

DRAFT MINUTES

**Lower Colorado Regional Water Planning Group Meeting
April 10, 2013
LCRA Dalchau Service Center
3505 Montopolis Drive
Austin, Texas**

Members Signing In

Jim Barho, Environmental
Jim Brasher, GMA 15
John Burke, Water Utilities
John Dupnik, GMA 10
Ron Fieseler, GMA 9
Ronald Gertson, Small Business
Barbara Johnson, Industries
Joe King, Electric Generating Utilities
James Kowis, River Authorities
Teresa Lutes, Municipalities
Bill Neve, Counties
Doug Powell, Recreation
Mike Reagor, Municipalities
Billy Roeder, Agriculture

Robert Ruggiero, Small Business
Haskell Simon, Agriculture
James Sultemeier, Counties
Byron Theodosis, Counties
Paul Tybor, GMA 7
David Van Dresar, Water Districts
Jennifer Walker, Environmental
Patricia Bennett, alternate for Karen Haschke, Public
Lauri Gillam, alternate for Brandon Wade,
Municipalities
Charles Shell, Alternate, GMA 8
David Bradsby, Non-voting, TPWD
Richard Eyster, Non-voting, TDA
David Meeseey, Non-voting, TWDB

Voting Members Absent

Joe Cooper, GMA 12
Karen Haschke, Public, alternate attended
Brandon Wade, Municipalities, alternate attended

Consultants/Support/Visitors/Other

Cindy Smiley, Smiley Law Firm
John Hoffman, South Texas Project NOC
Brenton Lewis, City of Llano
Bob Rose, LCRA
Meghan Roussel, USGS
Bill Luedecke, Central Texas GCD
Izzy Neusch, CTWC
Jamie Burke, AECOM

Virginia Wilkinson, AECOM
Bill Mullican, citizen
David Lindsay, Recreation Alternate, CTWC
Tom Koch, CTK
Mary McAllister, Water Power Nexus Consulting
David Wheelock, River Authorities Alternate, LCRA
Danielle Martin, City of Austin
Jeff Fox, Municipalities Alternate, City of Austin

Quorum

Quorum: Yes

Number of voting members or alternates representing voting members present: 24

Number required for quorum per current voting membership of 25: 13

Formal Actions Taken

1. Motion to approve minutes from the January 9, 2013 meeting, as amended, was passed.
2. Motion to remove 2,500 acre-feet/year demand for White Stallion from steam-electric demand projections was passed.
3. Motion to send letter to WUGs requesting review and input on the TWDB draft population and municipal demand projections with suggestions made by Barho, Gertson, Johnson, and Kowis was passed.
4. Motion to authorize consultant to submit an initial scope of work for analysis of four potential water management strategies presented was passed.

5. Motion to send letter to TWDB outlining surface water modeling approach to be used during the upcoming regional planning cycle was passed.
6. Motion to include four minor changes to the Region K bylaws was passed.

Regular Meeting

1. Call to Order :

John Burke called meeting to order at 10:00 a.m.

2. Welcome and Introductions :

Joe King introduced John Hoffman, Environmental Consultant at the South Texas Project, as his new alternate and announced Rick Gangluff's retirement. Mike Reagor announced Brenton Lewis, City Manager of Llano, as his alternate.

3. Recognition for service to Region K :

John Burke recognized James Kowis for his service to the Region K planning group. James is resigning from the group and retiring from LCRA.

4. Attendance Report :

John Burke called the group's attention to the attendance report for the January 9, 2013 meeting that was included in the meeting materials packet.

5. Consent Agenda:

- a. Approval of Minutes from the January 9, 2013 meeting :

Motion to approve minutes, as amended, was passed.

- b. Financial/Budget Report :

James Kowis reported that as of February, the balance of the Region K account is \$2,008, the TWDB grant balance is \$50,346.

6. Texas Water Development Board (TWDB) Communications :

David Meesey addressed several regional planning process items:

- a. Update on population and demand projections:

David Meesey reported that TWDB has released the population and municipal demand projections; the planning group is now in the review process. Revision requests and discussion to be submitted to the TWDB by August and approved by TWDB by October. The Technical Memorandum is due May 2014, and the initially prepared plan is due May 2015. Bill Neve asked how a local boom in population during the summer months is considered. It was discussed that it is common in many areas to be counted on the water demand side in the summer boom area and as population in their county of residence. Water use survey estimates by local areas are used to demonstrate temporary water use booms. David Meesey offered to have a projections specialist give a presentation to the group and take questions at a future meeting. Haskell Simon recalled this subject coming up during the previous planning cycle, and LCRA had an extensive investigation at that time with a session to look at population proxies.

