

## NOTICE OF OPEN MEETING

Notice is given that a **Regular Meeting and Public Hearing** 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, July 21, 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 June 30, 2016 regular Meeting and Public Hearing. **Not for public review at this time**
  - b. **General Manager's Report.** *(Note: Topics discussed in the General Manager's Report are intended for general administrative and operational information-transfer purposes. The Directors will not take any action unless the topic is specifically listed elsewhere in this agenda.)*
    1. **Standing Topics.**
      - i. Personnel matters and utilization
      - ii. Upcoming public events of possible interest
      - iii. Aquifer conditions and status of drought indicators
    2. **Special Topics.** *(Note: Individual topics listed below may be discussed by the Board in this meeting, but no action will be taken unless a topic is specifically posted elsewhere in this agenda as an item for possible action. A Director may request an individual topic that is presented only under this agenda item be placed on the posted agenda of some future meeting for Board discussion and possible action.)*
      - i. Review of Status Update Report – at directors' discretion **Pg. 12**
      - ii. Update on activities related to GMA and regional water planning

- iii. Update on Regulatory Compliance Team activities
- iv. Update on District grant projects and other Aquifer Science Team projects
- v. Update on activities related to the SH 45 SW roadway project
- vi. Update on activities related to the HCP and the associated draft EIS
- vii. Update on activities related to upcoming elections
- viii. Update on interim legislative activity

**4. Public Hearing (6:15 pm)**

The Board will hold a public hearing on the Proposed FY 2017 Budget and Proposed FY 2017 Fee Schedule.

**5. Discussion and Possible Action.**

- a. Discussion and possible action related to approval of the Proposed FY 2017 Budget. **Pg. 18**
- b. Discussion and possible action related to approval of the FY 2017 Fee Schedule by Resolution No. 072116-01. **Pg. 24**
- c. Discussion and possible action related to approval of Resolution No. 072116-02 authorizing the General Manager or his designated representative to participate in discussion related to creation of the Hill Country Conservancy Trust. **Pg. 35**
- d. Discussion and possible action related to the City of Dripping Springs TPDES permit application to authorize direct discharge of treated wastewater to Onion Creek in the contributing zone of the Barton Springs segment of the Edwards Aquifer. **NBU**

**6. 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 June 30, 2016 Regular Meeting.**

## **Item 3**

### **Routine Business**

#### **b. General Manager's Report.**

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

##### **1. Standing Topics.**

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

##### **2. Special Topics.**

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

- i. Review of Status Update Report – at directors' discretion**
- ii. Update on activities related to GMA and regional water planning**
- iii. Update on Regulatory Compliance Team activities**
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- viii. Update on interim legislative activity**

STATUS REPORT UPDATE FOR JULY 21, 2016 BOARD MEETING

Prepared by: District Team Leaders

Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
<b>GENERAL MANAGEMENT TEAM</b>			
John Dupnik			
JD	7/15/2016	Meetings, Training, Presentations, and Conferences	<b>External Meetings Attended:</b> RWQPP workgroup (6/3); GMA 10: CTRMA on S145 design review; attend CTRMA Board meeting with Bob Larsen; Sharkne Leurig and Craig Smith; TCEQ on Dripping Springs TPDES permit; with Jason Bieker (City of Kyle); with Hicks and Co. on Draft EIS work; Dirk Aaron (Clearwater GCD); Ilays Co. Commissioner Ray Whisenant; FTGCD Board meeting; RWQPP workgroup meeting (7/8); <b>Other Meetings:</b> Board Legislative committee; with Kirk Holland (DS permit); Region K; <b>Presentations:</b> provide testimony at Travis County PGMA work session; TGWA Drillers continuing education presentation. <b>Conferences/Seminars:</b> TWCA conference (Horseshoe Bay)
JD	7/15/2016	Ongoing Special Projects, Committees, and Workgroups	<b>Ongoing Special Projects:</b> TDS saline zone investigation, TWDB RFP grant, District DEIS review; Employee Policy Manual Review; Trinity GAM extension support; GMA 10 proposed DFCs and Explanatory Report; Dripping Springs TPDES Permit review; Travis county PGMA. <b>Committees and Workgroups:</b> Region K (voting member); GMA 10 (voting member); Regional WQ Plan workgroup; Region K Legislation and Policy committee; Region K strategy prioritization committee; Region K water supply strategy committee; Region K executive committee nomination committee; TAGD legislative committee (regional planning; ASR, backfish gw ), TWCA groundwater committee; Travis County PGMA workgroup
JD	7/15/2016	Routine Activities and Day-to-Day operations	<b>Routine Activities/Day-to-Day Operations:</b> provided general oversight of staff incentive projects and activities, and oversight of day-to-day operations; approved purchase orders and expenditures; approved timesheets; prepared agendas and backup for and attended Board meetings; prepared GM report and assigned tasks in response to Board commitments; held regular one-on-one meetings with Team Leaders; presided over Planning Team meetings; serve as liaison between Board and staff; support Board subcommittees; respond to media requests; disseminate media reports and journal articles of possible interest. <b>Consultation with Attorney on:</b> Dripping Springs TPDES comments, position statement, and draft resolution. <b>Other Activities:</b> coordinate GAM extension support project; coordinate RFP grant project; Compile GMA 10 comments for ER; held incentive project meeting with each team; Coordinate with staff and consultants on Dripping Springs TPDES Permit review and comments; Plan Board Legislative committee meeting; Coordinate FY17 proposed budget; finalize Needmore permit provisions; Coordinate end of FY activities.
<b>ADMINISTRATION TEAM</b>			
Dana Christine Wilson			
DCW	7/15/2016	Permittee accounts carrying a past due balance;	Currently there are no past due accounts.
DCW	7/15/2016	July Monthly Billings for August production fees went out on July 16th.	Billing total is \$ 25,726. This is the final billing for FY 2016.
DCW	7/15/2016	Preparing 2017 initial billings with an August 16 invoice date.	
DCW	7/15/2016	FY 2016 Budget Revision 2	Need to update in Quickbooks.
DCW	7/15/2016	FY 2017 Budget in process	Currently an agenda item.
TR/DCW	7/15/2016	MSC/IDD Vendor List	Has been pushed to the August 11 Board Meeting.
DCW	7/15/2016	Revisions / clean-up / rearrangement to this policy document.	Current agenda item.

