

NOTICE OF OPEN MEETING

Notice is given that a **Regular Meeting** of the Board of Directors of the Barton Springs/Edwards Aquifer Conservation District will be held at the **District office**, located at 1124 Regal Row, Austin, Texas, on **Thursday, October 6, 2016**, commencing at **6:00 p.m.** for the following purposes, which may be taken in any order at the discretion of the Board.

Note: The Board of Directors of the Barton Springs/Edwards Aquifer Conservation District reserves the right to meet in Executive Session at any time during the course of this meeting to discuss any of the matters listed on this agenda, as authorized by the Texas Government Code Sections §551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), 418.183 (Homeland Security). No final action or decision will be made in Executive Session.

1. **Call to Order.**
2. **Citizen Communications (Public Comments of a General Nature).**
3. **Routine Business.**

a. Consent Agenda. *(Note: These items may be considered and approved as one motion. Directors or citizens may request any consent item be removed from the consent agenda, for consideration and possible approval as a separate item of Regular Business on this agenda.)*

1. Approval of Financial Reports under the Public Funds Investment Act, Directors' Compensation Claims, and Specified Expenditures greater than \$5,000. **Not for public review**
 2. Approval of minutes of the Board's September 22, 2016 Regular Meeting and Work Session. **Not for public review at this time**
 3. Approval of issuing the earned Conservation Credits to permittees for FY 2016.
- Pg. 16**

b. General Manager's Report. *(Note: Topics discussed in the General Manager's Report are intended for general administrative and operational information-transfer purposes. The Directors will not take any action unless the topic is specifically listed elsewhere in this agenda.)*

1. Standing Topics.

- i. Personnel matters and utilization
- ii. Upcoming public events of possible interest
- iii. Aquifer conditions and status of drought indicators

2. Special Topics. *(Note: Individual topics listed below may be discussed by the Board in this meeting, but no action will be taken unless a topic is specifically posted elsewhere in this agenda as an item for possible action. A Director may request an individual topic that is presented only under this agenda item be placed on the posted agenda of some future meeting for Board discussion and possible action.)*

- i. Review of Status Update Report – at directors' discretion **Pg. 20**
- ii. Update on GMA and regional water planning

- iii. Update on District grant projects and other Aquifer Science Team projects
- iv. Update on activities related to area roadway projects
- v. Update on the HCP/ITP application and the associated draft EIS
- vi. Updates on Board committee activity
- vii. Update on interim legislative activity

4. Discussion and Possible Action.

- a. Discussion and possible action related to setting the FY 2017 District Goals. **Pg. 27**
- b. Discussion and possible action related to setting the FY 2017 performance objectives for the General Manager. **NBU**
- c. Discussion and possible action related to the Travis County portion of the Hill Country Priority Groundwater Management Area (PGMA). **Pg. 33**
- d. Discussion and possible action related to the City of Dripping Springs TPDES permit application to authorize direct discharge of treated wastewater to Onion Creek in the contributing zone of the Barton Springs segment of the Edwards Aquifer. **Pg. 63**

5. Adjournment.

Came to hand and posted on a Bulletin Board in the Courthouse, Travis County, Texas, on this, the _____ day of October, 2016, at _____ .m.

_____, Deputy Clerk

Travis County, TEXAS

Please note: This agenda and available related documentation have been posted on our website, www.bseacd.org. If you have a special interest in a particular item on this agenda and would like any additional documentation that may be developed for Board consideration, please let staff know at least 24 hours in advance of the Board Meeting so that we can have those copies made for you.

The Barton Springs/Edwards Aquifer Conservation District is committed to compliance with the Americans with Disabilities Act (ADA). Reasonable accommodations and equal opportunity for effective communications will be provided upon request. Please contact the District office at 512-282-8441 at least 24 hours in advance if accommodation is needed.

Item 1

Call to Order

Item 2

Citizen Communications

Item 3

Routine Business

a. Consent Agenda

(Note: These items may be considered and approved as one motion. Directors or citizens may request any consent item be removed from the consent agenda, for consideration and possible approval as a separate item of Regular Business on this agenda.)

- 1. Approval of Financial Reports under the Public Funds Investment Act, Directors' Compensation Claims, and Specified Expenditures greater than \$5,000.**
- 2. Approval of minutes of the Board's September 22, 2016 Regular Meeting and Work Session.**
- 3. Approval of issuing the earned Conservation Credits to permittees for FY 2016.**

BSEACD Conservation Credits - Fiscal Year 2016

Permittee	FY16 Historical & Conditional Permitted Pumpage	FY16 Historical Permitted Pumpage	FY16 Actual Pumpage	FY15 Actual Pumpage	FY14 Actual Pumpage	Measured Entire Year	Reporting Violations	Payment Violations	Total Violations	Drought Violations	Aggregated Drought Cancellation Obtained	UDCP/UCP Status	Total Calculated Credit/Overpumpage Fee Credit (One)	Permittee Eligible for Credit	10% Administrative Fee	50% Earned Credit	Up to 40% Optional Credit	Conservation Credits Due or (Owe)
Goldrich Special Utility District	350,000,000	350,000,000	112,363,000	121,732,000	225,787,000	Yes	0	0	0	0	N/A	OK	\$19,282.08	Yes	\$1,928.21	\$9,641.04		\$9,641.04
Monarch Utilities, Inc.	324,400,000	224,400,000	124,297,000	100,790,000	85,965,000	Yes	0	0	0	0	N/A	OK	\$316.96	Yes	\$316.96	\$1,584.78	\$1,109.35	\$2,694.14
Centex Materials, Inc.	214,291,000	86,457,600	107,024,302	111,619,400	199,777,800	Yes	0	0	0	0	N/A	OK	\$4,277.51	Yes	\$427.75	\$2,138.76		\$2,138.76
City of Buda	275,000,000	275,000,000	179,570,700	169,406,800	61,981,200	Yes	0	0	0	0	N/A	OK	\$3,435.21	Yes	\$343.52	\$1,717.61		\$1,717.61
Cinmar Park Water Company Inc	118,000,000	118,000,000	64,530,200	61,981,200	42,308,400	Yes	0	0	0	0	N/A	OK	\$1,645.52	Yes	\$164.55	\$822.76		\$822.76
Texas - Leigh Cement Co (Plant)	34,540,310	34,540,310	34,540,310	36,755,900	42,308,400	Yes	0	0	0	0	N/A	OK	\$1,313.10	Yes	\$131.31	\$656.55		\$656.55
Crescent-Maria Water Supply Corp	235,965,600	213,698,000	145,675,000	147,270,199	152,121,399	Yes	0	0	0	0	N/A	OK	\$1,095.77	Yes	\$109.58	\$547.89		\$547.89
Ruby Ranch Water Supply Company (Trinity)	20,300,000	20,300,000	3,684,600	3,884,200	9,385,700	Yes	0	0	0	0	N/A	OK	\$869.18	Yes	\$86.92	\$484.60		\$484.60
City of Hays Water Department - Elrod Ranch	54,450,000	45,000,000	37,411,400	29,982,800	27,124,500	Yes	0	0	0	0	N/A	OK	\$953.99	Yes	\$95.40	\$477.00		\$477.00
Arroyo Double Water System	52,000,000	45,000,000	26,612,400	23,530,100	25,037,300	Yes	0	0	0	0	N/A	OK	\$678.62	Yes	\$67.86	\$339.31		\$339.31
Huntington Utility Co. L.L.C.	18,000,000	18,000,000	8,941,000	10,291,000	9,410,000	Yes	0	0	0	0	N/A	OK	\$279.50	Yes	\$27.95	\$114.75	\$80.33	\$195.08
Village of San Leanna	31,651,200	29,013,600	10,653,300	10,328,500	9,880,600	Yes	0	0	0	0	N/A	OK	\$271.66	Yes	\$27.17	\$135.83		\$135.83
Oak Forest Water Supply Company (Trinity)	16,500,000	16,500,000	10,213,472	8,333,484	7,789,916	Yes	0	0	0	0	N/A	OK	\$260.44	Yes	\$26.04	\$129.93		\$129.93
Hays County Youth Athletic Assoc	4,820,550	4,820,550	2,214,100	2,327,000	3,742,700	Yes	0	0	0	0	N/A	OK	\$256.73	Yes	\$25.67	\$128.37		\$128.37
Marbridge Foundation	28,730,000	20,730,000	11,714,350	13,224,530	11,612,360	Yes	1	2	3	0	N/A	OK	\$181.08	No		\$0.00		\$0.00
Aqua Texas, Inc./Rosa Spillar Creek Park	12,098,000	12,098,000	7,101,000	6,959,000	8,519,000	Yes	1	2	3	0	N/A	OK	\$269.34	No		\$0.00		\$0.00
Aqua Texas, Inc./Rosa Spillar (Edwards)	12,075,000	12,075,000	6,119,000	6,707,000	10,621,000	Yes	1	2	3	0	N/A	OK	\$440.30	No		\$0.00		\$0.00
Aqua Texas, Inc./Rosa Spillar (Trinity)	38,625,000	38,625,000	17,822,000	20,212,000	19,659,000	Yes	1	2	3	0	N/A	OK	\$813.28	No		\$0.00		\$0.00
Aqua Texas, Inc./Reservoirs	88,764,000	88,764,000	37,870,000	38,515,000	42,854,000	Yes	1	2	3	0	N/A	OK	\$390.46	No		\$0.00		\$0.00
Aqua Texas, Inc./Moonland Water System	6,000,000	6,000,000	3,412,000	2,844,000	2,864,000	Yes	1	2	3	0	N/A	OK	\$1,054.91	No		\$0.00		\$0.00
Aqua Texas, Inc./Onion Creek Meadows	36,300,000	36,300,000	20,261,000	20,605,000	22,519,000	Yes	1	2	3	0	N/A	OK	\$448.97	No		\$0.00		\$0.00
Aqua Texas, Inc./Shady Hollow	60,000,000	60,000,000	41,369,000	41,351,000	39,342,851	Yes	1	2	3	0	N/A	OK	\$7.36	No		\$0.00		\$0.00
Aqua Texas, Inc./Sierra West	30,000,000	30,000,000	27,359,000	N/A	N/A	Yes	1	2	3	0	N/A	OK	\$181.08	No		\$0.00		\$0.00
Barton Properties	800,000	400,000	286,590	73,070	198,400	Yes	2	0	2	0	N/A	OK	\$20.68	No		\$0.00		\$0.00
Bear Creek Office Park	750,000	750,000	87,860	184,530	150,270	Yes	1	0	1	0	N/A	OK	\$84.24	No		\$0.00		\$0.00
Benjamin Rozas	1,000,000	1,000,000	556,800	816,700	936,700	Yes	1	0	1	0	N/A	OK	\$29.80	No		\$0.00		\$0.00
Byron Benoit and Company	2,000,000	2,000,000	1,168,500	409,100	224,600	Yes	2	0	2	0	N/A	OK	\$19.27	No		\$0.00		\$0.00
Chuck Nash	2,000,000	2,000,000	275,003	N/A	N/A	Yes	5	0	5	0	N/A	OK	\$49.89	No		\$0.00		\$0.00
Church of Christ at Budakyle	200,119	200,119	57,150	73,150	170,880	Yes	2	0	2	0	N/A	OK	\$10.94	No		\$0.00		\$0.00
City of Hays Water Department	15,000,000	15,000,000	5,992,400	6,796,472	6,076,000	Yes	1	0	1	0	N/A	OK	\$82.29	No		\$0.00		\$0.00
City of Hays	350,000,000	185,000,000	262,072,262	214,065,521	215,127,069	Yes	1	0	1	0	N/A	OK	\$10.94	overpumped		\$0.00		\$0.00
City of Sunset Valley	18,590,000	18,590,000	429,000	155,100	91,440	Yes	2	0	2	0	N/A	OK	\$16.55	No		\$0.00		\$0.00
Comal Tackle Company	843,750	843,750	843,953	772,580	714,430	Yes	2	0	2	0	N/A	OK	\$16.55	No		\$0.00		\$0.00
Cook-Walden Forest Oaks	5,000,000	5,000,000	1,983,700	2,350,100	1,725,700	Yes	1	0	1	0	N/A	OK	\$16.55	No		\$0.00		\$0.00
Corrington HTJ	980,000	980,000	649,000	585,900	N/A	Yes	2	0	2	0	N/A	OK	\$16.55	No		\$0.00		\$0.00
DOC Creekside Villas, Ltd	1,094,200	0	519	0	0	Yes	0	0	0	0	N/A	OK	\$16.55	No		\$0.00		\$0.00
Extra Space Properties Two LLC	100,000	100,000	139,510	43,350	87,920	Yes	5	0	5	0	N/A	OK	\$16.55	No		\$0.00		\$0.00
First Christian Church	1,200,000	1,200,000	216,500	N/A	N/A	No	2	0	2	0	N/A	OK	\$16.55	overpumped		\$0.00		\$0.00
Forest Oaks MHC	1,649,250	1,649,250	1,008,460	882,510	655,300	Yes	3	0	3	0	N/A	OK	\$25.72	No		\$0.00		\$0.00
Frontier Communications	240,000	240,000	42,360	N/A	N/A	Yes	0	0	0	0	N/A	OK	\$0.00	No		\$0.00		\$0.00
Johnson, Gilbert	8,500,000	5,500,000	6,230,000	5,836,000	5,965,620	Yes	0	0	0	0	N/A	OK	\$0.00	No		\$0.00		\$0.00
Schwaiblmair, Glen	480,000	0	443,660	412,142	381,018	Yes	2	0	2	0	N/A	OK	\$0.00	No		\$0.00		\$0.00
Hays C.I.S.D. (Beacon Hill)	421,875	421,875	0	0	0	Yes	4	0	4	0	N/A	OK	\$474.85	No		\$0.00		\$0.00
Hays C.I.S.D. (Hays High School)	30,000,000	30,000,000	18,621,500	15,816,100	17,384,300	Yes	4	0	4	0	N/A	OK	\$0.00	No		\$0.00		\$0.00
Hays City Holdings	480,000	480,000	5,230	N/A	N/A	No	1	0	1	0	N/A	OK	\$0.00	No		\$0.00		\$0.00
Hays City Store	600,000	600,000	359,690	N/A	N/A	No	1	0	1	0	N/A	OK	\$0.00	No		\$0.00		\$0.00
Hays Hills Baptist Church	600,000	600,000	368,240	367,370	378,370	Yes	0	0	0	0	N/A	OK	\$0.00	No		\$0.00		\$0.00
Hays Tech Industries (Apt)	100,000	100,000	0	0	0	Yes	1	0	1	0	N/A	OK	\$0.00	No		\$0.00		\$0.00
Hays Tech Industries	330,000	330,000	100	150	238,340	Yes	1	0	1	0	N/A	OK	\$40.50	No		\$0.00		\$0.00
Hunt, Earl (Hunt Enterprises)	600,000	600,000	371,200	75,200	111,220	Yes	0	0	0	0	N/A	OK	\$9.47	No		\$0.00		\$0.00
Independence Park Condominium Community, Ltd	3,700,000	0	323,100	205,100	571,500	Yes	2	0	2	0	N/A	OK	\$0.00	No		\$0.00		\$0.00

