

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 in **the District office**, 1124 Regal Row, Austin, TX, on **Thursday, June 28, 2012**, 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 adjourn into 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 an item of Regular Business.
 1. Approval of Financial Reports under the Public Funds Investment Act, Directors' Compensation Claims, and Specified Expenditures greater than \$5,000. **NBU**
 2. Approval of minutes from the Board's June 14, 2012, Regular Meeting. **Not for public review at this time.**
 3. Review of the District's financial performance through the Third Quarter of FY 2012. **Pg. 9**
 4. Approval of the use of up to approximately \$31,000 in the Capital Reserve account for the purchase of a replacement pickup truck. **NBU**
 - 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 on them 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. Discussion related to current staff work areas and specific activities of staff teams and directors. 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. 18**
- ii. Update on GMA activities.
- iii. Update on the District’s in-kind services on City of Kyle’s grant project on Effluent Re-use Feasibility Study.
- iv. Update on coordination with TDS and possibly other parties concerning saline zone investigations.
- v. Update on status of discussions between Protestant City of Buda and Permit Applicant Creekside Villas in resolving differences.

- c. **Directors’ Reports.** Note: Board Member comments in this part of the agenda cannot address any aspect of an agenda item posted elsewhere on this agenda, and no substantive discussion among the Board Members or action by the Board on these comments will be allowed in this meeting.

Individual Board Members may, on a voluntary basis, make a brief report to the entire Board on their personal involvement in activities and dialogue that are of likely interest to the rest of 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, other stakeholders, and private citizens;
- Kudos and recognition of people doing good things for groundwater management in the District;
- Concerns about specific issues or problems for groundwater management in the District.

4. Regular Business: Board Discussion and Possible Actions.

- a. Discussion and possible action on ordering director elections for Precincts 1, 3, and 4 on the general election date in November 2012. **Pg. 23 Insert**
- b. Discussion and possible action related to a review of the status of a draft white paper on Developing Alternative Water Supplies and the authorization of initiating a stakeholder process for assistance in identifying and evaluating options for encouraging such development. **NBU**
- c. Discussion and possible action related to the alleged unauthorized well installed at the Golf Club at Circle C, now operating as Grey Rock Golf Club, and to the review and

approval of an Agreed Order enforcement action with Grey Rock Golf Club, pursuant to the Notice of Alleged Violation. **Pg. 26**

5. Adjournment.

Came to hand and posted on a Bulletin Board in the Courthouse, Travis County, Texas, on this, the _____ day of June, 2012, 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 an item of Regular Business.

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- 2. Approval of minutes from the Board's June 14, 2012.**
- 3. Review of the District's financial performance through the Third Quarter of FY 2012.**
- 4. Approval of the use of up to approximately \$31,000 in the Capital Reserve account for the purchase of a replacement pickup truck.**

**Barton Springs Edwards Aquifer
 Balance Sheet
 As of June 19, 2012**

	Jun 19, 12
ASSETS	
Current Assets	
Checking/Savings	
1000.0 · Cash in Bank-Checking Citibank	49,908.61
1010.0 · Cash in Bank - Payroll Citibank	7,515.14
1030.0 · TexPool Funds - General	651,760.58
1040.0 · TexPool Funds - Contingency	
1040.1 · Enforcement Funds	49,700.00
1040.0 · TexPool Funds - Contingency - Other	166,700.21
Total 1040.0 · TexPool Funds - Contingency	216,400.21
1045.0 · TexPool Funds - Reserve	45,111.92
1050.0 · TexPool Funds - Capital	354,966.58
Total Checking/Savings	1,325,663.04
Accounts Receivable	
1200.0 · Accounts Receivable	26,601.83
Total Accounts Receivable	26,601.83
Other Current Assets	
1100.0 · Petty Cash	300.00
1300.0 · Pre-paid Expenses	3,859.27
1499.0 · Undeposited Funds-A/R payments	4,257.08
Total Other Current Assets	8,416.35
Total Current Assets	1,360,681.22
Fixed Assets	
1400.0 · Field Equipment	309,876.14
1410.0 · Office Equipment & Furniture	37,150.24
1410.1 · Computer Hardware & Software	17,782.52
1420.0 · Vehicles	88,918.16
1430.0 · Accumulated Depreciation	-399,569.95
1440.0 · Land (Antioch Cave)	165,415.00
1445.0 · Office Building	227,034.15
Total Fixed Assets	446,606.26
Other Assets	
1500.0 · Organizational Costs	300,783.26
1510.0 · Accumulated Amortization	-300,783.26
1600.0 · Deposits Paid (Utilities)	71.00
Total Other Assets	71.00
TOTAL ASSETS	1,807,358.48
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2010.0 · Rebates Payable - Cons Credits	25,893.87
2110.0 · Direct Deposit Liabilities	-710.95
2250.0 · TWC Payable	160.70
2270.0 · Payroll Liabilities	1,085.86
2300.0 · Accrued Vacation Payable	38,804.66
Total Other Current Liabilities	65,234.14
Total Current Liabilities	65,234.14
Total Liabilities	65,234.14

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06/19/12
Accrual Basis

Barton Springs Edwards Aquifer
Balance Sheet
As of June 19, 2012

	<u>Jun 19, 12</u>
Equity	
3000.0 · Fund Balance	898,090.85
3000.3 · Invested in Capital Assets	365,127.26
3110.0 · Reserve for Petty Cash	300.00
Net Income	478,606.23
Total Equity	<u>1,742,124.34</u>
TOTAL LIABILITIES & EQUITY	<u>1,807,358.48</u>

Barton Springs Edwards Aquifer
Statement of Cash Flows
September 1, 2011 through June 19, 2012

	Sep 1, '11 - Jun 19, 12
OPERATING ACTIVITIES	
Net Income	478,606.23
Adjustments to reconcile Net Income to net cash provided by operations:	
1200.0 · Accounts Receivable	126,602.42
1200.0 · Accounts Receivable:1200.1 · A/R DMF	3,700.00
1300.0 · Pre-paid Expenses	-1,902.55
2000.0 · Accounts Payable	-694.79
2100.0 · Deferred Revenue	-378,450.04
2200.0 · Fica & Medicare Withheld	-25.63
2220.0 · Federal Income Tax Withheld	27.00
2230.0 · Employer Fica & Med Payable	-25.63
2250.0 · TWC Payable	120.97
2270.0 · Payroll Liabilities	1,085.86
2300.0 · Accrued Vacation Payable	1,950.95
2005.0 · A/P - created by Auditor	-7,964.50
Net cash provided by Operating Activities	223,030.29
Net cash increase for period	223,030.29
Cash at beginning of period	1,106,889.83
Cash at end of period	1,329,920.12

