

## 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 20, 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 October 6, 2016 regular Meeting. **Not for public review at this time**
    3. Approval to endorse the Austin Children's Outdoor Bill of Rights to encourage interaction between children and the natural world. **Pg. 10**
  - 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. Update on Team activities and highlights
      - ii. Update on regulatory and enforcement activities

- 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. Update on activities related to the Travis County PGMA
- vii. Update on interim legislative activity

**4. Presentation.**

Presentation on aquifer testing and well development procedures associated with Electro Purification's District-approved test wells and aquifer test work plan. **Pg. 13**

**5. Discussion and Possible Action.**

- a. Discussion and possible action related to the role of Board committees and the committee structure and makeup. **Pg. 19**
- b. Discussion and possible action related to an offer of compensation by the Hays Caldwell Public Utility Agency for easements on District property. **Pg. 21**
- c. 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. **NBU**

**6. Directors' Reports.** *(Note: Directors' comments under this item cannot address an agenda item posted elsewhere on this agenda and no substantive discussion among the Board Members or action will be allowed in this meeting. Communications reported under this item may be used to support Performance Standard 4-1 of the District's Management Plan related to demonstration of effective communication with District constituents.)*

Directors may report on their involvement in activities and dialogue that are of likely interest to the Board, in one or more of the following topical areas:

- Meetings and conferences attended or that will be attended;
- Committee formation and updates;
- Conversations with public officials, permittees, stakeholders, and other constituents;
- Commendations; and
- Issues or problems of concern.

**7. Adjournment.**

**Please note:** This agenda and available related documentation have been posted on our website, [www.bseacd.org](http://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 October 6, 2016 Regular Meeting.**
- 3. Approval to endorse the Austin Children's Outdoor Bill of Rights to encourage interaction between children and the natural world.**

AUSTIN CHILDREN'S  
**OUTDOOR  
BILL *of* RIGHTS**

In which every child has the right to:

