

MINUTES OF THE
LLANO ESTACADO REGIONAL WATER PLANNING GROUP (REGION O)
THURSDAY, MARCH 21, 2013

1. Call to order and welcome by Chairman Brown.

Chairman H. P. Brown, Jr. called the meeting to order at 10:05 a.m. in the A. Wayne Wyatt Board Room of the High Plains Underground Water Conservation District No. 1 office, 2930 Avenue Q, Lubbock, Texas.

Notice of the meeting was provided in advance to each member and was also filed/posted in accordance with the Texas Open Meetings Act at the following locations: Office of the Texas Secretary of State; Lubbock County Courthouse; Administrative Offices of the High Plains Underground Water Conservation District No. 1; the RWPG web site and the HPWD website.

2. Roll Call to establish a quorum.

The following Llano Estacado Regional Water Planning Group members were in attendance: H. P. Brown, Jr., Jim Conkwright, Doug Hutcheson, Melanie Barnes, Bruce Blalack, Jack Campsey, Delmon Ellison, Harvey Everheart, Bill Harbin, Bob Josserand, Mark Kirkpatrick, Richard Leonard, Mike McClendon, Don McElroy, Kent Satterwhite, Aubrey Spear, and John Taylor. A quorum established.

Unable to Attend (Excused Absence): Delaine Buacum, Mike DeLoach, Richard Gillespie, Ken Rainwater, and Jim Steiert.

Absent Members (Unexcused): None

Non-Voting Members in Attendance: John Clayton (TP&W), Angela Kennedy (TWDB), Malcolm Laing (TCEQ), and Stefan Schuster (DBS&A).

Absent Non-Voting Members: Matt Williams (TDA).

Others in Attendance: Sherry Stephens, Elaine Fowler (court reporter), Kevin Kluge (TWDB), Jason Coleman (SPUWCD), Lori Barnes (LEUWCD), Ben Weinheimer (TCFA), Greg Stanton (USGS), Tim Pierce (SPAG), and Marisol Potts.

Chairman Brown introduced Mr. Tim Pierce, Executive Director of South Plains Association of Governments.

3. Introduce new members.

No action.

4. Discuss and take possible action to approve the November 8, 2012 regular meeting minutes.

Chairman Brown requested that the following change be made to Item 7: change this language "...to gather suggestions and establish criteria for evaluating these strategies..." to this language "...to develop a process to identify criteria for evaluating these strategies...". Chairman Brown requested additional comments and questions on said minutes. There being none, it was moved by Delmon Ellison to approve the minutes with this change. The motion was seconded by Mark Kirkpatrick. Motion carried unanimously.

5. Discuss and take possible action to approve the financial statement.

Doug Hutcheson, Secretary/Treasurer, presented the financial statement. It was moved by Jim Conkwright to approve the financial statement. The motion was seconded by Aubrey Spear. Motion carried unanimously.

6. Discuss and take possible action on appointing John Taylor to the LERWPG for a term to expire in 2014.

Chairman Brown explained that John Taylor has been a member of the planning group for several years. However, during the action taken during the April 26, 2012 meeting, Mr. Taylor's name was inadvertently omitted from the list of members being reappointed to the planning group. Chairman Brown asked for a motion to appoint John Taylor to the planning group for a term to expire in 2014. It was moved by Harvey Everheart to approve the appointment. The motion was seconded by Don McElroy. Motion carried unanimously.

7. Appoint an Officer Nominating Subcommittee.

Chairman Brown asked if Bob Josserand, Delmon Ellison, and Aubrey Spear would agree to serve on the officer nominating subcommittee for the purpose of nominating officers for 2013. The members agreed to serve and will present a slate of nominations to the group during the next scheduled planning group meeting.

8. Appoint a Drought Contingency Planning and Water Conservation Subcommittee.

Chairman Brown explained that TWDB requires additional information be provided by the planning group that emphasizes drought contingency planning. The purpose of this subcommittee is to become familiar with these requirements so they can advise the group during future planning efforts.

Malcolm Laing explained that the Texas Commission on Environmental Quality (TCEQ) requires that every city develop a drought contingency plan. He suggested that this subcommittee work with his agency to determine who has submitted their plans as required.

