

**Lower Colorado Regional Water Planning Group Meeting
Draft Minutes of the Wednesday, July 28, 2010 Regular Meeting
Aqua Water Supply Corporation
415 Old Austin Hwy.
Bastrop, Texas 78602
10:00 a.m.**

Members Signing In

Richard Bowers, alternate to Jim Barho, Environmental
John Burke, Water Utilities
Sandra Dannhardt, Electric Generating Utilities
Ron Fieseler, Water Districts
Ronald Gertson, Small Business
Barbara Johnson, Industries
James Kowis, River Authorities
Teresa Lutes, Municipalities
Karen Haschke, Public, alternate to Laura Marbury
Bill Neve, Counties
Bob Pickens, Other
Doug Powell, Recreation
Vinson Kirchner, alternate to Billy Roeder, Agriculture
Robert Ruggiero, Small Business
Haskell Simon, Agriculture
James Sultemeier, Counties
Paul Tybor, Water Districts
David A. Van Dresar, Water Districts
Jennifer Walker, Environmental
David Bradsby, TPWD, Non-voting
David Meesey, TWDB, Non-voting

Voting Members Absent:

Finley deGraffenried, Municipalities
Roy Varley, Counties (resignation received June 28, 2010 and accepted)

Consultants/Support/Visitors/Others:

Joe Cooper, Lost Pines GCD	Bill Loven, Aqua Water Supply
Patricia Bennett, LWVAA	Jamie Burke, AECOM
David Parkhill, AECOM	Josh Grimes, Lost Pines GCD
John Dupnik, BSEACD	Steve Box, Environmental Stewardship
Jeff Fox, City of Austin	Byron Theodosis, San Saba County Judge
James Beach, LBG-Guyton	Richard Sodek, Central Texas GCD
Jed Garren, Mills County Commissioner	Matt Nelson, TWDB
Mitchell Sodek, Central Texas GCD	Les Wick, FCGW

Quorum: Yes

Number of voting members, or alternates representing voting members, present: 19
Number required for quorum per current membership of 21: 11

FORMAL ACTIONS TAKEN:

1. Motion was approved to submit the final Region K plan to TWDB (refer to Agenda Item #11 minutes below for additional Motion details).
2. Minutes from the February 10, 2010 were approved as amended.

REGULAR MEETING AGENDA ITEMS:

- 1) Call to Order: Chairman John Burke called the meeting to order at approximately 10:00 am
- 2) Welcome and Introductions: John Burke welcomed everyone.
- 3) Attendance Report: Teresa Lutes reviewed the February 10, 2010 meeting attendance report.
- 4) Consent Agenda:
 - a. James Kowis stated that there were no changes to the financial report from what was reported during the last meeting.
 - b. Meeting Minutes - Minutes from the February 10, 2010 meeting were passed out for review over lunch. Toward the end of the meeting this item came up for approval. Ronald Gertson made a motion to approve the minutes with several small changes discussed and James Kowis seconded the motion for approval which passed unanimously.
- 5) Committee Reports:
 - a. Executive Committee – Chairman Burke reported that the Executive Committee met and discussed candidates for the vacant positions and the regional plan
- 6) Candidates Presentation to the Board – Candidates for the vacant interest groups presented their qualifications to the planning group. Candidates that made presentations were:
 - Jed Garren – Precinct 2 Commissioner , Mills County – County Interest
 - Judge Byron Theodosios, San Saba County Judge - County Interest
 - Steve Box, Executive Director, Environmental Stewardship – Public Interest
 - Karen Haschke, League of Women Voters, Austin Area - Public Interest
- 7) Discuss and take action to elect new voting members for the following interest categories:
 1. County, and 2. Public Interest

Members voted and selected Judge Theodosios for the County Interest vacancy (San Saba County – term expires 2016) and Karen Haschke for the Public Interest vacancy (Travis County – term expires 2016).

- 8) Discussion of potential inter-regional conflict with Region L (Carrizo-Wilcox Aquifer in Bastrop County) including presentation by Joe Cooper of Lost Pines GCD – James Beach, LBG-Guyton and John Burke, Aqua Water Supply:

Chairman Burke discussed a water management strategy proposed from Region L for using 30,000 AFY from the Simsboro Aquifer which would potentially come from northeast Bastrop County and southwest Lee County and would result in a conflict. David Parkhill reviewed the potential conflict which Region K was made aware of in January 2010 and had communicated concerns of to Region L at that time. It was expressed that TWDB will likely see this as a conflict that must be resolved prior to either of the 2011 Region K or Region L Water Plans being approved by TWDB. David Meeseey said that the Water Development Board would prefer that a resolution to the potential conflict be reached by the two planning groups prior to submission of the final plans to TWDB or the agency may have to make a decision.