**Barton Springs Edwards Aquifer
Profit & Loss Budget vs. Actual
September 2011 through August 2012**

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06/19/12
Accrual Basis

	Sep '11 - Aug 12	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4400.0 · Interest Income	817.49	1,500.00	-682.51	54.5%
4625.0 · MISCELLANEOUS INCOME				
4626.1 · Other Income	8,015.76			
4626.2 · Camp Scholarship Program-EARDAC	2,696.08	500.00	-500.00	0.0%
4625.0 · MISCELLANEOUS INCOME - Other	0.00			
Total 4625.0 · MISCELLANEOUS INCOME	10,711.84	500.00	10,211.84	2,142.4%
4800.0 · USAGE FEES				
4801.0 · Permittees Water Usage Fee	540,605.05	577,095.00	-36,489.95	93.7%
4803.0 · City of Austin Assessment	725,025.00	725,025.00	0.00	100.0%
4805.0 · Permittees Annual Permit Fee	4,400.00	4,550.00	-150.00	96.7%
4807.0 · Permittees Water Transport Fees	124,000.00	124,000.00	0.00	100.0%
4800.0 · USAGE FEES - Other	-25,894.11			
Total 4800.0 · USAGE FEES	1,368,135.94	1,430,670.00	-62,534.06	95.6%
4810.0 · OTHER FEES				
4806.0 · Permittees Late Payment Fees	461.41			
4815.0 · Well Develop Application Inspec	2,725.00			
4816.0 · Meter Reading Fees/Pluggings	850.00			
4818.0 · Drought Management Fees	9,650.00	2,500.00	-2,500.00	0.0%
4810.0 · OTHER FEES - Other	0.00			
Total 4810.0 · OTHER FEES	13,686.41	2,500.00	11,186.41	547.5%
Total Income	1,393,351.68	1,435,170.00	-41,818.32	97.1%
Gross Profit	1,393,351.68	1,435,170.00	-41,818.32	97.1%
Expense				
6000.0 · UTILITIES				
6001.0 · Electricity & Water Service	3,980.65	8,000.00	-4,019.35	49.8%
6002.0 · Phone, Internet, Telemetry	7,144.20	12,100.00	-4,955.80	59.0%
6003.0 · Smartphone Reimbursements	3,400.00	4,200.00	-800.00	81.0%
Total 6000.0 · UTILITIES	14,524.85	24,300.00	-9,775.15	59.8%
6005.0 · Print/Copy/Photo Services	943.25	2,000.00	-1,056.75	47.2%
6007.0 · Postage Freight Shipping	1,987.49	3,000.00	-1,012.51	66.2%
6010.0 · Office Supplies/Canteen	6,174.68	8,000.00	-1,825.32	77.2%
6011.0 · Comp Hardware-Plotter Supplies	934.15	9,000.00	-8,065.85	10.4%
6013.0 · 3-D Modeling Project	0.00	0.00	0.00	0.0%
6014.0 · Software Acquisition & Upgrades	677.68	2,000.00	-1,322.32	33.9%
6015.0 · IT Monthly Maintenance	10,000.00	12,000.00	-2,000.00	83.3%
6016.0 · Meeting Expense	3,293.36	4,400.00	-1,106.64	74.8%

**Barton Springs Edwards Aquifer
Profit & Loss Budget vs. Actual
September 2011 through August 2012**

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06/19/12
Accrual Basis

	Sep '11 - Aug 12	Budget	\$ Over Budget	% of Budget
6017.0 · DISTRICT AFFILIATED ORGANIZATIO				
6017.1 · Travel & Meals	3,621.39			
6017.2 · Registration Fees	2,381.00			
6017.3 · Sponsorships and Contracts	3,453.90			
6017.0 · DISTRICT AFFILIATED ORGANIZATIO - Other	0.00	13,000.00	-13,000.00	0.0%
Total 6017.0 · DISTRICT AFFILIATED ORGANIZATIO	9,456.29	13,000.00	-3,543.71	72.7%
6019.0 · Subscriptions/Publications	1,402.46	1,700.00	-297.54	82.5%
6020.0 · Advertising	4,444.16	6,000.00	-1,555.84	74.1%
6021.0 · MISCELLANEOUS EXPENSES				
6021.2 · General	584.77	1,000.00	-1,000.00	0.0%
6021.0 · MISCELLANEOUS EXPENSES - Other	0.00			
Total 6021.0 · MISCELLANEOUS EXPENSES	584.77	1,000.00	-415.23	58.5%
6022.0 · Accounting System Operation				
6022.1 · Timekeeping Service-prepaid	1,211.10			
6022.0 · Accounting System Operation - Other	544.00	2,100.00	-1,556.00	25.9%
Total 6022.0 · Accounting System Operation	1,755.10	2,100.00	-344.90	83.6%
6023.0 · MAINTENANCE				
6024.0 · Auto Maintenance	2,180.81	7,000.00	-4,819.19	31.2%
6025.0 · Office Complex Maintenance				
6025.2 · Major Repairs/Special Projects	8,842.83	11,211.00	-2,368.17	78.9%
6025.3 · Security System Monitoring	359.55			
6025.0 · Office Complex Maintenance - Other	7,236.74	10,600.00	-3,363.26	68.3%
Total 6025.0 · Office Complex Maintenance	16,439.12	21,811.00	-5,371.88	75.4%
6040.0 · LEASES				
6040.2 · Copier Lease & Maintenance	7,502.34	7,200.00	302.34	104.2%
6040.3 · Postage Machine Lease - Pre-Pd	828.00	1,104.00	-276.00	75.0%
Total 6040.0 · LEASES	8,330.34	8,304.00	26.34	100.3%
6065.0 · DIRECTOR EXPENSES				
6065.2 · Directors Registration Fees	1,054.00	2,500.00	-2,500.00	0.0%
6065.0 · DIRECTOR EXPENSES - Other	0.00			
Total 6065.0 · DIRECTOR EXPENSES	1,054.00	2,500.00	-1,446.00	42.2%
6075.0 · DUES & MEMBERSHIPS				
6075.0 · Directors Compensation	19,800.00	45,000.00	-25,200.00	44.0%
6076.0 · District Dues & Memberships	2,144.72			
6077.0 · Staff Dues & Memberships	815.99			
6075.0 · DUES & MEMBERSHIPS - Other	0.00	3,700.00	-3,700.00	0.0%
Total 6075.0 · DUES & MEMBERSHIPS	2,960.71	3,700.00	-739.29	80.0%