**Climb** a tree

**Catch** a fish

**Picnic** in a park

**Hike** a trail

**Ride** a bike

**Splash** in a creek or river

**Discover** plants and wildlife

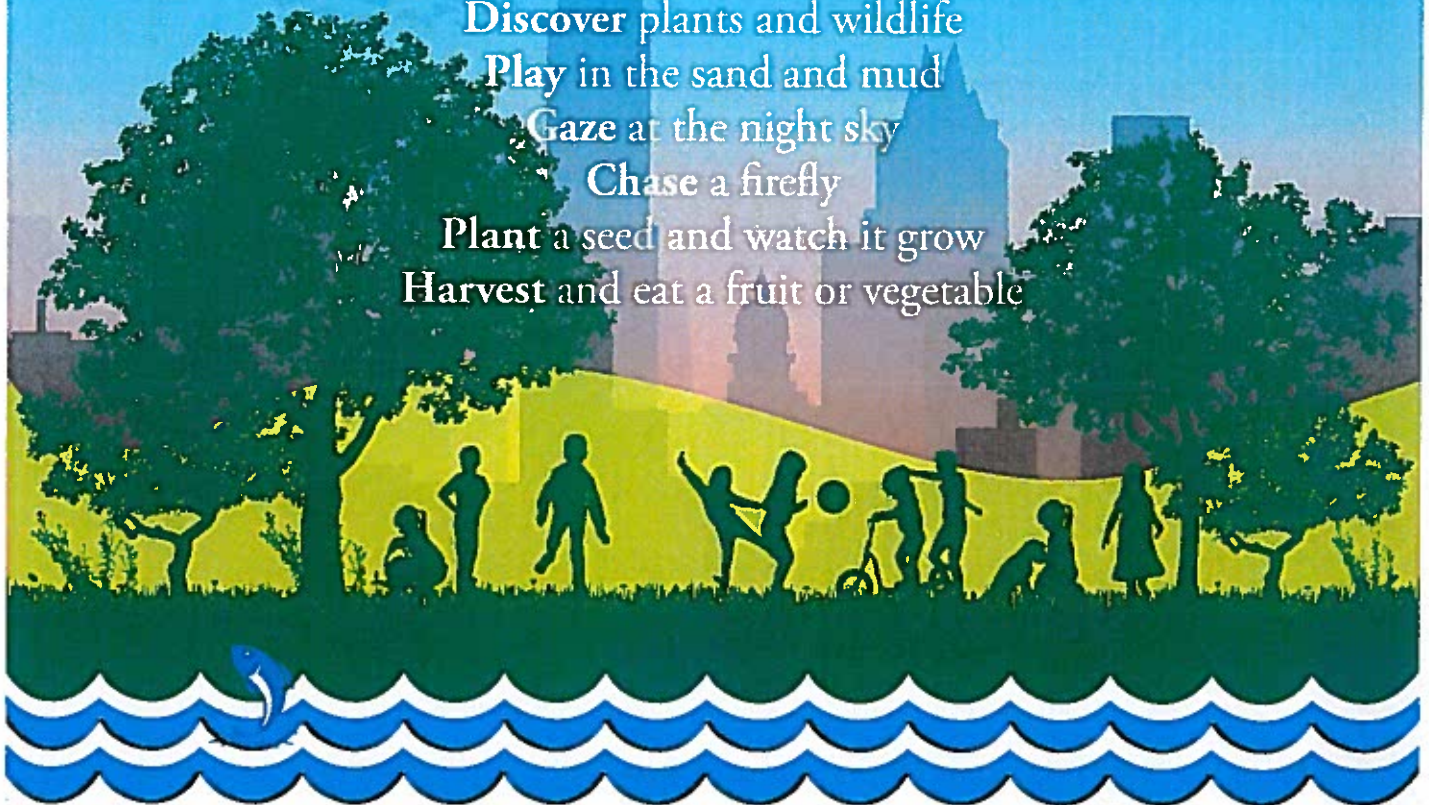
**Play** in the sand and mud

**Gaze** at the night sky

**Chase** a firefly

**Plant** a seed and watch it grow

**Harvest** and eat a fruit or vegetable



Understanding that research shows children who learn and play in nature are healthier, happier and perform better in school, we enthusiastically support this Children's Outdoor Bill of Rights.

Learn more at [www.austintexas.gov/ccn](http://www.austintexas.gov/ccn)



Children in Nature  
Collaborative of Austin



## **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. Update on Team activities and highlights**
- ii. Update on regulatory and enforcement activities**
- 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. Update on activities related to the Travis County PGMA**
- vii. Update on interim legislative activity**

## **Item 4**

### **Presentations**

**Presentation on aquifer testing and well development procedures associated with Electro Purification's District-approved test wells and aquifer test work plan.**



### Review Process for Electro Purification's Test Well Permit Application

On March 15, 2016, Electro Purification withdrew their Temporary Permit application (originally filed on September 18, 2015) and submitted a Test Well Permit application package. The applicant submitted the request to complete an aquifer test on three of the six existing test wells. The applicant intends to use this aquifer test data to support a future Production Permit application and to develop a Hydrogeological Report. The applicant provided materials describing the proposed aquifer-test work plan, and upon review the District requested additional information and details on the aquifer testing and well development procedures. In response to the request, the applicant submitted a revised work plan and descriptive statement. The application and proposed work plan satisfied the District's aquifer testing guidelines and administrative completeness requirements; therefore, the General Manager approved the Test Well Permit request on September 21, 2016.

Test wells may be authorized under a District General Permit which may be approved by the General Manager and is not subject to notice or hearing requirements. In accordance with the General Permit requirements, this test well authorization allows Electro Purification to complete an aquifer test during a specific timeframe and authorizes a specific volume of groundwater that can be produced for the aquifer test. The authorization for groundwater production for the aquifer test under the General Permit expires once the test is complete. The wells are required to be plugged or permanently completed within six months from the completion of the aquifer test, unless Electro Purification reapplies for authorization to conduct further Aquifer evaluation. If Electro Purification intends to permanently complete the test wells, it will need to submit a Well Drilling/ Modification Application. If it intends to produce groundwater from a well for beneficial use it will need to submit a Production Permit Application along with a Hydrogeological Report. The permit volume and conditions will be informed by the aquifer test results summarized in the Hydrogeological Report. Both of those applications are subject to District Rules and Board actions.

<b>Timeline</b>	
3/16/16	Electro Purification submits Test Well Permit Application
7/25/16	Electro Purification submits addendum material on descriptive statement and work plan
8/30/16	BSEACD requests additional information from applicant
9/1/16	Electro Purification submits a response to staff's requested information
9/21/16	General Manager approves applicant's Test Well Permit application
10/20/16	Well Development (acidization) begins. Applicant will also provide the Board with a brief summary of the aquifer testing and acidizing procedures
Mid to late Oct.	Well Development/Aquifer Testing commences

### General Summary of Well Development/ Aquifer Testing Procedures

Typically, an aquifer test and Hydrogeological Report are performed on wells that are permanently completed. Alternatively, the District's Rules allow for an aquifer test and report to be completed on temporarily completed test wells. However, the applicant must employ an alternative well design during the aquifer testing, such that it is representative of permanent completion.