Chairman Brown explained that Tim Pierce (SPAG) has agreed to assist the Water Management Strategies Subcommittee with their task of making contact with counties and cities regarding their water planning strategies and during this contact can emphasize the need to develop, update, and submit their drought contingency plans.

Chairman Brown suggested that the commodities groups be contacted not only to receive the input and information on their water management strategies but on their plans to address drought as well.

Don McElroy asked how much overlap would occur between this subcommittee and the Water Management Strategies Committee. Chairman Brown recognized the potential overlap between the two committees. He indicated that at the next meeting Angela Kennedy will be making a presentation on the new requirements.

Chairman Brown asked for volunteers to serve on this committee. The following members agreed to serve: Melanie Barnes, Kent Satterwhite, Malcolm Laing, Jim Steiert, Ben Weinheimer, Jason Coleman, Mark Kirkpatrick, Don McElroy and Harvey Everheart. Chairman Brown appointed Harvey Everheart to serve as chairman. Chairman Brown asked that he and Jim Conkwright be notified of the meetings.

9. Discuss and take possible action to approve the Water Management Strategies Subcommittee's (WMS) recommendation regarding criteria for evaluating water Management strategies.

Referring to the memorandum from Daniel B. Stephens & Associates provided in the meeting packet, Chairman Brown requested the introduction in the memo be changed to read "...*water management strategy identification*...". Chairman Brown briefed the group on the discussions held during the two WMSS meetings and then asked Stefan Schuster (DBS&A) to explain the process for identifying strategies outlined in the memo.

Stefan Schuster explained that identifying feasible strategies will require (1) meeting or otherwise contacting water user groups and the Water Management Strategies Subcommittee to solicit input regarding potentially feasible water supply strategies, (2) compiling a list of potentially feasible strategies that includes new strategies, previously adopted strategies, and previously considered strategies, (3) evaluating list of potentially feasible strategies using TWDB's evaluation factors, and (4) developing a list of feasible strategies for adoption by the planning group. The action before the group today is the adoption of the *process* for identifying potentially feasible strategies as outlined in the memo. This completed this portion of Mr. Schuster's presentation.

Malcolm Laing asked if reuse would be considered as a strategy. Chairman Brown indicated it would.

Mike McClendon asked if the group would be required to prioritize the projects. Aubrey Spear explained that it is his understanding that the various water user groups would provide information on their strategies including which ones are their priorities. The planning group would not force its priorities on an individual user group.

Chairman Brown introduced Tim Pierce (SPAG) and asked that he tell the group about his organization. Mr. Pierce introduced himself, explained the function of his agency, described the composition of his board and his members, and indicated the ways he could assist the planning group in contacting applicable water user groups within his service area especially. Harvey Everheart asked Mr. Pierce if he had contacts with those water user groups outside the SPAG service area. Mr. Pierce indicated that he does and would reach out to other councils of governments. Mark Kirkpatrick asked if all the communities in the SPAG service area are members of SPAG. Mr. Pierce said they were not. Membership in SPAG is optional, but due to the fact that the SPAG board is made up of elected officials, both county and community, SPAG has close ties with many communities.

Chairman Brown asked for a motion to approve the Water Management Strategies Identification Process as corrected. It was moved by Mark Kirkpatrick to approve the identification process. The motion was seconded by Aubrey Spear. Motion carried unanimously.

10. Hear a presentation on the TWDB's draft population and water demand projections.

Kevin Kluge introduced himself as the Manager of the TWDB's Water Use and Projections section. His group is responsible for drafting the population and municipal demand projections. Mr. Kluge proceeded to explain how the population projections and municipal demand projections were determined, and how to request changes in regional projections.

According to Mr. Kluge, population projections are completed in a two-step process. They are first projected at the county level across the state and are then broken down into the various cities and water districts within the counties. The county populations are developed by the Texas State Data Center (State), Office of the State Demographer. The population projections are based on what is called a cohort component model, which is a model that breaks down the population of each county by various categories.

