

NOTICE OF OPEN MEETING

Notice is given that a **Regular Meeting** of the Board of Directors of the Barton Springs/Edwards Aquifer Conservation District will be held in **the District office**, 1124 Regal Row, Austin, TX, on **Thursday, February 23, 2012**, commencing at **6:00 p.m.** for the following purposes, which may be taken in any order at the discretion of the Board:

Note: The Board of Directors of the Barton Springs/Edwards Aquifer Conservation District reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on this agenda, as authorized by the Texas Government Code Sections §551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development) 418.183 (Homeland Security). No final action or decision will be made in Executive Session.

- 1. Call to Order.**
- 2. Citizen Communications (Public Comments of a General Nature).**
- 3. Routine Business.**
 - a. **Consent Agenda.** Note: These items may be considered and approved as one motion. Directors or citizens may request any consent item be removed from the consent agenda, for consideration and possible approval as an item of Regular Business.
 1. Approval of Financial Reports under the Public Funds Investment Act, Directors' Compensation Claims, and Specified Expenditures greater than \$5,000. **NBU**
 2. Approval of minutes from the Board's February 9, 2012, Regular Meeting. **Pg. 4**
 3. Approval of the termination of billing for monthly water use by Ridgewood Village Water System in anticipation of the termination of its production permit under the terms of the Agreed Order, and of the simultaneous inclusion of a like amount of groundwater in the District's Conservation Permit. **Pg. 9**
 - b. **General Manager's Report.** Note: Topics discussed in the General Manager's Report are intended for general administrative and operational information-transfer purposes. The Directors will not take any action on them in this meeting, unless the topic is specifically listed elsewhere in this as-posted agenda.
 1. Standing Topics.
 - i. Personnel matters and utilization;
 - ii. Upcoming public events of possible interest;
 - iii. Aquifer conditions and status of drought indicators.

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

- i. Review of Status Update Report -- at directors' discretion. **Pg. 13**
- ii. Update on recent activities of GMA 9 and GMA 10.
- iii. Update on the status of the Kyle litigation and Order, including appeal by SOS Alliance.
- iv. Update on the status of additional funding and other needs for the District's prospective saline-zone hydrogeologic investigation.

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

Individual Board Members may, on a voluntary basis, make a brief report to the entire Board on their personal involvement in activities and dialogue that are of likely interest to the rest of the Board, in one or more of the following topical areas:

- Meetings and conferences attended or that will be attended;
- Conversations with public officials, permittees, other stakeholders, and private citizens;
- Kudos and recognition of people doing good things for groundwater management in the District;
- Concerns about specific issues or problems for groundwater management in the District.

4. Regular Business: Board Discussion and Possible Actions.

- a. Discussion and possible action related to the declaration of a change to a less severe drought stage, from Stage III-Critical to Stage II-Alarm drought. **Pg. 20**
- b. Discussion and possible action related to the compliance by District permittees with their User Drought Contingency Plans and compliance of all groundwater users with District Rules, including the status and initiation of new enforcement actions, as warranted. **Pg. 22**
- c. Discussion and possible action related to enforcing the Final Order to permittee Don's Grass, including approval of litigation. **NBU**
- d. Discussion and possible action related to the District's sponsorship of events, complimentary items, and/or other participation in the TAGD-initiated Texas Groundwater Summit in August 2012. **Pg. 31**

5. Adjournment.

Came to hand and posted on a Bulletin Board in the Courthouse, Travis County, Texas, on this, the _____ day of February, 2012, at _____ .m.

_____, Deputy Clerk

Travis County, TEXAS

Please note:

This agenda and available related documentation have been posted on our website, www.bseacd.org. If you have a special interest in a particular item on this agenda and would like any additional documentation that may be developed for Board consideration, please let staff know at least 24 hours in advance of the Board Meeting so that we can have those copies made for you.

The Barton Springs/Edwards Aquifer Conservation District is committed to compliance with the Americans with Disabilities Act (ADA). Reasonable accommodations and equal opportunity for effective communications will be provided upon request. Please contact the District office at 512-282-8441 at least 24 hours in advance if accommodation is needed.

Item 1

Call to Order

Item 2

Citizen Communications

Item 3

Routine Business

a. Consent Agenda

Note: These items may be considered and approved as one motion. Directors or citizens may request any consent item be removed from the consent agenda, for consideration and possible approval as an item of Regular Business.

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NOTICE TO RIDGEWOOD VILLAGE WATER SYSTEM CUSTOMERS

CHANGE IN WATER SUPPLY

February 10, 2012

Dear RVWS Customer:

Please be advised that Travis County Water Control & Improvement District No.10 (WCID # 10) will assume ownership and control of the Ridgewood Village Water System (RVWS) water lines as of 10:30 A.M. (C.S.T.) on Thursday, February 16, 2012. (“Change in Ownership”). Immediately prior to the Change in Ownership, your water meter will be read for final billing by RVWS. After the Change in Ownership, you will become a customer of WCID # 10 and your domestic water will be supplied by WCID # 10.

With the Change of Ownership, you may notice a temporary smell of chlorine because of the difference in chloramines between the two water supplies. This odor, if any, will be temporary.

The difference in chloramines may impact dialysis equipment or fish tanks. If anyone in your household is dependent on dialysis, please consult with your physician or equipment supplier to make sure that your equipment will operate effectively. If you have fish tanks, please ask a qualified person if your equipment will filter the chloramine treated water to avoid any toxic effect on your fish or other marine life.

WCID # 10 delivers water purchased from the City of Austin.

If you have questions related to your water service after the Change in Ownership, please contact WCID # 10 or Crossroads Utility Services as follows:

Carla Glass, Office Manager, or Paul Wakefield, General Manager, WCID # 10, 5450 Bee Caves Road, West Lake Hills, TX, 78746. Telephone: (512) 327-2230, Fax (512) 327-6218.

Crossroads Utility Services, Maintenance and Operations for WCID # 10, 2601 Forest Creek Drive, Round Rock, TX, 78665. Telephone: (512) 246-1400. Fax (512) 246-1900.