BSEACD Conservation Credits - Fiscal Year 2016

Permittee	FY16 Historical & Conditional Permitted Pumpage	FY16 Historical Permitted Pumpage	FY16 Actual Pumpage	FY15 Actual Pumpage	FY14 Actual Pumpage	Metred Entire Year	Reporting Violations	Payment Violations	Total Violations	Drought Violations	Aggregated Drought Certification Outlined	UDCH/UCP Status	Calculated Credit/Overpumpage Fees Credit (Owe)	Permittee Eligible for Credit ¹	10% Administrative Fee	50% Earned Credit	Up to 40% Optional Credit	Conservation Credits Due or Owe
Jump Creek LLC	1,000,000	1,000,000	213,200	N/A	N/A	No	0	0	0	0	N/A	OK	\$0.00	No				\$0.00
LEU Waterfall Center	6,700,000	6,700,000	2,700,090	1,531,070	N/A	Yes	1	1	2	0	N/A	OK	\$69.06	No				\$0.00
Ladyford Montessori School	150,000	150,000	0	1,560	N/A	Yes	8	0	8	0	N/A	OK	\$0.00	No				\$0.00
Las Lomas HOA	100,000	100,000	12,370	N/A	N/A	No	0	0	0	0	N/A	OK	\$0.00	No				\$0.00
Log Cabin Plaza	2,000,000	2,000,000	74,543	N/A	N/A	No	0	0	0	0	N/A	OK	\$0.00	No				\$0.00
Loughren, Scott (Crestview R.V.)	2,000,000	2,000,000	1,204,200	1,480,100	1,364,600	Yes	0	0	0	0	N/A	OK	\$48.90	No				\$0.00
Lovden, Bob(Painted Horse Pavilion)	1,000,000	1,000,000	70,755	15,970	24,400	Yes	3	0	3	0	N/A	OK	\$1.80	No				\$0.00
Maline Addition Water Supply	2,000,000	2,000,000	1,112,600	1,682,400	1,752,200	Yes	4	0	4	0	N/A	OK	\$6.70	No				\$0.00
Manchaca Baptist Church	600,000	600,000	275,482	267,300	545,100	Yes	8	1	9	0	N/A	OK	\$52.84	No				\$0.00
Manchaca Bible Fellowship Baptist Church	100,000	100,000	6,180	6,330	22,020	Yes	3	0	3	0	N/A	OK	\$2.89	No				\$0.00
Manchaca Optimist Sports Complex	4,232,000	4,232,000	2,031,730	2,338,698	2,355,708	Yes	1	0	1	0	N/A	OK	\$55.08	No				\$0.00
McCoy Corporation	120,000	120,000	39,680	40,070	34,000	Yes	1	0	1	0	N/A	OK	\$0.07	No				\$0.00
Michael Thomas Custom Homes	100,000	100,000	92,890	70,880	68,040	Yes	1	0	1	0	N/A	OK	\$1.21	No				\$0.00
Mason Crestana Maranatha	500,000	500,000	528,400	502,900	475,680	Yes	6	1	7	0	N/A	OK	(\$4.48) overpumped ¹	overpumped ¹				\$0.00
Moulton Oak Oaks Water System	43,164,000	43,164,000	20,990,400	20,878,100	20,832,300	Yes	1	1	2	0	N/A	OK	\$55.28	No				\$0.00
Mythic Oak Water Co-op	7,700,000	7,700,000	3,110,000	2,858,500	3,042,800	Yes	0	0	0	0	N/A	OK	\$79.31	No				\$0.00
Neuro Institute of Austin, L.P.	5,625,000	5,625,000	20,200	70,800	1,452,600	Yes	7	2	9	0	N/A	OK	\$243.51	No				\$0.00
Dak Forest Water Supply Company (Edwards)	9,000,000	9,000,000	1,235,000	147,500	885,500	Yes	0	0	0	0	N/A	OK	\$31.49	No				\$0.00
Owen Creek Country Club (Edwards)	95,168,500	95,168,500	79,850,000	86,014,000	94,991,000	Yes	2	1	3	0	N/A	OK	\$2,572.44	No				\$0.00
Owen Creek Country Club (Trinity)	80,000,000	80,000,000	49,113,845	N/A	N/A	No	1	0	1	0	N/A	OK	\$0.00	No				\$0.00
Owen Creek Kennels	468,838	468,838	321,930	293,760	341,240	Yes	4	0	4	0	N/A	OK	\$3.28	No				\$0.00
Owen Creek Memorial Park, Inc.	590,825	590,825	0	0	0	Yes	8	0	8	0	N/A	OK	\$0.00	No				\$0.00
Park Hills Baptist Church	420,000	420,000	0	161,000	168,200	Yes	1	0	1	0	N/A	OK	\$31.69	No				\$0.00
Professional Contract Services, Inc.	1,331,000	1,331,000	266,200	205,500	173,700	Yes	0	0	0	0	N/A	OK	\$0.00	No				\$0.00
Randolph Austin Company	545,000	545,000	378,400	323,700	401,000	Yes	0	0	0	0	N/A	OK	\$3.67	No				\$0.00
Rolling Oaks Club Inc.	180,000	180,000	198,900	N/A	N/A	No	0	0	0	0	N/A	OK	(\$2.89) overpumped ¹	overpumped ¹				\$0.00
Roy Seiders	436,117	436,117	398,780	30	N/A	Yes	0	1	10	0	N/A	OK	\$6.09	No				\$0.00
Ruby Ranch Water Supply Company (Edwards)	32,000,000	32,000,000	24,744,900	21,642,100	18,353,200	Yes	0	0	0	0	N/A	OK	\$0.00	No				\$0.00
Rudy's Country Store	1,875,000	1,875,000	229,500	314,900	192,200	Yes	1	0	1	0	N/A	OK	\$14.52	No				\$0.00
Shoal Creek Properties	500,000	500,000	0	0	0	Yes	2	0	2	0	N/A	OK	\$0.00	No				\$0.00
Slaughter Creek Acres Water Supply	14,000,000	14,000,000	6,178,100	6,751,900	6,508,400	Yes	0	0	0	0	N/A	OK	\$97.89	No				\$0.00
C. Sellman Enterprises Inc.	517,500	517,500	285,470	134,760	96,630	Yes	1	1	2	0	N/A	OK	\$6.77	No				\$0.00
Southern Hills Church of Christ	400,000	400,000	117,280	78,700	78,700	Yes	0	0	0	0	N/A	OK	\$4.15	No				\$0.00
St. Alban's Episcopal Church	562,500	562,500	353,020	299,950	419,590	Yes	0	0	0	0	N/A	OK	\$11.32	No				\$0.00
St. Andrew's School	16,000,000	16,000,000	6,779,600	6,662,100	6,227,800	Yes	3	0	3	0	N/A	OK	\$248.19	No				\$0.00
St. John's Catholic Church	500,000	500,000	35,410	N/A	N/A	No	4	0	4	0	N/A	OK	\$0.00	No				\$0.00
St. John's Presbyterian Church	100,000	100,000	7,858	38,210	35,430	Yes	1	0	1	0	N/A	OK	\$4.82	No				\$0.00
St. Mark's Episcopal Church	1,000,000	1,000,000	363,250	N/A	N/A	No	0	0	0	0	N/A	OK	\$0.00	No				\$0.00
St. Stephen's Episcopal Church	750,000	750,000	285,330	N/A	N/A	No	0	0	0	0	N/A	OK	\$0.00	No				\$0.00
Stups - Sussex Corp	150,000	150,000	171,430	160,550	78,800	Yes	9	0	9	0	N/A	OK	\$0.00	No				\$0.00
SWITX Pentecostal Church of God	100,000	100,000	75,900	100,000	100,000	N/A	0	0	0	0	N/A	OK	\$0.00	No				\$0.00
Texas - Lehgn Cement Co (Howe)	1,500,000	1,500,000	214,745	285,381	178,498	Yes	0	0	0	0	N/A	OK	\$12.00	No				\$0.00
Texas - Lehgn Cement Co (Spectrum)	825,000	825,000	200,914	179,004	192,753	Yes	0	0	0	0	N/A	OK	\$5.12	No				\$0.00
Texas Old Town	10,000,000	10,000,000	21,918	N/A	N/A	No	5	0	5	0	N/A	OK	\$0.00	No				\$0.00
Texas State University - Freeman Ranch	2,000,000	2,000,000	47,310	N/A	N/A	No	1	0	1	0	N/A	OK	\$0.00	No				\$0.00
The Inn Above Owen Creek	1,300,000	1,300,000	1,071,730	872,000	907,610	Yes	5	0	5	0	N/A	OK	\$27.33	No				\$0.00
The Porter Company	500,000	500,000	55,020	55,970	54,090	Yes	0	0	0	0	N/A	OK	\$0.08	No				\$0.00
Weatherford, Thomas	5,000,000	5,000,000	0	0	0	Yes	0	1	1	0	N/A	OK	\$0.00	No				\$0.00
Travis County	1,500,000	1,500,000	700	6,220	82,400	Yes	0	0	0	0	N/A	OK	\$0.00	No				\$0.00
Twin Creek Park Water Supply	12,000,000	12,000,000	6,354,700	5,533,800	5,641,900	Yes	1	1	2	0	N/A	OK	\$182.04	No				\$0.00
Twin Oaks Ranch/Church Camp	1,000,000	1,000,000	926,060	820,760	620,100	Yes	6	1	7	0	N/A	OK	\$12.57	No				\$0.00

BSEACD Conservation Credits - Fiscal Year 2016

Permittee	FY16 Historical & Conditional Permitted Pumpage	FY16 Historical Permitted Pumpage	FY16 Actual Pumpage	FY15 Actual Pumpage	FY14 Actual Pumpage	Metered Entire Year	Reporting Violations	Payment Violations	Total Violations	Drought Curtailment Obtained	UDCP/UCP Status	Total Calculated Credit/Overpumpage Fees Credit (Owe)	Permittee Eligible for Credit ¹	10% Administrative Fee	50% Earned Credit	Up to 40% Optional Credit	Conservation Credits Due or (Owe)
Uplifting Properties, LP	1,000,000	397,889	535,210	364,824	373,220	Yes	9	0	9	0	OK	\$0.00	No				\$0.00
VFW Post No. 3377	500,000	180,000	89,238	99,002	100,600	Yes	1	0	1	0	OK	\$1.95	No				\$0.00
Whittington, Keith and Kelly	500,000	300,000	61,540	49,570	51,230	Yes	2	0	2	0	OK	\$1.57	No				\$0.00
Industrial Asphalt	2,000,000	2,000,000	2,267,203	625,500	N/A	Yes	0	0	0	0	OK	(\$45.42)	overpumped				(\$45.42)

¹Eligibility requirements:

- Conservation Credit > \$100
- No more than one violation for late reporting and/or late payments
- Current UCP/UDCP on file and aggregated drought curtailment obtained
- Metered entire year
- No more than 3 months of drought management fees and if so, must meet the aggregated drought curtailment

²Based on formula of percentage increases for excess pumpage: $(\$500,001 \text{ gals} @ \$17/1000g \text{ or } \$42/1000g) \times (<25\% \text{ permitted} @ \$50/1000g) \times (>25\% \text{ to } 100\% \text{ permitted} @ \$1/1000g) \times (>100\% \text{ permitted at } \$2/1000g)$

³Overpumpage fees less than \$10.00 are not charged

Total Conservation Credits \$20,239.09
City of Austin Portion (60%) \$12,143.45
\$32,382.54
Total Overpumpage Fees \$45.42
Net Total \$32,337.12

Item 3

Routine Business

b. General Manager's Report.

Note: Topics discussed in the General Manager's Report are intended for administrative and operational information-transfer purposes. The Directors will not deliberate any issues arising from such discussions and no decisions on them will be taken in this meeting, unless the topic is specifically listed elsewhere in this as-posted agenda.

1. Standing Topics.

- i. Personnel matters and utilization**
- ii. Upcoming public events of possible interest**
- iii. Aquifer conditions and status of drought indicators**

2. Special Topics.

Note: Individual topics listed below may be discussed by the Board in this meeting, but no action will be taken unless a topic is specifically posted elsewhere in this agenda as an item for possible action. A Director may request an individual topic that is presented only under this agenda item be placed on the posted agenda of some future meeting for Board discussion and possible action.

- i. Review of Status Update Report – at directors' discretion**
- ii. Update on GMA and regional water planning**
- iii. Update on District grant projects and other Aquifer Science Team projects**
- iv. Update on activities related to area roadway projects**
- v. Update on the HCP/ITP application and the associated draft EIS**
- vi. Updates on Board committee activity**
- vii. Update on interim legislative activity**

STATUS REPORT UPDATE FOR OCTOBER 6, 2016 BOARD MEETING				
Prepared by District Team Leaders				
	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
GENERAL MANAGEMENT TEAM				
	John Dupnik			
	JD	9/29/2016	Meetings, Training, Presentations, and Conferences	External Meetings Attended: with Karen Huber, RWQP working group; Travis County Commissioners Court on ILA; GMA 10; Other Meetings: SJ145 committee meeting on Mopac Intersections; Presentations: Barton Springs University "preserving springflows"; Conferences/Seminars: None
Summary of Significant Ongoing Activities	JD	9/29/2016	Ongoing Special Projects, Committees, and Workgroups	Ongoing Special Projects: TDS saline zone investigation, TWDH RFP grant, Dripping Springs TPDES draft permit review; Travis County PGMA; Mopac Intersection review; Legislative Interim Charges; GMA 10 Explanatory Report; Committees and Workgroups: Region K (voling member); GMA 10 (voling member); Regional WQ Plan workgroup; Region K Legislation and Policy committee; Region K strategy prioritization committee; Region K water supply strategy committee; Region K executive committee nomination committee; TAGD legislative committee (regional planning; ASR, brackish gw); TWCA groundwater committee; Travis County PGMA workgroup; Hill Country Conservancy Trust organizing group.
	JD	9/29/2016	Routine Activities and Day-to-Day operations	Routine Activities/Day-to-Day Operations: provided general oversight of staff incentive projects and activities, and oversight of day-to-day operations; approved purchase orders and expenditures; approved timesheets; prepared agendas and backup for and attended Board meetings; prepared GM report and assigned tasks in response to Board commitments; held regular one-on-one meetings with Team Leaders; presided over Planning Team meetings; serve as liaison between Board and staff; support Board subcommittees; respond to media requests; disseminate media reports and journal articles of possible interest. Consultation with Attorney on: Dripping Springs TPDES draft permit review; Needmore application review; regulation of acidization; Other Activities: Travis County ILA; RFP grant project; EP test wells; coordinate annual report planning; PGMA workgroup; consultant coordination on DHS; consultant coordination on Mopac intersection review/submit comments to TxDOT; track HNRG hearings; finalize staff FY17 incentive comp projects; coordinate FY17 goals setting work session; prepared GMA 10 RTC; prepare and give BSU presentation.
ADMINISTRATION TEAM				
	Dana Christine Wilson			
Accounts Receivable - A	DCW	9/30/2016	Permittee accounts carrying a past due balance:	Currently there are several past due accounts. Bear Creek Office Park, Extra Space Storage, Frontier Communications, Jackie's, Rosas, Stripes, Travis County, Twin Oaks and Wimberley Glassworks. These payments were due on September 5th.
Accounts Receivable - B	DCW	9/30/2016	Billings - current month	Invoices mailed out on September 16th for October monthly production fees.
Accounts Receivable - C	SD-DCW	9/30/2016	FY 2016 Conservation Credits and Overpumpage	Credits have been calculated and the total being issued for FY 2016 is \$32,382.54 (\$20,239.09 to permittees and \$12,143.45 to City of Austin). Industrial Asphalt was the only overpumper - permitted for 2,000,000; pumped 2,267,200 gallons; however they currently have an application pending for a 2,000,000 gallon amendment.
Audit - Montemayor	DCW	9/30/2016	FY 2016 Annual Financial Audit to begin soon.	Audit usually begins in early October.
Audit - TML	DCW	9/30/2016	Annual TML payroll audit through KDelong	Currently in process.
Banking - Credit Card Research	DCW	9/30/2016	Looking into credit card payment options - there are three major considerations.	One is a physical credit card machine. Second is paying online through our website, and third is paying through Quickbooks which would be limited to just our permittees production fee payments.
Budget Revision 1 FY 2017	DCW	9/30/2016	Annual Budget 2017 Revision 1 - in process	To show additional income from Travis and Hays counties when actually received), and the associated expenses expected.
Continuing Education - Investment Officer Certification	DCW	9/30/2016	PFIA (Public Funds Investment Act) Texas State University on-line training courses.	Bi-annual training requirement. This year the two modules being taken are Due Diligence, and Investment Controls. Classes completed on September 29, 2016 and certificate is being mailed.