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
Financial Reporting - Website	DCW	7/15/2016	Most current, available financial reports are posted.	Profit and Loss Statement, and Balance Sheet through March 2016.
Grants and Projects - SWRI - UPDATE		7/15/2016	Time to begin tracking labor hours given as in-kind support to Southwest Research Institute. This donation of time to the project requires an administrative collaboration also for Dana and SWRI. Current request from SWRI for several documents are in process (Audit Access Certification, Import/Export Certification, Financial Certification, and more.)	\$10,000 over the next 2 years. This is a collaboration with a SWRI proposal to the TWDB project entitled "Evaluation of the Brackish Groundwater Resources of the Trinity Aquifer." UPDATE: NO response to submitted documents.
Grants and Projects - TWDB Regional Facilities Planning	DCW	7/15/2016	Working on first quarterly invoice submittal	Issues being discussed with TWDB before invoicing can be done.
Records Management, Storage, and Retention	DCW	7/15/2016	Working on updating our records management retention schedule to reflect our changing times (technology)	This will need to be approved by the TSLAC (Texas State Library and Archives Commission). Our most recent/current version was approved back in 1994. Will be on August agenda.
<b>REGULATORY COMPLIANCE TEAM</b> Vanessa Escobar				
Temporary/ Regular Permits	KBE, VE	7/14/2016	Conversion of a Temporary Permit to a Regular Permit	Needmore Water LLC is a Temporary Permit that is being prepared for administrative completeness and public notice. A public hearing will be scheduled in August 2016 with the date to be determined.
Goforth WSC	KBE, VE	7/14/2016	Replacement Well	The PWS has submitted an application to drill a new Edwards well to replace a non functioning well. The non functioning well had issues with an obstruction during the replacement of a pump. Goforth plans to plug the old well once the new well has been successfully completed. The application is still under staff review and is expected to be administratively complete by early August 2016.
Aqua Texas	KBE, VE	7/14/2016	Replacement Well	The PWS has submitted an application to drill one new Edwards well to replace two non functioning wells in the offline Hummingbird System. The non functioning well had issues with low production and water quality. Aqua plans to plug the old wells once the new well has been successfully completed. They also plan to conduct an abbreviated Aduifer Test and Hydrogeological Report. The Replacement Well Drilling Application was approved by the GCM on 6/20/16.
Electro Purification	KBE, VE	7/14/2016	Test Well Permit - General Permit	On 3/15/16 Electro Purification withdrew its Temporary/ Regular Permit application for 30,000,000 gal/yr and submitted a contemporaneous filing of 6 test well permit applications. The applicant will be resubmitting an updated aquifer test plan and design which staff will review once received. On 6/13/16 a 90 day application extension was automatically granted.
Mike Rutherford	KBE, VE	7/14/2016	Test Well Permit - General Permit	On 3/15/16 Mike Rutherford submitted a test well application to drill a Lower Trinity test well to evaluate production potential of the aquifer. The test well will be located on the Rutherford Ranch west of Buda on FM 967. GCM approved the Test Well Permit Application on 7/5/16
Gragg Tract LP	KBE, VE	7/14/2016	Test Well Permit - General Permit	On 6/27/16 Gragg Tract LP (Walters Southwest) submitted a test well application to drill a Lower Trinity test well to evaluate production potential of the aquifer. The test well will be located on the Gragg Tract off of Old Bliss Spillar in Manchaca near the SH 45 SW right of way. The permit is currently being reviewed by staff.
Trinity Episcopal School	KBE, VE	7/14/2016	Well Drilling Authorization	The Trinity Episcopal School is located on Bee Caves Rd in the Westlake area. The school has submitted a drilling authorization application requesting to drill a new Lower Trinity well for the purposes of athletic field irrigation. The anticipated volume will be approximately 4,000,000 gal/yr. Staff is currently reviewing the application request.



	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
General Manager Approved Permits	KBE, VE	7/14/2016	Individual Permits < 2,000,000 gal/yr	Jump Creek LLC (Commercial Use) approved by GM on 6/20/16 to produce 1,000,000 gpy from an existing Upper Trinity Well. Rick Steders (Irrigation Use) approved by GM on 7/11/16 to drill and produce 220,000 gpy from a new Middle Trinity Well.
Drought Statute - No-Drought	KBE, VE	7/14/2016	Drought Compliance Monitoring and Enforcement	No new update. No-drought was declared on January 29, 2015. Staff sent out email and letter to all permittees notifying them of no-drought status.
<b>EDUCATION &amp; OUTREACH</b>				
Groundwater to the Gulf	RG	7/14/2016	Wrap Up	The 2016 G2G was a great success. Dr. Robert Mace was the keynote speaker. This year's teachers were exceptionally engaged and enthusiastic. We reached full capacity. Days 1 and 2 covered basics of groundwater, surface water, and coastal systems, and discuss major challenges such as development, population growth, and resource management. Day 3 this year took teachers to Canyon Lake Gorge where they hiked through portions of the Upper and Middle Trinity Aquifers, view the flood challenges, and visit the Meadows Center.
Travis County PGMA	RG, KH, JD	7/14/2016	Planning, collaboration	The TCEQ is still processing the information request for CCN water use volumes, source types and connections. Next Travis County Commissioner meeting is supposed to be in August.
GIS	RG	7/14/2016	Mapping	The process to update wall maps and publications have begun. Management Zones, Director Precincts, and Planning and Political Boundaries maps have been generated and are currently being mounted. A new generalized Stratigraphic Column has been printed and framed. The Regional Hydrogeology datasets and associated maps are in progress.
Enews Blast	RG	7/14/2016	July eNews	The July eNews was released on July 8, 2016. After about a week it has been opened over 1,159 times. The articles included info on Edwards Aquifer levels, Director elections, notice, Dripping Springs TIDES permit application, and Onion Creek and Blanco River Flow Study.
Internet Traffic Report	RG	7/14/2016	Page views and visits to the District Website	The shift to the new District website is complete. All elements are functional, however minor improvements will continue to be made over the next month or so. Analytics are not available at this time due to the domain shift. The District Facebook page now has 477 'Likes' and responses to posts have been very positive.
<b>AQUIFER SCIENCE</b>				
Dye Tracing	BS, BH	7/14/2016	Dye tracing	Discussions are underway with the EAA and CoA about potential dye tracings in the upcoming months. The City has injected at various locations along SH45.
Central Hays County Groundwater Evaluation	BH, BS, JC	7/14/2016	Well and hydrogeology characterization	District staff are establishing a monitoring network of nearby wells to collect data during the EP aquifer test. Revisions have been made to the aquifer test guidelines, and a definition for unreasonable impacts has been developed.
Antioch Cave	BS, BH, JC	7/14/2016	Onion Creek Recharge Enhancement Project	The Antioch system is open to allow recharge, and there is flow in Onion Creek due to heavy rains in March, April, and May.
Water-Quality Studies	BS, BH, JC	7/14/2016	Sampling and analysis of groundwater and surface water	District staff started work with a geochemist to evaluate the years of data we have collected on behalf of the TWDB. Staff have completed sampling wells and springs as part of the Magellan Pipeline monitoring effort.
Saline Zone Studies	BS, BH	7/14/2016	Installation of multiport monitor well	Plans are moving forward for installation of a saline Edwards multiport well in conjunction with a test well installed by TDS. On July 8, 2015, the District was officially notified of an award of a regional planning grant for work on the saline Edwards, and a contract with TWDB was signed on Aug. 27. Carollo Engineers is working on their portion of the project. A drill site has been agreed to with TDS, and the driller should be mobilizing to the site before the end of July.