Prior to 10:30 A.M. on February 16, 2012, please contact Aqua Texas, Inc. or Mike Ciccarelli, as follows:

Jeri Strain, Aqua Texas, Inc., 1502 San Juan Drive, Austin, TX 78733. Telephone (512) 263-2707.

Mike Ciccarelli, Ridgewood Village Water System, 1807 Treadwell Street, Austin, TX, 78704. Telephone: (512) 656-3121.

We appreciate your patience and assistance during this change in water supply.

Item 3 Routine Business

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

1. Standing Topics.

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

2. Special Discussion Topics, related to current staff work areas and specific activities of staff teams and directors. Note: Individual topics listed below may be discussed by the Board in this meeting, but no action will be taken unless a topic is specifically posted elsewhere in this agenda as an item for possible action. A Director may request an individual topic that is presented only under this agenda item be placed on the posted agenda of some future meeting for Board discussion and possible action.

- i. Review of Status Update Report -- at directors' discretion.**
- ii. Update on recent activities of GMA 9 and GMA 10.**
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- iv. Update on the status of additional funding and other needs for the District's prospective saline-zone hydrogeologic investigation.**

STATUS REPORT UPDATE FOR FEBRUARY 23, 2012, BOARD MEETING

Prepared by District Team Leaders

STATUS/COMMENTS

PROJECT / ACTIVITY DESCRIPTION

Date

Leader, Staff

GENERAL MANAGEMENT TEAM

WF Holland

GM activities of note since last report: Participated in several meetings with staff and Sierra Club facilitator concerning the planning for the Board-SAC work session. Participated in work session, and held follow-up meetings and discussions related to concepts for next rulemaking. Gave legislative candidate Chris Fransden orientation session on GW management issues. Met with National Wildlife Foundation and Sierra Club reps concerning participation in their grant project on characterizing the southern divide. Held discussions with staff, with TDS, and with Plum Creek CD representatives concerning current options for saline zone investigations and funding limitations, and recommending a course of action. Participation in TAGD Legislative/Bylaws Committee meeting and conference calls. Met with staff and worked on scope for City of Kyle effluent reuse feasibility study. Participation in TAGD Summit Conference Planning Committee meeting and conference calls. Attended Region L Water Planning Group meeting in San Antonio. Met with landowner concerning District boundary matters. Met with healthcare insurance broker and evaluated options for more affordable health insurance for staff, and made decision as to approach, then coordinated the enrollment process. Attended and participated in drought enforcement meeting with Aqua Texas. Held meeting and conference calls concerning programming for Kent Butler Summit on the BSZ, and arranged for final slots for speakers to be filled. Provided input and guidance on Summit website configuration. Participated in ECT's Natural Infrastructure Committee meeting. Attended and led several discussions in GMA 10 meeting in San Antonio. Met with staff to discuss progress and identify any issues concerning completion of their individual incentive projects. Held discussions with senior staff about intern options for this summer. DOUBLE CLICK HERE FOR MORE process with upcoming rulemaking schedule. Participated in monthly Technical Team meeting. Coordinated with Team Leaders on current work areas. Held one on ones with Team Leaders. Prepared agendas for and attended

Summary of Significant Ongoing Activities

16-Feb-12

WFH

General Manager activities and notes

Potential Future Board Considerations

16-Feb-12

WFH

Possible future Board agenda items (not necessarily next Board meeting)

Take action on recommendations from work session with Stakeholders Advisory Committee. Approve additional changes to rules related to new statute requirements. Amend budget. Drought compliance briefings and initiate enforcement actions. Approval of responses to DFC petitions. Briefings on various ongoing or recently completed staff projects and initiatives. Approve selection of task-order contractor support in various work areas to supplement staff resources. Authorize changes to Management Plan, as required to incorporate DFCs/MAGs. Approve ILA(s) with COA for HCP related activities. Approve ILA with Hays Co. for water monitoring support and Dahlstrom Ranch educational programs. Authorize settlement provisions for Jeremiah Venture TLAP. Approve permit applications.

GENERAL SERVICES TEAM

Dana Christine Wilson

Accounts Receivable

16-Feb-12

DCW

3rd Quarter and March Monthly water use fee invoices going out on Thursday, Feb 16 (due on Mar 5 and late on Mar 16th).

Amount invoiced \$270,711.

Accounts Receivable - DMFs

16-Feb-12

DCW

Tracking drought management fees monthly.

Election 2012

16-Feb-12

DCW

Working on draft "Order Calling Election."

A little early.