Electro Purification will utilize a Baski packer design during the aquifer test to isolate the target production zone (Middle Trinity – Cow Creek Formation) in three of the temporarily completed test wells. In preparation for the aquifer test, the test wells will be acidized and flushed to develop the wells and then the packer and pump will be installed. The following describes Electro Purification's procedures for well development and aquifer testing:

1. **Background water levels and water quality sampling data will be collected from specific community monitoring wells prior to acidization/ aquifer testing.**
2. **Well Development/Acidization begins.** The three wells to be tested will be developed using acidization procedures one at a time prior to the initiation of their respective aquifer tests:
  - Each of the three wells will be acidized by incrementally injecting 10,000 gal of hydrochloric acid (HCL) (28% aqueous solution) into the well's producing Cow Creek interval.
  - 60,000 gal of water will be incrementally flushed into the well via tremmie pipe. The well will sit for two days to allow pressure to reduce as well as allow the acid to react and neutralize while the pump and packers for the aquifer test are installed. The source water for the flushing procedure will be groundwater from an onsite well.
3. **Aquifer Test/Purging begins.** The three wells to be tested will be producing water during the testing which will occur over the course of eight to ten weeks.
  - The well will be purged until there is no trace of acid inhibitors or HCL. Discharge water will be collected into a holding tank and buffered with additions of potash until pH reaches 6.5. The permittee will collect pH and conductivity/TDS readings prior to releasing the discharge water to the ground surface.
  - During acidization the District staff will monitor field parameters from nearby domestic monitoring wells, as well as from the wells being tested (pH and conductivity).
  - Post-testing water chemistry samples will be collected both from several nearby domestic monitoring wells and the wells being tested after acidization/aquifer testing.
  - After acidization, each well will be pumped to purge the injected fluid and this purging will begin the aquifer testing.

- Each well will be pumped for five days at 500 gpm; then the well will be allowed to recover. Aquifer levels will be monitored both in each of the test wells, as well as in nearby monitoring wells.
- The acidizing, purging and aquifer testing process will be repeated for the remaining two wells to be tested. Mobilization, testing and recovery, and demobilization will take approximately 10-14 days for each well tested.
- The total volume pumped for all three wells will be approximately 10,000,000 gallons.
- Once pH and conductivity/TDS have stabilized, water that is produced during the aquifer test will be released onto the ground surface and flow through natural surface water flow paths to natural stock ponds or tributaries at the project site.

### Acidization of Wells

In Texas, the most commonly used practices that involve acid injection into wells are for well rehabilitation, well development, and oil and gas production. Well rehabilitation typically involves injecting an aqueous acid solution into the screened interval of the well casing. The acid will react with the mineral or bacterial build up on the screen and essentially open up the slots in the casing to improve flow. Acidization for well development purposes in carbonate (limestone) aquifers involves injecting an aqueous acid solution into an open borehole well to increase the production capabilities of the aquifer around the well. An inhibitor is added to the acid solution to prevent the acid from reacting with metals (such as pipes and pumps). When an aqueous HCL solution reacts with limestone, the calcium carbonate is dissolved (producing carbon dioxide and water), which can improve the permeability of the aquifer around the well. The oil and gas industry also uses regulated acid application techniques to improve production from geologic formations that contain oil and gas. Each of these applications involves different techniques, different regulatory oversight and different types of acid solutions.

In Central Texas, acidization techniques are a fairly common practice for developing and rehabilitating groundwater wells in carbonate aquifers such as the Edwards and Trinity Aquifers.

### Frequently Asked Questions

#### **When will the acidizing/ aquifer testing get started?**

An exact date is still to be determined. Staff expects the procedures to commence in mid to late October 2016. Electro Purification will notify the District prior to commencement of acidation for each well. The District will update the website once a date is decided.

#### **Who regulates acidizing procedures of groundwater wells and does the GCD have control over those procedures?**

The District's regulatory authority of well acidizing procedures is mainly limited to consideration of the risk for waste (contamination) of groundwater and compliance with the District's well construction standards. Such consideration involves review of a well design plan and the proposed procedures for well development associated with well construction. The District considers well acidizing to be a common well development practice that poses very low risks to the aquifer and surrounding well owners.

Acidizing procedures for well development of Public Water Supply wells falls within the purview of the Texas Commission on Environmental Quality (TCEQ). There is a well design and authorization review process at TCEQ specifically for groundwater public supply wells. TCEQ does not consider well development acidizing procedures to be an injection well application and, therefore, does not require an injection well permit.

The short answer is that there is little regulation on acidizing wells for permeability, rehabilitation, or for oil and gas production. TCEQ has some guidance as well as the Railroad Commission. However, the District has no specific regulations or construction standards focused on requirements for acidization but does review proposed well development procedures to ensure any risk of adverse effects is low.

#### **How far will this acid travel and will it affect my drinking water?**

It is difficult to quantify and determine how far the aqueous acid solution will travel. For this specific project, the District estimates an aquifer impact radius of 15ft around each borehole. These are estimates based on scientific calculations used for underground injection wells. Because the Trinity is a karst aquifer, it is possible for any substance or solution to travel further through the aquifer. We understand that the 28% HCL solution used for this procedure reacts quickly and stabilizes in the first 24 hours. A well owner might temporarily experience more mineralization in their water, which gives a noticeable taste difference. The risk of local well owners experiencing harmful effects from this particular acidization job are relatively low. In addition to monitoring the test well, District staff will be monitoring nearby domestic wells for any indication of water quality changes.

