



Legislation Text

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Consider recommendation from the Permits/Enforcement Committee to approve leases of permitted Edwards groundwater rights with Vernell Louise Burch and Laguna Water II, Ltd., for the Aquifer Storage and Recovery Project of the San Antonio Water System, in support of the Edwards Aquifer Habitat Conservation Plan, in the total amount of \$10,397,268.80.

RECOMMENDED MOTION:

Move the board adopt Resolution and Order No. 09-16-853 of the Edwards Aquifer Authority Board of Directors to approve leases of permitted Edwards groundwater rights from Vernell Louise Burch and Laguna Water II, Ltd., to the EAA for the Aquifer Storage and Recovery Project of the San Antonio Water System in support of the Edwards Aquifer Habitat Conservation Plan, and authorizing the General Manager to execute the leases.

SUMMARY:

The purpose of this agenda item is for the board to consider a Permits/Enforcement Committee recommendation to approve leases of permitted Edwards groundwater rights for the Aquifer Storage and Recovery (ASR) Project of the San Antonio Water System in support of the Edwards Aquifer Habitat Conservation Plan (EAHCP). The EAHCP includes several measures intended to minimize and mitigate the impact of the use of Edwards groundwater on federally-listed threatened and endangered species associated with the Edwards Aquifer. A significant component of the EAHCP as a conservation and springflow protection measure is the use of the SAWS ASR project as a long-term conservation measure to replace SAWS pumping from the Edwards Aquifer and maintain a minimum spring flow at Comal and San Marcos Springs. Through this effort, the EAA has been tasked with acquiring 50,000 acre-feet of permitted Edwards Aquifer groundwater rights through leases and lease options to be stored in the ASR project.

The EAA has secured leases of groundwater rights of 6,498.293 acre-feet from the permit holders listed below effective January 1, 2018. EAA staff has completed its technical review of the transfer documents and has confirmed the accuracy of these leases, as summarized below:

Permit:	P104-190
Permit Holder:	Vernell Louise Burch
Transfer Amount:	300.000 acre-feet
Term:	10 years (Beginning in 2018)
Annual Lease Cost:	\$48,000.00
Total Lease Cost:	\$480,000.00

Permit:	Various (44 individual permits)
Permit Holder:	Laguna Water II, Ltd.

Transfer Amount: 6,198.293 acre-feet
Term: 10 years (Beginning in 2018)
Annual Lease Cost: \$991,726.88
Total Lease Cost: \$9,917,268.80

Attached to this item are the ASR lease agreements received from the permit holders and reviewed by legal counsel. The Laguna Water lease agreement contains unique provisions that differ from the EAA's template agreement. Most significantly, this lease agreement contains an opt-out provision that would allow Laguna Water to terminate the agreement after year 7. Resolution and Order No. 09-16-853, which has been reviewed by legal counsel, is also attached to this item.

As outlined above, all the lease agreements were signed and returned by the applicants. If these leases are approved, the total amount of groundwater rights secured by the EAA in 2016 ASR leases remains unchanged at 33,258.630 acre-feet since these leases will all begin in 2018.

At the August 23 meeting, the Permits/Enforcement Committee voted to recommend the board adopt a resolution and order of the Edwards Aquifer Authority Board of Directors to approve leases of permitted Edwards groundwater rights from the permit holders as listed herein, to the EAA for the Aquifer Storage and Recovery Project of the San Antonio Water System in support of the Edwards Aquifer Habitat Conservation Plan, and authorizing the General Manager to execute the leases.

M/WBE PARTICIPATION:

This agenda item does not involve the procurement of goods or services by the EAA and, therefore, this section is not applicable.

STRATEGIC PLAN REFERENCE:

This agenda item supports the EAA's policy direction as set forth in the EAA 2016-20 Strategic Plan: Goal A. Sustain Federally Protected Aquifer-Dependent Species.

Acquisition of 50,000 acre-feet of water for the ASR program is required of the Edwards Aquifer Authority to maintain compliance with the Incidental Take Permit issued by USFWS on March 18, 2013. Specifically, this item is related to the obligations of Section 5.5.1 of the Edwards Aquifer Habitat Conservation Plan.

FISCAL IMPACT:

Funding in the amount of \$1,039,726.880 will be available in the 2018 EAHCP budget. The total cost of these leases over the total lease term is \$10,397,268.80.