**Barton Springs Edwards Aquifer
Profit & Loss Budget vs. Actual
September 2011 through August 2012**

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06/19/12
Accrual Basis

	Sep '11 - Aug 12	Budget	\$ Over Budget	% of Budget
6080.0 · EDUCATION AND OUTREACH				
6080.01 · PUBLICATIONS				
6080.14 · General Education	741.84	8,000.00	-8,000.00	0.0%
6080.01 · PUBLICATIONS - Other	0.00			
Total 6080.01 · PUBLICATIONS	741.84	8,000.00	-7,258.16	9.3%
6080.20 · OUTREACH				
6080.22 · Cleanups	638.13			
6080.23 · Media and PR	3,128.75			
6080.31 · Conservation Awards	1,253.00			
6080.33 · Neighborhoods and Schools	1,647.05			
6080.34 · Scholarships	2,500.00			
6080.20 · OUTREACH - Other	46.49	9,000.00	-8,953.51	0.5%
Total 6080.20 · OUTREACH	9,213.42	9,000.00	213.42	102.4%
6080.25 · Miscellaneous	5,667.81	19,750.00	-14,082.19	28.7%
6080.35 · GENERAL SUPPORT	584.71	7,750.00	-7,165.29	7.5%
Total 6080.0 · EDUCATION AND OUTREACH	16,207.78	44,500.00	-28,292.22	36.4%
6081.0 · REGULATORY COMPLIANCE				
6081.1 · Projects & Investigations	4,431.95	30,000.00	-25,568.05	14.8%
6081.11 · Well Sampling and Services	4,524.00	13,000.00	-8,476.00	34.8%
6081.2 · Equipment and Supplies	1,813.02	6,000.00	-4,186.98	30.2%
6081.3 · Miscellaneous	1,642.50	9,750.00	-8,107.50	16.8%
Total 6081.0 · REGULATORY COMPLIANCE	12,411.47	58,750.00	-46,338.53	21.1%
6084.92 · GENERAL MANAGEMENT				
6085.0 · Elections	450.38	4,000.00	-3,549.62	11.3%
6086.0 · GMA Joint Planning	0.00	100.00	-100.00	0.0%
6086.3 · Special Project Legal Support	0.00	3,000.00	-3,000.00	0.0%
6087.0 · HCP-Completion Project	0.00	12,000.00	-12,000.00	0.0%
6088.0 · HCP-Hicks-Project 11047	22,470.54	58,000.00	-35,529.46	38.7%
6084.92 · GENERAL MANAGEMENT - Other	0.00	2,000.00	-2,000.00	0.0%
Total 6084.92 · GENERAL MANAGEMENT	22,920.92	79,100.00	-56,179.08	29.0%
6089.0 · CONTINUING AQUIFER SCIENCE				
6089.1 · Hydrogeologic Characterization	2,000.00	80,500.00	-78,500.00	2.5%
6089.2 · Water Chemistry Studies	740.00	4,000.00	-3,260.00	18.5%
6089.3 · Miscellaneous	11,389.07	23,250.00	-11,860.93	49.0%
Total 6089.0 · CONTINUING AQUIFER SCIENCE	14,129.07	107,750.00	-93,620.93	13.1%
6090.0 · Conservation Credits	0.00	25,000.00	-25,000.00	0.0%

**Barton Springs Edwards Aquifer
Profit & Loss Budget vs. Actual
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06/19/12
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	Sep '11 - Aug 12	Budget	\$ Over Budget	% of Budget
6091.0 · DISCRETIONARY FUNDS				
6091.1 · Principal BS	0.00	3,000.00	-3,000.00	0.0%
6091.2 · Senior BH	0.00	1,500.00	-1,500.00	0.0%
6091.3 · Senior JD	1,500.00	1,500.00	0.00	100.0%
6091.4 · Senior DCW	0.00	1,500.00	-1,500.00	0.0%
Total 6091.0 · DISCRETIONARY FUNDS	1,500.00	7,500.00	-6,000.00	20.0%
6100.0 · INSURANCE - DISTRICT				
6101.0 · Liability & Property - Pre-paid	2,875.74			
6102.0 · Insurance not pre-paid (bonds)	771.47			
6100.0 · INSURANCE - DISTRICT - Other	0.00	3,732.00	-3,732.00	0.0%
Total 6100.0 · INSURANCE - DISTRICT	3,647.21	3,732.00	-84.79	97.7%
6150.0 · INSURANCE - GROUP				
6151.1 · Health Insurance Employee	44,541.21	59,240.00	-14,698.79	75.2%
6151.11 · Health Insurance Dependents	4,655.79	8,300.00	-3,644.21	56.1%
6151.2 · Dental Insurance Family	7,299.44	11,308.00	-4,008.56	64.6%
6151.3 · Life Insurance Employee	7,113.00	8,500.00	-1,387.00	83.7%
6151.4 · Vision Reimbursement Employee	186.97	1,800.00	-1,613.03	10.4%
Total 6150.0 · INSURANCE - GROUP	63,796.41	89,148.00	-25,351.59	71.6%
6160.0 · LEGAL SERVICES				
6161.0 · General Matters / Personnel	17,826.55			
6164.0 · Redistricting	19,454.73	19,500.00	-45.27	99.8%
6166.0 · City of Kyle	3,004.29			
6167.0 · Rules & ByLaws Issues	500.00			
6168.0 · Jeremiah Ventures	7,225.90			
6168.1 · Hill Country PGMA	40.00			
6168.3 · De-Annexation	424.03			
6160.0 · LEGAL SERVICES - Other	0.00	45,000.00	-45,000.00	0.0%
Total 6160.0 · LEGAL SERVICES	48,475.50	64,500.00	-16,024.50	75.2%
6170.0 · PROFESSIONAL SERVICES				
6173.0 · Financial Annual Audit	0.00	11,000.00	-11,000.00	0.0%
6175.0 · Engineers	0.00	5,000.00	-5,000.00	0.0%
6176.0 · Website and Database	2,100.00	7,200.00	-5,100.00	29.2%
6177.0 · The Standard Ret Plan Admin	7,076.50	8,500.00	-1,423.50	83.3%
Total 6170.0 · PROFESSIONAL SERVICES	9,176.50	31,700.00	-22,523.50	28.9%
6180.0 · PROFESSIONAL DEVELOPMENT				
6183.0 · Registration Fees	3,794.00			
6180.0 · PROFESSIONAL DEVELOPMENT - Other	0.00	13,500.00	-13,500.00	0.0%
Total 6180.0 · PROFESSIONAL DEVELOPMENT	3,794.00	13,500.00	-9,706.00	28.1%