- b. How rule revisions will affect the 2016 regional water plan:

Revisions of drought requirements are designed to help small entities plan, and emphasize the importance of drought response and contingency plans. A separate chapter for all drought information will be included in the plan. There is a new requirement for entities which serve less than 7,500 and rely on a single source of water supply to identify potential alternative water sources to be considered for emergency use. New model drought plans designed for entities in the region include triggers, analysis and recommendations for next steps to address situations when supply drops below key triggers.

c. Process for amending a regional water plan:

There are three ways to amend the plan: 1) Substitute water management strategies that have already been fully evaluated. 2) A minor amendment process can be done in a public meeting, but cannot over-allocate water supply, be a new reservoir, have significant adverse effect on instream or environmental flows, or change or delete any legal requirements. 3) A major amendment process requires a public hearing and a 30 day comment period, taking several months.

7. Presentation by Bob Rose

Bob Rose, LCRA Meteorologist noted that our region is now in the third year of drought, with no indication that it will be ending soon. 2011 and 2012 for most of Texas had much less rain than normal. Two rain events have put most of Texas near normal amounts of rainfall so far this year; however soil moisture is still below normal. The drought monitor is showing a deepening and spreading drought. La Nina dissipated last year, but the weather pattern has stayed dry, and we have not moved in to an El Nino period. Ocean temperatures indicate that we will not move into El Nino by fall. We are currently in the negative phase of the Pacific Decadal Oscillation, similar to the 1950's, and this will likely be the dominant feature of the 2013 weather patterns. Rainfall through the summer is predicted to be at normal, with temperatures being predicted above normal. The Palmer Drought Index shows it would take at least 9-15 inches of rain in 3 months to bring our region out of a drought. Warm Atlantic temperatures and lack of El Nino indicate an active tropical weather season, with more storms coming inland. Historically, however, hurricanes have not brought large amounts of rainfall to our region.

8. Consultant Status Report :

- Jaime Burke with AECOM reviewed the work progress report since the January 9th meeting which included: Regional Water Planning Group (RWPG) Chair's conference call held on February 12; draft population and municipal demand projections have been sent out to members; TWDB Drought Chapter webinar held on March 4; Water Modeling Committee Meeting held on March 26; and preparations for Chapters 1 and 7 of the plan have begun.
- Deliverable schedule: Technical Memo due May 1, 2014; Task 4D scope of work due March 1, 2014; Initially Prepared Plan (IPP) due May 1, 2015; Final adopted Plan due Nov 2, 2015.
- Upcoming Task Work: further review of draft population and municipal demand projections with feedback from WUGs and RWPG members, surface water availability modeling after Texas Commission on Environmental Quality (TCEQ) Water Availability Model (WAM) release, continue updating chapters 1 and 7, task 4D scope of work partial submittal and strategy evaluations.
- Jennifer Walker asked for more information on chapter updates. Virginia Wilkinson with AECOM has been working on Chapter 1; to date, work includes identifying what sections need to be updated and what could be added to the chapter, such as recent regional economic conditions and population updates, and information on events such as Bastrop fire. Jaime noted that Chapter 7 work includes moving drought information throughout the plan into this new chapter. More details on these updates forthcoming, John Dupnik requested a future agenda item on this topic.
- Jaime noted that TWDB wants the 2070 Managed Available Groundwater (MAG) values included in the planning process. Jaime noted that most of the MAG values stay relatively constant for Region K, and that one option is to keep the MAG values constant from 2060 to 2070, or the group may consider options on how to address 2070 values. No action is needed at this time from the group but the approach will have to be discussed by the group in the future.
- John Dupnik commented that some Groundwater Management Areas (GMAs) with updated Desired Future Conditions (DFCs) for the 2070 planning period may be able assist with the RWPG timing deadlines and provide any updated DFCs where appropriate or known. David Van Dresar noted that draft legislation in the current legislative session may address syncing up the planning cycle DFC process with the regional planning group timelines. Mr. Dupnik commented that the process of getting them synchronized will be complicated. James Kowis suggested getting feedback from each GMA representative on the Region K planning group to come back to the group and give recommendations

on how to approach these MAGs for their respective GMA. Ron Fieseler agreed that the timeline is complicated and getting them synced during this planning cycle could be challenging.