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
Elections - General	DCW	9/30/2016	The District's General Election has been cancelled for precincts 1, 3, and 4.	The Board approved an Order to Cancel the Election at the September 8, 2016 board meeting. Copies of this Order will be sent to the three counties to be posted at each election precinct on Election Day.
Retirement Plan and Trust - Trust Accounting	DCW	9/30/2016	Trust Accounting as required by The Standard (our third party retirement plan administrator), and the State Pension Review Board.	Annual compliance testing and compliance testing date validation with employee census data. Will take 45 days. Upon receiving completed compliance testing results and upon passing all applicable compliance tests for this testing session, will submit to the State Pension Review Board as required by law.
Tax Reporting	DCW	9/30/2016	3rd Quarter Calendar Year (Jul/Aug/Sept) payroll tax reporting - TWC C-3 and IRS 941.	Completed and mailed on September 27, 2016 (due on October 31, 2016).
REGULATORY COMPLIANCE TEAM Vanessa Escobar				
Limited Production Permits (LPPs)	KBE, VE, SD	9/30/2016	Annual Meter Readings	Sept 1 was the due date for when meter reading forms are due to the District. In the past LPPs were to submit meter reading forms on a monthly basis, but with the recent rule change the District relaxed that requirement to annual basis. Staff has received approximately 80 of the 115 LPP meter readings. Staff took the time to reach out by phone or email with the current contact information we had on file and then also compared current parcel information with our information on file. Staff resent out a group of letters with current mailing information from the county parcel data and have provided a short extension. As of right now about 35 well owners have not complied and regulatory team staff has plans to go out on site visits to collect those meter reading where possible and charge \$50 invoices to the well owners.
Temporary/ Regular Permits	KBE, VE, SD	9/30/2016	Conversion of a Temporary Permit to a Regular Permit	Needmore Water LLC is currently a Temporary Permit that is being prepared for administrative completeness and public notice. A public hearing date is still to be determined.
Goforth WSC	KBE, VE, SD	9/30/2016	Replacement Well	The PWS has submitted an application to drill a new Edwards well to replace a nonfunctioning well. The nonfunctioning well had issues with an obstruction during the replacement of a pump. Goforth plans to plug the old well once the new well has been successfully completed. The Replacement Well Drilling Application was approved by the GM on 8/3/16. Well is currently being drilled.
Aqua Texas	KBE, VE, SD	9/30/2016	Replacement Well	The PWS has submitted an application to drill one new Edwards well to replace two nonfunctioning wells in the offline Hummingbird System. The nonfunctioning well had issues with low production and water quality. Aqua plans to plug the old wells once the new well has been successfully completed. They also plan to conduct an abbreviated Aquifer Test and Hydrogeological Report. The Replacement Well Drilling Application was approved by the GM on 6/20/16. The two deteriorated wells have been plugged, the new well has been drilled and completed, and an abbreviated pump test has been conducted.
Electro Purification	KBE, VE, SD	9/30/2016	Test Well Permit - General Permit	On 3/15/16 Electro Purification withdrew its Temporary/ Regular Permit application for 30,000,000 galyr and submitted a contemporaneous filing of 6 test well permit applications. The applicant submitted an updated aquifer test plan and design in response to staff's request for information letter on 9/9/16. EP's test well application was approved by the General Manager on 9/21/16. EP and District staff have a logistic coordination meeting on 10/4/16. EP and District staff will present information and answer questions of the Board on 10/20/16.

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
				<p>General Summary of Procedures</p> <ol style="list-style-type: none"> 1. Background water levels and water quality sampling data will be collected from specific community monitoring wells prior to acidization/ aquifer testing. 2. Acidization begins. 3 wells will be acidized until but one at a time. <ul style="list-style-type: none"> o Well will be acidized by injecting 10,000 gal of HCl(28% aqueous solution) into the well into the producing cow creek interval. o 60,000 gal of water will be flushed into the well via tremmie pipe; well will sit for 2 days to allow acid reaction to take place. o Well will be purged until there is no trace of inhibitors or HCL; discharge water will be collected into a holding truck; discharge water will be held in holding trucks until pH and TDS buffer and stabilize; then discharge water will be released to ground surface. o Post water quality sampling data will be collected from specific community monitoring wells after to acidization/ aquifer testing. o Process will be repeated for two other wells. 3. Aquifer Test begins. 3 wells will be producing water during a course of 8 to 10 weeks. <ul style="list-style-type: none"> o Each well will be pumped one at a time. Each well will be pumped for 5 days at 500 gpm, then the well will be allowed to recover. o After recovery, they will move on to pumping the next well o Total volume pumped will be approximately 10 million gallons o Water that is produced during the aquifer test will flow through natural surface water flow paths to natural stock ponds or tributaries. <p>On 6/28 16 Industrial Asphalt submitted a minor amendment application requesting a production increase of their current 2,000,000 gpy permit to a 4,000,000 gpy. Their increase request is to replace the volume of water that they currently haul in from off site. The permit is currently being reviewed by staff. After TCEQ's onsite compliance investigation TCEQ issued a formal exit interview form outlining the findings of the TCEQ inspector on August 29, 2016. No violations were alleged as a result of the inspection. TCEQ requested copies of several documents were requested - SWP3, a copy of the "drainage area site map", and copies of routine facility inspection records. As of today, no additional comments or requests have been received from the TCEQ pertaining to the aforementioned inspection. We have not received a copy of the TCEQ exit letter.</p> <p>On 6/27/16 Gragg Tract LP (Walters Southwest) submitted well drilling authorization to drill a Lower Trinity for the purpose of PWS and Irrigation. The test well will be located on the the Gragg Tract off of Old Bliss Spillar in Manchaca near the SH 45 SW right of way. The applicant revised their application by withdrawing their Test Well Permit Application, and submitting a Drilling Authorization. They decided to move forward with drilling a completed well rather than a test well of temporary completion.</p> <p>No new update.</p> <p>No new update. No-drought was declared on January 29, 2015. Staff sent out email and letter to all permittees notifying them of no-drought status.</p>
Industrial Asphalt	KBE, VE, SD	9/30/2016	Test Well Permit - General Permit	
Gragg Tract LP	KBE, VE, SD	9/30/2016	Well Drilling Authorization	
General Manager Approved Permits	KBE, VE, SD	9/30/2016	Individual Permits < 2,000,000 gal/yr	
Drought Statue - No-Drought	KBE, VE, SD	9/30/2016	Drought Compliance Monitoring and Enforcement	
EDUCATION & OUTREACH				
Bowie High School Science Team	RC	9/30/2016	Teacher resources discussion	In an effort to poll teachers about needs, additional resources, and interest in groundwater science, Robin met with the Aquatic Science, Environmental Science AP, and biology teachers at Bowie. They were very interested in online videos, activity kits, groundwater monitoring/sampling, and suggested a contact list of collaborating educators and their expertise. Their input has been incorporated in the Teacher Resources page under development on the website. Currently that page is accessible through the Publications-->Articles section. Later it will be linked from the Home page.

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
Texas Advanced Computing Center	RG	9/30/2016	Planning, collaboration	Robin met with outreach and groundwater science research staff the UT Texas Advanced Computing Center (TACC). Discussions focused on open-source access an improved web interface for monitor well data, assistance in developing an open-source data analysis tool for groundwater data, curriculum assistance, and gaining options to help increase online access to things like macro invertebrate sampling and/or caving.
Barton Springs University	RG, JC, BH, JD	9/30/2016	Edu Event	The Save Our Springs Alliance hosted the second annual Barton Springs University on Wednesday, Sept. 26. Brian Hunt and John gave talks. Robin and Justin taught three successive water quality labs where students measured pH and conductivity of 5 water samples and compared the results to a Barton Springs water sample. Approximately 750 high school students attended the BSU.
Enews Blast	RG	9/30/2016	September eNews	The September eNews was released on September 6, 2016 to commemorate Protect our Groundwater Day. Planned included wells and stormflow/pills, purpose of aquifer tests, and Westbay installation overview.
Internet Traffic Report	RG	9/30/2016	Page views and visits to the District Website	The shift in the new District website is complete. All elements are functional, however minor improvements will continue to be made over the next month or so. Analytics are not available at this time due to the domain shift. The District Facebook page now has 508 'Likes' and responses to posts have been very positive.
AQUIFER SCIENCE				
Dye Tracing	BS, BH	9/29/2016	Dye tracing	Discussions are underway with the EAA and CoA about potential dye tracers in the upcoming months in the Blanco and Onion watersheds. The City has injected at various locations along SH45.
Central Hays County Groundwater Evaluation	BH, BS, JC	9/29/2016	Well and hydrogeology characterization	District staff have established a monitoring network of nearby wells to collect data during the EP aquifer test. Hays and Travis Counties have approved funds to support those efforts, including the installation of multiport monitor wells.
Antioch Cave	BS, BH, JC	9/29/2016	Onion Creek Recharge Enhancement Project	The Antioch system is open to allow recharge, and there is flow in Onion Creek due to heavy rains in August.
Water-Quality Studies	BS, BH, JC	9/29/2016	Sampling and analysis of groundwater and surface water	District staff are continuing work with a geochronist to evaluate the years of data we have collected on behalf of the TWDB.
Saline Zone Studies	BS, BH	9/29/2016	Installation of multiport monitor well	Drilling began August 3, 2016 at the TDS site. Installation of the multiport was finished on August 24. Testing and sampling of the well will begin by about Oct. 5. It will be about 2 months before the initial testing and sampling is completed.
Drought and Water-Level Monitoring	BH, BS, JC	9/29/2016	Drought status, monitor wells, and synoptic water level events	Following a brief period of receding water levels in July and August, the water level in Lowelady well continues to rise because of over 12 inches of rain from Aug. 13 through 21 and an additional 2 to 4 inches between Sept 24 and 26. As of Sept. 29, the water level in the Lowelady well was at 545.6 ft above msl and Barton Springs was flowing at 112 cfs.
Information Transfer	BS, BH, JC	9/29/2016	Presentations, conferences, reports, and publications	Brian Smith attended a conference in San Juan in late January on contamination in karst and public health and is working on a paper to be published in a journal. Brian Hunt presented the results of the Onion Creek study in Corpus Christi, which was published for the GCAGS conference (Sept 2016). Staff are also working on finalizing some other technical reports and documents.
Aquifer Testing	BS, BH, JC	9/29/2016	Planning, participation, and review of aquifer tests	Staff continue working with EP regarding their planned aquifer test scheduled for October or November.
AD-HOC TEAMS				
Technical Team	BAS	9/29/2016	Current areas of discussion	Topics of discussion at the technical team meeting in September were the RFP grant, agreements with Hays and Travis Counties, EP aquifer test, and Dripping Springs issues.
Planning Team	JD	8/11/2016	Strategic and tactical planning and discussion topics	New Business: Legislative Update; Dripping Springs TPDDES permit; Annual Report planning; Employee Policy Manual edits.

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
Benefits Team	VE/SD/TR	9/1/2016	Research alternative health plan benefits packages and provide recommendation.	The team provided staff with an employee benefits survey to assess employees' satisfaction with the Health Insurance Plan (United Healthcare All Savers). In Nov 2015 the District made the switch to this new plan to save costs while maintaining the same level of coverage that has been previously provided. The employees provided feedback that while there is an overall general satisfaction with most aspects of the plan, there are particular areas that have changed that increases costs to the employee. The District also received a renewal notice informing that the insurance rates will go up 10%. The ad hoc team will be meeting with the District's benefits coordinator to review some insurance plan comparisons. The team will produce a memorandum to summarize the feedback of the employee survey plan options.
Database Team	RG/VE	9/1/2016	Identify District database needs and research vendors and options for database improvements	<p>Current Database Scheme: There are inefficiencies with the 10 yr old system including limited functionality, unreliable design structure that requires continuous maintenance and improvements, and inefficient or redundant workflows in the database system that increase staff time and effort.</p> <p>Objectives Include: This ad hoc team is working towards providing a recommendation to GM/Board for improving the efficiency of District operations through enhanced data management tools. Recommendation will address creating an integrated hydrologic database, streamlining the permitting and annual process, providing real time data access and entry, improving data analysis for management plan and HCP related reports, providing a robust QA/QC process for continuous monitoring data, and creating online accessibility of monitoring data for public education, Directors and staff.</p> <p>Team Activities: The ad hoc team and staff are currently working through the exercise of identifying database needs and defining long term objectives for moving forward with the development of an integrated database management scheme. Currently, all of the core teams (Admin, AquSci, E&I Outreach, Reg Comp) are evaluating existing workflows and the existing database functions that we use. Staff met with Clearwater GCD and received an in-depth overview of their database investment and capabilities of their new data management tools.</p> <p>Next Steps: Define the District's overall functionality and data management needs, research tools that other GCDs use, schedule data management demonstrations with GCDs and consultants, define a budgeting scope.</p>
UPCOMING ITEMS OF INTEREST				
TWCA Groundwater Committee		10/4/16	9am, Vinson and Elkin offices	
Water Forum VII, Edwards Aquifer Conserv.		10/11/16	11am-2pm, Historic Pearl Stable, San Antonio	
Region K Quarterly Meeting		10/12/16	10am, LCRA offices	
TWCA Fall Conference		10/12/16	thru 10/14, San Antonio	
1st October Meeting		10/6/16	Rescheduled from 10/13	
2nd October Meeting		10/20/16	Rescheduled from 10/27	
GMA 10		10/24/16	11:30am, EAA offices, San Antonio	
TAG/D Leadership Training		10/27/16		
Austin Monitor City Summit		10/2/16		
Election Day		11/8/16		
Veteran's Day		11/11/16	District Holiday - Office Closed	
16th Annual Bell County Symposium		11/16/16	Texas A&M University - Central Texas Campus located at 1901 S. Clear Creek Rd, Kilglen, Texas.	
Only November Board Meeting		11/17/16		
Thanksgiving Holiday		11/24/16	District Holiday - Office Closed	
Day after Thanksgiving		11/25/16	District Holiday - Office Closed	
District Holiday Party		12/9/16	6pm, Blayne's House	
Only December Board Meeting		12/15/16		

Item 4

Board Discussions and Possible Actions

- a. Discussion and possible action related to setting the FY 2017 District Goals.**



**Barton Springs/
Edwards Aquifer
Conservation District**

**Meeting of the Board of
Directors**

September 22, 2016

Agenda Item 3

Board Work Session

**FY2017 Strategic Planning and Goal
Setting**

Work Session Agenda

1. Purpose
2. FY17 Overarching Drivers
3. Team Overviews
4. Board Discussion and Inputs
 - No action tonight

Purpose

- Strategic planning
- Solicit board direction
- Identify evolving year-to-year priorities
- Integrates with MP commitments
- Fits with team structure
- Guides use of limited resources/staff time

FY 17 - Overarching Drivers

- Continue HB 3405 implementation
- Plan for 2018 MP revision
- Plan for HCP Implementation
- 30th Anniversary
- HR/operations policy updates
- Improved efficiency

GM Team Overview

FY 16 Goal: Advocate for best roadway runoff controls and wastewater management practices

FY 17 Outlook:

- Continued recharge protection:
 - SH 45/Consent Decree compliance
 - Dripping Springs TPDES permit application
 - TCEQ rule petition
- GM Objectives:
 - PGMA GCD analysis/support
 - 85th Legislative Session
 - Overarching Drivers

Admin. Team Overview

FY 16 Goal: Preparations for 2016 Elections

FY 17 Outlook:

- Admin. operational improvements
- HR/Operational policy updates
- Transparency Stars
- Online/Technology options

Edu./Outreach Team Overview

FY 16 Goal: Increase awareness and refine communication strategies

FY 17 Outlook:

- Plan for District 30 year anniversary celebration and commemoration
- Develop resources to address/highlight topics of interest, commonly asked questions, and District capabilities
- Facilitate access to data

Reg. Comp. Team Overview

FY 16 Goal: Initiate rulemaking to implement H.B. 3405 and refine permitting framework.

