, representatives from RSM US LLP, presented the Conduct of the Audit and the Management Points Letter to the board. RSM US LLP issued an opinion that the financial statements present fairly, in all material aspects, the financial position of the EAA. In addition, RSM US LLP issued a "clean opinion" with a material deficiency pertaining to a restatement of expenditures in fiscal years 2016, 2015, and 2014.*

**A motion was made by Secretary Valdivia, seconded by Treasurer Ellis, the board accept the audit as presented by independent auditor, RSM US LLP, for the 12-month fiscal period of January 1, 2016, through December 31, 2016. The motion passed viva voce.**

**[Attached and made a part of these minutes.]**

**G.2**

**Consider recommendation from EAA staff to authorize the general manager to submit amendment applications to the Texas Commission on Environmental Quality for the EAA's surface water diversion permits associated with the EAA's four existing recharge dam structures.**

*Mr. Friberg briefed the board regarding amendment applications to the TCEQ for the EAA's surface water diversion permits associated with its four existing recharge structures.*

**A motion was made by Treasurer Ellis, seconded by Director Patterson, to approve Resolution and Order No. 04-17-871, authorizing the General Manager and General Counsel to prepare all necessary documents and take all necessary actions to submit amendment applications to the Texas Commission on Environmental Quality for the EAA's surface water diversion permits associated with its four existing recharge structures. The motion passed viva voce.**

**[Attached and made a part of these minutes.]**

**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 3:57 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)
  - Confer with General Counsel regarding the status of a pending settlement offer with Hot Wells, LP, a Texas limited partnership, Lifshutz Management, LLC, a Texas limited liability company, and James G. Lifshutz, an individual.
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 4:20 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 future board meeting agendas.*

**L. Adjournment.**

*There being no further business to discuss, the meeting adjourned at 4:21 p.m.*

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*Enrique P. Valdivia*  
*Secretary, Board of Directors*

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*Jennifer Wong-Esparza*  
*Assistant to Board Secretary*