- In January Region K received a memo from the Texas Water Alliance requesting Region K include the Texas Water Alliance as a wholesale water provider to Region K. AECOM looked into this and since they are located in Region L and principally serve customers in Region L, they cannot be listed as Region K wholesale provider, but they can be included in the Region K Plan as a Region L wholesale water provider that sells water to some customers in Region K. Texas Water Development Board (TWDB) has asked if there are any new wholesale water providers in the Lower Colorado Region.
- Non Municipal Demand Projections: in October 2012 a demand revision request was submitted to TWDB including Irrigation, Livestock, Mining, and Steam-Electric demands. The Bureau of Economic Geology updated mining projections in mid-January, with significant changes in Colorado and Fayette Counties, however, it was determined that the changes did not require updating the Region K demand revision already submitted. TWDB has asked for additional documentation for steam-electric demand revisions and when to expect submittal of manufacturing demand changes. Region K should be prepared to approve any revisions at the July meeting, as submittals are due to TWDB by August 16, 2013, and TWDB plans to request approval of all demands in October of this year. The revision request to TWDB included steam-electric demand of 2,500 ac-ft/yr for the proposed White Stallion Energy Center in Matagorda County. This project is no longer moving forward. Jim Barho motioned to remove the projected White Stallion steam-electric demand from the non-municipal demand projections. This motion passed.

9. Presentation and Discussion of Draft Population and Municipal Demand Projections:

- Jaime said updated data on draft population and demand data was received from the TWDB in April, any changes to projections are due to TWDB by August 16th; with TWDB consideration for approval planned for fall 2013.
- The City of Fredericksburg has confirmed concurrence with their projections. Jim Barho reported that Marble Falls had concerns over two projects that were not included in estimates; they have provided documentation related to their populations numbers which was handed out to members. Bill Neve announced that there is another meeting scheduled for other municipalities to discuss their demands, since only Marble Falls and Burnet representatives were present at the first meeting.
- A letter to WUGs requesting feedback has been drafted, which will help provide information to the county/other water user groups. The timeline for the letter is to be distributed April 24th, receive feedback by June 7th, discuss at next Region K meeting, July 10th, and submit revisions to TWDB August 16th. TWDB is expected to make their approval of the revisions in October 2013. Jim Barho suggested clarifying in the letter that the data is provided by TWDB, and it is the responsibility of the WUGs to prepare any recommendations and document those recommendations with supporting data for Region K to submit to TWDB. Ronald Gertson recommended including, with the letter, a complete list of WUGs and list of planning group members. Barbara Johnson suggested letting the group know which WUGs do not respond to the letter so members can try to contact them. James Kowis advised removing "if Necessary" from title and stating "review and respond" in the letter. Jaime provided the group with the WUG contact mailing list and asked for any suggested changes. Ronald Gertson motioned to send the letter with the corrections and additions discussed at this meeting. The motion passed unanimously. Haskell Simon asked how will small water suppliers within county/other be notified and whether the County Judge will be responsible for sending the notification to the other water providers in their county. Ronald Gertson suggested calling attention to what falls into the county/other category in the letters being sent to County Judges. Robert Ruggiero asked why some of the WUGs were removed from this planning round. David Meeseey suggested that they were probably counted as part of a larger another WUG but specific examples as be looked into, as needed.

10. Presentation and Discussion of Potential Water Management Strategies and Initial Task 4D (Evaluation and Recommendation of Water Management Strategies) Scope of Work: – AECOM / Jim Barho & James Kowis:

- Jaime noted that the group needs to review all the possible water management strategies, which were covered at the January 9th meeting. However, TWDB has specific guidelines for the planning groups to consider, including expanding the use of existing supplies, development of new supplies, drought management and conservation measures, reuse of wastewater, and inter-basin and emergency transfers. Region K must develop a comprehensive list of strategies potentially feasible for meeting a need in the region. A draft of the list has been started, grouped into 7 categories, and handed out to members. David Meeseey stated that the more detail included when listing specific strategies, the better, especially concerning appropriating state funding, because the strategy has to be included in the plan rather than just consistent with the plan.

Jennifer Walker and Ronald Gertson indicated interest in identifying other agricultural conservation strategies to be included, such as those that had been part of the LSWP project but would still potentially be useful strategies. James Kowis recalled that some agriculture strategies were previously part of the LSWP are not listed under conservation, but instead are included in the alternative strategies. Jennifer Walker recommended the State Water Conservation Advisory Council's Best Management Practices Guide as a resource for agriculture and industrial conservation. Jennifer asked about the scope of work for the strategies.

Jaime said the group needs to have reviewed all their strategies by March 1, 2014. Ron Fieseler requested "Delivery of Water from Gonzales County to Blanco County" strategy under Potential New Strategies from Strategy Sponsors be changed to read "Delivery of Water from Gonzales County to portions of Blanco and Hays Counties". John Dupnik suggested including direct potable reuse. Teresa Lutes suggested including "Strategies List for 2016 Planned Development" in the title, and under City of Austin Direct Reuse bullet, striking "direct" and adding "...- Direct and Indirect". Mr. Kowis and Ms. Lutes discussed striking "and Recommended" from "Strategies Considered and Recommended in the 2011 Region K Water Plan" or listing indirect reuse as other or additional strategy, or creating a new other bullet. Haskell Simon wanted to be sure that a brackish groundwater strategy for Matagorda County is included in the plan since they are already spending money studying the concept.