FY 17 Outlook:

- Continue with measures to further refine well construction standards in the Shared Territory
- Rulemaking – Establish framework for permitting ASR
- Policy development related to mitigation, correlative rights, and well spacing.
- Prepare for Management Plan revisions and plan for implementation of HCP commitments

Aquifer Science Team Overview

FY 16 Goal: Conduct scientific studies and develop the regulatory framework that support the development and the use of alternative water supplies through methods such as ASR) of groundwater and/or floodwaters and desalination

FY 17 Outlook:

- Hays and Travis County multiport well installation
- EP aquifer test and evaluation
- HCP tasks- Antioch operation, DO studies at Barton Springs
- Sampling and testing of saline Edwards multiport well

Next Steps

- No action tonight
- Staff will compile Board comments/inputs
- Staff will formulate draft FY17 goals and GM objectives incorporating Board inputs
- Draft goals and GM objectives to be considered at 10/6/16 Board meeting

Item 4

Board Discussions and Possible Actions

- b. Discussion and possible action related to setting the FY 2017 performance objectives for the General Manager.**

Item 4

Board Discussions and Possible Actions

c. Discussion and possible action related to the Travis County portion of the Hill Country Priority Groundwater Management Area (PGMA).



**Barton Springs
Edwards Aquifer**
CONSERVATION DISTRICT

MEMORANDUM

Date: September 29, 2016
To: Board of Directors
From: John T. Dupnik, P.G., General Manager and
Re: Agenda Item 4.c. – Hill Country PGMA

The following documents are provided as backup information for this item. Documents include:

1. Travis County backup packet for Travis County Commissioners' May 12, 2016 Work Session on GCD creation in the PGMA.
2. Draft "Guiding Principles" for GCD creation recommended by Travis County staff
3. Draft Southwestern Travis County GCD bill by Rep. Workman.
4. GCD Revenue Comparison Fact Sheet
5. GCD Revenue Scenario Analysis



Travis County Commissioners Court Agenda Request

Meeting Date: May 12, 2016

Prepared By: Thomas Weber, Environmental Program Manager **Phone #:** (512) 854-4629

Division Director/Manager: Jon White, Environmental Quality Division Director

Department Head: Steven M. Manilla, P.E., County Executive-TNR

Sponsoring Court Member: Commissioner Daugherty, Precinct Three

AGENDA LANGUAGE: Discuss and receive update from staff and provide direction to staff on possible efforts to establish a Trinity Aquifer Groundwater Conservation District.

BACKGROUND/SUMMARY OF REQUEST:

The Trinity Aquifer in southwest Travis County is designated by the State of Texas as a Priority Groundwater Management Area (PGMA) meaning the area is likely to experience critical groundwater problems, such as shortages and contamination. Historical water levels are declining and groundwater demand is expected to exceed availability. In times of drought, residential, public and agricultural wells could run dry. An area map showing the PGMA is in Exhibit 1.

Texas law under the "rule of capture" limits what the state or local governments can do to better manage our limited water resource. The Texas Water Code sets out processes for local control and responsibility over groundwater management by Groundwater Conservation Districts (GCDs) as the preferred alternative to the rule of capture. These GCDs must be created and voters in an affected area elect GCD Directors. Voters confirm a property tax rate for GCD revenue, if applicable. Several unsuccessful initiatives have been undertaken to create a GCD in southwest Travis County. A time line of previous initiatives, TCEQ actions, and legislative proposals is included at Exhibit 2. Today, TNR is seeking direction from the Commissioners Court on how it would like to proceed on public efforts to establish a GCD in southwest Travis County.

We ask that the Commissioners Court review and consider the substantial benefits that result from the operation of a functioning, effective GCD. The benefits include groundwater resource conservation and protection, collection and use of data and trend analysis, improved management of groundwater withdrawals, well spacing, and participation in regional water planning. Exhibit 3 summarizes and describes these benefits.

The benefits do not come until or unless there is strong and wide public support for a GCD and the necessary revenue to fund a GCD. The Commissioners Court may need to gauge or evaluate public support from the leaders of affected municipalities, water supply utilities and ultimately the voters in southwest Travis County. Voters choose an elected board of directors and must confirm any GCD's ad valorem tax assessment. Exhibit 4 identifies the various ways a GCD can be created and the four principal alternatives for revenue.

STAFF RECOMMENDATIONS:

TNR staff seek direction on next steps towards addressing the lack of a GCD in southwest Travis County. We refer the Commissioners Court to some possible alternatives with their pros and cons included in Exhibit 5. Should Travis County take on this issue? Should we work towards a southwest Travis County GCD or work towards annexation with an adjacent GCD? What financial support is the Commissioners Court willing to provide towards a GCD? What administrative or non-legislative GCD creation efforts should be undertaken? Should we support a bill by State Representative Workman during the upcoming 2017 session of the Texas Legislature? (See Exhibit 6, pending receipt.)

ISSUES AND OPPORTUNITIES:

Critical groundwater shortages in the Trinity Aquifer are what we face in southwest Travis County. The Texas Water Development Board (TWDB) has been recording changes in Trinity Aquifer levels since 1987 from a well near Oak Hill. Water levels fell over 88 feet through 2014. Travis County's population growth is expected to rise 76% by 2050. Water User Groups located in southwest Travis County project utility population through 2070 to grow by 39%. From 2001 to 2014, state data tell us that 1631 new wells into the Trinity were drilled in southwest Travis County, with a growing reliance on groundwater for turf irrigation during times when surface water supplies from the Highland Lakes are curtailed due to drought. Exhibit 7 also shows well drilling trends from 2004 - March 2016, based upon reports officially filed with the Texas Water Development Board.

FISCAL IMPACT AND SOURCE OF FUNDING:

Please refer to Exhibit 4. It describes potential sources of funding if or when a GCD is created and confirmed by the voting population within the PGMA. At this time, no fiscal impact is clear.

ATTACHMENTS/EXHIBITS:

Exhibit 1 - Map of the PGMA

Exhibit 2 - Timeline Relating to Creation of a GCD in Southwest Travis County

Exhibit 3 - Benefits of a GCD

Exhibit 4 - GCD Creation & Revenue Sources

Exhibit 5 - Alternatives for Groundwater Management: Pros and Cons

Exhibit 6 - Draft Texas House of Representative Bill (Pending Receipt of exhibit)

Exhibit 7 - Trinity Aquifer Wells Drilled 2004 - 2016

REQUIRED AUTHORIZATIONS:

Sydnia Crosbie	Financial Manager	TNR	(512) 854-4239
Steven M. Manilla	County Executive	TNR	(512) 854-9429
Jon White	Environmental Quality Division Director	TNR	(512) 854-7212

CC:

Thomas Weber	Manager, EQP	TNR	(512) 854-4629
Vicky Kennedy	Hydrogeologist	TNR	(512) 854-4208
Deece Eckstein	Director	IGR	(512) 854-9754

TW:JW:tw

0801 - NREQ - Priority Groundwater Management Area

HILL COUNTRY PGMA
Groundwater Conservation Districts

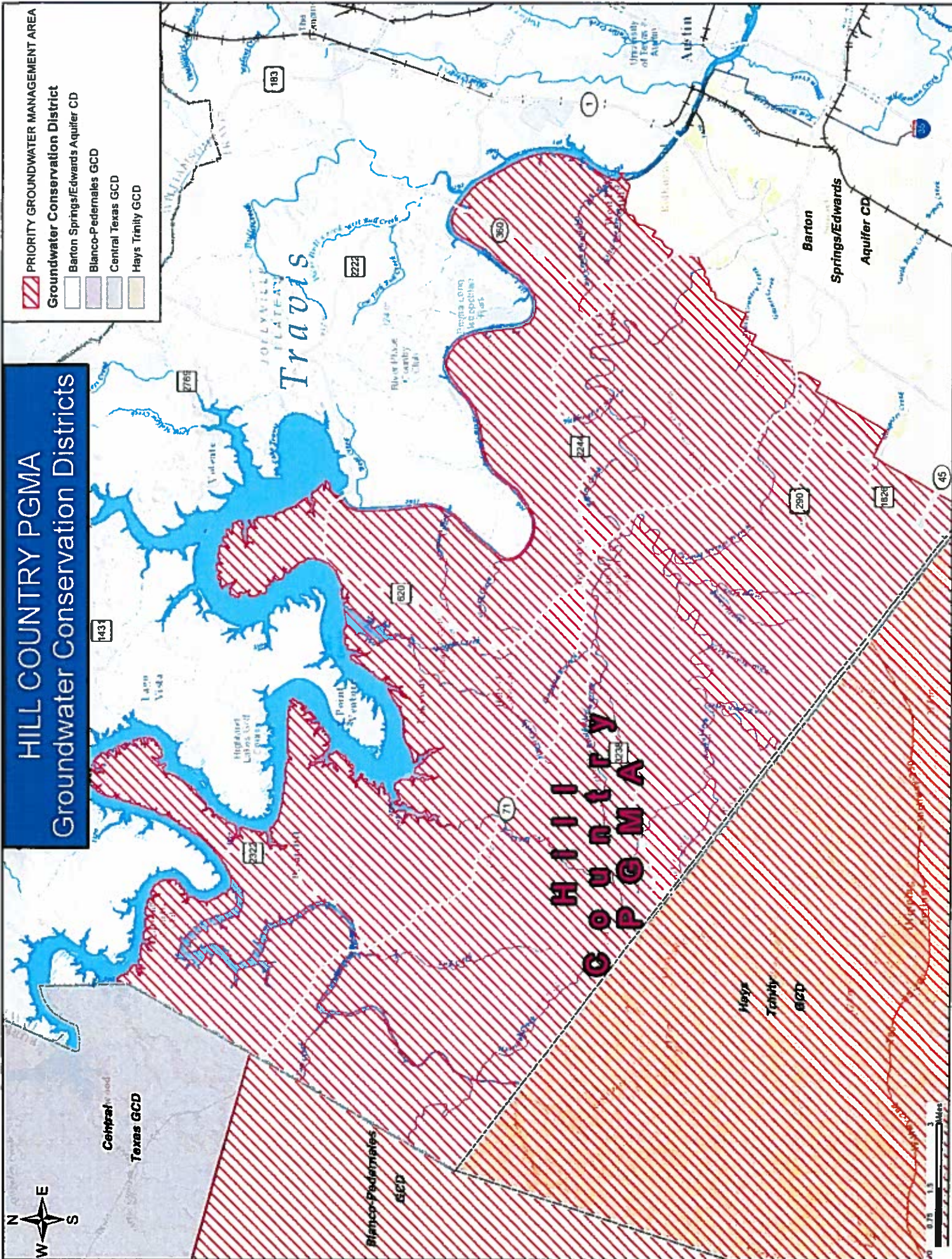


Exhibit 2
Time Line Relating to Creation of a Groundwater Conservation District
in Southwest Travis County

Date	Initiative or Action
Feb. 26, 1990	Texas Water Commission (TWC) implements 1989 state legislation and issues a Critical Area Report recommending all or parts of 8 counties be designated as the Hill Country Priority Groundwater Management Area (PGMA), because the area is likely to experience critical groundwater shortages and contamination
July 1990	Commissioners of TWC designate Hill Country PGMA, which begins process of using state resources and outreach to seek creation of Groundwater Conservation Districts (GCDs) in the Texas Hill Country
July 2000	The Texas Commission on Environmental Quality (TCEQ) presented information to CAPCOG on GCDs
May 7, 2001	Travis County Commissioners Court discussed GCD creation at a work session
July 26, 2001	Travis County Commissioners Court held a public meeting in Manor to gauge interest
June 3, 2002	Travis County Commissioners Court noted that it did not anticipate further action on the issue of GCD creation due to insufficient public interest
May 2006	Hill Country Alliance & Travis County facilitated a GCD education meeting in Bee Cave
March 2007	Sen. Kirk Watson & former Rep. Valinda Bolton facilitated a meeting with county and municipal representatives to discuss GCD creation options
Late 2008	Barton Springs/Edwards Aquifer Conservation District (BSEACD) hosted town hall meetings to get public feedback on proposal to annex southwest Travis County into their GCD
March 2009	Watson & Bolton file legislation that proposes to annex southwest Travis County into BSEACD, upon confirmation of the voters; Travis County Commissioners Court advocates for the legislation; it does not pass
Sept. 29, 2009	TCEQ issues & requests comments on a GCD Recommendation Report that identifies as a primary alternative to add southwest Travis County into the BSEACD
Jan. 5, 2010	Travis County Commissioners Court passes a Resolution requesting TCEQ to support a GCD creation alternative that would establish a western Comal, western Hays, and southwestern Travis County GCD; Comal and Hays Commissioners Courts also pass similar resolutions
Aug. 12, 2010	Based on the resolutions, TCEQ's executive director petitions the TCEQ Commission to create the 3-county GCD (as a primary alternative), a matter referred to State Office of Administrative Hearings (SOAH)
Oct. 28, 2010	SOAH convenes a preliminary hearing naming parties (including Travis County)
April 6, 2011	SOAH convenes an additional preliminary hearing at which time Rep. Paul Workman requests the hearing be abated pending possible legislative action; SOAH grants abatement

Mar. 23, 2011	Rep. Paul Workman files legislation in the 82 nd legislative session to exclude southwest Travis County from the PGMA; it does not pass
Dec. 6, 2011	SOAH again grants abatement
Aug. 7, 2012	SOAH again grants abatement and requires TCEQ executive director (ED) to file a new status report no later than July 1, 2013 and requests the ED motion to either extend abatement, withdraw the 2010 petition, or set a hearing on the merits
Mar. 6, 2013	Rep. Paul Workman files legislation (HB 2640) in 83 rd legislative session, co-sponsored by Sen. Troy Fraser, to create a Western Travis County GCD for the PGMA area except the area within municipalities and municipal ETJs; it does not pass
June 27, 2013	TCEQ executive director files status report and motions that SOAH hearing be set
Jan. 7, 2014	TCEQ executive director files motion to withdraw the 2010 petition, cancel the SOAH hearing, & remand the petition to the TCEQ staff; SOAH grants motion on Jan. 27, 2014
Mar. 13, 2015	Rep. Paul Workman files legislation (HB 4038) in 84 th legislative session to create a Western Travis County GCD for the PGMA area except the area within municipalities and municipal ETJs; it does not pass
June 17, 2015	Legislation signed by governor creating the Comal Trinity GCD (HB 2407), which leaves the Travis County area of the Hill Country PGMA as the final area lacking a GCD

Exhibit 3
Benefits of a Groundwater Conservation District

Resource Conservation & Protection	Data, Information, Trends
<ul style="list-style-type: none"> • Prevents waste of water • Prevents water pollution • Implements water conservation strategies • Implements drought contingency plans • Sets aquifer desired future condition (DFC) • Limits over-pumping (spacing of wells; consideration of MAG; approving export outside GCD) 	<ul style="list-style-type: none"> • Registers all wells • Obtains well logs; well completion; location data • Obtains water pumping/use reports from permitted users • Obtains water pumping/use reports from exempt users permitted by Texas Railroad Commission (TRRC) • GCDs can receive grants & manage research
Exemptions (TWC Chapter 36.117 "general law" districts)	Management
<ul style="list-style-type: none"> • Domestic production on tract greater than 10 acre & not capable of producing more than 25,000 gal./day • Water provided for livestock/poultry on tract greater than 10 acre & not capable of producing more than 25,000 gal./day • Oil/gas water production, mining permitted by TRRC • Water supplying subdivisions cannot be exempt • A change to a non-exempt production rate or use requires permitting 	<ul style="list-style-type: none"> • Establishes the preferred method under Texas Water Code to manage groundwater in a PGMA • Review/approves pumping permits • Oversees well drilling • Uses objective data to limit over pumping • Enforces permits • Public education promoting groundwater conservation • Membership in GMA and RWPG planning; approves DFCs, etc.

Exhibit 4

Groundwater Conservation District Creation & Revenue Sources

Broadly, GCD creation takes the form of either administrative or legislative processes. The administrative processes are ones that TCEQ and existing GCDs can implement without legislation.

Under legislative processes, often the authority of a GCD becomes a blend of either “general law” authority specified in Texas Water Code (TWC), Chapter 36 along with special authority or prohibitions specified in the legislation.