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
<b>Drought and Water-Level Monitoring</b>	BH, BS, JC	7/14/2016	Drought status, monitor wells, and synoptic water level events	January 30, 2015, the District Board declared non-drought conditions. The District had been in drought since August 15, 2014. Because of heavy rains in October and more moderate rains in November and December, and now March, April, and May 2016, the water level in the Lovelady well is rising at a relatively rapid rate. As of July 14, the water level in the Lovelady well was at 542.6 ft above msl and Barton Springs was flowing at 112 cfs. On May 31, the water level rose above a peak from 2003. The only higher peak in water level was in 1992, with an elevation of 547 ft msl.
<b>Information Transfer</b>	BS, BH, JC	7/14/2016	Presentations, conferences, reports, and publications	Brian Smith attended a conference in San Juan in late January on contamination in karst and public health and is working on a paper to be published in a journal. Staff are working on the results of the Onion Creek gain-loss study from 2015 to be published at the GCAGS conference (Fall 2016). Staff are also working on finalizing some other technical reports and documents.
<b>Aquifer Testing</b>	BS, BH, JC	7/14/2016	Planning, participation, and review of aquifer tests	AS staff were involved in the Needmore aquifer test in January 2016, and are currently evaluating the report submitted by Wetrock. We are also working with Buda on their planned aquifer test of the new well field, scheduled to potentially occur in late March or early April. Staff continue to have discussions with EP regarding their planned aquifer test.
<b>AD-HOC TEAMS</b>				
<b>Technical Team</b>	BAS	7/14/2016	Current areas of discussion	Topics of discussion at the technical team meeting in July were the RFP, grant, update to the Trinity model, EP aquifer test, and Dripping Springs issues.
<b>Planning Team</b>	JD	7/15/2016	Strategic and tactical planning and discussion topics	New Business: FY17 budgeting; Dripping Springs TPDES permit; End of FY activities; Employee Policy Manual edits.
<b>Benefits Team</b>	VE	7/15/2016	Research alternative health plan benefits packages and provide recommendation.	Team just established - updates forthcoming
<b>Database Team</b>	RG, VE	7/15/2016	Identify District database needs and research vendors and options for database improvements	Team just established - updates forthcoming
<b>UPCOMING ITEMS OF INTEREST</b>				
Buda City Council Meeting		07/19/16	Considering Dripping Springs TPDES resolution	
1st July Board Meeting		7/21/06	Only meeting in July	
TAGD Legislative Committee Meeting		7/26/16	9am, Hays County Court House, San Marcos - District presenting	
Hays County Commissioners Court Meeting		8/2/16	EAA Offices, San Antonio	
GMA 10				
1st August Board Meeting		8/11/16		
4th Senate Committee on Ag-, Water, and Rural Affairs		8/15/16	9am, Capital, E1012 (Hearing Room)	

## **Item 4**

### **Public Hearing**

**The Board will hold a public hearing on the Proposed FY 2017 Budget and Proposed FY 2017 Fee Schedule.**

## **Item 5**

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

- a. Discussion and possible action related to approval of the Proposed FY 2017 Budget.**

**Barton Springs/Edwards Aquifer Conservation District  
Fiscal Year DRAFT 2017**

	Budgeted Permitted Pumpage (Gallons)	Revision 2 Approved 6.16.16	Draft 2017 Proposed Initial Budget
<b>I. INCOME</b>			
<b>A. Water Use and Production Fees:</b>			
Actual Authorized Pumpage Revenue (@ 17¢ per 1,000 gallons)	GALLONS 2,893,896.038	\$419,906	\$491,962
Actual Authorized Pumpage Revenue (@ 46¢ per 1,000 gallons)	323,423,748	\$148,777	\$148,777
Total Actual Authorized Pumpage	3,217,323,786	\$568,683	\$640,739
Growth @3.5% based on Total Actual Authorized Pumpage (@ 17¢ per 1,000 gallons)	101,286,361	4,199	17,219
Growth @3.5% based on Total Actual Authorized Pumpage (@ 46¢ per 1,000 gallons)	11,419,971	1,488	5,207
Pending Permit Increases (@ 8¢ per 1,000 gallons)	0	56	0
Pending Permit Increases (@ 17¢ per 1,000 gallons)	6,720,000	13,984	1,142
Pending Permit Increases (@ 46¢ per 1,000 gallons)	0	0	0
Temporary Permits (@ 17¢ per 1,000 gallons)	0	\$14,391	\$0
Total Projected Permitting Revenue	3,336,650,119	\$602,801	\$664,307
COA Contribution (Water Use Fee Assessment)		\$1,000,000	\$850,846
		<b>\$1,602,801</b>	<b>\$1,515,153</b>
Water Transport Fees (\$0.31/1,000 gallons)	400,000,000	124,000	124,000
<b>Total Water Use Fees and Production Fees</b>		<b>\$1,726,801</b>	<b>\$1,639,153</b>
<b>B. Other Fees:</b>			
Annual Permit Fees		\$5,250	\$5,500
Administrative Fees	Permit Application and Development	\$11,000	\$11,000
<b>Total Other Fees</b>		<b>\$16,250</b>	<b>\$16,500</b>
<b>C. Other Income:</b>			
Interest Income		\$3,200	\$3,200
<b>Total Other Income</b>		<b>\$3,200</b>	<b>\$3,200</b>
<b>D. Grant Income:</b>			
Regional Facilities Planning Grant / TWDB		\$240,000	\$0
<b>Total Grant Income</b>		<b>\$240,000</b>	<b>\$0</b>
<b>E. General Account Funds to be Utilized for Core Budget</b>		\$119,200	\$68,500
<b>TOTAL PROJECTED INCOME</b>		<b>\$2,105,451</b>	<b>\$1,727,353</b>

now included in actual authorized pumpage  
based on budgeted permitted pumpage at 17 cents (C16 = 3,336,650,119)

based on current 2016 numbers

to be explained

	Budgeted Permitted Pumpage (Gallons)	3,336,650,119	Revision 2 Approved 6.16.16	Draft 2017 Proposed Initial Budget	
<b>II. EXPENDITURES</b>					
A. Operational Expenses					
Electricity & Water			\$7,000	\$7,000	
Telecommunications Services	Phone, Internet, Telemarketing, Smartphone		\$19,500	\$19,500	includes approx 5 sim-phone 6600 and phone 6000
Printing / Copying / Photo Processing			\$2,000	\$2,000	
Postage / Freight / Shipping			\$3,500	\$3,500	
Office Supplies / Canteen			\$10,500	\$10,500	
Office Furniture			\$2,000	\$2,000	
Computer Hardware / Supplies / AV Equipment	Non-Capital		\$10,000	\$10,000	includes 2 new replacement computers each year
Computer Software Maintenance/Upgrades/Acquisitions			\$2,400	\$2,400	
Information Technology Monthly Maintenance			\$12,000	\$12,000	
Board Meetings and Staff Meetings			\$5,600	\$5,600	
External Meetings and Sponsorships			\$7,500	\$7,500	
Subscriptions / Publications			\$4,200	\$4,200	
Advertising and Notices			\$12,000	\$12,000	
Accounting System Operation and Maintenance	OB/Jimmy		\$3,500	\$3,700	Jimmy's increase, QB PY 550, upgrade to premier 600, maintenance 400
<b>Upgrades, and Repair and Maintenance</b>					
Fleet Maintenance / Repair	Vehicles		\$7,000	\$7,000	
Office Complex Maintenance / Offices / Lawn			\$13,800	\$15,800	septic maintenance
Facilities Repair & Maintenance	General R. & M		\$5,000	\$5,000	
Remodeling Projects			\$5,000	\$5,000	
<b>Leases:</b>					
Postage Meter Lease	Quarterly Lease		\$1,104	\$1,150	
Copier Lease and Maintenance	GE Capital, Dahill, CIT		\$13,000	\$11,500	9500 CIT lease, 2000 Dahill
Directors Conferences / Travel			\$5,000	\$5,000	
Organizational / Staff Professional Dues			\$6,500	\$6,500	
Insurance (Auto, Liability, Property, E&O, Public Bonds)			\$6,250	\$6,250	actual numbers in October
Professional Development	1500 x 11		\$16,500	\$16,500	
Senior Staff Discretionary Funds			\$10,500	\$10,500	actual numbers in October
Conservation Credits	Revenue Deduction		\$38,284	\$38,284	
<b>Total Operational Expenses</b>			<b>\$229,638</b>	<b>\$230,384</b>	
<b>B. Salaries and Wages</b>					
<b>Salary &amp; Wages</b>			<b>\$702,866</b>	<b>\$718,756</b>	current 2016 salaries