Budgeting

16-Feb-12

DCW/KH

DRAFT 2012 Annual Budget Rev 2 in process for March

Working on audit adjustments for financials

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
REGULATORY COMPLIANCE TEAM				
John Dupnik				
Enforcement	JD	16-Feb-12	Enforcement and Compliance Evaluations	Stenger Ridgewood - The transfer to District 10 has finally been approved. The physical connection of the systems was completed on 2-16-12. Don's Grass - The Final order was issued by the Board on 1-12-12. Staff has met with Jesse Farmer to explain the requirements of the order. She has agreed to relinquish the permit, however, provision of the easement will have to be discussed with new (previous) owner.
Drought Management	JD	16-Feb-12	Drought Compliance Monitoring and Enforcement	Staff continues to monitor monthly pumping compliance. Staff conducted the initial pre-enforcement meeting with Aqua Texas based on non-compliance in both their Shady Hollow and Bliss Spillar systems, with Ruby Ranch WSC, and Creedmoor Maha. A second enforcement meeting was conducted with Aqua Texas to discuss continued non-compliance
Rule Development and Review	JD, KH	16-Feb-12	Identify scope and develop provisions for future possible rule changes.	Staff will begin reviewing the rules for possible revisions needed to incorporate new statutory changes resulting from the last legislative session. In addition, staff will begin identifying rule changes that may be adopted under our current management plan for consideration by the SAC. The SAC will be convened to provide input into strategies for compliance with the drought DFC for the freshwater Edwards.
External Reviews	JD	16-Feb-12		None at this time
Hays Trinity GCD Rule Committee	JD	16-Feb-12	JD appointed by HTGCD to committee to advise on rule revisions	Chapters of the rules have been assigned to each member to lead discussion and proposed revisions. The group continues to meet monthly to work through the assigned chapters one at a time.
Travis County Stakeholders Group	JD	16-Feb-12	Assist Travis County in developing water availability demonstration regulations for the review of subdivision applications.	Hays County Commissioners finally approved the final version of the new water availability rules on 1-31-12.
Current Active Applications	JD	16-Feb-12	Ira Yates NDU, DDC creek side villas - Class C Conditional Production Permit app, and Lyndbrook Drive plugging application.	All applications are not administratively complete and are currently under review
EDUCATION & OUTREACH				
Robin Gary				
Groundwater to the Gulf (G2G)	RG	25-Jan-12	2012 Kickoff Meeting	Robin met with G2G collaborators to begin planning for the 7th annual G2G summer institute. This year we plan to spend more time at the LBJ Wildflower Center. There will need to be a rigorous fundraising campaign to add approximately \$3,000 to the account. All partners are excited and ready to go for another great year! The core inland G2G section will be June 19-21.
Eden Park Academy	RG	31-Jan-12	Grades 4-8, School-level Science Fair	Robin served as one of four judges for over 50 science fair projects for Eden Park Academy 4th through 8th grade students. Students will receive scores and feedback from the judges. Great projects!
GIS Maps	RG & LBH	15-Feb-12	Precinct boundary maps	Robin and LB Hughes (Tx State intern) have developed a map template for a new series of maps in the main room at District Headquarters. The new District Precincts map is now under staff review. A map series for individual precincts (tabloid size) have also been developed.
Website Reorganization	RG	15-Feb-12	25th Anniversary banners, template changes, and information updates	Robin has worked with Brian Zavala to develop a new web page template that is similar to the newsletter look and feel. She has met with Team Leads and continues to outline a more intuitive website structure and improved naming convention.

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
Website Tracking Update	RG	16 Jan - 16 Feb 2012	Internet Traffic Report	On the District website over the past month, we've had 4,172 page views from 1,603 unique visits. This is substantially more page views and unique visitors than last month. Top pages viewed (in order of hits) are the home page (1,177 views), Drought Status (505 views), and the Aquifer Data page (154 views). On the District Facebook page we have 53 people (who have signed up to 'Like' us.
AQUIFER SCIENCE				
Brian Smith				
Dye Tracing	BS, BH	16-Feb-12	Dye tracing	A report is being prepared about the Blanco River dye traces conducted in 2009. We are waiting on review and approval of the report by EAA. A dye trace was conducted by the District in February in the sinkhole that opened in the bottom of the sedimentation pond at the Arbor Trails shopping center. Initial results of the dye trace should be available in March
319(h) Grant	BS, BH	16-Feb-12	Ontion Creek Recharge Enhancement Project	The grant officially ended on August 31. A final report was sent to TCEQ on August 18. A QAPP for the CWQMN sites is currently being revised.
Water-Quality Studies	BS, BH	16-Feb-12	Sampling and analysis of groundwater and surface water	Plans are being made for sampling during the summer of 2012. However, with limited funds from TWDB, the amount of samples collected will be considerably less than in previous years.
Saline Zone Studies	BS, BH	16-Feb-12	Installation of multiport monitor well	The partners in this project agree that a deep multiport well to the Lower Trinity is needed, but funding for such a well is uncertain. Cost estimates for a deep well have been received from two drilling companies.
Drought and Water-Level Monitoring	BH, BS	16-Feb-12	Drought status, monitor wells, and synoptic water level events	Critical Stage Drought was declared by the Board of Directors on September 8, 2011. Rainfall in November was about average and December and January rainfall amounts were about twice the average rainfall for the months. On February 16, Barton Springs was at about 48 cfs and the depth to water in the Lovelady well was at 188.9 ft. Both drought indicators are above their respective Critical Stage levels. Alarm Stage Drought was declared by the Board of Directors on April 28, 2011.
Information Transfer	BS, BH	16-Feb-12	Presentations, conferences, reports, and publications	Staff presented three papers at the World Lake Conference in Austin in November 2011. Kirk Holland attended the Geological Society Meeting in Minneapolis in October and presented a paper. Aquifer Science staff will present a paper at the Emerging Issues in Groundwater conference hosted by NGWA. The conference will be held on Feb. 27-28 in San Antonio.
AD-HOC TEAMS				
Technical Team	BAS	16-Feb-12	Current areas of discussion	Key topics of discussion for February were saline zone studies and the Arbor Trails sinkhole and dye trace.
Planning Team	WFH	16-Feb-12	Strategic and tactical planning and discussion topics	Evaluating continuing use of interns and considering ad hoc contracting support needs, preparing solicitations, and evaluating candidate contractors. Coordinating new information sections for revised Management Plan. Coordinating revision of website to be more user-friendly. Will be evaluating how policy, procedure, and documentation need to be revised to conform to current SAO audit emphases.
UPCOMING ITEMS OF INTEREST				
President's Day Holiday - District office closed		20-Feb-12		