**Barton Springs Edwards Aquifer
Profit & Loss Budget vs. Actual
September 2011 through August 2012**

1:04 PM
06/19/12
Accrual Basis

	Sep '11 - Aug 12	Budget	\$ Over Budget	% of Budget
6199.0 · SALARIES AND WAGES				
6200.0 · Salaries	519,137.76	639,006.00	-119,868.24	81.2%
Total 6199.0 · SALARIES AND WAGES	519,137.76	639,006.00	-119,868.24	81.2%
6202.0 · Payroll Direct Deposit Expenses	389.64			
6203.0 · TAXES & BENEFITS				
6203.1 · Workers Comp Insurance Pre-p	1,562.06	2,064.00	-501.94	75.7%
6203.2 · Payroll Tax Expenses-FICA-Med	39,713.31	56,709.00	-16,995.69	70.0%
6203.3 · Retirement-District Contributio	36,813.13	49,950.00	-13,136.87	73.7%
6203.4 · Texas Workforce C3 Taxes	2,526.52	2,500.00	26.52	101.1%
6203.7 · Accrued Vacation Expense	1,950.95			
Total 6203.0 · TAXES & BENEFITS	82,565.97	111,223.00	-28,657.03	74.2%
Total Expense	905,095.45	1,452,224.00	-547,128.55	62.3%
Net Ordinary Income	488,256.23	-17,054.00	505,310.23	-2,863.0%
Other Income/Expense				
Other Income	0.00	30,000.00	-30,000.00	0.0%
9000.00 · Transfer from Reserves	0.00	30,000.00	-30,000.00	0.0%
Total Other Income	0.00	30,000.00	-30,000.00	0.0%
Other Expense				
9001.00 · Transfer to Reserves	0.00	20,000.00	-20,000.00	0.0%
Total Other Expense	0.00	20,000.00	-20,000.00	0.0%
Net Other Income	0.00	10,000.00	-10,000.00	0.0%
Net Income	488,256.23	-7,054.00	495,310.23	-6,921.7%

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 Discussion Topics, related to current staff work areas and specific activities of staff teams and directors. 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 activities.**
- iii. Update on the District's in-kind services on City of Kyle's grant project on Effluent Re-use Feasibility Study.**
- iv. Update on coordination with TDS and possibly other parties concerning saline zone investigations.**
- v. Update on the status of discussions between Protestant City of Buda and Permit Applicant Creekside Villas in resolving differences.**

STATUS REPORT UPDATE FOR JUNE 28, 2012, BOARD MEETING

Prepared by District Team Leaders

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
GENERAL MANAGEMENT TEAM				
	W F Holland			GM activities of note since last report: Led development of conceptual elements recommended for next rulemaking. Participated in discussions and authorized a replacement copier. Reviewed technical reports prepared by staff. Continued discussion with and requested commitment of TDS funding for saline zone investigations, and followed up by drafting MOU for cooperative agreement. Participation in TAGD Summit Planning Committee and TAGD Executive Committee conference calls. Reviewed manuscript by Charles Porter for book on groundwater rights. Helped write and produce the draft report on City of Kyle effluent reuse feasibility study, responded to comments, and produced the final technical memorandum report. Held debrief meeting following Kent Butler Summit on the BSZ to delineate follow-up and lessons learned for next Summit. Met with Sen. Zaffirini and discussed our legislative agenda. Negotiated and finalized last master services contract for selected contractor. Coordinated discussion of need and options for resolving some small discrepancies in District boundaries between versions of shape files. Participated in revising Agreed Order for enforcement against an out of compliance drilling contractor. Met with Journeyx president to discuss our timekeeping experience. Held two discussions with owners of illegal well in District at Circle C Golf Club, and worked up compliance requirements for a draft Agreed Order. Attended GMA-9 meeting to discuss DFC monitoring and management plan reviews. Participated in technical advisory group meeting on Cypress Creek Watershed Plan and related discussions of groundwater management of Jacobs Well and GMA 9 subdivision/special management area. Participated in discussions at Regional Water Quality Protection Plan meeting. Welcomed new summer interns. Participated in monthly Technical Team meeting. Coordinated with Team Leaders on current work areas. DOUBLE CLICK FOR MORE Held one on ones with Team Leaders. Prepared agendas for and attended Board meetings and reviewed and revised Minutes and prepared meeting summaries of same. Provided continued coordination and oversight of various internal and project team activities (below).
Summary of Significant Ongoing Activities	WFH	21-Jun-12	General Manager activities and notes	
Potential Future Board Considerations	WFH	21-Jun-12	Possible future Board agenda items (not necessarily next Board meeting)	Approve Agreed Order with Grey Rock concerning unauthorized well. Hold contested case hearing on protested Conditional Class C irrigation permit for Creekside Villas. Consider rules markup and authorize public hearing on rules. Order director elections for November. Approve preliminary FY 2013 budget and set public hearing on it. Briefings on various ongoing or recently completed staff projects and initiatives. Approve task-order contracts in various work areas to supplement staff resources. Authorize changes to Management Plan, as required to incorporate DFCs/MAGs. Approve ILA(s) with COA for HCP related activities, and set public hearing on same. Authorize settlement provisions for Jeremiah Venture TLAP. Approve permit applications. Review new Management Plans of other GCDs in GMAs 9 and 10.
GENERAL SERVICES TEAM				
Dana Christine Wilson				
Accounts Receivable	DCW	21-Jun-12	July Monthly water use fee invoices mailed out June 12 (due on Jul 5 and late on Jul 16th).	Amount invoiced \$25,301.
Election 2012	DCW	21-Jun-12	Election documents processed: the Order to appoint custodian of records, first. The Order to Call Election is being presented to the Board in this meeting (sans exhibits).	Candidate packets 1 and 2 are now available for pick up.
District Management Plan	DCW/JD	21-Jun-12	Setting up timeline and schedule, incorporating new TWDB requirements.	To be brought before the Board for approval this fiscal year.