TCEQ recommendation of a GCD in a PGMA (TWC Sec. 35.008)

- Evidentiary hearing on merits of creating a new district or annexing PGMA to an existing GCD or a combination of those actions
- TCEQ Order recommending GCD creation
- If annexation is specified in the TCEQ Order (TWC Sec. 35.013):
 - Vote by receiving GCD Board
 - Election in PGMA
 - Reasonable representation compatible with existing district
- If a new GCD is specified in the TCEQ Order (TWC Sec. 36.0151):
 - Notification to each County
 - County Commissioners select temporary directors
 - Election of permanent directors and setting tax rate (if revenue is not fee based)

Petitions adding territory to an existing GCD (Texas Water Code, Chapter 36, Subchapter J).

- Three types:
 - one landowner of a tract (Sec. 36.321)
 - petition by 50 landowners or a majority of landowners within a territory requesting inclusion (Sec. 36.325(b)(1) – (2))
 - Commissioners Court may petition to add a PGMA area or an entire county into an existing GCD (Sec. 36.325(b)(3))
- Hearing, decision, and resolution by the receiving GCD Board
- Election to ratify annexation in territory to be added (ballot indicates property tax rate, if revenue not fee based)

Texas Legislature

- Legislation creating a GCD can specify the GCD’s power & authority by cross-references to all or some of Tex. Water Code Chapter 36
- Most recent example is the Comal Trinity GCD; authority for annual well use fee, including exempt wells
- Annexation of territory into an existing GCD can occur through legislation
- Codify revenue methods (well production fees, subsidies for GCD from county, city, water districts, etc.)
- Often, legislation needed to clean up discrepancies in districts created by petition or TCEQ Order

Revenue

Water Use (Well Production) Fees	Maintenance Fee
<ul style="list-style-type: none"> • Assessed annually on permitted wells • Based on authorized usage specified in permit • Fees can be established by legislation • Otherwise, fees are from Chapter 36: <ul style="list-style-type: none"> ○ Agricultural water use well – up to \$1.00/ac-ft ○ All other water uses – up to \$10.00/ac-ft 	<ul style="list-style-type: none"> • <i>Ad valorem</i> property tax assessment • Not to exceed \$0.50/\$100 assessed value • In practice, rates are nowhere near this cap • Election to approve property tax rate
Permit Fees	Locally Financed
<ul style="list-style-type: none"> • New connection fee • Application for permit fee • Annual well fee 	<ul style="list-style-type: none"> • Annual appropriation from Travis County or other local government(s) general fund • In-kind support (office space, capital equipment, staff from a public or private entity)

Exhibit 5
Alternatives for Addressing Groundwater Management
In the Southwest Travis County

CREATION & ANNEXATION ALTERNATIVES			
	Alternative	Pros	Cons
1	No Action	<ul style="list-style-type: none"> -Allow market & supply/demand to prevail -Use resource while it is there; then turn to other supplies -No direct costs to property tax payers -No changes necessary to Hays Trinity GCD 	<ul style="list-style-type: none"> -Interruption of private supply possible -Environmental costs (spring flow, based flow to creeks) -Indirect costs for water utility capital improvements possible (water transmission pipelines, well deepening, etc.)
2	Develop a stakeholder group to better gauge current support for a GCD	<ul style="list-style-type: none"> -Seek consensus, esp. from water utilities and cities in SW Travis Co. -Look at solutions for GCD that also includes Hays Co. -Objective forum to weigh issues 	<ul style="list-style-type: none"> -Efforts in past have failed -Strong concerns regarding rising property taxes -Strong anti-government sentiments are common
3	Establish a Single-County GCD in Southwest Travis County	<ul style="list-style-type: none"> -Simplifies coordination and collaboration to intra-county methods -Addresses the PGMA and need for resource conservation -An effective, appropriately funded GCD is <i>de minimus</i> with <i>ad valorem</i> maintenance fee (\$3.70 or less annually for \$250,000 property value) 	<ul style="list-style-type: none"> -Efforts in past have failed --If such a GCD excludes the municipalities (and their ETJs too), the management of the Trinity Aquifer is not very effective -Voters in SW Travis County may not confirm such a district, if it includes property tax -May require local government subsidies
4	Annexation strategies to add the southwest Travis County PGMA into the adjacent Hays-Trinity GCD	<ul style="list-style-type: none"> HTGCD already has authority over Trinity Aquifer -Addresses Trinity Aquifer more holistically (aquifer does not stop at the county line) -Could use an annexation process to address funding needs in Hays Co. -Economies of scale result in lower cost rates (staff, equipment, etc.) 	<ul style="list-style-type: none"> -HTGCD currently lacks sufficient revenue to effectively manage the resource in Hays Co -This is not a viable solution unless HTGCD revenue limitations are removed - Need to address boundaries for existing directors -Requires support in Hays County by HTGCD -Voters in SW Travis County and western Hays may not confirm such a district if it includes property tax

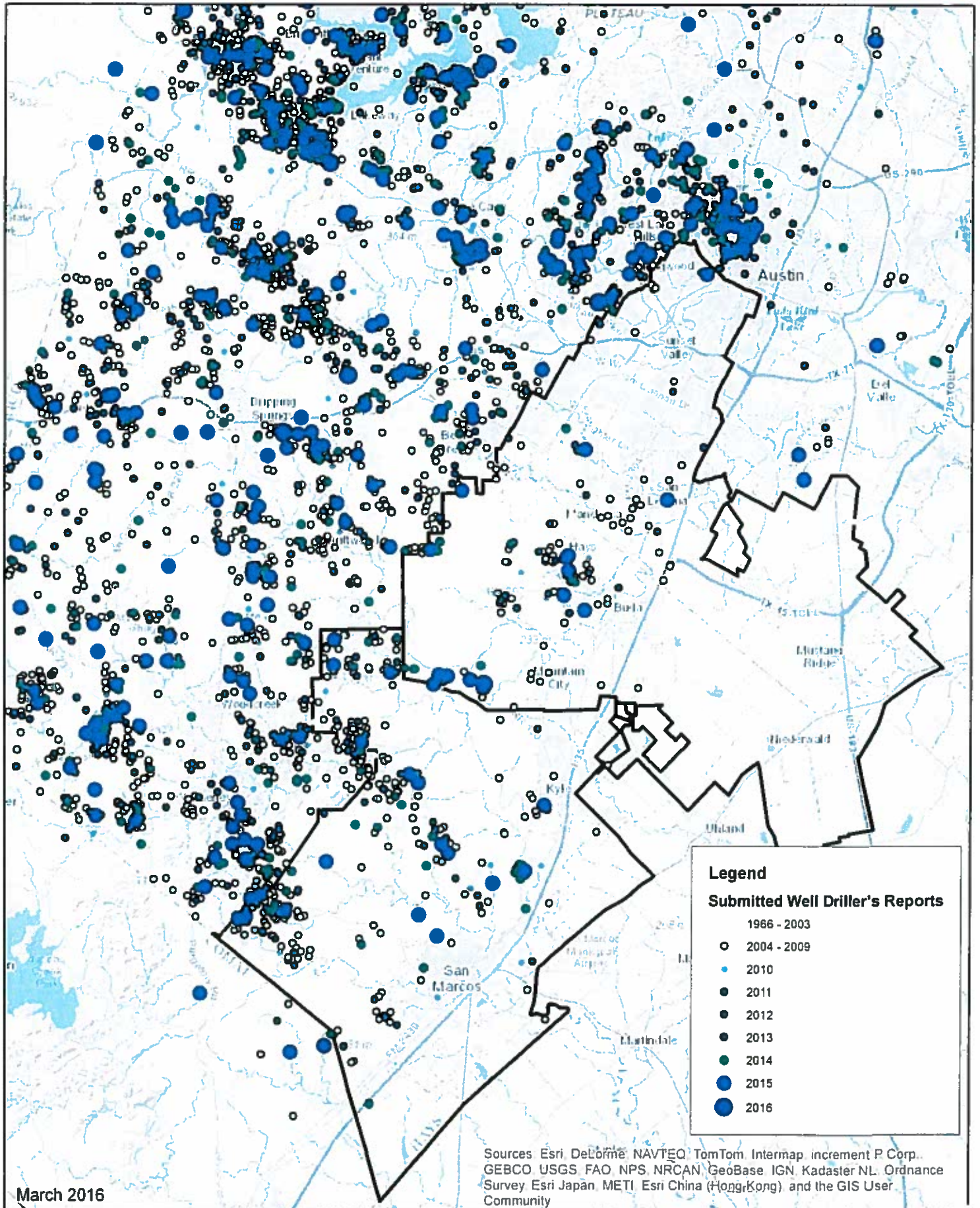
	Alternative	Pros	Cons
5	Annexation strategies to add the southwest Travis County PGMA into the adjacent Barton Springs Edwards Aquifer Conservation District (BSEACD)	<ul style="list-style-type: none"> -BSEACD already has authority over Trinity Aquifer (in addition to Edwards) -Functioning district that effectively manages the resource -Potential to focus management in manner that considers ground and surface water interactions between Trinity & Edwards -Economies of scale result in lower cost rates (staff, equipment, etc.) 	<ul style="list-style-type: none"> -BSEACD funding is not from <i>ad valorem</i> taxes so insufficient funds available -BSEACD recently expanded and is taking on significant workload; doing more at this time may be too much of a challenge -Need to address boundaries for existing directors -Some view BSEACD as too Austin-centric -Requires support of BSEACD Board of Directors

REVENUE ALTERNATIVES			
1	Funding from Water Use (well production) and Permit Fees	<ul style="list-style-type: none"> -Avoids election & confirmation by voters on tax rate -The biggest users of groundwater pay -Exempt well users do not pay fees 	<ul style="list-style-type: none"> -In Hays and Travis counties, too few wells to permit -Insufficient funding would cripple effectiveness of such a GCD; this is the experience of HTGCD -TCEQ estimated that this option would raise \$2847 annually**
2	Specific legislation establishes a GCD's fee authority	<ul style="list-style-type: none"> -Avoids election on tax rate -Could set production fees modestly higher than those in Chapter 36 -The biggest users of groundwater pay -Production fees on exempt well users could be authorized 	<ul style="list-style-type: none"> -Option not likely to be viable as a sole revenue source -Strong political support necessary to turn legislation into law -Efforts in past have failed -Strong anti-government sentiments are common
3	Local Appropriation to a GCD from county or municipal general fund	<ul style="list-style-type: none"> -Avoids election on tax rate -A small annual cost of \$250,000, that would likely increase slowly with inflation -Broadens cost to both county and municipal governments -In kind contributions of office space or other equipment/services could defray costs 	<ul style="list-style-type: none"> -A county or municipal government could stop or reduce funding at a future time -Shifts burden from the SW Travis County residents to taxpayers in Austin and remainder of county
4	Funding by a Maintenance Fee (<i>ad valorem</i> taxes)	<ul style="list-style-type: none"> -If district covered all of PGMA in SW Travis County, cost is <i>de minimus</i> (\$3.70 or less annually for \$250,000 property value)* 	<ul style="list-style-type: none"> -If a GCD excludes the municipalities (and perhaps their ETJs too), the rate would be higher -Voters in SW Travis County may not confirm such a district -Strong concerns regarding rising property taxes -Strong anti-government sentiments are common

* Assumptions: Based on TCEQ analysis of 2008 property valuations, funding for a \$250,000 GCD budget, tax rate of \$0.00149/\$100 valuation; property valuations are now higher so tax rate would be lower

** Assumptions: TCEQ reviewed 2008 water use reports and determined that production from non-agricultural wells would generate \$2550 (\$10/acre-feet) and \$297 (\$1/acre-feet) from agricultural wells in southwest Travis County.

Well Drilling Trends



TNR recommends that the Travis County Commissioners Court adopt the following guiding principles as it considers support of either administrative actions or legislation proposing to create a GCD in the Hill Country PGMA, particularly in southwest Travis County:

1. Creation of a GCD rather than leaving groundwater management unaddressed within the PGMA
2. A GCD with adequate and independent funding from the users of groundwater within the GCD
3. A GCD with effective powers, similar to the powers granted by State law in Chapter 36, Texas Water Code
4. Powers that could be considered as prohibited may include the power to assess ad valorem property taxes and the power of eminent domain
5. Powers that should not be prohibited would include authority to enter private property of an owner of an exempt groundwater well, the authority to annually assess a well production fee, based upon authorized pumpage from a non-exempt well, and other appropriate authority to establish modest fees on groundwater use as set out in Chapter 36
6. A geographic extent that, at a minimum, includes all territory within the PGMA in southwest Travis County, including within municipal boundaries
7. Consideration of options that may include a geographic extent for a GCD that combines southwest Travis County's PGMA area with other Trinity Aquifer GCDs adjacent to Travis County, if support can be gained for such an option and if a combined area had effective groundwater management capability

These guiding principles provide the powers common to other effectively managed GCDs. These guiding principles are ones promoted by the Texas Commission on Environmental Quality to implement effective groundwater management via the State's preferred method of locally-based GCDs.

By: _____

____.B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Southwestern Travis County Groundwater Conservation District; providing authority to issue bonds; providing authority to impose fees and surcharges.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8871 to read as follows:

CHAPTER 8871. SOUTHWESTERN TRAVIS COUNTY GROUNDWATER

CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8871.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Southwestern Travis County Groundwater Conservation District.

Sec. 8871.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Travis County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8871.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a)

The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 8871.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

- (1) organization, existence, or validity;
- (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond; or
- (3) legality or operation.

Sec. 8871.005. CONFIRMATION ELECTION NOT REQUIRED. An election to confirm the creation of the district is not required.

SUBCHAPTER B. TEMPORARY AND INITIAL DIRECTORS

Sec. 8871.021. APPOINTMENT OF TEMPORARY DIRECTORS; VACANCIES; TERMS. (a) Seven persons who reside in the district

shall be appointed as temporary directors not later than the 90th day after the effective date of the Act creating this chapter as follows:

(1) the county judge of Travis County shall appoint one temporary director;

(2) the county commissioner for the county commissioners precinct in which the district is located shall appoint two temporary directors;

(3) the state representative who represents the house district in which the district is principally located shall appoint two temporary directors; and

(4) the state senator who represents the senate district in which the district is principally located shall appoint two temporary directors.

(b) If a temporary director fails to qualify for office or a vacancy occurs on the temporary board, the remaining temporary directors shall appoint a person to fill the vacancy. If at any time there are fewer than four temporary directors, the state representative under Subsection (a)(3) shall appoint the necessary number of persons to fill all vacancies on the board.

(c) Temporary directors serve until the date initial directors are elected at an election held under Section 8871.024.

Sec. 8871.022. ORGANIZATIONAL MEETING. (a) Not later than the 45th day after the date on which the seventh temporary director is appointed under Section 8871.021, the temporary directors shall hold the organizational meeting of the district.

(b) The temporary directors shall select from among themselves a president, a vice president, and a secretary.

Sec. 8871.023. AUTHORITY OF TEMPORARY DIRECTORS. (a) Except as provided by Subsections (c) and (d) or otherwise by this subchapter, the temporary directors of the district have the same permitting and general management powers as those provided for initial and permanent directors under this chapter and Chapter 36, Water Code.

(b) The temporary directors or their designees have the authority to enter any public or private property located in the district to inspect a nonexempt water well under Section 8871.102, as provided by Section 36.123, Water Code.

(c) Except as provided by Section 8871.024, the temporary directors do not have the authority granted by the following provisions of Chapter 36, Water Code:

- (1) Sections 36.017, 36.019, 36.020, and 36.059;
- (2) Sections 36.105, 36.1071, 36.1072, 36.1073, and 36.108;
- (3) Sections 36.171-36.181;

(4) Sections 36.201-36.204; and

(5) Subchapters J and K.

(d) The temporary directors may regulate the transfer of groundwater out of the district as provided by Section 36.122, Water Code, but may not prohibit the transfer of groundwater out of the district.

Sec. 8871.024. INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall order an election in the district to be held not later than the uniform election date in November 2019 to elect the initial directors.

(b) At the initial directors' election, the temporary board shall have placed on the ballot the names of the candidates who are eligible under Section 8871.051 for each of the seven positions on the board.

(c) Section 41.001(a), Election Code, applies to an election held under this section.