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
AWU Water Conservation Code Revision Workshop		22-Feb-12	6:30 PM- 9 PM, Rm 104, Waller Creek Center (CS)	
State Bar of Texas's 13th Annual Course on Changing Face of Water Rights in Texas		23-Feb-12	Through 2/24, at Hyatt Hill Country Resort and Spa, San Antonio	
Regional Science Fair, Judging		23-Feb-12	12:30 - 4:30, Palmer Events Center (RG)	
Second February Board Meeting		23-Feb-12		
Regional Water Quality Protection Plan, Intergovernmental Work Group meeting		24-Feb-12	11 AM - 1 PM, Cannoli Joe's SV (CS, KH, JD)	
NGWA National Conference, Emerging Issues in Groundwater		27-Feb-12	Through 2/28; in San Antonio (abstracts due 10/27/11)	
TWDB Hearing and Recommendation to GMA 9 on Trinity DFC (Re-scheduled)		01-Mar-12	In response to both petitions to GMA 9	
First March Meeting		08-Mar-12		
National Groundwater Awareness Week		11-Mar-12	Through 3/11	
Envision Central Texas Natural Infrastructure Committee meeting		16-Mar-12	11:30-1:30, ECT's Pecan Room (KH)	
Second March Meeting		22-Mar-12		
Central Texas Water Efficiency Network's Annual Conference - Theme: Drought Management		30-Mar-12	9 AM - 3 PM, LCRA's Datchau Service Center on Montopolis Rd	
Texas Rainwater Catchment Association, 2012 Conference		30-Mar-12	Through 4/1/12; Embassy Suites Hotel and Conference Center, San Marcos	
First April Board Meeting		12-Apr-12		
TWDB Hearing and Recommendations to GMA 10 on DFC Petition from Grass Valley		17-Apr-12	Probable date, but could be in May TWDB meeting	
Second April Board Meeting		26-Apr-12		
Inaugural Kent Butler Memorial Summit on Sustainability of the Barton Springs Zone		01-May-12	Through 5/2; Austin	
ECT Community Stewardship Awards Luncheon		03-May-12	8:30-4:30, at LBJWFC	
TCEQ Pollution Prevention Executive Council, presentation by BSEACD on drought management at BSEACD		10-May-12	Through 5/13; Henry B. Gonzalez Convention Center, San Antonio	
Texas AWWA Regional Water Conference		11-May-12	Noon - 1:30, Hyatt Regency Austin	

	Leader, Staff	Date	PROJECT / ACTIVITY DESCRIPTION	STATUS/COMMENTS
TCEQ Environmental Trade Fair & Conference		17-May-12	9 AM - 12 PM, TCEQ Park 35 offices, m tbd (BL,KH, JD)	

Item 3 Routine Business

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

Individual Board Members may, on a voluntary basis, make a brief report to the entire Board on their personal involvement in activities and dialogue that are of likely interest to the rest of the Board, in one or more of the following topical areas:

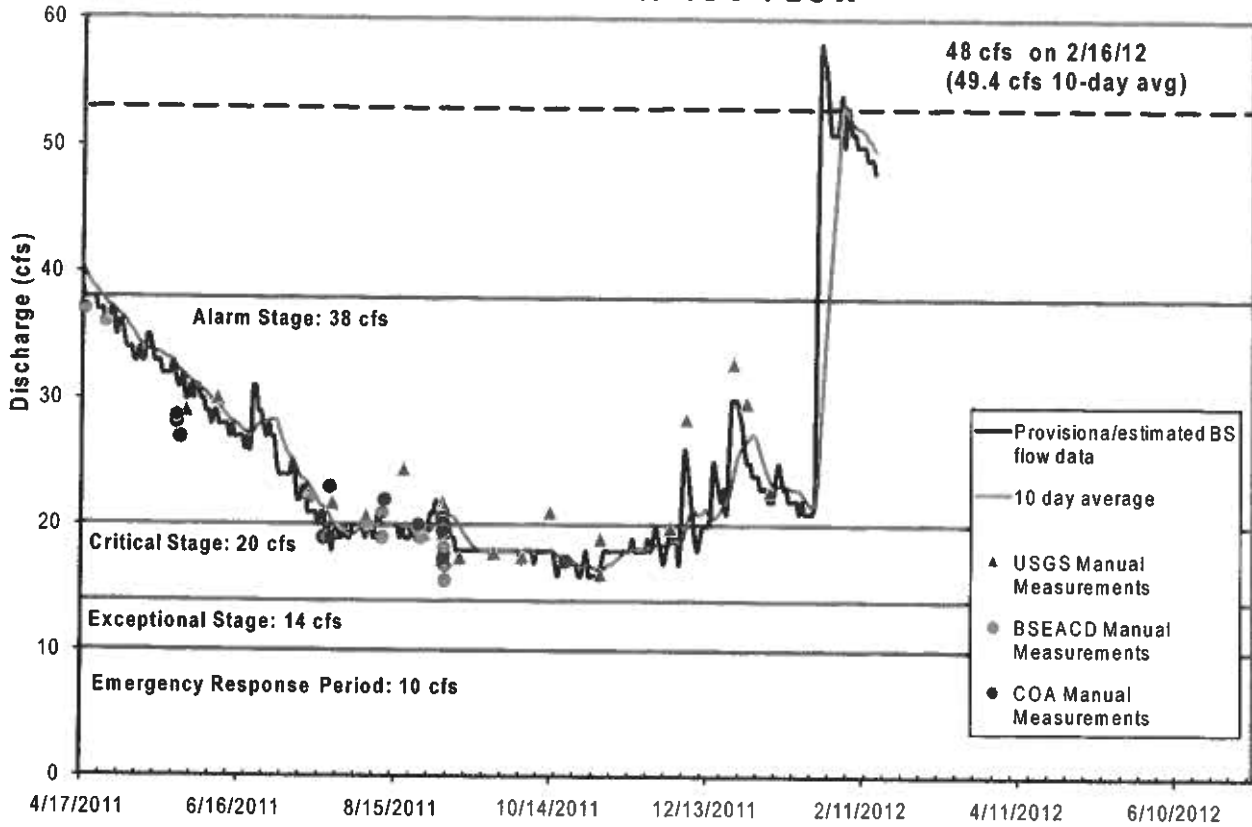
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- Concerns about specific issues or problems for groundwater management in the District.**