#### **Where is all the flushed out water (acid discharge water) going to go?**

The acid is injected into the well in increments along with 60,000 gallons of water to force the acid into the formation. Once the acid has reacted and mixed within the formation for approximately two days, the well is pumped and the discharge water is captured in a location not on the ground surface, but rather in a trailered vehicle with an open collection tank. The water sits in that holding tank until it buffers to a 6.5 pH. Once it buffers, the water is released onto the ground surface at the project site, and to natural flow paths that may naturally reach nearby tributaries or water features. It is expected that the acid volumes and discharge water will be significantly diluted with the volumes of produced water resulting from the aquifer testing.

#### **Who regulates the discharge water resulting from well acidizing procedures?**

Discharge of process water or wastewater to surface waters of the state falls within the purview of the TCEQ. If TCEQ determines that a process produces discharge water that 1) constitutes waste as defined by TCEQ, or 2) has the potential to degrade groundwater or surface water quality or be detrimental to human health and safety as determined by TCEQ, then TCEQ will require a permit.

It is the responsibility of the applicant and its licensed drilling contractors, licensed hydrogeologists, project managers, and landowners who designed and developed these plans, to secure any other applicable permits or authorizations and take the appropriate safeguards to ensure compliance with other applicable rules and requirements of the District and State. EP will be coordinating with TCEQ to ensure that all aspects of the procedure including disposal of the produced water are in compliance with TCEQ requirements.

**Will the District monitor my well during the aquifer test?**

Both the applicant and the District will monitor specific wells for water level fluctuations and water quality changes. Approximately 20 wells will be monitored, some of which will also be monitored for water quality. These wells have already been reviewed by BSEACD staff and the applicant and deemed as geologically representative and appropriate for monitoring.

## **Item 5**

### **Board Discussions and Possible Actions**

- a. **Discussion and possible action related the role of Board committees and the committee structure and makeup.**



**Board Committees**  
(Updated 10-14-16)

The Board has established a committee system with standing and *Ad Hoc* Committees to coordinate the Director’s non-quorum discussions and attendance in meetings related to certain high-priority topics affecting the District. These Committees have generally been designated with two primary Director representatives and alternates where other Directors may have an interest. The Board may also opt to designate the entire Board as a Committee of the whole for certain high-priority topics or events of interest to all the Directors.

The Committees assist the General Manager in coordinating non-quorum director discussions and offer a constructive means of getting Board direction and forwarding progress on District initiatives. This initial committee structure was adopted in February of 2016. Factors considered in the Committee make up include: 1) proximity to precinct, 2) knowledge base, 3) interest level and 4) availability. The following suggested changes including consolidation or elimination of certain committees offered by the GM for Board consideration. The Board may also consider formation of new committees including a standing Budget and Finance Committee and an Ad Hoc Management Plan committee.

	Mary Stone (pct 1)	Blayne Stansberry (pct 2)	Blake Dorsett (pct 3)	Bob Larsen (pct 4)	Craig Smith (pct 5)
<u>SH-45TxDOT Consent Decree*</u>	A2	P	A3	P	A1
<u>Other TxDOT projects</u>	<del>A2</del>	<del>P</del>	<del>A3</del>	<del>A1</del>	<del>P</del>
<u>General Legislative Agenda*</u>	A1	P	A3	P	A2
<u>EP/Annexation Shared Territory</u>	P	P	A2	A1	A3
Alternative Supplies (Desal/ASR/ <u>Recharge</u> )	A3	A2	A1	P	P
HCP/EIS*	A3	A1	A2	P	P
<u>Recharge Enhancement/Flood Control</u>	<del>A2</del>	<del>A1</del>	<del>A3</del>	<del>P</del>	<del>P</del>
<u>Facilities Upgrades</u>	<del>A2</del>	<del>P</del>	<del>A1</del>	<del>A3</del>	<del>P</del>
Rules*		P		P	
<u>30<sup>th</sup> Anniversary</u>	<del>P</del>	<del>P</del>			

\* = Standing subcommittee, P = Primary, A1, A2, A3 = Alternates in order

## **Item 5**

### **Board Discussions and Possible Actions**

- b. Discussion and possible action related to an offer of compensation by the Hays Caldwell Public Utility Agency for easements on District property.**





Consultant to Hays Caldwell Public Utility Agency

**Offer Letter**

October 12, 2016

Certified Mail Return Receipt Requested  
Article # 7015 1520 0002 8885 7430

Barton Springs/Edwards Aquifer Conservation District  
Attn: John Dupnik  
1124-A Regal Row  
Austin, Texas 78748-3701

RE: Hays Caldwell Public Utility Agency, Phase 1A Project, Parcel 25

Dear Mr. Dupnik,

As you may know, Hays Caldwell Public Utility Agency (HCPUA) is in the process of installing a water line in your area in the near future. To this end, it is necessary for HCPUA to acquire easements from your property. Attached, please find the surveys describing areas to be acquired.