Budgeted Permitted Pumpage (Gallons)	3,336,650,119	Revision 2 Approved 6,16,16	Draft 2017 Proposed Initial Budget	
Salary and Wages Cost of Living Increases	COIA	\$9,193	\$10,781	1,588
Salary and Wage Increases, and Merit Adjustments		\$5,500	\$11,000	5,500
<b>Salary Merit Adjustments-deleting this line item and including in above line item</b>		\$5,500	\$0	<b>(5,500)</b>
Performance Bonuses		\$10,000	\$0	<b>(10,000)</b>
Goal-based Incentive Compensation		\$41,323	\$43,500	2,177
Interns/Temporary Employees		\$11,000	\$11,000	
Directors' Fees of Office	9000 Annual Legislative Exp	\$45,000	\$45,000	
<b>Total Salaries, Wages and Compensation</b>		<b>\$835,382</b>	<b>\$845,037</b>	
<b>C. Employment Taxes, Insurance and Benefits</b>				
Payroll Taxes	7.65%	\$65,524	\$66,263	739
Texas Workforce Commission Taxes		\$2,000	\$2,000	
Group Health Insurance (1 employee only)	United and SBluk	\$86,500	\$86,500	
Group Health Insurance (Dependent Coverage)	2% of United premium District paid	\$10,000	\$10,000	
Dental Insurance (1 employee & Dependent Coverage)	MetLife	\$14,325	\$15,000	675
Life Insurance (Employee Coverage)	Unum	\$11,250	\$11,250	
Vision Insurance (Employee Coverage)		\$2,000	\$1,500	<b>(500)</b>
Workers Compensation Insurance	JMI	\$4,100	\$4,100	
Employee Pension Plan Contribution	7.80%	\$56,000	\$60,803	4,803
<b>Total Employment Taxes, Insurance and Benefits</b>		<b>\$251,699</b>	<b>\$257,416</b>	
<b>D. Professional Services</b>				
Auditor (Annual)		\$9,000	\$11,000	2,000
Retirement Plan (Third Party Administration)	The Standard	\$19,000	\$19,000	
Database Management		\$5,000	\$5,000	
Legal - General Services	Bickersstaff	\$86,845	\$65,000	<b>(21,845)</b>
Legal- Redistricting for Annexation		\$35,000	\$0	<b>(35,000)</b>
Legislative Support		\$5,000	\$36,000	31,000
Election - including Legal		\$5,000	\$15,000	10,000
<b>Total Professional Services</b>		<b>\$164,845</b>	<b>\$151,000</b>	
<b>E. Team Expenditures</b>				
<b>Aquifer Science Team</b>				
Hydrogeologic Characterization		\$5,000	\$5,000	
Water Chemistry Studies		\$8,000	\$8,000	
Monitor Well, Equipment and Supplies		\$15,000	\$15,000	

1.5% of current 2016 salaries  
 This was a one-time addition for 2016.  
 actual number in October includes 1 new contributor (partial year)  
 1st year was discounted  
 Nelson  
 new Board-approved legislative contract legal only for 2016, legal and county payments for 2017  
 Onion Creek and Blanco River, ASR, well logging  
 Onion Creek and Blanco River (surface water and groundwater)  
 FP and Needmore areas, Antioch



Budgeted Permitted Pumpage (Gallons)	3,336,650,119	Revision 2 Approved 6.16.16	Draft 2017 Proposed Initial Budget	Proposed Budget
Contracted Support Conferences and Seminars	\$20,000 \$5,000	\$20,000 \$5,000	\$20,000 \$5,000	USGS (Lovclady), Interra (modeling), Bruce Darling (geochemistry) GCAGS (Corpus Christi), NGWA, GSA For 3 employees
<b>Total Aquifer Science Team</b>	<b>\$53,000</b>	<b>\$53,000</b>	<b>\$53,000</b>	
<b>Education and Outreach Team</b>				
Publications	\$1,500	\$1,500	\$1,500	printed materials
Outreach	\$10,750	\$10,750	\$11,750	conservation awards, media PR, cleanups, neighborhood and schools, scholarships
General Support	\$5,000	\$5,000	\$18,000	(15k for 30 yr anniversary), C I WEN conference, rainwater revival,
Equipment and Supplies	\$4,250	\$4,250	\$5,500	logo gear, giveaways, supplies
Contracted Support	\$5,000	\$5,000	\$5,000	Zavala, Galland,
Contracted Support - Special Projects	\$0	\$0	\$10,000	video and graphic design help
Conferences and Seminars	\$1,250	\$1,250	\$1,250	
<b>Total Education and Outreach Team</b>	<b>\$27,750</b>	<b>\$27,750</b>	<b>\$53,000</b>	
<b>Regulatory Compliance Team</b>				
Special Projects and Investigations	\$5,000	\$5,000	\$8,000	saline investigation, well monitoring, wastewater, drought trigger analysis, Trinity well analysis
Well Sampling and Services	\$10,000	\$10,000	\$10,000	routine inspections, new well sampling, geology, etc
Equipment and Supplies	\$4,000	\$4,000	\$4,200	field gear, sampling, lab equipment and tools
Contracted Support	\$10,000	\$10,000	\$20,000	Vickers, SHAS, DI C, ASK, abandoned well program, wastewater permits
Conferences and Seminars	\$2,500	\$2,500	\$5,000	for 3 employees
<b>Total Regulatory Compliance Team</b>	<b>\$31,500</b>	<b>\$31,500</b>	<b>\$47,200</b>	
<b>General Management Team &amp; Administrative Team</b>				
Contracted Support	\$25,000	\$25,000	\$30,000	Hegener 10, DSWWP 10, Mgmt Consultant 10
GMA Joint Planning	\$35,550	\$35,550	\$0	
HCP-Completion Project	\$15,000	\$15,000	\$5,000	
Conferences and Seminars	\$3,000	\$3,000	\$5,000	for 4 employees
<b>Total General Management &amp; Administrative Team</b>	<b>\$78,550</b>	<b>\$78,550</b>	<b>\$40,000</b>	
<b>Total Team Expenditures</b>	<b>\$190,800</b>	<b>\$190,800</b>	<b>\$193,200</b>	
<b>F. Grant Expenses and Special Project Expenses</b>				
<b>Grants:</b>				<b>to be explained</b>
Regional Facilities Planning Grant / TWDB	\$20,000	\$20,000	\$0	
Multi-port Well Project for RegFacPlanGrant	\$150,000	\$150,000	\$0	
Consultant	\$240,000	\$240,000	\$0	