Item 4

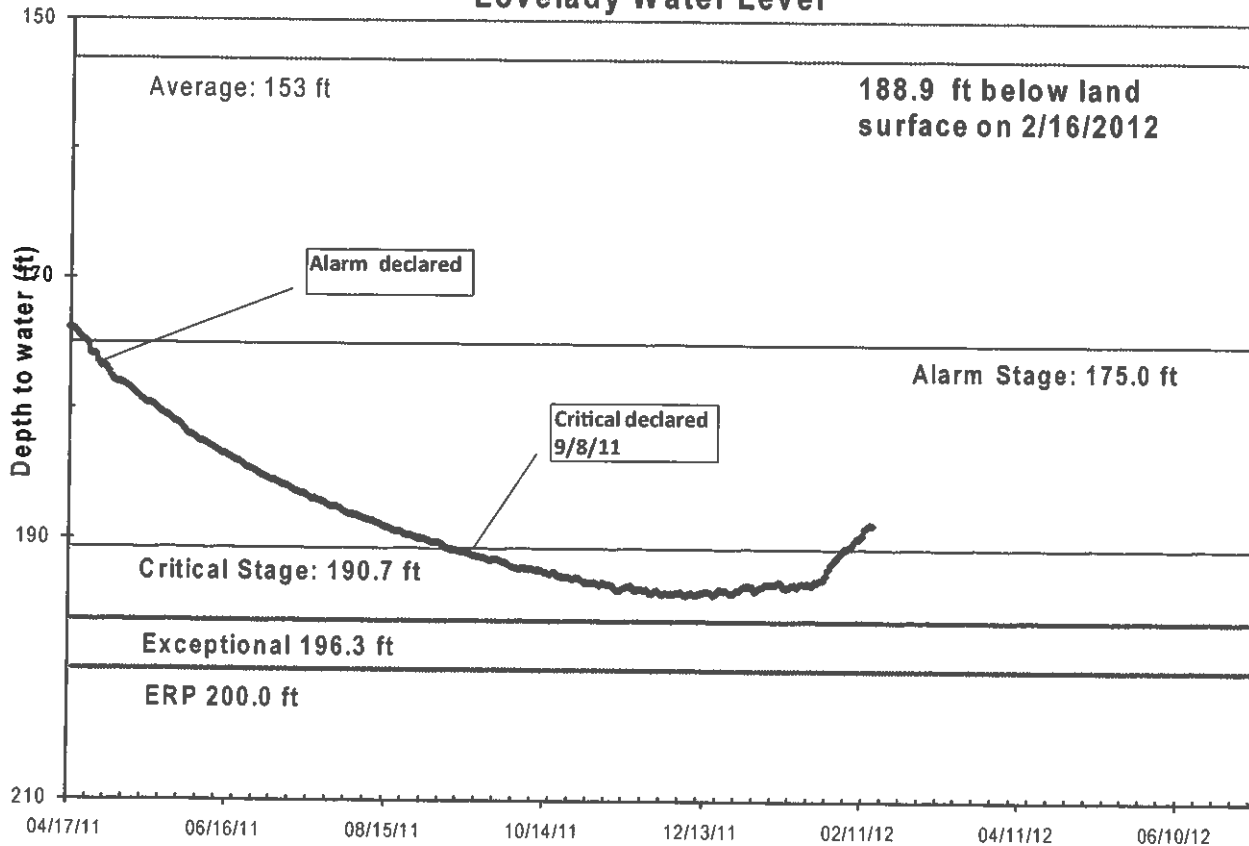
Board discussions and possible actions

- a. Discussion and possible action related to the declaration of a change to a less severe drought stage, from Stage III-Critical to Stage II-Alarm drought.**

BARTON SPRINGS FLOW



Lovelady Water Level



Item 4

Board discussions and possible actions

b. Discussion and possible action related to the compliance by District permittees with their User Drought Contingency Plans and compliance of all groundwater users with District Rules, including the status and initiation of enforcement actions, as warranted.



Barton Springs/Edwards Aquifer Conservation District

1124 Regal Row Austin, TX 78748 512/282-8441 512/282-7016 FAX

MEMORANDUM

Date: 2/14/12
To: File
Through: John T. Dupnik, P.G., Regulatory Compliance Team Leader
From: Kendall Bell-Enders, Hydrogeologic Field Technician
Re: 2nd Enforcement Meeting with Aqua Texas – Bliss Spillar Water System
for Non-Compliance with Drought Restrictions

The meeting was held on February 8, 2012 and was attended by Mr. Brent Reeh and Mr. Larry Mitchell, representing Aqua Texas – Bliss Spillar Water System, John T. Dupnik, Kirk Holland, Kendall Bell-Enders, and Robin Gary representing District Staff, Mr. Gary Franklin, District Precinct 2 Director, and Mrs. Mary Stone, President/District Precinct 1 Director. A summary of the discussion in accordance with the agenda is as follows:

Causes for Non-Compliance:

- Continuing excessive use of over 20,000 gallons/month by a minority of end-users.
- Continued use of water for non-essential outdoor uses, which is exacerbated by confusion over private, exempt water wells.
- Possible disproportionate allocation of annual permitted volume in UDCP monthly pumpage limit chart.
- First year for Edwards/Trinity permit split; possible disproportionate balance.

Implementation of measures:

- *Permittee will continue to monitor use of all end-users and provide notices for monthly use greater than 30,000 gallons.*

Door hangers were left at the homes of some high end-users; could not provide the number or address of targeted end-users.

- *Permittee will install flow restrictors in the service meters of selected high end-users.*

Flow restrictors were not installed in the service meters of any end-users.

- *Permittee will continue to assess the integrity of the transmission lines and repair any faulty equipment and repair leaks within the system.*

Operators did patrol for leaks and did not identify any new, substantial leaks.

- *Permittee will continue to seek a rate change to implement a conservation-oriented rate structure in order to comply with District Rule 3-6.1 and to encourage compliance from end-users.*

A tariff amendment application was filed with TCEQ for a rate increase based on an inclining block rate structure. It was stated that the tariff will provide rates that promote water conservation for end-users. The effective date will be at least 60 days after the Notice of Proposed Rate Change was delivered to customers.