One of Region L's proposed strategies is to include groundwater originating from the Carrizo-Wilcox (C-W) Aquifer from northeast Bastrop County and southwest Lee County could result in an additional 30,000 AFY demand on the groundwater from Bastrop and Lee Counties. This proposed Region L strategy known as the Simsboro Project would pipe water through a large diameter pipe across Region K to the Guadalupe-Blanco River Authority in Region L to serve growth along the I-35 growth corridor. David Parkhill stated that Aqua WSC would potentially be the most impacted WUG but that also the cities of Elgin, Smithville, and Bastrop, as well as some Lee County WSC wells would also be affected. Currently there is a moratorium on new groundwater wells in effect in the Lost Pines Groundwater Conservation District (GCD).

David Parkhill noted that preliminary results indicate that approximately 28,000 AFY of managed available groundwater from Bastrop County may be available. Permits have already been issued for approximately 42,000 AFY in Bastrop County. End-Op has an agreement with GBRA to take into Region L up to 30,000 AFY of groundwater from Bastrop and Lee Counties. Region L has expressed an awareness of the uncertainties with relying on the use of the additional C-W groundwater, but has indicated that it wants to continue to include this as a water management strategy in the Region L plan. David Parkhill suggested that the apparent options are: 1) Region L would refrain from including this conflicting strategy in their plan and not take water from the C-W Aquifer; 2) Region K could consider reducing current and future C-W groundwater availabilities and instead to look for other alternate supplies, which even with the End-Op desire for 30,000 AFY would leave a 2,000 AFY shortfall that would have to be resolved; 3) both Regions K and L could develop alternative strategies but still have conflicting recommended strategies involving this C-W groundwater; 4) a combination of Region K incorporating a reduced reliance on C-W groundwater and Region L reducing their proposed demand on C-W groundwater; 5) declare both conflicting regional strategies as overdraft strategies; or 6) look in detail at the way each Region made its determination, which could be a major undertaking and it is unclear what the results would be and if this would address the issue.

James Beach with LBG-Guyton, hydrologist for Aqua WSC, briefed the planning group on House Bill 1763 (2005) and the role that both the Regional Planning Groups and GCD's play in planning and management of the available groundwater. HB 1763 established GCDs responsibility for setting the Desired Future Conditions (DFCs) for their districts, which Mr. Beach said is generally a determination of an acceptable groundwater drawdown level. The TWDB then makes determinations of the Managed Available Groundwater (MAG) estimates for the Groundwater Management Areas (GMAs). September 1st of this year is the deadline for GMAs to submit final DFCs to the TWDB and, following those submittals, TWDB will develop the MAG numbers. Mr. Beach reviewed the GMA 12 and GMA 13 proposed drawdown levels based on the DFCs of these GMAs which both draw on water from the Simsboro Aquifer. Mr. Beach highlighted the projected aquifer drawdown levels over the next 50 years, showing typically less than 100 ft drawdowns in GMA 13 but drawdown levels ranging from 200-300 ft in GMA 12. With the addition of proposed demands of up to an additional 100,000 AFY (from private companies including End-Op and Sustainable Water Resources) the GMA 12 drawdown levels have been projected to be as high as 700 ft. With just the proposed End-Op project, Mr. Beach estimated drawdown levels in the 500 ft. range, which would affect Aqua WSC's Camp Swift wells. One important aspect of the issue is the impact on existing wells. Jennifer Walker asked how far along GMA 13 is in their DFC process to which James Beach said GMA 13 has voted on their DFCs. Ronald Gertson asked about the impact on Colorado River. John Burke said it is now typically a gaining stream because the aquifer has had good levels of water. David Meesey said that increased aquifer pumpage and drawdown levels could change the system dynamics which could result in the Colorado River changing from a

generally “gaining” stream to a “losing” stream but that the TWDB is not certain of the exact impact.