Based on an appraisal made by an independent appraiser, HCPUA is authorized to offer you **\$19,235.00** for your property, which includes \$15,829.00 for the permanent Waterline Easement, \$1,646.00 for the Permanent Access Easement and \$1,760.00 for the Temporary Construction Easement. This amount is the total amount of just compensation for the easement portion of your property to be acquired, as determined in accordance with State law, less oil, gas and sulphur, subject to clear title being conveyed to HCPUA.

If you wish to accept the offer based upon this appraisal, please contact Jeanne Ganley, at (512) 338-2727, so that the process of issuing your payment may be started. If you are not willing to accept this offer, you may submit a written request for administrative settlement/counteroffer, setting forth a counteroffer amount and the basis for such amount, provided such settlement request is received in writing within 30 days from the date of this letter. *Please note that your opportunity to submit an administrative settlement shall be forfeited if such a settlement request is not received by HCPUA within the 30 day time deadline.*

In the event the condition of the property changes for any reason, the HCPUA shall have the right to withdraw this offer. In addition as an entity possessing eminent domain authority, the HCPUA is required by law to inform you of your rights as stated in the attached Texas Landowner's Bill of Rights provided by the Office of the Texas Attorney General and HUD brochure.

Respectfully,

David Baylor  
Right of Way Project Manager  
Lockwood, Andrews & Newnam, Inc.

Enclosures:

- Surveys (metes and bounds) (2)
- Appraisal Report
- Texas Landowner Bill of Rights
- When a Public Agency Acquires your Property
- Information About Brokerage Services (IABS 1-0)

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## ***INTRODUCTION***

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**INTRODUCTION**

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**SUBJECT PROPERTY PHOTOGRAPHS**