Note: Aqua Texas provided a copy of the proposed rate structure to the staff at the Board meeting on 2-9-12. After assessing the tariff proposal, the District determined that the proposed rate structure was an improvement but would likely be inadequate, with only two tiers being presented. Typically there should be at least three to five rate blocks, with the unit price significantly increasing with each higher level. This structure would help send a strong conservation message to the customers.

- *Permittee will continue to send notices and drought information to end-users, and display signs in readily seen locations.*

Aside from the door-hangers provided to certain high-use end-users, drought notices were not sent out to end-users. Signs with the prevailing drought stage have been placed in visible locations within the subdivision.

Additional measures and future outlook:

Aqua Texas – Bliss Spillar will continue to implement the above referenced measures and will also:

- Look at pumpage history to consider reallocation of pumpage on the monthly pumpage limit chart.
- Commit to installing flow restrictors on the top 5-10% of high end-users after next meter readings (February 13th).
- Assist the District in identifying customers with exempt wells.
- Will provide the district with the number and addresses of homes in which door hangers were placed.

Commit to sending notices and drought information to end-users, and displaying drought stage signs. Notices will be delayed pending a possible downgrade in the District's drought status.

Recommendations: Staff does not recommend an enforcement action at this time. Staff will continue to monitor the implementation of the above-referenced measures and will monitor the pumpage performance for any signs of improvement. If these measures are ineffective and there is no significant improvement, Staff will update the Board and provide recommendations to initiate an enforcement action.

Note: The Board considered possible enforcement action against Aqua Texas at their regular meeting on 2-9-12. After considerable discussion about the longevity and reasons of the non-compliance by Aqua Texas concerning their UDCP, about the prior and future commitments by Aqua Texas, and about the various courses of action available to the District, the Board took no action to direct staff to issue a NOAV, tacitly providing Aqua Texas a few months more to implement the documented measures and provide a demonstration of substantial progress.

NOTICE OF PROPOSED RATE CHANGE

Aqua Texas, Inc., Aqua Utilities, Inc., Aqua Development, Inc., Harper Water Company, Inc., & Kerrville South Water Company, Inc., ("Aqua Texas")
CCN Numbers 11157, 12902, 11421, and 11484

1106 Clayton Lane, Suite 400W Austin, Texas 78723

(512) 990-4400

Company Address

Telephone Number

have submitted a rate/tariff change application affecting nearly all Aqua Texas Southwest Region water ratepayers to the Texas Commission on Environmental Quality (Commission) and with each Southwest Region city in which they provide retail water utility service. The application filed with the Commission is identical to the rate/tariff change application filed with each municipality in which the utility provides retail water utility service. The proposed rates, fees, charges and tariff provisions listed on the following pages will apply to retail water utility service received after the effective date provided below. If the Commission or a City receives protests to the proposed increase from 10 percent of the ratepayers or from any affected municipality before the 91st day after the proposed effective date, a public hearing will be scheduled to determine if the proposed rates are reasonable. Protests from ratepayers with active metered Aqua Texas connections not located within the corporate limits of a municipality should be mailed to:

**Texas Commission on Environmental Quality
Water Supply Division
Utilities & Districts Section, MC 153
P. O. Box 13087
Austin, Texas 78711-3087**

Unless protests are received from 10 percent of the ratepayers or the Commission staff requests a hearing, no hearing will be held and rates will be effective as proposed. Please read the following information carefully:

Subdivisions or Systems Affected by Rate Change

(This Rate Change affects nearly all Aqua Texas Southwest Region water ratepayers - See lists on pages 4-6 for more detail.)

Comparison of Existing and Proposed Rates at 5,000, 10,000 & 30,000 gallons (Please see following pages.)

Schedule of Proposed Rates, Fees, Adjustment Clauses, Future Rate Filings and Surcharges –
(Please see following pages.)

\$3,375,858

Annual Revenue Increase

On or before December 23, 2011

Date Customers Notices Mailed

July 13, 2004 (modified by TCEQ Commission Order effective January 1, 2009)

Date of Last Rate Change

Daily Throughout each month

Date meters Typically Read

EFFECTIVE DATE OF PROPOSED INCREASE: February 21, 2012

The proposed rates will apply to all retail water utility service rendered after the effective date and will be reflected on the first water bill you receive after the effective date. The first water bill you receive after the effective date will be prorated to apply the proposed rates to service during those days in the billing cycle when the proposed rates were in effect. All bills received thereafter will be calculated using only the proposed rates.

In the event that the application is set for hearing, the specific rates requested by the utility may be decreased or increased by order of the Commission. If the Commission orders a lower rate to be set, the utility may be ordered to refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest. You may inspect a copy of the rate/tariff change application at Aqua Texas' office at 1106 Clayton Lane, Suite 400W, Austin, Texas or at the Commission's office at Park 35 - Building F, 12015 Park 35 Circle, Suite 3101, Austin, Texas, west side of IH-35, south of Yager Lane. Additional information about the application can be obtained by contacting the Utilities and Districts Section at 512/239-4691. Information about how you can participate in the rate setting process can be obtained by contacting the Public Interest Counsel at 512/239-6363.

OVERVIEW OF SOUTHWEST REGION WATER RATE CHANGE REQUEST

Aqua Texas is proposing the following specific changes to its Southwest Region Water Tariff:

TERMS & CONDITIONS OF SERVICE

Aqua Texas proposes to make changes to its existing state-approved terms and conditions of service contained in its tariffs applicable to nearly all its Southwest Region water systems. Customers are encouraged to view these changes in the tariff included in the rate change application available for public inspection in the company's business offices and at the offices of the appropriate regulatory authority (*i.e.*, TCEQ; Municipality).