Budgeted Permitted Pumpage (Gallons)	3,336,650,119	Revision 2 Approved 6.16.16	Draft 2017 Proposed Initial Budget	
<b>Total Grant Expenses</b>		\$410,000	\$0	
<b>Special Projects:</b>				
<b>Annexation - Joint Funded Trinity Aquifer Characterization</b>		\$23,000	\$50,000	Travis and Llano counties GAM
<b>Total Special Projects Expenses</b>		\$23,000	\$50,000	
<b>Total Grant Expenses and Special Projects Expenses</b>		\$433,000	\$50,000	
<b>G. Capital Expenses</b>				
<b>Total Capital Expenses</b>		\$0	\$0	
<b>TOTAL EXPENSES</b>		\$2,105,364	\$1,727,037	
<b>III. BANK ACCOUNTS</b>				
<b>Available Funds</b>				
BB&T (Checking / Payroll)		\$101,477	\$79,593	as of 6.23.16
TexPool General		\$521,927	\$721,927	
<b>Total Available Funds (Excludes Limited Use Funds)</b>		\$623,404	\$801,520	
<b>Limited Use Funds</b>				
TexPool - Contingency Account	Restricted	\$732,165	\$732,165	
TexPool - Reserve Account	Restricted	\$45,276	\$45,276	
<b>Total Limited Use Funds</b>		\$777,441	\$777,441	
<b>IV. NON-CASH DISBURSEMENTS</b>				
Depreciation Expense		\$50,000	\$50,000	
Accrued Benefits Payable (Earned Vacation)		\$20,000	\$20,000	
<b>Total Non-Cash Disbursements</b>		\$70,000	\$70,000	
<b>V. PROJECTED POSITION</b>				
a. Total District Expenditures		\$2,105,364	\$1,727,037	Notice drop in revenue
b. Total District Revenue		\$2,105,451	\$1,727,353	
c. Current Net Gain / (Loss)		\$87	\$316	
d. Total Revenue & Cash Funds (excluding Limited Use Funds)		\$2,728,855	\$2,528,873	
e. Contingency Fund		\$731,006	\$732,165	

## **Item 5**

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

**b. Discussion and possible action related to approval of the FY 2017 Fee Schedule by Resolution No. 072116-01.**

## MEMORANDUM

**Date:** 7/21/16  
**To:** Board of Directors  
**From:** John Dupnik, Vanessa Escobar, Dana Wilson  
**Re:** Amendments to Fiscal Year 2017 Fee Schedule

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In response to the recent amendments of District Rules in 2015 and 2016, staff has reviewed the current fee schedule and suggests specific amendments in order to streamline the information and provide more consistency with current District Rules.

The following is a summary of the proposed fee schedule changes:

- The General Permit application fee remains the same at \$300 but the language in the fee schedule has been streamlined to more accurately describe the development and inspections fees that are now incorporated into the total fee.
- The previous \$500 production fee has been revised in a scaled format to be commensurate with the level of time, effort, and resources involved for small volume versus large volume applications. In an effort to be consistent with the District's Hydrogeological Report Guidelines the fee scale follows the tiers of the Guidelines.
  - The fee remains the same at \$500 for smaller production permits that do not require an aquifer test or Hydrogeological Report. These permits are approved by GM.
  - Tier 1(\$750) fees are based on the complexity of staff review, aquifer test planning, and coordination of district resources.
  - Tier 2(\$1000) fees are based on the increased complexity of staff review, aquifer test planning, and coordination of district resources.
  - Tier 3 (\$1500) fees are based on the extensive complexity of permit review aquifer test planning, coordinating the logistics of a monitoring network, dedicating equipment and resources, developing special provisions in cases involving potential unreasonable impacts. These applications also typically involve more legal consultation.
- The well plugging, capping, and recompletion applications are now consolidated under one fee because the well construction work and scope of technical review is similar for these three applications.
- To be consistent with new rules a substantial alteration application fee was added as a category of minor amendment.

- The minor amendment volume increase application fee was lowered to be consistent with the revised tiered scale for production permits.
- The major amendment volume increase application fee was slightly increased to be consistent with the revised tiered scale for production permits.
- A separate fee for Class D (ASR) Conditional Edwards Permits is now created. The fee is consistent with the historical fees and was created in an effort to remove any disincentives for ASR projects.
- Well Construction Fee section has been removed because those fees are now incorporated into a single application fee. Previously there were three fees that made up the total fee for each type of application. Now it is streamlined and the single application fee accounts for all technical review, inspections and development work involved for a permit application.
- **The Special Fee was increased to account for the extraordinary level of technical review that is required for special cases. This has been an underutilized fee but the revisions now provide more clarity for both the applicant and the District as to when the fee should be applied. The fee schedule now cites specific circumstances in which a special fee shall be applied.**

**DRAFT**  
**Barton Springs/Edwards Aquifer Conservation District**  
**Fiscal Year ~~2016~~2017**  
**Fee Schedule**

To be Effective September 1, ~~2015~~2016.

**I. PERMIT FEES AND PRODUCTION FEES**

**A) ~~Permit and~~ Drilling and Production Application Fees (See Table 1)**

~~\$50300.00~~ **General Permit Application Fee** – assessed ~~to~~ for the drilling (new well or replacement well), modification or production of all new limited production permit (LPP), monitor, and test wells subject to the general permits by rule outlined in District Rule 3-1.20. This fee includes construction inspections conducted by District staff. , and additional aquifer pump tests (a non-refundable, one-time fee assessment).

- -For monitoring wells, multiple wells that are similar in well design, construction, location, and purpose will be assessed an additional \$10 fee for each monitoring well.
- For test wells requiring additional aquifer pump tests an additional \$50 fee will be assessed.

~~\$500.00~~ **Production Permit Application Fee** - assessed to all new Production Permits for existing or new nonexempt wells not covered by Rule 3-1.20 - general permits by rule (a non-refundable fee assessment). Permit applications will be assessed an application fee based on the following scale:

- \$ 500 - production volume requests less than 2,000,000 gallons per year
- \$ 750 - Tier 1 production volume requests > than 2,000,000 to 12,000,000 gallons per year
- \$ 1000 - Tier 2 production volume requests > than 12,000,000 to 200,000,000 gallons per year
- \$ 1500 - Tier 3 production volume requests > than 200,000,000 gallons per year

**\$0.00 Temporary Production Permit Application Fee** - assessed to all Temporary Production Permit applications pursuant to District Rule 3-1.55 (a non-refundable fee assessment).

**\$500.00 Transport Permit Application Fee** – assessed to all new Transport Permit applications for existing or new nonexempt wells (a non-refundable fee assessment). This is in addition to production permit application fee, if applicable.

~~\$625.00~~ **Drilling/ Modification Application Fee**– assessed for the drilling (new well or replacement well) or modification of all nonexempt wells. This fee includes construction inspections conducted by District staff. This fee does not apply to general permits by rule outlined in District Rule 3-1.20.

**\$125.00 Well Plugging, Capping, or Recompletion** –assessed for application and site review of proposed abandonment procedures, field inspections, and registration on abandonment of all wells (a non-refundable fee assessment).

~~\$50.00~~ **Annual Permit Fee** – assessed to all permittees for renewing annual permits (a non-refundable fee assessment).