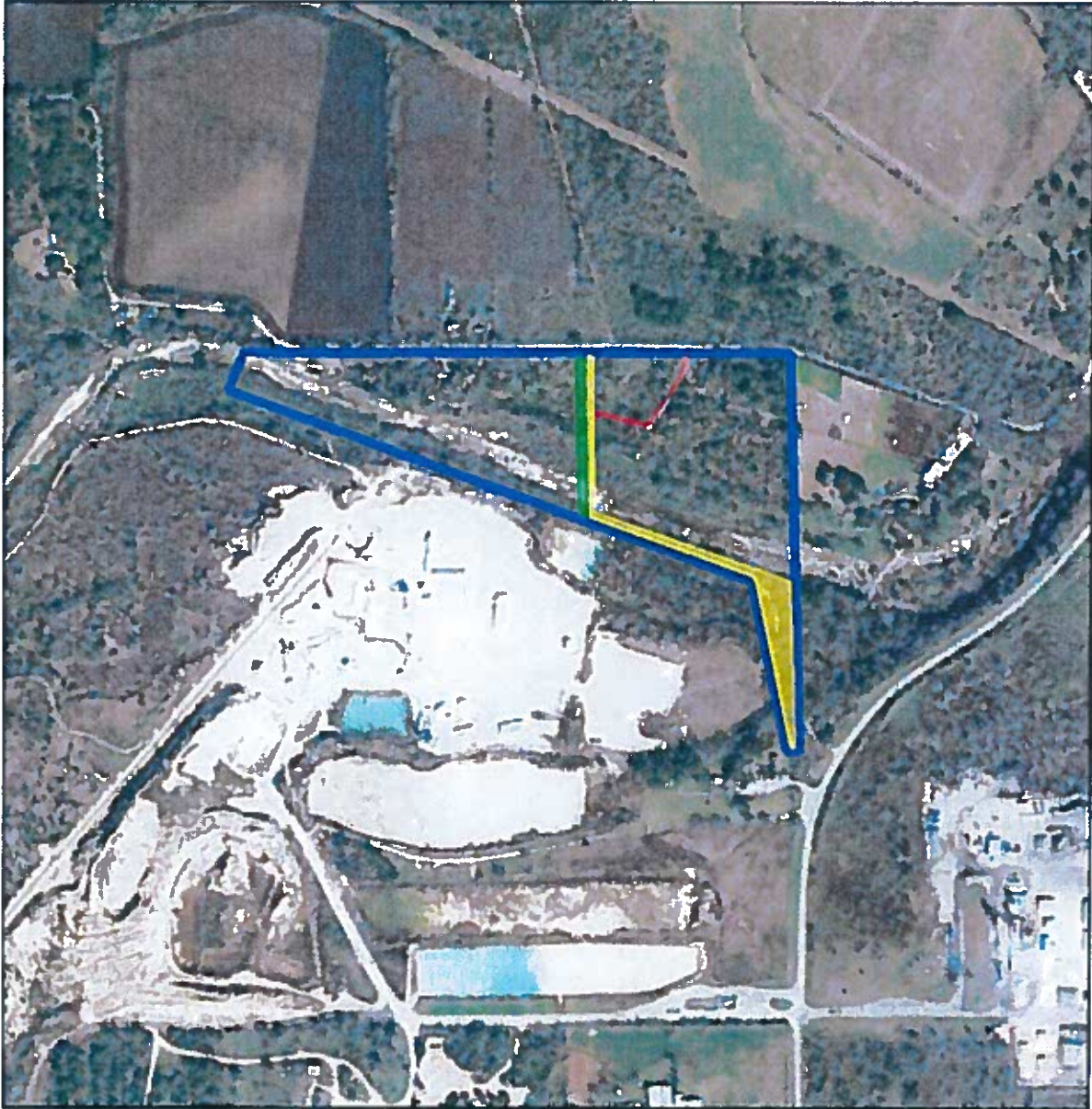


**AERIAL PHOTOGRAPH**

Source: Google Maps  
Blue: Subject property boundary (estimated by appraiser)

## INTRODUCTION

### SUBJECT PROPERTY PHOTOGRAPHS



**AERIAL PHOTOGRAPH**

Source: Google Maps

Blue: Subject property boundary (estimated by appraiser)

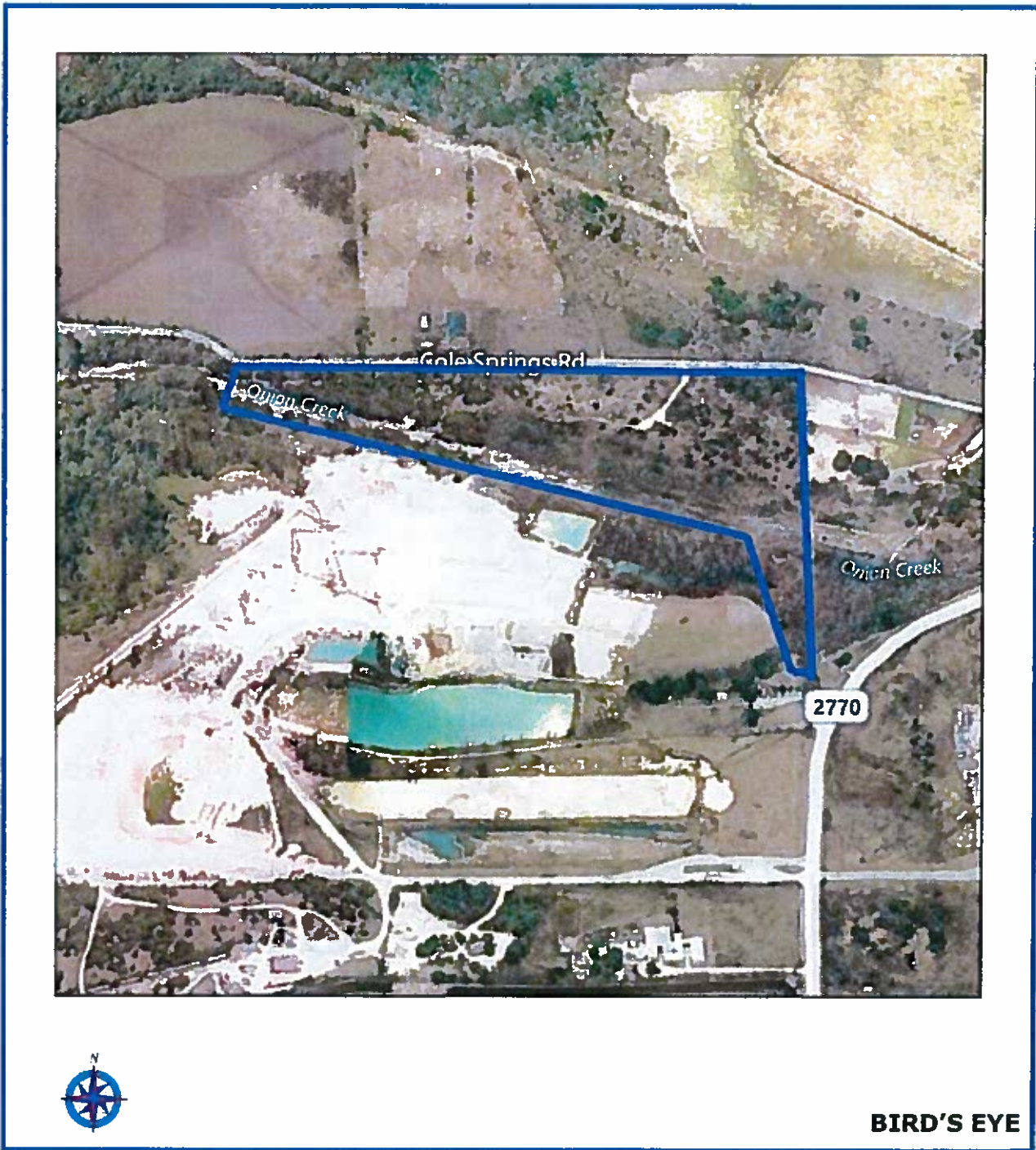
Yellow: Proposed permanent waterline easement (estimated by appraiser)