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
Budgeting	DCW	21-Jun-12	Time for initiating 2013 Budget process.	Board customarily approves in June or July.
REGULATORY COMPLIANCE TEAM John Dupnik				
Enforcement	JD	21-Jun-12	James Benoit	A revised NOAV has been sent to Mr. Benoit. The revised NOAV includes an increased penalty and relaxed compliance requirements which were agreed to by the landowner. Staff is waiting for a response.
	JD	21-Jun-12	Circle C (GreyRock) Golf Club	An NOAV has been sent to Grey Rock outlining the penalties and compliance requirements approved by the Board. District staff met with Gray Rock representatives on June 18, 2011 to discuss negotiated terms. A draft Agreed Order negotiated provisions has been provided to Gray Rock for review. Staff has provided the modified draft Agreed Order to the Board for review and possible approval at the upcoming Board meeting.
Drought Management	JD, KBE	21-Jun-12	Drought Compliance Monitoring and Enforcement	The District is currently in "no drought" status. There are no pending enforcement cases.
Rule Development and Review	JD, KH	21-Jun-12	Identify scope and develop provisions for future possible rule changes.	Staff presented rule concepts for Board consideration at the 6-14 meeting. The Board approved the concepts and directed the staff to initiate rule making and begin developing the concepts into a markup of the rules with new language.
External Reviews	JD	21-Jun-12	Circle C Water Rights Permit	Circle C has filed an application for diversion of state water and use of the bed and banks for conveyance of state water, diffuse stormwater, and private groundwater. The permit would require the use of Trinity groundwater to replace state water diverted. The District is working with the protesters - the City of Austin and Ira Yates - to access any impacts of the middle Trinity on District managed groundwater or well owners.
Hays Trinity GCD Rule Committee	JD	21-Jun-12	JD appointed by HTGCD to committee to advise on rule revisions	The group has completed the initial chapter by chapter review. HTGCD staff has drafted new rule language to incorporate the group's input. The group is now reviewing the entire rule package with updated language which should be completed by the end of the month.
Current Active Applications	JD, KBH	21-Jun-12	DDC Creekside villas - Class C Conditional Production Permit app.	Application has been declared administratively complete and public notice has been published. The comment period expired on 5/21/12. Several comments were submitted and one valid notice of protest was filed by the City of Buda. A contested case hearing has been set to commence at the regular Board meeting on July 12, 2012.
		21-Jun-12	Gene Burress Trinity Well, Small Middle School Monitor well	Applications are not administratively complete and are currently under review.
EDUCATION & OUTREACH Robin Gary				
GIS Mapping	RG, LBH, BH	18-May-12	Main room maps	There has been lots of GIS activity lately. We are trying to finalize the main room maps before LB finishes his internship at the end of the month. The Director Precincts, Texas Legislative Districts, and Regional Water Resources maps are under internal review and almost finalized. LB has done an amazing job incorporating suggestions and comments from staff. Hunt has been instrumental in fine-tuning the Regional Water Resources map.
GIS Mapping	RG	19-May-12	Drilling activity in Austin	The Submitted Drillers Reports database was downloaded, and the datasets were isolated to water wells within the City of Austin. Data were analyzed by year and by jurisdiction to show trends.

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
Newsletter	RG, KH, JD, BH, BS	18-May-12	Spring Aquifer District	Robin has worked with staff to layout the Spring newsletter. It is currently in rough draft form, but should be finalized and released next week.
Kent Butler Summit	KH, JD, MS, SDL, RC	18-May-12	The Future of the Barton Springs Segment of the Edwards Aquifer	Kirk, Brian Hunt, John, and Mary presented at the Kent Butler Summit. Shannon and Robin helped behind the scenes. There were 103 attendees. Robin coordinated the online feedback form--which has collected feedback from over 25 people. The feedback is aimed at summarizing the action items/next steps and preparing for the 2014 Summit. Presentations have been loaded online.
AQUIFER SCIENCE				
Brian Smith				
Dye Tracing	BS, BH	20-Jun-12	Dye tracing	A report is being prepared about the Blanco River dye traces conducted in 2009. We are waiting on review and approval of the report by EAA. A dye trace was conducted by the District in February in the sinkhole that opened in the bottom of the sedimentation pond at the Arbor Trails shopping center. Initial results of the dye trace indicate that dye injected into the sinkhole reached Barton Springs in a few days.
319(h) Grant	BS, BH	20-Jun-12	Onton Creek Recharge Enhancement Project	The grant officially ended on August 31. A final report was sent to TCEQ on August 18. A QAPP for the CWOMN sites has been revised and submitted to TCEQ.
Water-Quality Studies	BS, BH	20-Jun-12	Sampling and analysis of groundwater and surface water	Plans are being made for sampling during the summer of 2012. However, with limited funds from TWDB, the amount of samples collected will be considerably less than in previous years.
Saline Zone Studies	BS, BH	20-Jun-12	Installation of multipoint monitor well	Plans are moving forward for installation of a saline Edwards multipoint well in conjunction with a test well installed by TDS.
Drought and Water-Level Monitoring	BH, BS	20-Jun-12	Drought status, monitor wells, and synoptic water level events	Following 4 months of above average rainfall, aquifer conditions were such that the Board approved the staff recommendation of declaring an end to the drought on March 22. As of June 20, 2012, flow at Barton Springs is 84 cfs and depth to water in the Lovelady well is 154.0 ft.
Information Transfer	BS, BH	20-Jun-12	Presentations, conferences, reports, and publications	Aquifer Science staff presented a paper at the Emerging Issues in Groundwater conference hosted by NCWA. The conference was held on Feb. 27-28 in San Antonio. Aquifer Science staff are also working on the GCAGS conference that will be held in Austin in October 2012, and will be presenting several papers at the conference.
AD-HOC TEAMS				
Technical Team	BAS	20-Jun-12	Current areas of discussion	Key topics of discussion for June were saline zone studies, GMA 9 issues, rule changes, and Circle C golf course issues.
Planning Team	WFH	21-Jun-12	Strategic and tactical planning and discussion topics	Continue drafting assigned sections of revised Management Plan. Providing team inputs to annual budgeting. Will be evaluating how policy, procedure, and documentation need to be revised to conform to current SAO audit emphases.
UPCOMING ITEMS OF INTEREST				

Item 3 Routine Business

c. Directors' Reports. Note: Board Member comments in this part of the agenda cannot address any aspect of an agenda item posted elsewhere on this agenda, and no substantive discussion among the Board Members or action by the Board on these comments will be allowed in this meeting.