**B) Permit Amendment Applications (see District Rules for clarification).**

### **Minor Amendments**

- **\$300.00 Production Permit Increase - minor amendments to increase pumpage authorized by individual permits (a non-refundable fee assessment)**
- **\$200 Substantial Alteration - minor amendments to substantially alter a well (a non-refundable fee assessment)**
- **\$ 50.00 All other minor amendments (a non-refundable fee assessment)**

### **Major Amendments**

- **\$750.00 Production Permit Increase - major amendments to increase pumpage authorized by individual permits (a non-refundable fee assessment)**
- **\$625.00 Well Modification - major amendment to alter the physical or mechanical characteristics that increase capacity of an existing well ( a non-refundable fee assessment)**

## **BC. Production Fees**

**\$0.17 per 1,000 gallons** for annual permitted or authorized pumpage for water to be withdrawn from a well or aggregate of wells by a Historical Permit or a Conditional Permit not authorized by material amendment.

**\$0.17 per 1,000 gallons** for annual permitted or authorized pumpage for water to be withdrawn from a well or aggregate of wells by a Temporary Production Permit.

**\$0.46 per 1,000 gallons** for annual permitted or authorized pumpage for water to be withdrawn from a well or aggregate of wells by a new **Class A, B, or C** Conditional Permit or a **Class A, B, or C** Conditional Permit authorized by material amendment.

**\$0.17 per 1,000 gallons for annual permitted or authorized pumpage for water to be withdrawn from a well or aggregate of wells by a new Class D (ASR) Conditional Permit or a Class D Conditional Permit authorized by material amendment.**

**\$0.08 per 1,000 gallons** for annual permitted or authorized pumpage for water to be withdrawn from a well or an aggregate of wells in the Saline Edwards Management Zone.

**\$1.00 per acre foot** for Agricultural Wells for annual permitted pumpage for water to be withdrawn from a well or aggregate of wells.

Production Fees are assessed annually based on the current permitted pumpage volume of certain nonexempt wells. Permits are issued annually for nonexempt wells and are explicit as to the volume of water permitted to be withdrawn from a well or aggregate of wells over a specific time period.

## **CD. Transport Fees**

**\$0.31 per 1,000 gallons** - assessed annually to all permittees who are transporting water out of the District. Transport fees are based on the volume authorized to be transported outside the District boundaries, in addition to the production fee associated with the production of that water (a non-refundable fee assessment).



**DE. Annual Permit Fees**

~~**\$50.00 Annual Permit Fee** - assessed to all permittees for renewing annual permits (a non-refundable fee assessment).~~

~~**D Permit Amendments - Minor / Major** (see District Rules for clarification).~~

~~**Minor Amendments**~~

~~Production Permit - minor amendments to increase pumpage authorized by individual permits -~~

~~\$400.00 (a non refundable fee assessment)~~

~~All other minor amendments - \$ 50.00~~

~~**Major Amendments**~~

~~Production Permit - major amendments to increase pumpage volumes -~~

~~\$500.00 (a non refundable fee assessment)~~

~~Well Modification - major amendment to alter the physical or mechanical characteristics that increase capacity of an existing well - \$625.00 (a non refundable fee assessment)~~

**EF. Excess Pumpage Fee**

Permittees who exceed their annual permitted pumpage shall be assessed an excess pumpage fee for groundwater withdrawn in excess of the permitted volume in accordance with the following schedule:

An excess of **500,000 gallons or less:** \$0.17 per 1,000 gallons for a Historical Permit, a Conditional Permit not authorized by material amendment, or a Temporary Production Permit.

\$0.46 per 1,000 gallons for new Conditional Permits and Conditional Permits authorized by material amendment.

An excess of **more than 500,000 gallons:**

Up to 25% of permitted pumpage - \$0.50 per 1,000 gallons plus the applicable production fee\*

25% to 100% of permitted pumpage - \$1.00 per 1,000 gallons plus the applicable production fee\*

Over 100% of permitted pumpage - \$2.00 per 1,000 gallons plus the applicable production fee\*

\* Applicable production fee means the higher rate associated with any authorized pumpage.

**FG. Regulatory/Drought Management Fees**

During periods of District-declared drought starting after two full months of a drought period, a drought management fee will be imposed on permittees permitted for more than 2,000,000 gallons annually (excludes all uses under general permits and Temporary Production Permits). This regulatory fee will be paid annually in arrears as a condition of permit renewals at the beginning of each fiscal year. The fee will be assessed per full month of declared drought, with a credit of that same fee amount per month applied for each month that

the permittee does not exceed its monthly mandated restriction in the prevailing UDCP. Fees will be assessed in accordance with the following schedule:

For production zone casing with outside diameters nominally 5.0 inches or less \* - **\$100.00/month**

For production zone casing with outside nominally between 5.0 inches and 10.0 inches\* - **\$250.00/month**

For production zone casing with outside diameters nominally greater than 10.0 inches\* - **\$500.00/month**

## **II. WELL CONSTRUCTION FEES**

### **Well Development Application – per well**

~~———— A well development application fee is assessed to drill or modify any well in the District. It is also assessed when classifying existing wells as nonexempt and bringing them into compliance with the permitting process. The first assessment of this fee also registers the well with the District. The classifications of the various well types are as defined in the District's prevailing Rules & Bylaws.~~

~~———— **\$125.00** – Drilling or modifying all new limited production permits (LPPs), and monitor and test wells subject to the general permits by rule outlined in District Rule 3-1.20.~~

~~———— **\$500.00** – Drilling or modifying all nonexempt wells including Temporary Authorizations. This does not apply to limited production permits (LPPs), and test wells subject to the general rule by permit outlined in District Rule 3-1.20. This fee is also assessed on previously unpermitted nonexempt existing wells applying for a pumpage permit for more than 12,000,000 gallons (a non-refundable fee assessment).~~

~~———— **\$125.00** – Drilling or modifying all exempt wells including closed loop geothermal well systems consisting of ten wells or less within the same system and of like well design and construction. Also assessed on previously unpermitted existing wells applying for a pumpage permit for 12,000,000 gallons or less (a non-refundable fee assessment).~~

~~———— **\$10.00** – Assessed for each additional well (above the first ten wells) of the same closed loop geothermal well system or monitoring well system and with the same well design and construction.~~

### **B. Well Construction Inspection Fee**

~~———— **\$125.00** – Assessed to all wells constructed within the District including well modifications and Temporary Authorizations. District staff provides inspection for compliance with District Rules and standards.~~

### **C. Well Abandonment / Capping Application Fee**

~~———— **\$50.00** – This fee is for application and site review of proposed abandonment procedures, inspections, and registration on abandonment of exempt wells (a non-refundable fee assessment).~~

~~———— **\$125.00** – This fee is for application and site review of proposed abandonment procedures, inspections, and registration on abandonment of all nonexempt wells (a non-refundable fee assessment).~~



### **III. OTHER FEES**

#### **Meter Verification / Inspection Fee - \$50.00 to \$75.00**

Assessed only when a permitted user fails inspection after being advised that meters must be installed or calibrated, or when a permittee fails to submit the required meter readings and District personnel must visit the well site or take the meter readings. May be assessed as many times as permitted user fails to comply with Board Orders or District Rules to come into compliance. The fee will increase to \$75.00 on the third instance to occur within a 12 month period in which a \$50 fee was previously assessed two instances prior (a non-refundable fee assessment).