Red: Proposed permanent access easement (estimated by appraiser)

Green: Proposed temporary construction easement (estimated by appraiser)

**INTRODUCTION**

**SUBJECT PROPERTY PHOTOGRAPHS**



Source: Bing.com  
Blue: Subject property boundary (estimated by appraiser)

**INTRODUCTION**

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**SUBJECT PROPERTY PHOTOGRAPHS**



NWC of the subject property looking south

Date photo taken:

NL of the subject property looking south



Date photo taken:



NL of the subject property looking south

Date photo taken:

***INTRODUCTION***

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**SUBJECT PROPERTY PHOTOGRAPHS**



NL of the subject property looking southeast

Date photo taken:

NL of the subject property looking southwest



Date photo taken:



Looking east along Cole Springs Rd

Date photo taken:

**INTRODUCTION**

**EXECUTIVE SUMMARY**

Parcel #:	Parcel 25	
Property Owner:	Barton Springs/Edwards Aquifer Conservation District	
Property Location:	SL of Cole Springs Rd, E of FM 1626, Buda, Hays County, TX	
<b>PROPERTY COMPONENT SUMMARY</b>		
<b>Component</b>	<b>Acres</b>	<b>SF</b>
Whole Property	±38.624 acres	±1,682,461 SF
Permanent Waterline Easement	±2.2613 acres	±98,504 SF
Permanent Access Easement	±0.2351 acres	±10,242 SF
Remainder	±38.624 acres	±1,628,461 SF
Remainder Unencumbered	±36.1276 acres	±1,573,715 SF
Temporary Construction Easement	±0.5238 acres	±22,816 SF
	Whole Property	Remainder After
Highest & Best Use- As if Vacant:	Industrial/residential/recreational use.	Industrial/residential/recreational use.
Highest & Best Use As Improved:	Not applicable.	Not applicable.
Shape:	Irregular	Irregular
Topography:	Slightly sloping to significantly sloping towards Onion Creek	Slightly sloping to significantly sloping towards Onion Creek
Flood plain %:	±40% in the 100-year floodplain and ±45% in the floodway	±40% in the 100-year floodplain and ±45% in the floodway
Utilities:	Electricity available.	
Additional Public Services:	Fire, emergency medical services, and police protection are provided by City of Buda and Hays County.	
Zoning:	I-1 - Light Industrial/Warehouse	
Easements/Encumbrances:	An electric line easement granted to Texas Power & Light Company (V.116 P.287), a pipe line easement granted to Texas Pipe Line Company (V.138 P.189) and a pipe line easement granted to Entex, Inc. (V.332, P.429). The pipeline easement traverses the far western portion of the tract. According to the Texas Railroad Commission Public GIS map, it appears that the pipeline easement has been abandoned.	
Improvements (Whole):	Vacant land.	
Appraisal Issues:	Minimal site improvements are located in the proposed easement acquisition; however they are not considered to be impacted. According to the easement document, any site improvements will be replaced to equal or better condition.	



## ***INTRODUCTION***

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Effective Date of the Appraisal: September 13, 2016  
Date of the Report: September 20, 2016  
Appraiser: Lory Johnson, MAI, SR/WA

RECOMMENDED COMPENSATION SUMMARY		
Whole Property Value (Land and impacted site improvements - if any)	\$540,736	
Permanent Waterline Easement (±2.2613 acres)		\$15,829
Permanent Access Easement (±0.2351 acres)		\$1,646
Remainder Before the Acquisition	\$523,261	
Remainder After the Acquisition	\$523,261	
Damages/(Enhancements)		\$0
Temporary Construction Easement (±0.5238 acres)		\$1,760
Special Compensation/Cost to Cure		\$0
Total Recommended Compensation		\$19,235

## **INTRODUCTION**

### **DATE OF VALUE**

The property was inspected on September 13, 2016, with this serving as the effective date of the appraisal.

### **OWNER CONTACT**

The current owner, Barton Springs/Edwards Aquifer Conservation District, was contacted by letter from Atrium Real Estate Services dated July 28, 2016 and was given the opportunity to provide information and/or accompany the appraisers on an inspection of the subject property.