(d) Except as provided by this section, the initial directors' election must be conducted as provided by the Election Code and Sections 36.017(b), (c), and (e), Water Code.

Sec. 8871.025. INITIAL DIRECTORS. (a) Promptly after the election has been held under Section 8871.024 and the votes have been canvassed, the temporary directors shall:

(1) declare for each board position the person who

receives the most votes for that position to be elected as the initial director for that position; and

(2) include the results of the initial directors' election in the district's election report to the Texas Commission on Environmental Quality.

(b) The initial directors shall draw lots to determine which three initial directors serve two-year terms and which four initial directors serve four-year terms.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8871.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven directors.

(b) Directors elected after the election held under Section 8871.024 serve four-year terms.

(c) The directors are elected as follows:

(1) one director must reside in the corporate limits of the City of Bee Cave and be elected by voters residing in the City of Bee Cave;

(2) one director must reside in the corporate limits of the City of Lakeway or Village of The Hills and be elected by voters residing in the City of Lakeway and Village of The Hills;

(3) one director must reside in the corporate limits of the City of West Lake Hills and be elected by voters residing in the City of West Lake Hills; and

(4) four directors shall be elected at-large and must reside inside the district and outside the corporate limits of the City of Bee Cave, City of Lakeway, Village of The Hills, and City of West Lake Hills.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8871.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8871.102. EXEMPT WELLS. (a) Groundwater withdrawals from the following wells may not be regulated, permitted, or metered by the district:

(1) a well used for domestic use by a single private residential household and incapable of producing more than 25,000 gallons per day; and

(2) a well used for conventional farming and ranching activities, including intensive operations such as aquaculture, livestock feedlots, or poultry operations.

(b) The district may not charge or collect a well construction fee for a well described by Subsection (a)(2).

(c) A well owner must obtain a permit and pay any required

fees, including a well construction fee, before using any groundwater withdrawn from a well for purposes other than those exempted by this section.

(d) A well used for dewatering and monitoring in the production of coal or lignite is exempt from permit requirements, regulations, and fees imposed by the district.

(e) The district may not enter property to inspect an exempt well without the property owner's permission.

Sec. 8871.103. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 8871.151. WELL CONSTRUCTION FEE. The district may charge and collect a new well construction fee not to exceed \$1,000 for a new well.

Sec. 8871.152. PERMIT RENEWAL APPLICATION FEE. The district may charge and collect a permit renewal application fee not to exceed \$400.

Sec. 8871.153. SERVICE CONNECTION FEE. (a) This section does not apply to a water utility that has surface water as its sole source of water.

(b) The district may levy and collect a water utility service connection fee not to exceed \$1,000 for each new water service connection made after September 1, 2017.

Sec. 8871.154. TAXES AND OTHER FEES PROHIBITED. The
district may not:

(1) impose a tax; or

(2) assess or collect any fees except as authorized
by Section 8871.151, 8871.152, or 8871.153.

SECTION 2. The Southwestern Travis County Groundwater Conservation District initially includes all the territory contained in the following area:

(THE TERRITORY OF THE SOUTHWEST TRAVIS COUNTY PORTION OF THE HILL COUNTRY PRIORITY GROUNDWATER MANAGEMENT AREA - AS DESCRIBED BY 2010 TCEQ REPORT; "The southwestern Travis territory is located in the southwestern quarter of Travis County. The southwestern Travis territory is bound to the west by Blanco and Burnet counties, southwest by Hays County, and southeast by the northwestern boundary of the Barton Springs/Edwards Aquifer Conservation District (BS/EACD). The northern boundary of the southwestern Travis territory is the Colorado River (Lake Travis, Lake Austin, and Lady Bird Lake).")

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be

furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. This Act takes effect September 1, 2017.

EXHIBIT A – FACT SHEET

Commissioners Court Voting Session, October 11, 2016

Groundwater Management in Southwest Travis County Area Characteristics Relevant to Groundwater Use and Management

1. Slightly more than 1700 wells are known to exist in the SW Travis County PGMA area, essentially all producing water from one or more of the Trinity Aquifer units.
2. Information on a large majority of these wells is incomplete or sparse.
3. More than one half of these wells have been installed in the last ten years.
4. About 75% of these wells are for domestic-use or livestock use and comprise **statutorily exempt wells** (exempt from permitting and non-voluntary metering).
5. Another 20% are likely used only for *residential* irrigation, and therefore probably also to be considered exempt.
6. The remaining 5% (80-90 wells) are used for public water supply, whether in a CCN or not, and for commercial and industrial purposes. A significant non-residential use in the area is golf-course irrigation. These comprise **“non-exempt” wells** under the default Ch. 36 definitions.
7. A particular GCD can also exempt other well classes if allowed to do so in its enabling legislation.
8. The relatively few non-exempt wells composing that 5% cohort produce an estimated 1.2 billion gallons (**3700 acre-feet of groundwater annually**), which would be subject to regulation by a GCD.
9. About 25% of the non-exempt use is ascribed to golf course irrigation, which at present is not well characterized in this area and which will vary from course to course, month to month, and even year to year with water management strategies employed, including storm-water and reclaimed water use, drought response, and availability of surface-water supplements.
10. The numerous wells in the 95% cohort are all exempt under Chapter 36 and produce an estimated 500 million gallons (**1500 acre-feet of groundwater annually**), or about 30% of the total groundwater production in the area, which would not be subject to regulation by a GCD.
11. Most of the population in this area resides in municipalities or other areas with water utilities that are served by surface water, not groundwater. But, future growth may require more reliance on groundwater as the surface water supplies are becoming fully subscribed.

Implications for Groundwater Management

12. All producing wells, whether exempt or non-exempt, would typically be registered with a GCD and would benefit from management of their common groundwater resource.
13. The disparity in the number and production volumes between exempt and non-exempt wells indicates that its management should be based on volume of (potential) production, not on number of wells.
14. Production fee revenue could be lower if enabling legislation exempted a larger number of wells that the exemption thresholds in the Chapter 36 default definitions.
15. Only the non-exempt wells would be subject to permitting, metering, use reporting, and drought management provisions.
16. Production fees on non-exempts would be in lieu of an *ad valorem* tax based GCD, which is judged to be politically infeasible in this area.
17. Given the small number of wells subject to regulation, production fees should be applied on an authorized-use (i.e., as-permitted) basis, as opposed to an actual production basis. An authorized use basis minimizes large swings in the monthly revenue supporting GCD operations arising from variations in demand caused by natural

and intrinsic operational conditions. Fee incentives may be made available for promoting water conservation.

Implications for Financial Support of a GCD

18. The minimum annual operating budget for an effective and sustainable GCD operation in the county's area of interest, and therefore its revenue requirement, is considered to be **\$500,000 annually**. This amount is a rational average for a functional GCD having the characteristics of this territory.
19. The budget and revenue requirements for the prospective GCD in this area reflect operating a relatively small GCD on a stand-alone basis, rather than including the economies of scale that could arise from managing the area as part of a larger entity, e.g., regionally as part of an adjacent GCD.
20. The annual revenue may be provided by a combination of dollars from **production fees and in-kind support** provided by other parties, including office and vehicle expenses required for operation or continuing cash contributions to offset other operational expenses.
21. The maximum allowable fee rate and production basis would be specified in the enabling legislation. The fee rates are set each year by the GCD's Board of Directors.
22. The following table shows example annual revenue estimates based on various production fee rates, using the estimated non-exempt production:

Annual Estimated Revenue SW Travis County GCD (PGMA area)	Well Production Fee Rate (per 1,000 gal)
\$300,000	\$0.23
\$400,000	\$0.32
\$500,000	\$0.40

23. Production fees authorized in legislation for GCDs that utilize the Trinity Aquifer vary considerably from the inability to collect production fee revenue (Hay Trinity GCD) to \$0.22/1000 gallons (Upper Trinity GCD west of Ft. Worth).
24. For comparison, \$0.54/1000 gallons is the current base raw water rate LCRA assesses for surface water supply.
25. It is typical for legislation to specify more limited revenue-collecting powers for an interim board of directors prior to election of permanent directors of a newly created GCD.
26. It is desirable to authorize collection of production fees at an initial, temporary fee rate that allows for an effective start-up; authorization of a higher, not-to-exceed fee rate would follow as powers of the elected GCD board of directors.
27. The amount of in-kind support necessary for a sustainable GCD would be affected by the enacted fee rates. The smaller the in-kind support, the larger the fee rate needs to be for a sustainable GCD.

Approach GCDs With Approach Applied	Comal Trinity Approach			Proposed Sustainable Approach		
	SW Travis	Hays Trinity	Combined	SW Travis	Hays Trinity	Combined
Acres	135,800	237,000		135,800	237,000	
No. Exempt Wells	1620	7500		1620	7500	
No. Nonexempt Wells	80	76		80	76	
Total No. of Wells (see note 1)	1700	7576		1700	7576	
Wells/Acre	0.013	0.032		0.013	0.032	
Estimated New Wells/Year						
Exempt	125	100		125	100	
Non Exempt	5	2		5	2	
Registration Fee (1-time)						
Exempt Fee	\$50	\$50		\$50	\$50	
Non-exempt Fee	\$100	\$100		\$100	\$100	
Revenue Generated	\$6,750	\$5,200	\$11,950	\$6,750	\$5,200	\$11,950
Construction Fees (1-time)						
Exempt Rate	0	0		\$250	\$250	
Non Exempt Rate	\$500	\$500		\$1,125	\$1,125	
Revenue Generated	\$2,500	\$1,000	\$3,500	\$36,875	\$27,250	\$64,125
Permit Renewal Fees (annual)						
Exempt rate per permit	15	15		0	0	
Non-exempt rate/permit	50	50		50	50	
Revenue Generated	\$28,300	\$116,300	\$144,600	\$4,000	\$3,800	\$7,800
New utility connections (1-time)	Unknown			Unknown		
Number annually	120	145		120	145	
Rate per connection	N/A	N/A		N/A	N/A	
Revenue Generated	\$0	\$0	\$0	\$0	\$0	\$0
Non-exempt Ag (annual)	Unknown	Unknown		Unknown	Unknown	
Wells	3	5		3	5	
Permitted Production	5,000,000	10,000,000		5,000,000	10,000,000	
Revenue Generated	\$15,000	\$30,000	\$45,000	\$15,000	\$30,000	\$45,000
Non-exempt Non-Ag (annual)						
Wells	77	76		77	76	
Permitted Production	1,200,000,000	1,078,566,810		1,200,000,000	1,078,566,810	2,278,566,810
Fee Rate (\$/1000 g)	0.1228	0.1228		0.37	0.45	0.23
Revenue Generated	\$147,360	\$132,448	\$279,808	\$444,000	\$485,355	\$524,070
Total Nonexempt Production	1,205,000,000	1,088,566,810		1,205,000,000	1,088,566,810	2,293,566,810
Production Fee Revenue	\$ 162,360	\$162,448	\$ 324,808	\$ 459,000	\$515,355	\$569,070
Other Recurring Revenue (if any)	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue -All Sources	\$199,910	\$284,948	\$484,858	\$506,625	\$551,605	\$652,945
Estimated Operating Expenses	\$500,000	\$550,000	\$650,000	\$500,000	\$550,000	\$650,000
Deficit (Amount of In-kind Needed)	\$300,090	\$265,052	\$165,142	\$6,625	\$1,605	\$2,945

COMPARISON OF GCD REVENUE GENERATION USING VARIOUS APPROACHES

DRAFT VERSION 9/1/2016

Approach GCDs With Approach Applied	Current Workman Draft			Hays Trinity Approach		
	SWTravis	Hays Trinity	Combined	SW Travis	Hays Trinity	Combined
Acres	135,800	237,000		135,800	237,000	
No. Exempt Wells	1620	7500		1620	7500	
No. Nonexempt Wells	80	76		80	76	
Total No. of Wells (see note 1)	1700	7576		1700	7576	
Wells/Acre	0.013	0.032		0.013	0.032	
Estimated New Wells/Year						
Exempt	125	100		125	100	
Non Exempt	5	2		5	2	
Registration Fee (1-time)						
Exempt Fee	\$800	\$800		\$800	\$800	
Non-exempt Fee	\$800	\$800		\$800	\$800	
Revenue Generated	\$104,000	\$81,600	\$185,600	\$104,000	\$81,600	\$185,600
Construction Fees (1-time)						
Exempt Rate	0	0		0	0	
Non Exempt Rate	\$1,000	\$1,000		\$0	\$0	
Revenue Generated	\$5,000	\$2,000	\$7,000	\$0	\$0	\$0
Permit Renewal Fees (annual)						
Exempt rate per permit	0	0		0	0	
Non-exempt rate/permit	\$400	\$400		\$50 - \$400	\$50 - \$400	
Revenue Generated	\$32,000	\$30,400	\$62,400	\$10,667	\$3,000	\$13,667
New utility connections (1-time)						
Number annually	Unknown	145		Unknown	145	
Rate per connection	\$1,000	\$1,000		\$800	\$800	
Revenue Generated	\$120,000	\$145,000	\$265,000	\$96,000	\$116,000	\$212,000
Non-exempt Ag (annual)						
Wells	Unknown	Unknown		Unknown	Unknown	
Permitted Production	3	5		3	5	
Revenue Generated	5,000,000	10,000,000		5,000,000	10,000,000	
	\$0	0	\$0	\$0	0	\$0
Non-exempt Non-Ag (annual)						
Wells						
Permitted Production	1,200,000,000	1,078,566,810		1,200,000,000	1,078,566,810	
Fee Rate (\$/1000 g)	0	0		0	0	
Revenue Generated	0	0	\$0	0	0	\$0
Total Nonexempt Production	1,205,000,000	1,088,566,810		1,205,000,000	1,088,566,810	
Production Fee Revenue	0	0	\$0	0	0	\$0
Other Recurring Revenue (if any)	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue -All Sources	\$261,000	\$259,000	\$520,000	\$210,667	\$200,600	\$411,267
Estimated Operating Expenses	\$500,000	\$550,000	\$650,000	\$500,000	\$550,000	\$650,000
Deficit (Amount of in-kind Needed)	\$239,000	\$291,000	\$130,000	\$289,333	\$349,400	\$238,733

= To be specified via data entry, generally will differ with both GCD and approach

= Calculated with input data, some cells will require formulas to be specified

Note 1: By convention, the proportion of exempts and non-exempts is specified in the spreadsheet to be the same for all approaches, but in reality the various approaches would have somewhat different numbers

Item 4

Board Discussions and Possible Actions

d. Discussion and possible action related to the City of Dripping Springs TPDES permit application to authorize direct discharge of treated wastewater to Onion Creek in the contributing zone of the Barton Springs segment of the Edwards Aquifer.

Texas Commission on Environmental Quality



COMBINED

NOTICE OF PUBLIC MEETING AND NOTICE OF APPLICATION AND PRELIMINARY DECISION FOR TPDES PERMIT FOR MUNICIPAL WASTEWATER NEW

PERMIT NO. WQ0014488003

APPLICATION AND PRELIMINARY DECISION. City of Dripping Springs, P.O. Box 384, Dripping Springs, Texas 78620, has applied to the Texas Commission on Environmental Quality (TCEQ) for new Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0014488003, to authorize the discharge of treated domestic wastewater at a daily average flow not to exceed 995,000 gallons per day. TCEQ received this application on October 20, 2015.

The facility will be located at 23127 Ranch-to-Market Road 150, in the City of Dripping Springs, Hays County, Texas 78620. The treated effluent will be discharged to Walnut Springs; thence to Onion Creek in Segment No. 1427 of the Colorado River Basin. The unclassified receiving water use is minimal aquatic life use for Walnut Springs. The designated uses for Segment No. 1427 are high aquatic life use, public water supply, aquifer protection, and primary contact recreation. In accordance with Title 30 Texas Administrative Code Section 307.5 and the TCEQ Procedures to Implement the Texas Surface Water Quality Standards, an antidegradation review of the receiving waters was performed. A Tier 1 antidegradation review has preliminarily determined that existing water quality uses will not be impaired by this permit action. Numerical and narrative criteria to protect existing uses will be maintained. A Tier 2 review has preliminarily determined that no significant degradation of water quality is expected in Onion Creek, which has been identified as having high aquatic life use. Existing uses will be maintained and protected. The preliminary determination can be reexamined and may be modified if new information is received.