#### **Special Fees - ~~\$80~~300.00 per hour**

~~A Special Fee rate will be based on time~~s required for ~~such things as certain tasks involving extensive application and technical/legal plan~~ review, ~~type of project~~, fieldwork ~~required~~, and/or inspection time. These fees may be applicable to a variety of special cases including but not limited to the following:

- Production Permit applications found to have a potential for unreasonable impacts;
- Test Well applications involving alternative well designs, that are temporary in nature, for formal aquifer tests that are conducted to support a future Production Permit request;
- Permit requests involving special permit provisions that require ongoing and periodic technical review or additional technical and legal consultation;
- Permit requests involving ~~external~~ additional technical consulting ~~resource~~ services for the application review (e.g. ~~and well construction, engineering plans and specifications, hydrogeological modeling).~~ review;
- Closed loop geothermal well systems;
- Special or innovative well developments or closures; or
- Special inspections or investigations, or requests from local government or private entities.

#### **Returned Check Fee - \$25.00**

The District will assess the person writing the returned check a \$25.00 fee for each check returned by the District depository due to insufficient funds, account closed, signature missing, or any other problem causing such a return. This fee will be charged each time a check is returned. If bank charges to the District's account exceed \$25.00, the District shall assess the higher of the two amounts (a non-refundable fee assessment).

#### **Accounting Fee - \$50.00 per hour**

Anyone requesting that the District conduct any accounting, other than the routine accounting normally done by the District, shall be assessed an accounting fee of \$50.00 per hour of District staff time spent on the accounting. Accounting fees will not be assessed if District generated errors are found in the Permittee's account.

#### **Variance Request Fees - \$100.00**

An applicant may, by meeting eligibility requirements of Section 3-1.25 or Section 3-7.10 and by written petition to the Board, request a variance from the requirements of District Rule 3-1 or District Rule 5, except Sections 3-1.20, 3-1.22, 3-1.23, and 3-1.24, or District Rule 3-7, respectively.

### **III. FEE REFUNDS**

The General Manager or a specifically designated representative may approve a refund of any fee for which no District service has been provided at the time of the request for refund is submitted. Requests for refunds must be submitted in writing to the District office and can be mailed, faxed, hand-delivered, or sent by e-mail. Fee payers who feel they have been unfairly denied a refund may request that the matter be reviewed by the Board.

Table 1. Summary of Application Fees

<b>Exempt Wells – Permit Actions</b>	<b>TOTAL</b>
Register Existing Well/ Change of Ownership	\$0
Drill New Well/ Well Modification	\$250

<b>Nonexempt Wells – Permit Actions</b>	<b>TOTAL</b>
GP -Drill New Monitor Well	\$300
GP - Drill New Test Well	\$300
GP - Conduct Pump Test	\$50
GP - Drill New Well (LPP) Limited Production Permit	\$300
Drill New Well / Well Modification (Individual Prod)	\$625
Production From Well	\$500-\$1500
Transport Out of District	\$500
Production Volume Increase(Minor Amendment)	\$300
Production Volume Increase (Major Amendment)	\$750
Plug, Cap, Recomplete Abandoned Wells	\$125
Change of Ownership of Permitted Well	\$50

STATE OF TEXAS

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RESOLUTION # 072116-01

COUNTY OF TRAVIS

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT  
THAT ADOPTS THE FISCAL YEAR 2017 FEE SCHEDULE**

**WHEREAS**, the Barton Springs/Edwards Aquifer Conservation District (the “District”) has the authority under Chapter 36, Texas Water Code and District Rule 3-1.16 to establish reasonable fees; and

**WHEREAS**, the Board of Directors of the District is responsible for establishing reasonable fees to manage and operate the District and support the District’s groundwater management programs; and

**WHEREAS**, fees must be established that, when combined with the City of Austin water use fee assessment, will provide adequate revenues to fund continuing operations and planned programs, retire debt, maintain adequate contingencies, and to help offset current and future project costs by building upon current reserves; and

**WHEREAS**, the District is required by District Bylaw 4-8.6 to hold a public hearing prior to adopting or amending a Fee Schedule, and the District has held a properly noticed public hearing on the proposed fee schedule on July 30, 2015 prior to acting on this Resolution; and

**WHEREAS**, the adoption of this Resolution meets the requirements of District Rules & Bylaws and State law for the adoption of the District’s Annual Fee Schedule and Fee Schedule amendments; and

**WHEREAS**, the Board of Directors of the District desires to address its mandate to conserve, preserve, protect, and enhance the Barton Springs segment of the Edwards Aquifer by adequately funding District programs for scientific research on water quality and quantity, recharge enhancement, public education and information, aquifer protection, to prevent waste of groundwater, protect the rights of owners of interest in groundwater, and other essential activities;

**NOW, THEREFORE, WE, THE BOARD OF DIRECTORS OF THE BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT, DO HEREBY ADOPT THE Proposed Fiscal Year 2017 Fee Schedule** as allowed under its enabling legislation codified at Special District Local Laws Code, Chapter 8802; Chapter 36 of the Texas Water Code; and other State laws.

The motion passed with \_\_\_ ayes and \_\_\_ nay.

**PASSED AND APPROVED** on July 21, 2016 **TO BE EFFECTIVE** for September 1, 2016.

\_\_\_\_\_  
Blayne Stansberry, Board President

\_\_\_\_\_  
Blake Dorsett, Board Secretary

## **Item 5**

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

**c. Discussion and possible action related to approval of Resolution No. 072116-02 authorizing the General Manager or his designated representative to participate in discussion related to creation of the Hill Country Conservancy Trust.**

STATE OF TEXAS

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RESOLUTION #072116-02

COUNTIES OF HAYS, TRAVIS  
AND CALDWELL

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
BARTON SPRINGS / EDWARDS AQUIFER CONSERVATION DISTRICT  
TO AUTHORIZE THE GENERAL MANAGER TO REPRESENT THE  
DISTRICT IN DISCUSSIONS RELATED TO CREATION OF THE HILL  
COUNTRY CONSERVANCY TRUST**

**WHEREAS**, the Development Agreement Between the City of Austin and Circle C Land Corp. (the "Agreement") with an effective date of August 15, 2002, states in Section 7.1R, that the Hill Country Conservancy Trust (the "Conservancy Trust") will be formed to receive proceeds from assessments on certain commercial Landowners; and,

**WHEREAS**, the Agreement specifies that the Conservancy Trust will be governed by five trustees and that one such trustee will be appointed by the Barton Springs/Edwards Aquifer Conservation District (the "District"); and,

**WHEREAS**, the Conservancy Trust has not yet been created.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the District authorizes the District's General Manager to participate in discussions with representatives from the other interested parties as soon as is reasonably possible to help expedite the creation of the Conservancy Trust in a manner that is in keeping with the intent of the Agreement.

In Favor \_\_\_\_\_

Opposed \_\_\_\_\_

**PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF JULY 2016.**

\_\_\_\_\_  
Blayne Stansberry, Board President

ATTEST:

\_\_\_\_\_  
Blake Dorsett, Secretary

Return: Heritage Title Co # 11  
Attn: Kathy Ann.