<b>INSPECTION SUMMARY</b>	
<b>Date of Inspection:</b>	September 13, 2016
<b>Owner/owner representative:</b>	Barton Springs/Edwards Aquifer Conservation District Owner present: No Comments: John Dupnik was contacted via telephone and gave permission to inspect.
<b>Atrium appraisers:</b>	Lory R. Johnson, MAI, SR/WA Cynthia Craig Inspected from the right of way unaccompanied.
<b>Acquisition/Relocation agent:</b>	None

### **PURPOSE/INTENDED USE OF THE APPRAISAL**

The purpose of this appraisal to estimate the market value of the fee simple interest in the subject property and the recommended compensation for the permanent waterline easement, the permanent access easement and temporary construction easement. The definitions of these value estimates are included herein. The client is Lockwood, Andrews and Newnam, Inc, and the intended users of this report is Lockwood, Andrews and Newnam, Inc. and the Hays Caldwell Public Utility Agency. Use of this report by others is not intended by the appraisers. This report is intended only for use in estimation of recommended compensation and it is understood that the opinions expressed in this report may be utilized for litigation purposes.

### **PERSONAL PROPERTY**

The value conclusions contained within this report do not include any items considered to be personal property. Those improvements considered to be part of the real estate have been listed in the improvement description section.

### **SCOPE OF WORK**

As outlined, the purpose of this appraisal to estimate the market value of the fee simple interest in the subject property and the recommended compensation for the permanent waterline easement, the permanent access easement and temporary construction easement. Ownership information, a title commitment, a survey for the proposed acquisitions and the temporary easement sizes were provided. Using this information as well as additional information secured from the Hays County Deed Records and the Hays Central Appraisal District, the size of the property and its legal description were established. All information provided is assumed to be correct and has been considered in the following valuation analysis.

## **INTRODUCTION**

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The subject property is vacant land. Minimal site improvements are located in the proposed easement acquisition; however they are not considered to be impacted. According to the easement document, any site improvements will be replaced to equal or better condition.

In analyzing the area economy, data from the various sources was obtained. In addition, the subject property and surrounding properties were inspected, the area and subject neighborhood were analyzed, an opinion was formulated regarding the highest and best use, a search was made for comparable sales and listings, and analyzed all other available pertinent information used in developing an opinion of value. This data is based upon research into the Hays County market. In all cases, the data is verified with buyer, seller, landlord, tenant, agent, and/or broker, and cross-checked through public records.

In the valuation analysis of the subject property, the Cost, Sales Comparison and Income Capitalization Approaches to value were considered. The subject is vacant land with minimal site improvements. The Sales Comparison Approach has been developed to estimate the land value. The Cost Approach, Sales Comparison-as Improved and the Income Approach were not considered applicable and have not been developed. The valuation of the subject property will be completed in two phases. First, the overall market value of the property will be estimated. The final step will be to estimate the appropriate recommended compensation for permanent waterline easement, permanent access easement and temporary construction easement.

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for unauthorized use of this report.

The appraisal was undertaken jointly by Cynthia Craig and Lory Johnson, MAI, SR/WA. Cynthia Craig performed an initial analysis of the subject property and comparable data. Lory Johnson, MAI, SR/WA provided input with respect to appraisal methodology, data selection, analytical processes and report review. The final report is the result of this collaborative effort.

### **PROPERTY RIGHTS APPRAISED**

The property rights appraised are the fee simple interest in the whole subject property and the easement estate of the acquisition areas. Fee simple estate is an absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>1</sup> An easement estate is an interest in real property that transfers use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments accept conservation, open space, and preservation easements on private property.<sup>2</sup>

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<sup>1</sup> *The Appraisal of Real Estate, 14th Edition, (Chicago: Appraisal Institute, 2013) p. 5.*

<sup>2</sup> *The Appraisal of Real Estate, 14th Edition, (Chicago: Appraisal Institute, 2013) p. 117.*

## ***INTRODUCTION***

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### **DEFINITION OF MARKET VALUE**

Market value, as used in this appraisal report, is defined as being: "The price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."<sup>3</sup>

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<sup>3</sup> *City of Austin vs. Cannizzo, et al.*, 267 S. W.2d 808,815 (1954)

## **Item 5**

### **Board Discussions and Possible Actions**

**c. 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.**

## Item 6

### Director's Reports

**Directors' Reports.** *(Note: Directors' comments under this item cannot address an agenda item posted elsewhere on this agenda and no substantive discussion among the Board Members or action will be allowed in this meeting. Communications reported under this item may be used to support Performance Standard 4-1 of the District's Management Plan related to demonstration of effective communication with District constituents.)*

Directors may report on their involvement in activities and dialogue that are of likely interest to the Board, in one or more of the following topical areas:

- Meetings and conferences attended or that will be attended;
- Conversations with public officials, permittees, stakeholders, and other constituents;
- Commendations; and
- Issues or problems of concern.

**Item 7**

**Adjournment**