County populations are projected out using birth rates, survival rates, and migration rates for the various applicable populations. The birthrates are an average of birthrates from 2007 – 2010 for each ethnic group. As the projections go forward, birthrates decline, as has been the historical

trend and survival rates are increasing because people are living longer. Migration scenarios are what most people look at. The State releases the county population projections with three types of migrations scenarios. A natural increase is applied to counties with no net in-migration or out-migration. Half-migration is applied to counties by measuring the migration of a county between 2000 and 2010 and then cutting it in half. Full migration is applied to counties that experienced migration between 2000 and 2010. In most cases full migration projections are the highest, followed by half-migrations, followed then by natural increases.

The TWDB has been using the State projections for the last three planning cycles. Because the State only projects out to 2050, the TWDB extended the projections to 2060 and 2070. The TWDB also chose to use the half-migration projections for most of the state. In some cases they use full-migration or some point between full- and half-migration for historically fast-growing counties. For Region O, the TWDB used the half-migration county scenarios because that is what the State recommends for long-term projections and because recent data nationally shows that the recession did have an effect on birthrates in the US. To further adapt the state's projections, the TWDB held declining counties constant. So if a county's population started declining (resulting in negative numbers) between 2011 and 2050, TWDB held the population constant. This affected two counties in Region O.

One reason declining populations were held constant is that often times a city will have a declining population which is most likely attributable to fewer people per household. So even if only one person is left in a home, that home would require service from a public utility. So the system still has a constant requirement to serve. Additional reasons for holding the declining populations constant include the extremely small impact that the constant population would have on statewide projections and because county populations have been known to rebound.

The TWDB then breaks the county projections into the following water use groups: cities (population greater than 500), utilities (water supply corporations or municipal utility districts serving more than 280-acre feet of water per year), collection utilities (bundling water utilities from the same water supply), and county-other (everything else including private house wells). Mr. Kluge explained some of the methods used to break "county-other" information down further using historical data.

After the county projections were drafted, Water Use Group projections were developed in one to three methods: share of population, share of growth, and constant population.

The population and municipal demand projections are in their draft stage. At this point in the planning process, planning groups may request changes to their regional draft projections. Mr. Kluge explained the criteria for adjusting population projections at the county level, the water use group level and in general. He specifically noted any requested increase in population projections for a county or water user group must be accompanied by a matching decrease in projections for another and that no increases in regional population projection totals be considered. Requested changes are due August 16, 2013. Once changes have been submitted, the TWDB will solicit input from other agencies before recommending the final projections to their board in September. .

Aubrey Spear asked what kind of the TWDB data will provide regarding the agricultural sector. Mr. Kluge stated that this data has not been changed since November 2011, but that the planning group can request changes through Stefan Schuster or Angela Kennedy.

11. Discuss and take possible action to approve the municipal demand projections.

Using a handout provided at the meeting, Stefan Schuster presented an overview of the population and municipal demand projections provided by TWDB on March 5, 2013 highlighting those areas where significant change has occurred. For the purpose of this presentation the previous

population projections will be referred to as the “old” population and the projections under consideration during this planning cycle will be referred to as “draft” population.

Mr. Schuster explained that the difference between the former GPCDs and the draft GPDCs is that the former figures were based on the 2011 per capital water consumption rate, which was an extremely dry year, but that still the rates were not excessive.

Mr. Schuster’s biggest surprise in reviewing the draft projections is that this region has gone from a relatively flat population growth to significant increases across the region.

Regionally, between 2000 and 2010 there was a 45,000 person growth and when projected out results in a 300,000 person difference at the end of the planning horizon (2070). This is something that DBS&A will look into. Mr. Schuster presented the data on both the county and municipal levels. In most areas there is a significant change in terms of the previously adopted number in population growth. He suggested that planning group members provide input on instances where changes in population may not have been captured in the draft projections. Tim Pierce mentioned the closure of the Excel Plant in Plainview; Mark Kirkpatrick mentioned the de-annexation of the prison from the City of Post, and Malcolm Laing mentioned the impact that increased oil and gas activity has had recently on communities outside Region O. Mr. Schuster made note of these and indicated that when making contact with county and municipal officials regarding their water management strategies he will also to solicit information that could impact their population projections as well. He will use this information to determine how the changes in population projections affect municipal demand.