Individual Board Members may, on a voluntary basis, make a brief report to the entire Board on their personal involvement in activities and dialogue that are of likely interest to the rest of 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, other stakeholders, and private citizens;**
- Kudos and recognition of people doing good things for groundwater management in the District;**
- Concerns about specific issues or problems for groundwater management in the District.**

Item 4

Board discussions and possible actions

- a. Discussion and possible action on ordering director elections for Precints 1, 3, and 4 on the general election date in November 2012.**

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

ORDER CALLING ELECTION

WHEREAS, the Board of Directors (the "Board") of the Barton Springs/Edwards Aquifer Conservation District (the "District") has the authority to call a general election on November 6, 2012 (the "election"), for the election of directors from the District precinct numbers one (1), three (3) and four (4).

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF THE BARTON SPRINGS / EDWARDS AQUIFER CONSERVATION DISTRICT THAT:

Section 1. Call of Election, Date, Eligible Electors, and Hours. The election shall be held on Tuesday, November 6, 2012, which is seventy-eight (78) or more days from the date of the adoption of this order (the "Order") within the District single member precinct numbers one (1), three (3) and four (4) for the election of directors from precinct numbers one (1), three (3) and four (4) at which qualified electors of precinct numbers one (1), three (3) and four (4) shall be entitled to vote for candidates for director from their respective precincts. The Board hereby finds that holding the election on such date, a uniform election date, is in the public interest. The hours during which the polling places are to be open at the election shall be from 7:00 a.m. to 7:00 p.m.

Section 2. Early Voting by Mail. The Board appoints Ms. Dana Christine Wilson as the District's Regular Early Voting Clerk. Ballot applications for ballots voted by mail shall be addressed to the District's Regular Early Voting Clerk at the address indicated immediately below:

Early Voting Clerk
Barton Springs / Edwards Aquifer Conservation District
1124 Regal Row
Austin, Texas 78748

The Regular Early Voting Clerk for the District shall collect all applications for ballots received by the District at the above address during the period allowed by the Texas Election Code, and shall deliver all such applications to the Joint Early Voting Clerks as directed under the Joint Election Agreements, and the Contracts for Election Services.

Section 3. Notice of Election. Notice of the election shall be published one time in the English and Spanish languages, in a newspaper published within the District's territory at least 10 days and not more than 30 days before the election and as otherwise may be required by the Texas Election Code, § 4.003. Notice of the election shall also be posted on the bulletin board used by the Board to post notices of the Board's meetings no later than the 21st day before the election as required by Texas Election Code, § 4.003. In addition to posting notice at a place

convenient to the public in the administrative office of the district, notice shall be provided to the secretary of state, and provided to the Travis County Clerk's Office.

Section 4. Election information to be provided in Spanish. Except as otherwise provided in the Joint Election Agreements, and Contracts for Election Services, the Custodian of Records appointed by the Board shall be responsible for the preparation of notices, instructions, orders, ballots and other written material pertaining to the election and shall cause each such document to be translated into and furnished to voters in both the English language and the Spanish language in order to aid and assist voters speaking Spanish as a primary or an alternative language to properly participate in the election process.

Except as otherwise provided in the Joint Election Agreements, and Contracts for Election Services, the Custodian of Records is also hereby authorized and directed to make available to the voters having the need of an individual capable of acting as a translator and speaking both English and Spanish languages who will assist Spanish speaking voters in understanding and participating in the election process.

Section 5. Appointment Custodian of Records. To the extent not otherwise provided for in the Joint Election Agreements, the Board appoints Ms. Dana Christine Wilson as the Custodian of Records ("Custodian") to perform the duties related to the conduct and maintenance of records of the Election as required under the Texas Election Code during the period beginning the fiftieth (50th) day before the election and ending not earlier than the fortieth (40th) day after the day of the Election. In particular, the Custodian shall provide applications for candidates, accept applications from candidates for a place on the ballot, determine the order in which names will appear on the ballot for the director positions, and accept and maintain records regarding campaign expenditures that may be filed with the district.

The Custodian shall maintain an office open for election duties for at least three hours each day, during regular office hours, on regular business days during the period designated in this section. This office shall be located at 1124 Regal Row, Austin, Texas. The Custodian shall post notice of the location and hours of her office as required by the Texas Election Code. The Custodian shall maintain in her office, the documents, records and other items relating to the election and shall be the person designated to receive documents on behalf of the District that are required by the Texas Election Code. She shall also serve as Custodian for the sole purpose of preserving all voted ballots securely in a locked room in the locked ballot boxes for the period for preservation required by the Election Code.

Section 6. Appointment of Agent. The Secretary to the Board has appointed Ms. Dana Christine Wilson as the Secretary's agent ("Agent") to perform the duties of secretary related to the conduct and maintenance of records of the Election as required under the Texas Election Code, Section 31.123 during the period beginning the fiftieth (50th) day before the election day and ending not earlier than the fortieth (40th) day after the day of the election. Ms. Wilson is authorized to designate staff in the District to perform any or all of the various responsibilities of the Board's Agent.

The Agent shall maintain an office open for election duties for at least three hours each day, during regular office hours, on regular business days during the period designated in this

section. The Agent shall maintain in her office, the documents, records and other items relating to the election and shall be the Agent designated to receive documents on behalf of the District that are required by the Texas Election Code. This office shall be located at 1124 Regal Row, Austin, Texas. The Agent shall post notice of the location and hours of her office as required by the Texas Election Code.

Section 7. Authority of the President. The President of the Board shall have the authority to take, or cause to be taken, all actions reasonable and necessary to ensure that the election is fairly held and returns properly counted and tabulated for canvass by the Board, which actions are hereby ratified and confirmed.