Haskell Simon asked about the impact on the stream flows and the bay and estuary flows from the aquifer and whether the modeling takes that into account. Mr. Beach said the current work with the Groundwater Availability Models (GAM) is more limited in scope than the modeling work performed for the LCRA-SAWs Water Project (LSWP) and that the GAMs would need to be adjusted to be more comprehensive to assess those potential impacts. Barbara Johnson asked about the productivities of the Simsboro Aquifer south and north of the river and whether the counties in GMA 13 are being more protective of their groundwater, which appears to be more of a policy decision and not based on less availability. Mr. Beach indicated that south of the river the Carrizo is the most productive whereas north of the river the Simsboro predominates. Chairman Burke said that the GCDs in GMA 13 have set more conservative drawdown levels. Jennifer Walker pointed out that those districts in GMA 13 have been concerned also with river and stream flows affecting endangered species. Haskell Simon observed that it appears that Region L was attempting to retain increased flexibility noting that projected drawdown levels as high as 400 ft in the Gulf Coast Aquifer had met with much resistance. Ron Fieseler said the appeals process for the MAG values could take an additional year after the TWDB releases the MAG numbers before final determinations of the MAGs are known. David Parkhill said some landowners have entered contracts with End-Op for the groundwater under their property.

Joe Cooper with Lost Pines GCD addressed the group and said the current moratorium is based on HB 1763 and legal requirements. Mr. Cooper said there is a similar conflict between Region L and Region G. The district has spent approximately \$200,000 over the last couple of years on hydrological studies. Lost Pines looked at the groundwater demands of the 1980s, 1990s, 2000s and up to current demands and determined a general 8% growth trend in pumping volumes. The district is currently under a moratorium on new permits and has 121,000 AFY of requests, which include requests from End-Op, Sustainable Water Resources, Heart of Texas Water, and others in Bastrop and Lee Counties. Mr. Cooper added that GCDs should not be modifying their DFCs until after the MAG numbers have been established by TWDB. The City of Bastrop relies solely on alluvial aquifers. Mr. Cooper expressed concern that the encroachment of gravel mining along the river is a threat to all aquifers in the basin and particularly in Bastrop County. At this time End-Op and some of the other water marketers do not have administratively complete applications on file at Lost Pines GCD. Jennifer Walker asked whether Lost Pines would have the water available even after the MAGs are determined and the moratorium lifted. Mr. Cooper said much depends on final determination of whether the MAG decides permitted or pumped amounts and what the impact is on drawdown levels. Haskell Simon said Lost Pines GCD could be the most impacted by what is determined with the strategy recommendations on groundwater. Mr. Cooper noted that Lost Pines GCD is a fee based GCD with an export fee in addition to the pumping fee. Approximately 30% of the Lost Pines GCD permitted water is exported out of the district with Manville WSC exporting much of that volume.

John Dupnik said Barton Springs Edwards Aquifer Conservation District has had a moratorium in effect for about a year and expects to keep it in effect at least until the MAG numbers are finalized. Ron Fieseler said that Chapter 36 wording in the Texas Water Code states that districts “shall permit up to the MAG” and expressed a desire to see the wording changed to “shall pump up to the MAG”. Ron noted that for now it is a gray area since the process of establishing the DFCs and MAGs has not been completed. Ron said that, typically, the TWDB runs their models and then subtracts current and projected exempt well use volumes, resulting in MAG values may be somewhat lower for GMAs with exempt wells.

Bill Loven, General Manager of Aqua WSC, addressed the group and stated that Aqua WSC has 40 years of operation and now has about 17,500 connections serving about 56,000 people. Bill said it does not make sense for as much as 2/3 of the groundwater from Bastrop and Lee Counties to be exported to GMA 13 and that he feels that GMA 13 is banking their local groundwater and proposing to import Region K's groundwater. Projections show that Aqua WSC could reach 100% of their permitted capacity amount by year 2034 and that Aqua is looking to increase their supply by another 25,000 AFY. Bill added that Aqua WSC has a legal duty to meet the needs of their customers and is concerned about impacts of drawdown amounts of 500 to 900 ft in Bastrop County, which have been projected if water marketers were to receive amounts they have requested. Aqua WSC will be hosting a public meeting on September 21st about groundwater issues with speakers to include Senator Hegar, Representatives Kleinschmidt and Callegari, and others. Haskell Simon thanked Aqua WSC for all their support of the Region K planning group.

David Meesey said Region L's draft plan has a recommended strategy as well as alternate strategy to meet this need. David Parkhill suggested that another option may be that Region K could also have an alternate strategy for dealing with shortages then both regions could include the Simsboro groundwater in their plans. David Parkhill said even if future use of C-W Aquifer groundwater were to be removed as a strategy that there could still be an over-allocation issue to address within Region K. David Meesey suggested that surface water may not be a preferable alternate strategy because of cost.