Mr. Kluge pointed out that the most dramatic change in the demand projections is population driven.

Mike McClendon asked Mr. Kluge if the cohort model used to make these projections was the same model used in past planning efforts. Mr. Kluge confirmed that it is. He also pointed out that the model only looks at numbers. It does not look at available water or geographic constants or many other factors.

Aubrey Spear asked if the model continues with the same percent increase for 50 years. Mr. Kluge said the percentage increase varies depending on the demographics of the county. Mr. Spear stated that the decrease in water demand for municipalities will be the result of decreased outdoor use because conservation education, technology and plumbing requirements have largely contained indoor water use. And that that information must affect future GPCD projections.

Doug Hutcheson stated that the City of Wolfforth is making some improvements because of water quality that will increase the average monthly water bill by \$25. He expects that their GPCD will decrease because their residents will not spend the money to water their landscape.

Mr. Schuster reminded the group that they are on a very tight schedule for reviewing, discussing, approving and submitting their demand projections. Sherry Stephens explained the tentative timeline planned to meet the August 16 deadline.

Chairman Brown asked Mr. Schuster how he wanted to receive input from the planning group. He said that working through the WMS Subcommittee he will create a spreadsheet for the group’s review. The process will involve gathering input from planning group members, county and municipal officials, and TWDB. If any planning members have any additional information not mentioned in today’s meeting to please call him as quickly as they can.

Chairman Brown asked how quickly a meeting of county and municipal officials could be held. Mr. Schuster indicated that he should have the data processed in a more meaningful format within a week. Mr. Pierce suggested giving a week and half notice of the meeting. Ms. Stephens will coordinate the meetings.

12. Review and take possible action to provide requests for revisions to the TWDB's recommended projections for mining demands.

Mr. Schuster stated that the TWDB's revised mining projections are based on a study that was conducted by the Bureau of Economic Geology, including the Barnett shale activities. It is his opinion based on input and discussions between various subcommittees that the data is more accurate and recommends that the group adopt them.

Ms. Stephens reminded the group that the posted item allowed the group to submit revisions, not to adopt the mining demands. The mining projections will be adopted when all other non-municipal demands are adopted.

Chairman Brown asked Mr. Laing if, based on his experience, he had any indication that there is going to be this much oil and gas activity in Lubbock County. Mr. Laing said he thought it would. He explained that Cline shale, and the Permian Basin clay immediately above the Cline shale, is going to move through the southeastern corner of Lubbock County and probably over to Crosby County. Seismic activity has been extensive over the past six months. Several new wells have been drilled in Lubbock County in the past six months that indicate that everything that they are seeing was underestimated and will probably be better than they were looking at.

Chairman Brown asked for any proposed revisions to the draft mining demands. Hearing none, he asked that a letter be sent to the TWDB stating that at the present time, Region O would not be requesting any revisions to the mining numbers.

13. Review changes in water supplies.

Stefan Schuster gave a presentation making the distinction between water supply and water availability. The modeled available groundwater (MAG) calculates the availability. The MAG is what is in storage and is what is considered available for the region's use. The supply that is assigned to a particular water use group as the amount the group is using is considered the supply. In those instances where supply projection is less than the availability projection, the supply may be restricted by infrastructure and the capability to deliver available water. Mr. Schuster demonstrated the effect that adding Lake Alan Henry as a supply affected the overall availability projection. He also stated that he anticipated no affects on availability due to changes in the environmental flow standards. The next step is to use the population projections to develop the new supply numbers.

Aubrey Spear asked if the supply projections presented took into consideration those counties in which additional data has been collected, and after applying it to the GAM, shows more groundwater available than was originally modeled.

Angela Kennedy said that the amount of groundwater is calculated using the adopted desired future conditions (DFC). The DFCs were adopted then modeled to determine how much groundwater is available under the DFC restrictions. Statute requires that planning groups use the modeled available groundwater in their plans.