In the event that the President shall determine from time to time that (a) a polling place is unavailable or unsuitable for such use, or it would be in the District's best interest to relocate the polling place, or (b) that a Presiding Election Judge or Alternate Presiding Judge hereafter designated shall become disqualified or unavailable, the President is hereby authorized to designate and appoint in writing a substitute polling place, Presiding Election Judge or Alternate Presiding Election Judge, giving such notice as is required by the Election Code and as deemed sufficient.

Section 8. Preamble Incorporation. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 9. Inconsistent Provisions. All orders and resolutions, or parts thereof, that are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters ordered herein.

Section 10. Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 11. Severability. If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Order would have been enacted without such invalid provision.

Section 12. Notice of Meeting. The Board officially finds, determines, recites and declares that written notice of the date, hour, place and subject of the meeting at which this Order is adopted was posted on a bulletin board located at a place convenient to the public at the District's administrative offices for at least 72 hours preceding the scheduled time of the meeting as required by the Open Meetings Law, Chapter 551, Texas Government Code, as amended; and that such meeting was open to the public as required by law at all times during which this Order and the subject matter thereof was discussed, considered and formally acted upon.

Section 17. Authorization to Execute. The President of the Board is authorized to execute, and the Secretary of the Board is authorized to attest this Order on behalf of the Board;

and the President of the Board is authorized to do all other things legal and necessary in connection with the holding and consummation of the election.

Section 4. **Effective Date.** This Order is effective immediately upon its passage and approval.

PASSED AND APPROVED this 28th day of June, 2012.

**BARTON SPRINGS / EDWARDS AQUIFER
CONSERVATION DISTRICT**

Mary Stone
President, Board of Directors

ATTEST:

Craig Smith
Secretary, Board of Directors
[SEAL]

Item 4

Board discussions and possible actions

b. Discussion and possible action related to a review of the status of a draft white paper on Developing Alternative Water Supplies and the authorization of initiating a stakeholder process for assistance in identifying and evaluating options for encouraging such development.

Item 4

Board discussions and possible actions

c. Discussion and possible action related to the alleged unauthorized well installed at the Golf Club at Circle C, now operating as Grey Rock Golf Club, and to the review and approval of an Agreed Order enforcement action with Grey Rock Golf Club, pursuant to the Notice of Alleged Violation.

**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING GREY ROCK GOLF
CLUB**

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§
§
§
§

**BEFORE THE BARTON
SPRINGS/EDWARDS
AQUIFER CONSERVATION
DISTRICT**

AGREED ORDER

**I.
JURISDICTION AND STIPULATIONS**

The Board of Directors (“Board”) of the Barton Springs/Edwards Aquifer Conservation District (“District”) has considered this agreement of the parties resolving an enforcement action regarding Grey Rock Golf Club, formerly Golf Club at Circle C (“GREY ROCK”) under the authority of Texas Water Code Ch. 36. The Board and GREY ROCK together stipulate that:

1. GREY ROCK owns and operates a private golf course and club in Travis County, Texas;
2. GREY ROCK uses groundwater supplied by a well within the District’s jurisdictional area that was completed and has been used from time to time since 2007 for golf course irrigation (“Well No. 5”);
3. GREY ROCK did not apply for or receive permits from the District that are required to have installed and operate Well No. 5;
4. The District and GREY ROCK agree that the District has jurisdiction to enter into this Agreed Order and that GREY ROCK is subject to the District’s jurisdiction;
5. GREY ROCK received notice of the violations alleged in Section II on or about June 20, 2012;

6. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by GREY ROCK of any violation alleged in Section II, nor of any statute or rule;
7. A penalty in the amount of \$55,000.00 is assessed by the District in settlement of the violations alleged in Section II. The amount of \$51,562.00 is deferred, contingent upon GREY ROCK's satisfactory compliance with the terms of this Agreed Order. The deferred amount will be waived upon compliance with the terms of this Agreed Order. If GREY ROCK fails to satisfactorily comply with all requirements of this Agreed Order, the District may require GREY ROCK to pay all or part of the deferred penalty, in the District's sole discretion;
8. Any notice and procedure that might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter;
9. The District and GREY ROCK have agreed on a settlement of the matters alleged in this enforcement action, subject to approval of the Board;
10. The District may, without further notice or hearing, seek further enforcement proceedings in a court of competent jurisdiction if the Board determines that GREY ROCK has not complied with one or more of the terms or conditions of this Agreed Order;
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II.

ALLEGATIONS

GREY ROCK is alleged to be and to have been in violation of the following District Rules:

- **§3-4.1:** constructing a well, drilling a well, modifying a well, or completing a well, without District authorization or advance notice.
- **§ 3-1.3:** pumping from or operation of non-exempt wells without a District-issued permit.
- **§ 3-4.4:** failing to drill or complete a well in accordance with State well construction standards, District Rules, and/or District Well Construction Standards.
- **§ 3-4.5:** installing a pump and/or equipment on wells not registered with the District.

A total of 55 days of each such violation is alleged. Daily violations were deemed to accrue only for the days after GREY ROCK was informed of the observed violations until the date of the Board's regular meeting at which time this enforcement action was authorized (April 20, 2012 – June 14, 2012).

III. DENIALS

GREY ROCK generally denies each allegation in Section II.

IV. ORDERING PROVISIONS

1. The District shall not be constrained in any manner from requiring corrective action or penalties for violations that are not raised here, except as expressly provided herein.

2. GREY ROCK shall undertake the following compliance requirements:
- i. Make full payment of a reduced penalty of **\$3,438** within 30 days of the Effective Date of this Agreed Order.
 - ii. Make full payment of water use fees for the period from April 20, 2012, to June 14, 2012, in the amount of **\$2,760** within 30 days of the Effective Date of this Agreed Order.
 - iii. Interim Pumpage Limitations and Requirements:
 - a. As of the Effective Date of this Agreed Order or on June 28, 2012, whichever is earlier, all pumping from Well No. 5 shall cease until such time that a Well Modification Authorization application with payment of its applicable fees has been received and declared administratively complete by the District. Once the application is declared administratively complete, production of groundwater from Well No. 5 is authorized for beneficial use (including well sampling and aquifer testing, and irrigation use) but shall not exceed the following monthly volumes:

Month	Pumpage Limit (gallons/month)
July	12,928,998
August	14,221,898
September	11,851,582
October	11,312,873
November	10,558,682

These monthly pumpage limits shall be curtailed commensurate with District curtailment requirements for Middle Trinity wells during District-declared drought.