Concern was expressed regarding the potential for overdrafting the aquifer and creating costly or difficult to implement alternate water management strategies to address the issue. Bill Neve expressed concern about including potential overdraft supply strategies to basically develop water for another region, in this case Region L. Mr. Neve expressed concern that this may indicate a willingness to consider more expensive or less desirable alternate strategies for Region K than using groundwater pumped within Region K's own basin. Jennifer Walker said that since Region L has an alternate strategy already and the groundwater from Region K was already permitted and needed in Region K that Region L should be asked to modify their plan. David Meesey said if both planning groups adopted the same recommended strategies it would be a conflict and then it could be up to the TWDB to reach a resolution. David Parkhill suggested that if both K and L have non-competing alternates then it would perhaps not be a conflict.

Ronald Gertson made a motion to keep the Region K water management strategies as they are now with the exception of adding language to incorporate Lost Pines GCD existing groundwater permit numbers and have the Executive Committee approve the specific associated plan language. Region L would be requested to change their recommended strategy using C-W groundwater from Region K to instead be an alternate strategy, pending the results of a meeting this coming Monday with Region L. David Parkhill suggested that the motion be ready to adopt the Region K Water Plan (see agenda item #11 below) with the provision that a second meeting could be convened if needed based on the discussion with Region L. Ronald withdrew his motion and changed it to a statement.

- 9) Discussion of Initially Prepared Plan (IPP) comments received from TWDB, TPWD, and the public, and the proposed responses to those comments as well as additional proposed edits to the IPP to be included in the final version of the 2011 Region K Water Plan – AECOM

Jaime Burke reviewed the public comments as well as those received from the TWDB and TPWD. (Refer to Packet item # 9). Teresa Lutes suggested changing the wording in section 4-42. Jaime said all responses and comments will be included in the final plan. Jaime reviewed the comments

found in the handout. James Kowis said that with respect to the Region F/Kimble County Judge's comments that Region F water rights are from LCRA and that in the next planning cycle the needs will have to be determined. David Parkhill said the Region F proposal is to take water from the Colorado River. Jaime Burke said that the TWDB noted some water over allocations and database errors and that the planning group interactions with David Meesey helped lead to less need for TWDB staff comments. Minor-scale edits/corrections can be ongoing up to the point of final plan adoption and AECOM will post these to the Region K web-site.

AECOM reported that they received a telephone call from a Hays County consultant with respect to the Trinity Aquifer amounts listed in the County – Other category. The Hays County consultant felt the figures should match the Hays County facilities plan. David Meesey said this should not impact the IPP and did not anticipate a comment.

- 10) Discussion of remaining work and schedule required to meet September 1, 2010 submittal of final plan to TWDB – AECOM: David Parkhill re-capped that resolving Region K's response to the potential inter-regional conflict issue with Region L is the one remaining issue that needs to be addressed prior to submitting the plan by the September 1st deadline.
- 11) Pending resolution of Region K's response to the potential inter-regional conflict with Region L and approval of proposed IPP comment responses, the planning group may discuss and consider taking action on the approval and adoption of the Final 2011 Region K Water Plan for submittal to TWDB (note that adoption of final plan requires approval by 2/3 of voting membership):

Incorporating comments from the group based on the group's discussion, Teresa Lutes made the following motion: "LCRWPG approves submittal of the final plan including the changes discussed at today's meeting unless the Executive Committee calls for an additional LCRWPG regular meeting prior to the plan deadline of September 1st, 2010".

Pending any changes that result from the meeting next week with Region L, the Region K Water Plan would stand approved. It was decided that Ron Fieseler should represent Region K at the meeting on August 2nd with Region L. Teresa made the above motion to approve submittal of the final plan and James Kowis seconded the motion, which passed unanimously. Jennifer Walker asked for an update after the August 2nd meeting with Region L representatives. The Executive Committee agreed to have a phone call on August 6th at 10:00 a.m.

- 12) Review and update Master Committee list: Teresa Lutes called the group's attention to the Master Committee List, which was included with the packet and asked members to mark up any changes and return with changes. This list will probably be addressed in the January 2011 meeting.
- 13) New / Other Business: none
- 14) Calendar: Unless the Executive Committee calls for an additional regular meeting before the September 1, 2010 plan submittal deadline, the next meeting is expected in January of 2011.
- 15) Agenda Items for Next Meeting: Master Committee updates and Nominating Committee report
- 16) Public Comments: there were no public comments
- 17) Adjourn