Mr. Spear asked if there was any protocol that allowed planning groups to modify the availability projections if they had data to support it. Jim Conkwright mentioned that the regional plans have to be reviewed every five years and that provides the opportunity to consider the effects of new data. Ms. Kennedy said she would find out and report back to the group at the next meeting.

Mr. Schuster indicated that supply projections will be ready for approval by the August 16 deadline.

14. Receive a report from the LERWPG Administrator.

Jim Conkwright introduced Sherry Stephens as the Region O liaison and HPWD staff member responsible for Region O administrative support. Ms. Stephens will be replacing Mike McGregor who has found employment elsewhere.

Mr. Conkwright introduced Elaine Fowler explaining that she will be performing the duties of court reporter for this meeting. This new procedure should reduce the time it takes to prepare the written minutes for each meeting while producing more concise minutes.

At Chairman Brown's request, Mr. Conkwright provided the group with a copy of Rule 357.12 and 357.34 which contain the rules for regional water planning.

15. Receive a report from GMA #1, GMA #2, and GMA#3 representatives.

Harvey Everheart reported that GMA #2 held a meeting in Plains. During that meeting, the managers decided to meet with Stefan Schuster to get a better look at the groundwater availability in each of the different counties.

Jack Campsey reported that GMA #6 has not met this year. The rest of his report is recorded under Item 17.

16. Receive a report regarding joint planning efforts between Region A and Region O.

No report.

17. Receive a report from liaisons to other regional planning groups.

Region A: No report.

Region B: Jack Campsey reported that the western side of GMA #6 is dependent on surface water and that the area has been under serious drought restrictions for that last year and a half. The eastern half has had rainfall but is starting to feel the pressure of the drought, especially the City of Wichita Falls and the surrounding areas of Clay and Archer counties, whose lakes are drying up. The drought is affecting Kemp, Kickapoo, and Arrowhead Lakes. These areas are looking to develop groundwater to meet their needs. They have two aquifers, the Blaine and the Seymour. The Blaine, which recharges, is suitable only for agriculture. The communities in this region, and some in Oklahoma, are all trying to develop water from this very small Seymour aquifer. Another impact on this region has been the increase in oil and gas production, which is causing up to a four-foot drawdown.

Aubrey Spear mentioned that because of the conditions in this region, the City of Wichita Falls is actually one of the first cities in the state to approach TCEQ about reusing their wastewater.

Region F: Angela Kennedy informed the group that the Colorado Regional Water District is now serving as Region F administrator.

Region G: Mike McClendon reported that Region G is going through the same process as Region O. He mentioned that Tommy O'Brien, City of Abilene, recommended that Region O hear a presentation from TCEQ related to Senate Bill 3 and its potential effect on environmental flows, though only the City of Lubbock would be impacted through its relationship with the Brazos River Authority. Mr. Spear informed the group that he and Mr. O'Brien have already been in conversation on the subject. The remainder of this conversation is recorded under Item 21.

18. Receive a report from the TWDB Project Manager.

Angela Kennedy made a presentation to the board that included back ground on the planning requirements, the purpose and nature of the rule changes, and a summary of the specific rule changes.

The basic planning parameters require developing a water supply plan that meets the drought of record needs based on a 50-year planning horizon and 5-year planning cycles. And there are six categories of use. The reasons for changing the rules includes the requirement that the state water plan provide for the preparation for and response to drought conditions and the state drought manager (TDEM) is responsible for managing and coordinating the drought response component of the state water plan. During the drought of 2011, the TWDB looked the regional plans and found that some of the required information was not included.

Ms. Kennedy described the three chapters that apply to regional water planning. Chapter 355 governs the funding mechanism for state water planning. Chapter 357 governs regional water planning. Chapter 358 guides the process for developing the state water plan.

There are four types of rules: new rules for new statues, new rules for new requirements, and reorganized rules for existing content, and emphasized rules for existing content. Some of the rule changes will require the regional planning groups to report additional information. And typically it is existing information, but is required to be reported differently, especially the drought requirements.

Chapter 1 changes require the planning groups to identify in their plan multiple historic droughts of records, if applicable. In previous plans, the baseline has essentially been the 1950 drought. However, some regions have local droughts of record. These need to be pulled forward and recognized in the plan.