The TCEQ Executive Director has completed the technical review of the application and prepared a draft permit. The draft permit, if approved, would establish the conditions under which the facility must operate. The Executive Director has made a preliminary decision that this permit, if issued, meets all statutory and regulatory requirements. The permit application, Executive Director's preliminary decision, and draft permit are available for viewing and copying at Dripping Springs City Hall, Front Desk, 511 Mercer Street, Dripping Springs, Texas. This link to an electronic map of the site or facility's general location is provided as a public courtesy and is not part of the application or notice. For the exact location, refer to the application.
<http://www.tceq.texas.gov/assets/public/hb610/index.html?lat=30.154166&lng=-98.08&zoom=13&type=r>

CHANGE IN LAW: The Texas Legislature enacted Senate Bill 709, effective September 1, 2015, amending the requirements for comments and contested case

hearings. This application is subject to those changes in law.

PUBLIC COMMENT / PUBLIC MEETING. You may submit public comments about this application. The TCEQ will hold a public meeting on this application because it was requested by a local legislator. The purpose of a public meeting is to provide the opportunity to submit comments or to ask questions about the application.

The public meeting will consist of two parts, an Informal Discussion Period and a Formal Comment Period. A public meeting is not a contested case hearing under the Administrative Procedure Act. During the Informal Discussion Period, the public will be encouraged to ask questions of the applicant and TCEQ staff concerning the permit application. The comments and questions submitted orally during the Informal Discussion Period will not be considered before a decision is reached on the permit application, and no formal response will be made. Responses will be provided orally during the Informal Discussion Period. During the Formal Comment Period on the permit application, members of the public may state their formal comments orally into the official record. A written response to all timely, relevant and material, or significant comments will be prepared by the Executive Director. All formal comments will be considered before a decision is reached on the permit application. A copy of the written response will be sent to each person who submits a formal comment or who requests to be on the mailing list for this permit application and provides a mailing address. Only relevant and material issues raised during the Formal Comment Period can be considered if a contested case hearing is granted on this permit application.

**The Public Meeting is to be held:
Thursday, November 10, 2016 at 7:00 PM
Dripping Springs Ranch Park
Special Events Venue Room
1042 Event Center Drive
Dripping Springs, Texas 78620**

OPPORTUNITY FOR A CONTESTED CASE HEARING. After the deadline for submitting public comments, the Executive Director will consider all timely comments and prepare a response to all relevant and material or significant public comments. **Unless the application is directly referred for a contested case hearing, the response to comments will be mailed to everyone who submitted public comments and to those persons who are on the mailing list for this application. If comments are received, the mailing will also provide instructions for requesting a contested case hearing or reconsideration of the Executive Director's decision.** A contested case hearing is a legal proceeding similar to a civil trial in a state district court.

TO REQUEST A CONTESTED CASE HEARING, YOU MUST INCLUDE THE FOLLOWING ITEMS IN YOUR REQUEST: your name, address, phone number; applicant's name and proposed permit number; the location and distance of your property/activities relative to the proposed facility; a specific description of how you would be adversely affected by the facility in a way not common to the general public; a list of all disputed issues of fact that you submit during the comment period and, the statement "[I/we] request a contested case hearing." If the request for contested case hearing is filed on behalf of a group or association, the request must designate the group's representative for receiving future correspondence; identify by name and physical address an individual member of the group who

would be adversely affected by the proposed facility or activity; provide the information discussed above regarding the affected member's location and distance from the facility or activity; explain how and why the member would be affected; and explain how the interests the group seeks to protect are relevant to the group's purpose.

Following the close of all applicable comment and request periods, the Executive Director will forward the application and any requests for reconsideration or for a contested case hearing to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

The Commission may only grant a request for a contested case hearing on issues the requestor submitted in their timely comments that were not subsequently withdrawn. **If a hearing is granted, the subject of a hearing will be limited to disputed issues of fact or mixed questions of fact and law relating to relevant and material water quality concerns submitted during the comment period.**

EXECUTIVE DIRECTOR ACTION. The Executive Director may issue final approval of the application unless a timely contested case hearing request or request for reconsideration is filed. If a timely hearing request or request for reconsideration is filed, the Executive Director will not issue final approval of the permit and will forward the application and request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

MAILING LIST. If you submit public comments, a request for a contested case hearing or a reconsideration of the Executive Director's decision, you will be added to the mailing list for this specific application to receive future public notices mailed by the Office of the Chief Clerk. In addition, you may request to be placed on: (1) the permanent mailing list for a specific applicant name and permit number; and/or (2) the mailing list for a specific county. If you wish to be placed on the permanent and/or the county mailing list, clearly specify which list(s) and send your request to TCEQ Office of the Chief Clerk at the address below.

Citizens are encouraged to submit written public comments and public meeting requests must be submitted to the Office of the Chief Clerk, MC 105, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, TX 78711-3087 or electronically at www.tceq.texas.gov/about/comments.html within 30 days from the date of newspaper publication of this notice or by the date of the public meeting, whichever is later.

AGENCY CONTACTS AND INFORMATION. If you need more information about this permit application or the permitting process, please call the TCEQ Public Education Program, Toll Free, at 1-800-687-4040. Si desea información en Español, puede llamar al 1-800-687-4040. General information about the TCEQ can be found at our web site at www.TCEQ.texas.gov.

Further information may also be obtained from City of Dripping Springs at the address stated above or by calling Mr. Robert Callegari, P.E., CMA Engineering, Inc., at 512-432-1000.

Persons with disabilities who need special accommodations at the meeting should call the Office of the Chief Clerk at (512) 239-3300 or 1-800-RELAY-TX (TDD) at least one week prior to the meeting.

Issuance Date September 23, 2016



**Barton Springs
Edwards Aquifer**
CONSERVATION DISTRICT

September 27, 2016

Via Electronic Filing on TCEQ Website

Ms. Bridget C. Bohac
Chief Clerk's Office (MC-105)
Texas Commission on Environmental Quality (TCEQ)
P.O. Box 13087
Austin, Texas 78711-3087

Re: Supplemental Comments on City of Dripping Springs's Application and TCEQ's Preliminary Decision and Draft Permit for Proposed TPDES Permit (No. WQ0014488003).

Dear Ms. Bohac:

The Board of Directors of the Barton Springs/Edwards Aquifer Conservation District (District, or BSEACD) offers these supplemental comments on the TCEQ Executive Director's Preliminary Decision on September 23, 2016, to issue a Texas Pollutant Discharge Elimination System (TPDES) permit in response to the City of Dripping Springs's (City's) application to the TCEQ for such a permit (Permit No. WQ0014488003). This permit as drafted would authorize direct discharge of 995,000 gallons per day of treated wastewater into the Onion Creek watershed (Stream Segment 1427), in the recharge zone of the Trinity Aquifer and in the contributing zone of the Barton Springs segment of the Edwards Aquifer (Edwards Aquifer) with impacts occurring in the Edwards Aquifer recharge zone. These comments are made pursuant to and in conformance with Government Code Section 2003.047.

The District previously filed comments on July 6, 2016, and asserted its opposition to the City's application and the prospective permit as then proposed. It continues to have serious concerns with the lack of adequate protection of natural resources provided by the permit as now drafted.¹

¹ The District maintains its position that it is an affected and interested party, and it reserves the right to amend and supplement these comments to the extent allowed by law.

The District's previously submitted comments are hereby re-affirmed, and its concerns and their basis are reiterated and supplemented below.

Inadequate Protection of Receiving-Stream Uses

- 1. The effluent will degrade the quality of water in Onion Creek.** TCEQ's modeling of impacts of the discharge used a simple, uncalibrated steady-state model that is inadequate to delineate water quality impacts in this hydrologic setting for assessing water quality degradation. More sophisticated, calibrated dynamic modeling performed by the City of Austin² demonstrates that the nutrient additions to the receiving stream from the discharge as proposed under the draft permit will change the trophic state of the stream from oligotrophic to mesotrophic on a recurring basis, thereby substantially reducing its water quality during non-storm conditions by more than a *de minimis* amount, to the point that it impairs several designated uses of the stream. In contrast to TCEQ's findings upon its preliminary Tier 1 and Tier 2 reviews the City's proposed discharge is clearly and demonstrably inconsistent with TCEQ's Anti-degradation Policy. A properly conducted Tier 1 review would have shown that the uses of Onion Creek, as a public drinking water supply, as habitat for healthy aquatic life, and as a source of water-contact recreation, would be significantly and unnecessarily impaired by the effluent under the draft permit. A properly conducted Tier 2 review would have revealed the adverse effects of discharging effluent to the demonstrably high quality stream of Onion Creek. Algal growth associated with the change in trophic state from nutrient addition and the nutrient cycling that affects dissolved oxygen downstream will make Onion Creek from time to time less aesthetic, toxic to aquatic life, and less healthy as a fishable, swimmable stream. The causes of the degradation and impairment are also addressed individually in certain of the District's enumerated comments that follow. In addition, there are a number of "emerging contaminants" in the effluent that may adversely affect the water quality and possibly its supported uses. These emerging contaminants include pharmaceuticals, hormones, antibiotics, viruses, health care products, etc. and other constituents that are refractory during wastewater treatment and persistent in the aquatic environment.
- 2. The concentration of Nitrate-N will exceed drinking water standards in a public water supply.** Dynamic modeling by the City of Austin described in its August 11, 2016, supplemental comments to TCEQ on the impacts of the City's direct-discharge on water quality in Onion Creek concludes, among other things, that nitrate-as-nitrogen concentrations will be higher than 10 mg/L at the western Edwards Aquifer recharge zone boundary for prolonged periods of time. That concentration of nitrate-N exceeds

² The City of Austin included in its May 12, 2016, comments to TCEQ on the City of Dripping Springs's proposed permit a report summarizing the WASP model and the impact on Onion Creek. On August 11, 2016, the City of Austin provided TCEQ a supplemental analysis using the WASP model.

the 10 mg/L federal safe drinking water standard. This condition is inconsistent with both of the designated uses of Onion Creek for Public Drinking Water Supply and Aquifer Protection.

3. **TCEQ's assessment of the sulfate concentration in influent water and the need for a sulfate limit in the effluent were inadequate.** In view of the receiving stream's being listed as impaired for sulfate and therefore already not meeting that water quality standard, a more rigorous analysis of the influent stream to the prospective plant should have been made. An appreciable but variable portion of the water supply for Dripping Springs and therefore in the influent to the wastewater plant comes from the Middle Trinity Aquifer, which can have elevated sulfate concentrations; Trinity Aquifer-sourced water is not currently contributed to Onion Creek by any wastewater plant source. Sampling of the influent on a single day, which may have represented solely water from the Highland Lakes, could have been non-representative of the overall influent/effluent quality realized with respect to sulfate, especially since previous sampling has documented elevated sulfate in the influent.
4. **Biomonitoring was not included as a permit requirement.** Onion Creek has a high aquatic life use designation. There is strong evidence to suggest the nutrient loading and decreased DO levels resulting from the prospective discharge will have a detrimental effect on aquatic life. Considering that this portion of Onion Creek is classified as an intermittent stream with perennial pools and has limited capacity to assimilate nutrients and other contaminants, the draft permit should include biomonitoring requirements to assess both acute and chronic effects at 100% effluent.
5. **The draft permit conditions are materially inconsistent with the water quality protection provisions in the directly comparable Hays County WCID No. 1 ("Belterra") direct-discharge permit that TCEQ issued (TPDES WQ0014293001).** In the draft permit for Dripping Springs, the (a) absence of a Total Nitrogen effluent limit that requires more advanced wastewater treatment such as Membrane Biological Reactor technology, (b) lack of stipulated receiving-stream conditions before allowable discharge, and (c) absence of any effluent storage requirement that would reduce the frequency and amount of wastewater required to be discharged, all of which were part of Belterra's permit conditions, are serious deficiencies that will ultimately and unnecessarily allow for direct discharges that may harm water quality in Onion Creek. There is no apparent basis for protecting Bear Creek but not applying the same level of protection from discharges to Onion Creek. (See Attachment A – Belterra/Dripping Springs Permit Comparison.) Absent prohibiting direct discharges, TCEQ should have considered that the level of protection afforded by the Belterra permit is a bare minimum for these oligotrophic Hill Country streams, so that their cumulative direct impacts and their indirect impacts from

increased erosion/sedimentation (fostered by more intense development served by a regional wastewater treatment plant) are minimized. This level of protection was found by the ALJ and adopted by the TCEQ's Commissioners in Belterra to be required for direct discharges to be in compliance with TCEQ's Anti-degradation Policy.

6. **The uses of Segment No. 1427 of the Colorado River Basin are not being preserved with the draft permit.** The designated uses for Segment No. 1427 are listed as follows: high aquatic life use, public water supply, aquifer protection, and contact recreation. The Notice of Preliminary Decision by the TCEQ executive director states that the effluent allowed under the draft permit will not impair the water quality and the existing uses will be maintained. The previous discussion related to the real potential for detrimental impacts to each of these uses clearly describes expected situations that are inconsistent with that conclusion. Additionally, Segment No. 1427 has been designated an endangered species habitat, and it is listed on the EPA's inventory of impaired and threatened waters. Given the sensitive nature of the receiving waters as designated on multiple levels, it is clear that direct discharge of the quality and loading allowed by the draft permit should not be authorized, or at a minimum should be minimized, which is not supported by the executive director's preliminary decision.

Inadequate Protection of Aquifer Uses

7. **The receiving stream provides recharge to the Trinity Aquifer in the immediate vicinity and downstream of the treatment plant.** Completed and ongoing studies of streamflow gains and losses and of hydrochemistry are strongly indicative of hydrologic communication between Onion Creek and both the Upper and Middle Trinity Aquifers in the reach of Onion Creek receiving effluent³. The Middle Trinity Aquifer is a significant public water supply, including supplies for citizens of Dripping Springs and adjacent areas in the Hill Country. This major aquifer also extends downdip into the jurisdictional area of BSEACD, where it is used as a water supply. As noted above, the effluent may impair the stream that provides recharge, and therefore it may adversely affect these groundwater supplies under certain conditions, to some unknown degree. Phase II studies of the interaction between Onion Creek and the Middle Trinity Aquifer are ongoing. This next-phase study is designed to better characterize the magnitude of influence of Onion Creek recharge to the Middle Trinity Aquifer and therefore the relative risk to the aquifer as a drinking water supply. TCEQ should not issue any permit

³ In its July 6, 2016, comments, the District provided a technical report indicating recharge of the Trinity Aquifer from Onion Creek. That report has now been published: Hunt, B.B., A.S. Broun, D.A. Wierman, D.A. Johns, and B.A. Smith, Surface-Water and Groundwater Interactions Along Onion Creek, Central Texas: Gulf Coast Association of Geological Societies Transactions, 66th Annual Convention, September 18-20, 2016, Corpus Christi, Texas (Accessible at: http://bseacd.org/uploads/HuntEtAl_2016.pdf)

that would allow direct discharges to Onion Creek until the ongoing investigations confirm how the Middle Trinity Aquifer may be appropriately protected. Aquifer Protection is a designated use for Stream Segment 1427, and TCEQ's draft permit does not conform to this standard.