 TRV 2002151984  
243 pgs

**DEVELOPMENT AGREEMENT**  
**BETWEEN**  
**CITY OF AUSTIN**  
**AND**  
**CIRCLE C LAND CORP.**

**Effective as of August 15, 2002**

disagrees with the estimate it will inform the owner of such fact. In that event, Dedicated Review Team and the owner will attempt to resolve the discrepancy. If they cannot do so within fifteen (15) days, then the Dedicated Review Team and the owner will jointly select an independent third party civil engineer to review the proposed maintenance plan and develop an estimate of the initial annual maintenance costs for the Facility. If the Dedicated Review Team and the Landowner cannot agree on the engineer, then each will select an independent third party engineer and those engineers will select an independent third party engineer to perform the required review. The third party engineer's estimate of the annual maintenance costs will be binding on City and the owner of the Facility for determining the initial amount of the required fiscal deposit. Each of the engineers selected must be experienced in the design and operation of water control facilities. Each party will be responsible for its respective engineering costs and will split the costs for the engineer making the ultimate determination of the estimated annual maintenance costs.

g. **Continuing Fiscal.** Each time an application for an Operating Permit for a Facility is filed with the City, the owner of the Facility will submit its estimate of the costs necessary to implement the maintenance plan contained in the permit application. If the Dedicated Review Team disagrees with the cost estimate for such maintenance, it will inform the owner of the Facility of such fact. If the Dedicated Review Team and the owner do not agree on the estimated costs within fifteen days, the dispute will be resolved in accordance with the procedure established for estimating the initial maintenance costs. The estimate of the annual maintenance costs will be binding on the City and the owner of the Facility for purposes of determining the amount of the fiscal deposit required for the annual period covered by the Operating Permit.

h. **City Approval.** All provisions of any and all documents, including, without limitation, any declaration of restrictive covenants or other documents creating an Association or establishing the assessments contemplated by this Section, regarding the performance monitoring, maintenance, and repair and remediation of any Facility, and/or the assessments to pay costs incurred in connection therewith and/or liens to secure payment of such assessments must be approved by the City, which approval will not be unreasonably withheld or delayed, and the documents in which such provisions are contained must provide that any such provisions may not be modified, amended or terminated without the City's consent. The City hereby agrees that if a portion of the Land is subjected to, and made a part of, either (i) that certain Circle C Commercial Master Declaration of Covenants, Conditions, Restrictions and Easements recorded under Document No. 2002151143 of the Real Property Records of Travis County, Texas, or (ii) that certain Bear Lake PUD Master Declaration of Covenants, Conditions, Restrictions and Easements recorded under Document No. 2002151142 of the Real Property Records of Travis County, Texas and under Document No. 02022306 of the Real Property Records of Hays County, Texas, then such action will satisfy the requirement of Subsection 7.1Q(d)(i).

#### **7.1R Hill Country Conservancy Trust**

Within 180 days of the full execution of this Agreement, the City and CCLC will cause a trust to be formed under the name "Hill Country Conservancy Trust" to receive proceeds from



assessments on certain commercial Landowners (as described below) to be used for (i) the acquisition and preservation of additional open space within or adjacent to the Edwards Aquifer Recharge Zone, as defined by the Austin City Code, (ii) regional watershed and habitat protection planning, (iii) environmental education programs and (iv) other purposes ancillary thereto (the "Conservancy Trust"). The Conservancy Trust will be governed by five trustees appointed as follows:

1. One trustee will be appointed by the City.
2. One trustee will be appointed by CCLC.
3. One trustee will be appointed by the Hill Country Conservancy, a Texas not for profit corporation.
4. One trustee will be appointed by the Barton Springs Edwards Aquifer Conservation District.
5. One trustee will be appointed by the Wildflower Center.

All areas of the Land that are developed for Office Use Category will be subject to a mandatory assessment (the "HCCT Assessment") administered by a commercial owners association (the "Commercial Owners Association") created pursuant to that certain Circle C Commercial Master Declaration of Covenants, Conditions, Restrictions and Easements recorded in Document No. 2002151143 of the Real Property Records of Travis County, Texas, (the "Commercial Properties Declaration"). No Parcel may be developed or used for Office use unless the City has been provided evidence reasonably satisfactory to the City that (i) such Parcel has been made irrevocably and perpetually subject to the Commercial Properties Declaration through the filing of a Notice of Applicability (as defined in the Commercial Properties Declaration), (ii) such Parcel is included within a "Development Area" and within an "Assessment Unit" (as such terms are defined in the Commercial Properties Declaration), and (iii) the Commercial Owners Association is in existence.

The portions of the Land that are allocated Office Use Category Development Allocation from time to time will be subject to the HCCT Assessment pursuant to the terms of the Commercial Properties Declaration. The Commercial Properties Declaration includes the following terms with respect to the HCCT Assessments:

- i. The annual HCCT Assessment for all the Land will be (i) 25¢ per year per \$100.00 of building value used for Office, minus (ii) the Commercial Owners Association's costs for the relevant year incurred under the cost sharing agreement dated August 15, 2002 between the Commercial Owners Association and the Circle C. Homeowners Association for street landscape maintenance, with the deduction for such costs not to exceed \$70,000.00 per year (with the \$70,000.00 maximum deduction being escalated by 3% per year).
- ii. The HCCT Assessment for a particular Parcel will be levied no earlier than six months after an Office use occupant has commenced occupation of the building on that Parcel.

- iii. There will be prorations for (i) buildings with mixed use (i.e., Office and Retail) based on the Development Allocations for the Parcel upon which such building is located, and (ii) assessments for partial years.
- iv. There is a lien to secure the payment of the HCCT Assessment obligation.
- v. The HCCT Assessments designated for funding the Conservancy Trust will be paid by the Commercial Owners Association to the Conservancy Trust within 10 days of collection.
- vi. The City and the Conservancy Trust will have the right to inspect and audit the Commercial Owners Association's books and records with respect to the HCCT Assessments.
- vii. The provisions of the Commercial Properties Declaration affecting the HCCT Assessments cannot be amended without the prior written consent of the City and the Conservancy Trust.

Any Landowner providing an Apportionment of Development Allocation or an Assignment of Development Allocation to the City under the terms of this Agreement in connection with the allocation or assignment of Office Use Category must at the same time provide a copy of that apportionment or assignment to the Commercial Owners Association and the Conservancy Trust. It will be the responsibility of that Landowner to determine the then current address of the Commercial Owners Association and the Conservancy Trust when providing that copy. The Conservancy Trust will file its current address for notices in the Real Property Records of Travis County, Texas.

The document creating the Conservancy Trust will provide that in all literature, brochures and other advertising, the Conservancy Trust will credit Commercial Owners Association with funding the acquisition and preservation of property for open space preservation and the funding of education programs.

#### **7.1S Pipelines**

a. **Special Provisions Regarding Parcels Adjacent to the Longhorn Pipeline.** Initial Parcels 102, 103 and 106 are encumbered by that certain pipeline currently located in easements granted to Humble Pipeline Co. and Exxon Pipeline Co. as described in instruments recorded in Volume 993, Page 355, Volume 994, Page 397, Volume 9263, Page 995, and Volume 9684, Page 844 of the Real Property Records of Travis County, Texas and commonly referred to as the "**Longhorn Pipeline.**" It is anticipated that the Longhorn Pipeline will soon be transporting refined gasoline. Accordingly, in addition to all the other requirements in this Agreement for the construction of any structure on Parcels 102, 103, and 106, CCLC will file, concurrently with the submission of a site plan relating to such structure, a technical opinion from a qualified engineer (the "**Report**") that verifies that the proposed structure is designed to: (1) have at least a one hour fire rating for exposure from the Longhorn Pipeline and (2) allow persons one hour to

## **Item 5**

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

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

**Item 6**

**Adjournment**