Chapter 3 requires that regional planning group calculate and report groundwater availability for non-relevant and white areas.

Chapter 4 requires that a secondary need analysis be performed after recommending conservation and reuse. This is a new reporting requirement based on data already developed by the planning groups. It does not require any new data or additional work.

Aubrey Spear asked if indirect reuse would be applicable to this. Ms. Kennedy said she would look into it and report back at the next meeting.

Chapter 5 requires that all water management strategies adhere to relevant adopted environmental flows standards. Mr. Spear asked how to approach already permitted strategies that do not meet newly adopted environmental flow standards. Ms. Kennedy said she would look into it and report back at the next meeting. Chapter 5 requires that planning groups consider potentially applicable best management practices when identifying and recommending strategies, calculate and report management supply factors. This supply factor is calculated to assume that all strategies that are recommended in the plan are implemented. This is simply a new reporting requirement. The TWDB will actually be doing the calculation and that information will be reported in the plan. Chapter 5 also requires that all strategy supply volumes must be firm during the drought of record and to use the TWDB's costing tool to develop their cost estimates for their strategies.

Chapter 6 requires that the regional plan include a summary of unidentified remaining unmet needs. This is a reporting requirement. TWDB will calculate this figure and provide It to the planning groups for reporting.

Chapter 7 is the result of the effects of the 2011 drought. In response to the drought responses, the TCEQ and TDEM provided input on the rules based on number of water systems in danger of running out of water, lack of implementation of drought contingency plans, lack of information on local options for water in emergency situations, and poor local coordination. The rule changes will require planning groups to collect, analyze, and consider additional information and make additional recommendations. Ms. Kennedy will provide a more detailed presentation at the next planning group meeting.

Chapter 11 is a new chapter that planning groups provide information on the progress or implementation of the strategies that have been recommended in previous plans. The TWDB is developing a survey tool to assist planning groups in gathering this information.

Chairman Brown asked who the State Drought manager was. Ms. Kennedy said she would find out and report back at the next meeting.

Chairman Brown asked why the Army Corp of Engineers was involved. Ms. Kennedy said that for the projects they permit, the Corp refers to the regional plans, and to assist them in their permitting they have a list of criteria that want included.

19. Receive public input and comments to the planning group.

No comments provided.

20. Consider a date and agenda items for the next meeting.

The next meeting will be held on May 16, 2013.

21. Conduct other business.

Mike McClendon spoke to Tommy O'Brien with the City of Abilene about the potential impact of Senate Bill 3 on the Brazos River Basin with respect to environmental flow determinations. He indicated that the Brazos River and Associated Bay and Estuary System Basin and Bay Area Stakeholder Committee (BBASC) is in its final stages of formulating recommendations for environmental flows to the TCEQ. He also indicated that Mr. O'Brien suggested that the Upper Basin near the Lubbock area needs to be represented in the environmental flows determination process to ensure that this area's interests are represented. Aubrey Spear added that he was approached by Mr. O'Brien who is on the BBASC regarding the need to fill a "public interest" vacancy on the BBASC. Mr. O'Brien asked Mr. Spear if he would be interested in being nominated to fill this vacancy so the Upper Basin would have better representation.

Jim Conkwright asked if it would be appropriate for Region O to make an official appointment of a representative that could be nominated to fill the vacant "public interest" position on the BBASC.

Because the City of Lubbock is the entity in the Upper Basin most affected by these rules, and because Aubrey Spear has already presented testimony before the BBASC regarding a balanced approach to environmental flow determinations, Chairman Brown asked for a motion to support the nomination of Mr. Spear to fill the "public interest" position on the BBASC. It was moved by Mike McClendon that the board approve a resolution nominating Aubrey Spear to serve as the "public interest" representative on the BBASC. The motion was seconded by Kent Satterwhite. Motion carried unanimously.

22. Adjourn the meeting

The meeting was adjourned at 1:45 p.m.

The above conveys my understanding of the issues discussed and conclusions reached. I assume this understanding is correct until notice to the contrary is received. Respectfully submitted,

/s/ Doug Hutcheson

Doug Hutcheson, Secretary/Treasurer