8. **Elevated Nitrate-N concentrations at the Edwards Aquifer recharge zone boundary will enter the Edwards Aquifer as direct recharge and put this designated sole-source supply at risk.** Once in the aquifer, little dilution or attenuation of elevated nitrate (see Comment 2 above) may occur before it is withdrawn by public and private wells within the District and by discharge at Barton Springs. More than 60,000 Central Texans within the District rely upon the Edwards as a water supply and value its high quality, and many consider that groundwater a property right to be protected. The lack of a Total Nitrogen limit, even with (and perhaps because of) a lower Ammonia-N limit, will increase the Nitrate – N concentrations to levels that exceed safe drinking water standards in the receiving stream and in the aquifers that it recharges within the District.
9. **The District has a statutory obligation to protect recharge quality under its governing Texas Water Code Chapter 36.** Discharge of wastewater to Onion Creek under the terms of the draft permit would demonstrably not be protective of recharge water quality, and therefore may cause “waste” (as defined in Texas Water Code §36.001) requiring extraordinary action by the District to oppose and/or compel modification of the permit. A permit that reasonably provides such protection of groundwater recharge and its use may not.
10. **Degraded water quality in the Edwards is inconsistent with the protection of the endangered species that reside in the Edwards Aquifer and are dependent on high water quality.** The District's endangered-species draft habitat conservation plan (HCP) measures, which are already part of its Management Plan and will soon become part of its prospective Incidental Take Permit (ITP) from the U.S. Fish and Wildlife Service (USFWS), require it to minimize the amount of take of two endangered species of salamander that may occur as a result of the District's activities. As required by its HCP, the District must protect the Edwards Aquifer from risk of potential contamination to the extent feasible and therefore it opposes a direct discharge that may unreasonably and unnecessarily impair water quality in the Edwards Aquifer that could compromise the habitat of the two endangered species of salamander. It should be noted that the prohibition on take of an endangered species is a federal requirement that applies to any entity in the U.S., public or private. The discharge of wastewater by the City under TCEQ's draft permit provisions could reasonably be considered as producing unauthorized take, which in turn could require its own ITP and HCP, or at least a consultation and agreement with the USFWS, to allow such action to occur legally. The

District has not been apprised that this communication has occurred, as necessary to assess impact of the draft permit on the efficacy of the District's or the City of Austin's HCP and their respective conservation measures and recommend responsive actions by the FWS concerning the draft permit.

Inadequate Treatment Technology to Achieve Effluent Limits

- 11. The proposed four-stage Bardenpho treatment train is not designed to be able to meet the effluent limits in the draft permit.** The proposed four-stage Bardenpho process may have the benefit to the City of being inexpensive but it is incapable of meeting the effluent limitations in the draft permit, so it is isn't feasible and shouldn't be considered further. The City has not specified what it intends to use in lieu of the Bardenpho process, but that is a key element in the City's ability to avoid impairing the water quality in Onion Creek. Even a Modified (five-stage) Bardenpho will not reliably achieve the Phosphorus effluent limit specified in the draft permit (and would produce much larger volumes of sludge attempting to minimize Phosphorus), so another technology is required. It should be noted that a Membrane Biological Reactor (MBR) was specified and utilized in Belterra, and therefore could be a rational choice that provides an acceptable level of effluent treatment under certain conditions. Further, an MBR may be a cost-saving front end to a Direct Potable Reuse system when compared to a Bardenpho front-end, and thereby promote use of DPR, which the City professes to want as a future water supply. In any event, a substantive change in the proposed treatment technology is required, and it is such a significant deviation from the basis of the TCEQ's Notice and Preliminary Decision that the regulatory process should be re-initiated to ensure adequate and appropriate analysis by both TCEQ and the public as to the City's ability to comply with the more stringent standards than it originally proposed.
- 12. The phasing of the authorized volumes in the TPDES permit is inconsistent with the City's stated construction plans.** Until a new unit with all of the new technology is operational, which has been specified to have a treatment volume of one-half of the ultimate amount, or 497,500 gallons per day (gpd), the City will be unable to meet the effluent limits in the TPDES permit for direct discharge. So the specification of an initial permit phase for 399,000 gpd is unnecessary. A TLAP, not a TPDES permit, would be required as the alternate effluent disposal method under Section 210 to permit that Phase 1 amount, as direct-discharge would not then be allowable. So a TPDES permit phase of anything less than 495,000 gpd, under the current construction plan, is not warranted as its discharge limitations aren't achievable. The second half of the ultimate amount, i.e., the other 497,500 gpd, will be provided by the conversion of the existing plant to a twin of the one treating the first half, so it isn't available for a Phase 1. It seems like only two

TPDES permit phases are needed or supportable, under the current construction plans. But the City would need to acquire a new TLAP for disposal of the Phase 1 amount if such a volume is required to be treated before the new plant is constructed.

- 13. Specification of a Class C operator for a complex treatment plant in this setting is inappropriate.** Regardless of what treatment technology is ultimately employed, this will be a complex facility to achieve the requisite removals to protect a sensitive stream on a sustained basis, so an experienced Class A operator should be a specified requirement. Further, the complexity of the plant's daily and hourly operation will require a robust SCADA instrumentation and control system, which also should be a specified permit term to avoid/minimize upset conditions and ensure water quality protection at all times.
- 14. The draft permit does not consider the extraordinary impact of upset conditions that accompanies approving direct discharge.** "Upset" conditions from a wastewater treatment plant where poorly treated and even untreated wastes are released are historically proven to periodically occur. The poorly treated or untreated sewage resulting from these periodic upsets could have immediate and lasting effects on Onion Creek, the Trinity Aquifer, the Edwards Aquifer, and even Barton Springs. True upset conditions were not considered in TCEQ's evaluation or in the City of Austin's modeling evaluations, but reasonable extrapolation of the results indicates that such conditions would certainly degrade the overall surface and groundwater quality. The presence of an outfall makes the adverse impacts of upsets, especially over time, easily conveyed off-site via the receiving stream, rather than contained and mitigated with on-site or in storage. Once such a discharge enters an aquifer, the pollutants from the off-spec effluent would not benefit much from dilution or assimilation, especially during low water-level conditions and may have detrimental and long lasting effects on the receiving stream and the aquifers.

Inadequate Minimization of Effluent Volumes to Be Direct Discharged

- 15. No required storage is specified in the draft permit.** Other than incidental storage provided by the treatment process units, the draft permit has no requirement to store effluent, which hinders the ability to avoid direct-discharge if re-use is immediately or temporarily unavailable. This absent requirement maximizes the amount of wastewater to be discharged regardless of other conditions. If TCEQ is unwilling to specify minimum streamflow conditions as a prerequisite for direct discharge in the permit (as it did with Belterra), then it should require the City to perform a comprehensive water balance and specify an appropriate storage volume that would maximize re-use and

minimize direct discharge frequency and volume. This permit-mandated storage could be on-site, distributed off-site, or a combination, at the City's discretion.

- 16. Direct discharge frequency and volumes could be minimized by including minimum storage requirements and commitments to firm-demand beneficial reuse as conditions of the permit.** As described by City officials, the City has contracts for re-use of its effluent for spray irrigation that are non-recourse: the contracted entities are required to take the effluent at the volume contracted, if the City can't otherwise utilize it or dispose of it. These entities would accordingly need to have their own storage facilities to provide the necessary buffer. Such distributed storage likely obviates the need for direct discharge to these sensitive streams except under rare and specified conditions, as is the case with Belterra. (Section 210 authorizations could specify a requirement for defined volumes in each of these distributed locations; the TPDES could specify the aggregate amount.) TCEQ should require the TPDES permittee to have access to and mandate the use of enough aggregate storage (and/or TLAP-permitted subsurface irrigation) to avoid or minimize direct discharge of wastewater and allow it to be a last resort as the City proclaims to intend, rather than a first resort and/or at the sole discretion of the permittee.

Conclusion

For the reasons set forth above, the District concludes that TCEQ has in fact not met its acknowledged burden to issue a draft permit that (a) meets all state and federal legal and technical requirements, and (b) protects human health and safety, the environment, and physical property. Further, the draft permit lacks the provisions of the comparable Belterra TPDES permit that were previously determined as required to prevent degradation of a receiving stream similar to Onion Creek beyond a *de minimis* level. No rationale for this difference was provided in the record, therefore, the District reasonably concludes that the draft permit does not comply with the TCEQ's Anti-degradation Policy.

The District therefore requests that TCEQ reconsider its Preliminary Decision and its draft permit by revising its preliminary anti-degradation review and amending the draft permit to include the necessary provisions that are protective of the existing and future uses and users of the receiving stream compliant with the TCEQ's Anti-degradation Policy. The District is pleased that TCEQ is holding a public meeting on this matter, which will help ensure the local public is aware of both the City's proposal and the possible and likely impacts of TCEQ's decision-making on the surface water and groundwater, and that the public is better informed to timely comment on them. However, if the District's concerns remain substantially unresolved, the District also intends to formally request a contested case hearing on the draft permit following TCEQ's response to comments.

The District continues to stand ready to assist the applicant and TCEQ in this endeavor. However, it also stands ready now to pursue the necessary protective measures through other means, if required.

Respectfully submitted

A handwritten signature in black ink, appearing to read "John T. Dupnik". The signature is stylized with a large initial "J" and "D".

John T. Dupnik, P.G.
General Manager

A handwritten signature in black ink, appearing to read "Blayne Stansberry". The signature is written in a cursive style.

Blayne Stansberry,
Board President

Attachment A

COMPARISON OF TPDES PERMIT PROVISIONS: BELTERRA AND CITY OF DRIPPING SPRINGS

Comparison of Permit Provisions on Direct Discharges in Edwards/Trinity Contributing Zone

	Belterra Draft TPDES Permit (before settlement)	Belterra Final TPDES Permit (with settlement terms)	Dripping Springs Pre- Draft TPDES Permit	Notes/Comments on D/S Pre-Draft Permit
1. TPDES Permittee	Hays County WCID No. 1	Hays County WCID No. 1	City of Dripping Springs	
2. Permit Term/Renewal	Standard 3-year term; upon notice/application, auto renewal if no changes/non-compliance	Standard 3-year term; upon notice/application, auto renewal if no changes/non-compliance	Term now ends 9/1/2019, which is close to start of new WWTP operation; auto renewal if no changes/non-compliance	D/S requesting delayed start of permit term
3. Receiving Stream	Bear Creek main stem, immediately below Belterra development	Bear Creek main stem, immediately below Belterra development; no direct discharge known to have yet occurred	Walnut Springs Creek, thence to Onion Creek main stem	About one-half mile of wastewater flow in Walnut Springs Creek, nearly all within Calterra development
4. Outfall Location	Recharge zone of Upper Trinity and possibly Middle Trinity; contributing zone of Edwards, 8 miles upstream of its recharge zone	Recharge zone of Upper Trinity and possibly Middle Trinity; contributing zone of Edwards, 8 miles upstream of its recharge zone	Recharge zone of Middle and Upper Trinity; contributing zone of Edwards, about 19 miles upstream of its recharge zone	Direct Onion Creek recharge to Middle Trinity indicated, quantity and conditions for recharge not yet confirmed
5. Discharged Effluent Volume, Final Daily Average Flow	Up to 500,000 gpd	350,000 gpd permitted for direct discharge	995,000 gpd	Timing issue: Initial permit phase for 399,000 gpd will be before new plant unit is complete to achieve the direct-discharge effluent limits and therefore will require modification of existing TLAP. Second

	Belterra Draft TPDES Permit (before settlement)	Belterra Final TPDES Permit (with settlement terms)	Dripping Springs Pre- Draft TPDES Permit	Notes/Comments on D/S Pre-Draft Permit
6. Effluent Limitations ⁴	Initially, 5-5-2-1, no Total N limit. TCEQ later changed TP to 0.15 mg/L	5-5-2-0.15, with Total N of 6 mg/L. Total P of 0.3 mg/L (rather than 0.15 mg/L) when discharge 2 or fewer days/month. Nominally this would comply with Antidegradation Policy, per SOAH finding	5-5-1.2-0.15, without Total N limit; no Sulfate limit. TCEQ says this complies with their Antidegradation Policy	phase of 497,500 gpd will use new unit that will nominally be able to achieve limits TCEQ says possibly elevated sulfate source in influent is not problematic; D/S originally requested a 5-5-2-0.5 and 5 mg/L DO. D/S requesting a conditional 0.3 mg/L Total P similar to Belterra.
7. Treatment Technology	Membrane Bioreactor	Membrane Bioreactor with Denitrification; specifies UV for disinfection unless better available; all wastewater to be treated with MBR and denitrification regardless of intent to direct-discharge it	Four-stage Bardenpho, with external carbon and alum addition; uses less ecologically sound Chlorine for disinfection	D/S treatment train based on its requested limits, not as proposed. Bardenpho cannot achieve 0.15 mg/L P reliably
8. WWTP Operator Licensing	Class C	Class A	Class C	Bardenpho with various proposed chemical additions needs both a SCADA and a Class A operator
9. Storage Requirement	Yes; on-site impoundment for hydraulic equalization	Yes; on-site 5.25MG (15 days) lined pond or tank plus additional 1.75 MG (5	None	

⁴ For Carbonaceous Biochemical Oxygen Demand (5-day) – Total Suspended Solids – Ammonia-Nitrogen – Total Phosphorus, respectively, in mg/L on a 30-day average basis. All have same Coliform and DO limits. For D/S permit, only final-phase limits are shown; interim-phase limits for N are somewhat higher.

	Belterra Draft TPDES Permit (before settlement)	Belterra Final TPDES Permit (with settlement terms)	Dripping Springs Pre- Draft TPDES Permit	Notes/Comments on D/S Pre-Draft Permit
10. Restrictions/ Conditions for Discharge	None	No direct discharge unless 1) stream flow is > 14 cfs, 2) storage pond is full, or 3) spray fields are frozen/saturated	None	
11. Associated TLAP/Ch. 210 Authorization	Abandoning drip irrigation under TLAP even though it reduces volume subject to direct discharge; discretionary 210 reuse for spray irrigation within Belterra	Continuing 150,000 gpd of drip irrigation under TLAP reduces volume subject to direct discharge; mandatory 210 reuse for spray irrigation within Belterra. Mandatory installation of soil moisture monitors near creek buffer zones.	210 reuse not required. Will abandon modified TLAP for on-site irrigation within 30 days of new plant startup	Discretionary 210 reuse planned for irrigating municipal parklands and other properties, including Caliterra. No details yet available
12. Externally Generated Wastewater Included?	Yes, on a limited basis	Prohibited	Yes	More than half of D/S wastewater will come from outside City -- designed to be regional WWTP
13. TPDES Permit Reporting Requirements	Monthly self-reporting, now via online system at TCEQ, of Average Daily and Max Grab results of all sampling;	Monthly self-reporting, now via online system at TCEQ, of Average Daily and Max Grab results of all sampling; Permit holder must share all monitoring reports with parties to settlement	Monthly self-reporting, now via online system at TCEQ, of Average Daily and Max Grab results of all sampling; Before startup, City must submit final engineering reports, plans, and specs to clearly show how treatment process will be able to meet applicable	D/S wants to provide engineering reports only if/as requested by TCEQ, rather than as a mandatory permit provision/requirement

	Belterra Draft TPDES Permit (before settlement)	Belterra Final TPDES Permit (with settlement terms)	Dripping Springs Pre- Draft TPDES Permit effluent limits	Notes/Comments on D/S Pre-Draft Permit
14. Mandated Monitoring Studies and Responses to Outcomes⁵	None.	Ongoing instream WQ monitoring, to be paid by Permit holder for first 18 months following first discharge and by other parties thereafter, and statistical analysis that triggers specific defined remedial actions ⁶ by the Permit holder if agreed protections are not achieved	None volunteered by D/S. TCEQ requiring effluent analysis of Nitrate-N within 90 days of startup, to assess need for Nitrate-N effluent limits/monitoring	D/S requesting that effluent sampling and analysis for Nitrate be done only when the plant is treating effluent at quality required for direct discharge. D/S requesting that N and P effluent monitoring only be required during direct discharge
15. Supporting Water Quality Modeling Studies	Preliminary generic QUAL- TX modeling of DO under steady state conditions without nutrient cycling	Extensive DO and ecological modeling provided by multiple parties before and after permitting/settlement	None known in support of permit application. COA's dynamic WASP modeling demonstrates change in trophic status in Onion Creek and elevated Nitrate at Edwards recharge zone boundary	D/S appears to assume that asserting they will meet effluent limits is all that is required

⁵ In addition to standard required effluent monitoring and reporting

⁶ Remedial action is to 1) construct an additional 1.75 MG (5 days) storage or 2) reduce effluent by equivalent amount.

Item 5

Adjournment