SOUTHWEST REGION (General WATER Tariff)

RATE SCHEDULE CHANGES

Aqua Texas is proposing rate schedule changes that will affect nearly all its Southwest Region water ratepayers. A list of Aqua Texas' current Southwest Region water systems affected by this application, identified numerically by TCEQ Public Drinking Water System ("PWS") Identification Number, is provided in this Notice. The PWS number may be found in the upper right corner of your monthly bill below your account number. System names as registered with TCEQ and the areas served may not match in all instances, but Aqua Texas is providing a list of its systems, with corresponding subdivisions and service areas, located in its Southwest Region in an effort to further inform customers which Aqua Texas system provides each customer's service. Currently, Aqua Texas has Southwest Region ratepayers located in Bandera, Bexar, Burnet, Comal, Gillespie*, Hays, Kendall, Kerr, Kimble*, Live Oak, Llano, Medina*, Nueces, Travis, Victoria, Williamson, and Wilson Counties, Texas, but additional service territories in Aqua Texas' Southwest Region may be added in the future.

* Two systems located in Gillespie and Kimble counties (Harper Water System (PWS ID No. 0860106) and London (PWS ID No. 1340019)) were purchased from LCRA and are considered part of Aqua Texas' Southwest Region. However, the customers of these systems will not receive the rate increase proposed in this application per a TCEQ approved agreement between Aqua Texas and LCRA. Additionally, Aqua Texas is not seeking a rate increase for its recently acquired Dancing Bear system in Medina County.

To review Aqua Texas' proposed rate schedule changes, please review the following information applicable to your system or subdivision:

1. The list of water systems and subdivisions/service areas provided on pages 4-6 ;
2. Billing comparisons for the current and the new proposed rates on pages 7-33; and
3. Other proposed changes to certain rate provisions (pgs. 34-37).

There is a bill comparison showing the typical monthly charge at the current rates and the monthly charge at proposed rates assuming that a customer uses 5,000 gallons, 10,000 gallons or 30,000 gallons per month. TCEQ rules require a comparison of usage at 10,000 and 30,000 gallons per month, but Aqua Texas is also providing a comparison at 5,000 gallons since most Aqua Texas customers use less than 10,000 gallons per month. These comparisons do not necessarily represent the amount of water a typical Aqua Texas customer would use in a given month because that amount varies.

Along with the proposed monthly minimum charges and charges per 1,000 gallons used, there is a list of the current and the proposed miscellaneous fees charged in specific instances, such as a new water tap or the fee for reconnecting service, and certain other specific rate clauses.

We have tried to make this notice as clear as possible while complying with all of the rules and regulations governing water utilities. We appreciate you as customers and look forward to providing you with high quality service at the most reasonable rates that we can in the future. You will note that we are proposing separate line item "Charges per 1,000 Gallons Used" so that you can see how much of the rate is dependent on ground water pumping fees, assessments, and purchased water fees.

Please note that Aqua Texas requests a Southwest Region water rate base determination by TCEQ in the rate/tariff change application.

SOUTHWEST REGION WATER (GENERAL)
APPLIES TO ALL CUSTOMERS NOT INCLUDED IN THE INDIVIDUAL CHARTS BELOW
BILL COMPARISON (CURRENT vs. PROPOSED RATES)

Meter Size	Southwest Region Existing			Southwest Region Proposed		
	Total Charges			Total Charges		
	@ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	@ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
5/8" x 3/4"	\$56.99	\$75.04	\$147.24	\$68.87	\$89.42	\$181.59
1"	\$115.40	\$133.45	\$205.65	\$141.37	\$161.92	\$254.09
1 1/2"	\$212.75	\$230.80	\$303.00	\$262.19	\$282.74	\$374.91
2"	\$329.57	\$347.62	\$419.82	\$407.18	\$427.73	\$519.90
3"	\$602.16	\$620.21	\$692.41	\$793.82	\$814.37	\$906.54
4"	\$991.56	\$1,009.61	\$1,081.81	\$1,228.79	\$1,249.34	\$1,341.51
6"	\$1,965.07	\$1,983.12	\$2,055.32	\$2,437.04	\$2,457.59	\$2,549.76
8"	\$3,133.28	\$3,151.33	\$3,223.53	\$3,886.94	\$3,907.49	\$3,999.66
10"	\$4,496.15	\$4,514.20	\$4,586.40	\$5,578.49	\$5,599.04	\$5,691.21
12"	N/A	N/A	N/A	\$12,103.04	\$12,123.59	\$12,215.76

EXISTING	PROPOSED
SOUTHWEST REGION	

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
5/8" x 3/4"	\$38.94
1"	\$97.35
1 1/2"	\$194.70
2"	\$311.52
3"	\$584.11
4"	\$973.51
6"	\$1,947.02
8"	\$3,115.23
10"	\$4,478.10
12"	N/A

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
5/8" x 3/4"	\$48.33
1"	\$120.83
1 1/2"	\$241.65
2"	\$386.64
3"	\$773.28
4"	\$1,208.25
6"	\$2,416.50
8"	\$3,866.40
10"	\$5,557.95
12"	\$12,082.50

CHARGES PER 1,000 GALLONS USED:

Gallage Charge	\$3.61
Regional Pass-Through Gallage Charge	\$0.0000

CHARGES PER 1,000 GALLONS USED:

Gallage Charge	
1 to 20,000 Gallons	\$3.10
Per 1,000 Gallons Thereafter	\$4.10
Regional Pass-Through Gallage Charge	\$1.0088

MISCELLANEOUS FEES (CURRENT)	
Tap Fee 5/8" x 3/4" Meter	\$500.00
Tap Fee (Unique Costs)	Actual Cost
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee – Non-payment of bill	\$25.00
Reconnection Fee - Customer's request that service be disconnected	\$45.00
Transfer Fee	\$45.00
Late Charge	10% of bill
Returned Check Charge	\$25.00
Customer Deposit Residential	\$50.00
Commercial & Non-Residential Deposit	1/6 of estimated annual bill
Relocated.[sic] Meter Test Fee	\$25.00
Meter Relocation Fee (Customer's Request)	Actual Relocation Cost, Not to Exceed Tap Fee
Standard Meter Installation Fee	\$150.00
Customer Service Inspection Fee	\$75.00
Lock Removal or Damage Fee	\$10.00
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - Base rate for meter size times number of months off system not to exceed six months when leave and return within a twelve month period.	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – When authorized in writing by TCEQ and after notice to customers, the utility may increase rates to recover increased costs for inspection fees and water testing. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	\$900.00 ¹
Tap Fee (Unique Costs)	Actual Cost ²
Tap Fee (Larger Meter)	Actual Cost ³
Reconnection Fee – Non-payment of bill	\$25.00
Reconnection Fee - Customer's request that service be disconnected	\$75.00
Transfer Fee	\$50.00
Late Charge	10% of bill
Returned Check Charge	\$25.00
Customer Deposit - Residential	\$50.00
Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	\$25.00
Meter/Service Relocation Fee (Customer's Request)	Actual Cost
Standard Meter Installation Fee	\$150.00
Customer Service Inspection Fee	\$100.00 ⁴
Illegal Reconnection, Lock Removal, or Damage Fee	\$85.00 ⁵
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – When authorized in writing by TCEQ and after notice to customers, the utility may increase rates to recover increased costs for inspection fees and water testing. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

