



## **Stakeholder Committee ASR/VISPO Work Group**

**June 17, 2014**

### **MEETING MINUTES**

Available at [eahcp.org](http://eahcp.org)

**1. Call to order and introductions of Work Group members.**

All members are present- 9:05 a.m. Myron Hess, Chair, opened the meeting with a roll call.

**2. Public comment.**

No comment.

**3. Presentation of Work Group charge.**

Myron Hess began a discussion on the rationale of the Work Group and the Work Group charge.

**4. Statement of Work Group member's conflict of interest and involvement in water acquisition and leasing.**

Each Work Group member disclosed their individual interest in the outcomes of this Work Group. Mr. Hess stated the purpose of disclosing this information was to ensure transparency. This information of financial or professional interest is attached to these minutes. It will also be attached to the Work Group's final report of recommendations.

**5. Determination of Work Group and subgroup meeting schedules and deliverable format.**

Myron Hess discussed the Work Group schedule. The two subgroups will meet on the same day going forward with the Aquifer Storage and Recovery (ASR) Sub-Work Group meeting in the morning and the Voluntary Irrigation Suspension Program Options (VISPO) Sub-Work Group meeting in the afternoon. That way any interested person can attend both meetings. The agreed-upon meeting schedule is available online. Additionally, Mr. Hess presented the outline of the content for recommendations to be included in the final report. No additional dates, recommendations or items were desired.

**6. Presentation of the water needs and triggers of the VISPO and ASR programs.**

Nathan Pence presented a straight forward summary of the terms and current enrollment of VISPO. Presentation slides are available online.

Patrick Shriver presented the summary of the EAA/SAWS ASR contract including a summary of the various tiers and cutbacks. The contract does not give concrete direction on various options, such as the contract does not provide details on when Tier 2 water is triggered. Presentation slides are available online. The importance of obtaining Tier 2 water was also discussed because it may well actually trigger within the next couple of years, which could happen before Tier 1 water in storage is triggered. Discussion followed.

Buck Benson discussed the importance to fill VISPO before looking at options for Tier 2 water in ASR to avoid competition between programs. A potential directive from this work group could

focus on providing details for Tier 2 triggers. Myron Hess asked staff for information on the amount of water that has gone from base to unrestricted.

**7. Presentation of potential available water for the ASR and VISPO programs.**

Earl Parker presented potential available water for ASR based on water acquired in 2013. Discussion followed. Buck Benson stated that 2013 un-pumped numbers from the San Antonio pool can provide a view of the market. The Work Group discussed in general the lease-terms of ASR in comparison to the lease-terms of VISPO.

**8. Presentations on the history of the VISPO and ASR programs.**

Rick Illgner presented the history of VISPO. Original concept discussions envisioned any user being eligible to enter into forbearance agreement but HCP only refers to irrigation rights. Mr. Illgner expressed optimism that, if close to trigger level in September, there will be lots of interest in participating. A general discussion ensued about the need to be careful about changing the program or contract in order to protect the interests of and relationships with those currently enrolled.

Julia Velez began a presentation about the ASR Program – its history and challenges. Doris Cooksey discussed that there is a desire for flexibility from an industry point of view. Additionally, she discussed the potential option for a paperwork transaction between SAWS and EAA rather than a physical transfer of water through infrastructure.

**9. Presentation of a market analysis for Edwards Aquifer leases and forbearance agreements.**

Julia Velez presented an analysis of the current market prices. Presentation materials are available online. A discussion about how the fundamental issue with water permitting transactions and market prices followed. Those permitted water leases east of Cibolo Creek can be purchased for 2-3 times the purchase price from EAA/SAWS/ Regional Water Resource Development Group (RWRDG).

**10. Discussion on additional information needed by Work Group members.**

The Work Group requested the following information:

- The probabilistic analysis of recharge from Jim Winterle.
- The pros and cons of “virtual” transaction of water transfers as discussed by Mrs. Cooksey.
- Nathan Pence mentioned contacting HDR for the VISPO model.
- A more accurate definition the volume of water that is actually “available” and what is obtainable.
- What would be the value of re-modeling projections off the concept that the 572,000 acre feet is never going to be fully used in any given year (as presupposed in the EARIP process)?

**11. Future Agenda Items:**

- ASR Sub-Work Group
  - Presentation of additional materials requested.
  - Brainstorming session
- VISPO Sub- Work Group
  - Presentation of additional materials requested.
  - Brainstorming session
  - Effect of the VISPO program if it had triggered in 2014.

**12. Questions from the public.**

Todd Vottler asked to see more information about regional benefit of ASR. (How much water SAWS does not pump in any given year).

**13. Adjourn.**

12:35 pm