- Jaime said the entire scope of work is to be submitted to TWDB by March 1, 2014, however, a partial scope of work for particular strategies can be submitted before the deadline. Strategies can be submitted as soon before March 1, 2014 as possible, and can be removed from consideration at any time before May 2015. Potential strategies for an initial partial scope of work include drought management for all WUGs conservation, existing DCP information, existing studies on water restrictions, possible coordination of regional and sub-regional drought triggers, expanded groundwater use, and LCRA new off-channel reservoir(s). Jaime said the off-channel reservoir (OCR) evaluation would include a WAM model run, coordination with LCRA, permitting requirements, and impacts, preparation of exhibits and strategy potential. The 2011 plan did include an OCR concept but this would be looked at as a new strategy. Jaime said the groundwater strategy for a WUG that is already using groundwater, and would be expanding this use strategy.

Teresa Lutes commented on availability analysis and assumptions and where those will be incorporated in the process, requesting that AECOM note where that will be included in the process. Jaime noted that in the 2011 plan, conservation was 37% of the 2060 water management strategies volume and stressed the need to explore additional conservation, where appropriate. David Meeseey recalled that in addition, reuse was over 20%. Haskell Simon asked whether in the future, as conservation is implemented, would there be less potential for further conservation. David Meeseey said new conservation technology may play a role in furthering conservation potential. Jennifer Walker asked about areas like Bastrop where permitted groundwater is significantly more than actual current pumping – should the permitted or actual pumped amounts be used? Jaime said this will need to be studied more. John Dupnik commented that permitting in other areas may not be commensurate with the Managed Available Groundwater (MAG), since some Groundwater Conservation Districts (GCDs) may permit at values higher than the MAG.

Barbara Johnson asked about a change in the approach on conjunctive use. Jaime said it will not be used as an overdraft strategy, but this should not be an issue since the LSWP strategy will not be part of this plan. Billy Roeder discussed the concept of investing in conservation strategies and who benefits from a specific water conservation investment and who ultimately benefits if the water is made available to another WUG. James Kowis motioned to authorize the consultants to submit an Initial Task 4D Scope of Work for the four potential strategies discussed. The motion passed unanimously.

11. Water Modeling Committee update :

James Kowis gave a Water Modeling Committee update and described the process. TWDB approved use of the Region K WAM in October. TWDB asked for a clarification of how the models will be used. A letter and attachment has been drafted to clarify the planning group's intent and how the TCEQ WAM Run 3 and cutoff model will be used. The letter has been handed out to the group and James Kowis made the motion to approve sending the letter to TWDB outlining the surface water modeling approach to be used during the upcoming regional planning cycle. The motion passed unanimously. David Meesey commented that this process has been beneficial for clarifying the use of the cutoff model. Jennifer Walker suggested replacing James Kowis as chair of Water Modeling Committee since Kowis is retiring, John Burke recommended Teresa Lutes as chair of the Water Modeling Committee.

12. Bylaws Committee :

Barbara Johnson noted that after major changes to the Region K bylaws were approved at the January 9th meeting, four additional minor changes have been recommended. The first change is to strike "called" under section 2 on page 1. Second, strike "will be" and add "is" under section 2 on page 13. Third, strike "the previous are" and add "a meeting is" under section 8 on page 15. Finally, strike "whom" and add "which" under article XIV on page 20. Barbara moved to adopt these minor changes. The motion passed unanimously.

13. Other Committee Reports: No other committee reports.

14. Letter from Central Texas Water Coalition (CTWC):

CTWC raised the issue of a possible consultant conflict of interest of Laura Raun, who is on the Region K Consultant Team, working for other clients, primarily rice farmers. Jo Karr Tedder of CTWC expressed concern about the appearance and possibility of an ethics conflict in representing multiple clients on related issues. Ms. Raun wrote a letter and made a statement to Region K explaining how her work for Region K is not compromised by her work for the Colorado Water Issues Committee and her roots in the rice farming industry. Copies of the letter were handed out. Ronald Gertson stated that the Colorado Water Issues Committee also employs Joe Trungale; and that the consultants Mr. Gertson spoke with did not with consider this to be a conflict of interest.

15. Agenda items for next meeting, July 10th in Burnet:

Chairman Burke said a replacement for James Kowis as the River Authority interest category representative is to be advertised and there will likely need to be an item on the next agenda to elect a replacement.

16. New / Other Business (time permitting)

The Population and Water Demands Committee will schedule a meeting. David Meesey suggested having Kevin Kluge with the TWDB speak at a future meeting about the draft projections. The July meeting is planned to be held in the upper part of the region. The October meeting is planned to be held in the lower part of the region.

17. No public comments were received.

18. The meeting adjourned at 1:26 pm.