



Edwards Aquifer Authority

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

Meeting Minutes - Final

Board of Directors

Tuesday, June 13, 2017

3:00 PM

EAA Board Room

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

Chairman Buckner called the meeting to order at 3:08 p.m.

Present: 8 - Chairman Luana Buckner, Director Rebekah Bustamante, Treasurer Ron Ellis, Director Susan Hughes, Director Don Laffere, Director Craig Massouh, Director Ron Walton, and Director Clark Ward

Absent: 2 - Director Amy Akers and Director Pat Stroka

Present: 6 - Director Rader Gilleland, Treasurer Byron Miller, Director Gary Middleton, Director Carol Patterson, Chair Enrique Valdivia and Secretary Ben Youngblood

Absent: 1 - Director Scott Yanta

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. Thomas Marsalia, Environmental Coordinator, completed five years of service with the EAA.*
- *Mr. Charles Bradshaw, Field Inspection Technician, completed five years of service with the EAA.*
- *The EAA engaged Allied-SCSS to conduct an M/WBE Availability Study. The results of this study would assist in identifying M/WBE vendors in the EAA's market area that could conduct business with the EAA in the areas of business for which we would engage outside third parties. The results of this study would be finalized and brought before the Finance/Administrative Committee in the latter part of 2017.*
- *In directors' folders was a copy of Senate Bill No. 1 by Nelson that was signed by Governor Abbott and filed with the Secretary of State.*
- *Directors received an invitation to Kemp Smith's Open House at their new office in Austin on June 15.*
- *Director Susan Hughes submitted her letter of intent to resign from the board of directors.*
- *Directors were asked to provide their shirt size to staff for new EAA shirts.*
- *Directors were reminded to RSVP for the work session.*
- *It was noted that the Hot Wells matter was on track, and the installment payment and the first payment were both received.*
- *The El Dorado Chemical Company, Inc., was an EPA Superfund Site located in Live Oak. Recently, the EPA initiated the first round of field work to assess current site status by conducting a comprehensive groundwater sampling and well logging effort. The groundwater was sampled in six, shallow monitoring wells and the single Edwards Aquifer well located at the site, and the shallow groundwater was known to have contamination. While the Edwards Aquifer well has not tested positive for contamination historically, staff was awaiting results of the sampling effort from the EPA. A complication regarding plugging the well was recently discovered because the on-site Edwards Aquifer well was currently in use and supplies water to the adjacent industrial operation. Until an alternate water source was located for the adjacent business, plugging the well would be delayed. Unfortunately, no public water supply lines were currently available in the small industrial park adjacent to the El Dorado site. EAA staff continues to collaborate with the EPA and attend regularly scheduled meetings with the EPA, TCEQ, and USGS regarding the site. The next meeting with the EPA team was scheduled for June 19. Staff would provide an update to the board regarding site status as soon as additional information was made available.*
- *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 April 2017.

Treasurer Ellis presented the unaudited financial statements for April 2017.

This staff report was presented.

E. Board Reports

E.1 Receive report from Carriage House Partners on the 85th Legislative Session.

Mr. Gavin Massingill, and Mr. James Clark, Carriage House Partners, briefed the board regarding the 85th Legislative Session, and noted the highlights of the session.

This board report was presented.

E.2 Receive report from Director Gary Middleton, South Central Texas Water Advisory Committee (SCTWAC) representative to the board, regarding downstream water conditions of the Guadalupe River Basin and current activities and issues of interest to SCTWAC.

Director Gary Middleton briefed the board regarding downstream water conditions of the Guadalupe River Basin and noted that river levels were down, and it was mostly dry with not much rain. He also noted that the City of Victoria was proceeding with the ASR project, and it was anticipated that they would begin pumping in November of this year.

This board report was presented.

F. Consent Agenda

**F.1 Approval of previous board meeting minutes
 - Regular Board Meeting - May 9, 2017**

*Approval of previous board meeting minutes
 - Regular Board Meeting - May 9, 2017*

F.2 Consider recommendation from the Permits/Enforcement Committee to accept the settlement counter-offer from CDR Evans, LLC, related to exceeding authorized groundwater withdrawals during 2016.

Accept the counter-offer regarding the pending enforcement matter as presented.

- F.3 Consider recommendation from the Permits/Enforcement Committee to approve a conversion of base irrigation groundwater owned by Gruene Rock, LLC, 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 Gruene Rock, LLC.

[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 Medina Valley Independent School District, based on a change in land use.**

Adopt a Final Order Granting Application to Convert Base Irrigation Groundwater for Initial Regular Permit No. P108-425 based on changes in land use submitted by Medina Valley Independent School District.

[Attached and made a part of these minutes.]

- F.5 Consider recommendation from the Executive Committee to consider payment to Kemp Smith for legal services for April 2017.**

Approve payment to Kemp Smith in the amount of \$83,148.70 for legal services for April 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

G.1 Consider recommendation from the Aquifer Management Planning Committee to approve an interlocal cooperation contract with New Braunfels Utilities for the development and use of an aquifer storage and recovery project.

Mr. Marc Friberg, Executive Director - External & Regulatory Affairs, briefed the board regarding the interlocal cooperation contract with New Braunfels Utilities (NBU), and noted changes that have been made since January 2017, reviewed the project approval process, and answered questions from the board.

Mr. Roger Biggers, Executive Director - External Affairs, New Braunfels Utilities, answered questions from the board about the project.

Mr. Ruiz noted that this is a recharge project, but not in the traditional sense, it is a recharge project and recovery project in the form of an ASR. In lieu of credit, it is being done through contract. It is a demonstration project for the EAA and staff is learning by collaborating with NBU and gaining information and data in the saline zone.

Ms. Cheryl Gilpin, citizen from Comal County, addressed the board regarding language in the interlocal cooperation contract with New Braunfels Utilities.

A motion was made by Treasurer Ellis, seconded by Director Laffere, the board approve Interlocal Cooperation Contract # 17-837-EX with New Braunfels Utilities for development of an aquifer storage and recovery project. The motion passed viva voce.

[Attached and made a part of these minutes.]

G.2 Consider recommendation from the Finance/Administrative Committee to amend Article IX of the Bylaws of the Edwards Aquifer Authority pertaining to the EAA Investment Policy and Investment Strategy.

Mr. Felix Marquez, Executive Director - Administration & Financial Services, briefed the board regarding amending Article IX of the EAA Bylaws, the EAA Investment Policy and Investment, in Section 9.05 identifying the Public Funds Collateral Act as one of the criteria for qualified investments. Additionally, Section 9.09 updates the authorized brokers and dealers, and reflects recent mergers and additions to this list.

A motion was made by Treasurer Ellis, seconded by Director Laffere, the board adopt Resolution and Order No. 06-17-872 of the Edwards Aquifer Authority Board of Directors amending Article IX of the EAA Bylaws pertaining to the EAA Investment Policy and Investment Strategy. The motion passed viva voce.

[Attached and made a part of these minutes.]

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. (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)
4. Consultation with Attorney (§ 551.071)
5. Deliberations Regarding Real Property (§ 551.072)
6. Deliberations Regarding Personnel Matters (§ 551.074)

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 4:01 p.m.

Enrique P. Valdivia
Secretary, Board of Directors

Jennifer Wong-Esparza
Assistant to Board Secretary