- ¹ The tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.
- ² For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.
- ³ This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.
- ^{4,5} See page 36 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee".

Item 4

Board discussions and possible actions

c. Discussion and possible action related to enforcing the Final Order to permittee Don's Grass, including approval of litigation.

Item 4

Board discussions and possible actions

d. Discussion and possible action related to the District's sponsorship of events, complimentary items, and/or other participation in the TAGD-initiated Texas Groundwater Summit in August 2012.

AUGUST
28-30, 2012
AUSTIN, TX
CROWNE PLAZA HOTEL

TEXAS ALLIANCE OF GROUNDWATER DISTRICTS
TEXAS GROUNDWATER SUMMIT

PHONE: 512.358.1000



FAX: 512.358.1004



GROUNDWATER@IEMSHOWS.COM

Presenting Sponsor	\$10,000
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- Inclusion as Presenting Sponsor wherever official Meeting name is mentioned including press releases, E-blasts, program and website
- Premium Presenting Sponsor signage throughout Meeting including main stage
- Five-minute speaking opportunity during Meeting Welcome Address
- Sponsor-provided literature distributed to all attendees
- Full-page advertisement in program
- Four (4) Full-Meeting Badges (Valued \$1600)
- One (1) 6'x8' exhibit booth (Valued at \$650)

Luncheon Sponsor	\$7,500
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- Premium signage and acknowledgement as Sponsor at Luncheon
- Company table-toppers, literature or other takeaway items at all place settings
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Full-page advertisement in program
- Two (2) Full-Meeting Badges (Valued \$800)
- One (1) 6'x8' exhibit booth (Valued at \$650)

General Assembly Sponsor (includes both days)	\$6,000
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- Premium signage or acknowledgement as Sponsor at General Assembly
- Company literature or other takeaway items placed on each chair
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Full-page advertisement in program
- Two (2) Full-Meeting Badges (Valued \$800)
- One (1) 6'x8' exhibit booth (Valued at \$650)

Welcome Reception Sponsor	\$5,000
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- Premium signage and acknowledgement as Sponsor at Welcome Reception
- Company table-toppers placed on all cocktail tables during Reception
- Sponsor logo or name printed on cocktail napkins
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Half-page advertisement in Meeting Program
- Two (2) Full-Meeting Badges (Valued \$800)
- One (1) 6'x8' exhibit booth (Valued at \$650)

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GROUNDWATER@IEMSHOWS.COM

Break Sponsor (includes three)	\$4,000
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- Premium signage and acknowledgement as Sponsor at Breaks
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Half-page advertisement in conference program
- Two (2) Full-Meeting Badges (Valued \$800)
- One (1) 6'x8' exhibit booth (Valued at \$650)

Breakfast Sponsor	\$3,500
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- Premium signage and acknowledgement as Sponsor at Breakfast
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Half-page advertisement in conference program
- Two (2) Full-Meeting Badges (Valued \$800)
- One (1) 6'x8' exhibit booth (Valued at \$650)

Registration Sponsor	\$3,500
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- Premium signage and acknowledgement as Sponsor at Registration
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Literature or marketing materials distributed at Registration
- Quarter-page advertisement in Meeting Program
- Two (2) Full-Meeting Badges (valued \$800)
- One (1) 6'x8' exhibit booth (Valued at \$650)

Program Sponsor	\$3,000
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- Sponsor logo featured on front cover of program distributed to each attendee
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Full-page advertisement in program
- Two (2) Full-Meeting Badges (valued \$800)

Bag or Padfolio Sponsor	\$3,000
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- Sponsor logo featured on padfolios/bags distributed to each attendee
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Quarter-page advertisement in program
- Two (2) Full-Meeting Badges (valued \$800)

AUGUST
28-30, 2012
AUSTIN, TX
CROWNE PLAZA HOTEL

★ 2012 ★
TEXAS ALLIANCE OF GROUNDWATER DISTRICTS
TEXAS GROUNDWATER SUMMIT

PHONE: 512.358.1000



FAX: 512.358.1004



GROUNDWATER@IEMSHOWS.COM

Badge Sponsor	\$2,500
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- Sponsor logo featured on badge distributed to each attendee
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Quarter-page advertisement in program
- One (1) Full-Meeting Badge (valued \$400)

Lanyard Sponsor	\$2,500
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- Sponsor logo featured on lanyard distributed to each attendee
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Quarter-page advertisement in program
- One (1) Full-Meeting Badge (valued \$400)

Promo Item Sponsor (Four available)	\$1,500
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- Sponsor logo featured on promo item distributed to each attendee
- Acknowledgement as Sponsor in press releases, E-blasts, program and website
- Quarter-page advertisement in program
- One (1) Full-Meeting Badge (valued \$400)
- Available Summit Promo Items Include:
 - Pen*
 - Highlighter*
 - Koozie*
 - Notepads*

Program Ads

Advertising in the conference program is a cost-effective way to get your message in front of attendees. Available Sizes are:

- **Full-Page:** \$800
- **Half-Page:** \$500
- **Quarter-Page:** \$250

Item 5

Adjournment