- b. Prior to commencement of pumping under this Agreed Order, GREY ROCK shall record and submit the initial meter reading to the District. Once pumping commences, GREY ROCK shall keep accurate records and meter readings, on a monthly basis, of the amount of groundwater withdrawn. Meter readings must be read within two days of the end of the reporting month, and submitted to the District on or before the 5th day of the following month, even if there is zero pumpage for the time period.
- c. During the interim period prior to issuance of a Production Permit, GREY ROCK shall pay monthly water use fees calculated by the District based on actual monthly pumpage and the water use fee of \$0.17/1,000 gallons, within 30 days of receipt of the monthly-use invoice submitted to GREY ROCK by the District.
- iv. Prior to submitting a Production Permit application, GREY ROCK shall submit and must receive District approval for a Well Modification Authorization to authorize the recompletion of Well No. 5. In accordance with specifications approved by the District, Well No. 5 shall then be recompleted to seal off, at a minimum, the Upper Trinity Aquifer (Upper Glen Rose unit), which produces water of significantly poorer quality. A caliper log and down-hole camera video shall be provided by GREY ROCK to facilitate the design of the recompletion.
- v. All new wells completed to service the GREY ROCK property shall be completed in compliance with the current District well construction

standards. Any wells, including Well No. 5, on GREY ROCK's property that are not planned to be used routinely by GREY ROCK for water supply or that otherwise meet the definition of "abandoned wells" under Texas Department of Licensing and Regulation Administrative Rules at 16 TAC §76.10 (1) shall be closed in compliance with the current District requirements for plugged and abandoned wells, unless specifically excepted in writing by the District.

vi. After submittal of a Production Permit application with its applicable fees, an aquifer test on Well No. 5 shall be conducted in accordance with District guidelines. District guidance related to pump test notification may be modified or suspended at the General Manager's discretion to expedite the aquifer test while providing for a fair opportunity for participation by adjacent well owners. The hydrogeological report on the results of the aquifer test must be submitted to the District before the application can be declared administratively complete and the normal permitting notice, hearing, and Board decision-making procedures on the permit commence.

vii. Requisite Water Quality Sampling, Analysis and Reporting:

a. Initial Water Quality Sampling: Groundwater produced from Well No. 5 shall be sampled prior to the re-completion and analyzed for total dissolved solids (TDS) and total sulfate from two (2) grab samples two (2) weeks apart. The samples shall be collected after sufficient purging from a sampling point closest to the well head and prior to commingling with any other waters. The results shall

be submitted to the District within 30 days of the effective date of the Agreed Enforcement Order.

- b. Aquifer Test Sampling: Additional analysis shall be provided for total dissolved solids (TDS) and total sulfate from (3) three additional samples collected during an aquifer test. Samples shall be collected initially after sufficient purging, midway through the aquifer test, and just prior to termination of the aquifer test. The results shall be submitted to the District within 30 days of the completion of the aquifer test.
- c. Ongoing Sampling: Any groundwater discharged to the creek, to compensate for diverted state water as required by the provisions of TCEQ Water Use Permit No. 5852, shall be sampled and analyzed for TDS and total sulfate upon the initiation of discharge and on a weekly basis for the duration of each discharge event. Samples shall be collected after Discharge point 1 (DIS1) as described in the draft permit and before commingling with any other waters. The results shall be submitted to the District within 30 days of the completion of each discharge event. This ongoing sampling and reporting requirement survives the termination of this Agreed Order and continues until the District notifies GREY ROCK that it is no longer required.

- viii. If a production permit with its integral User Drought Contingency Plan has not been issued by November 30, 2012, GREY ROCK will cease

pumping of its Well No. 5 until either such permit is issued or this Agreed Order is amended.

- ix. GREY ROCK shall install a golf-course irrigation control system based on a new, on-site weather station and best available technology. The irrigation system shall be operated to achieve optimal irrigation efficiency of the golf course, using the on-site weather station inputs, and to require the minimum irrigation volumes, as calculated on the basis of real-time evapotranspiration rates. All weather station data shall be accessible to the District upon request.

3. The provisions of this Agreed Order shall apply to and be binding upon GREY ROCK or its successors at interest. GREY ROCK is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the facility operations referenced in this Agreed Order.

4. If GREY ROCK fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe (not including drought), GREY ROCK's failure to comply is not a violation of this Agreed Order. GREY ROCK shall have the burden of establishing to the General Manager's satisfaction that such an event has occurred. GREY ROCK shall notify the General Manager within seven days after GREY ROCK becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. The General Manager may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written showing of good cause. All requests for extensions by GREY ROCK shall be made in writing to the General Manager. Extensions are not effective until GREY ROCK receives written approval from the General Manager. The determination of what constitutes good cause rests solely with the General Manager.

6. Except as provided elsewhere in this Agreed Order related to surviving requirements, its Ordering Provisions and other requirements shall terminate upon both a) the District's written acknowledgment that GREY ROCK has satisfied all provisions of this Agreed Order, and b) the District's issuance of a regular individual production permit for Well No. 5, provided GREY ROCK intends to continue to use Well No. 5 at that point in time. The Agreed Order will then terminate.

7. This Agreed Order, issued by the Board, shall not be admissible against GREY ROCK in a civil proceeding, unless the proceeding is brought by the District to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the District's jurisdiction, or of a rule adopted or an order or permit issued by the District under such a statute.

8. This Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order

may be transmitted by electronic, including facsimile transmission to the other parties, which shall constitute an original signature for all purposes.

9. The Effective Date is the date of hand-delivery of the Agreed Order to GREY ROCK, or three days after the date on which the District mails notice of the Order to GREY ROCK, whichever is earlier.

SIGNATURE PAGE

Barton Springs/Edwards Aquifer Conservation District

For the Board

Date

ATTEST:

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the District, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this Agreed Order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by GREY ROCK;
- Lawsuit for contempt, injunctive relief, additional penalties, and/or attorney fees, or referral to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to civil trial for any future enforcement actions; and
- District seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Signature

Date

Name (Printed or Typed)
Authorized Representative of GREY ROCK

Item 5

Adjournment