

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting
POSGCD District Offices
310 East Avenue C
Milano, TX 76556
February 12, 2013 – 5:30 p.m.

MINUTES

Members Present

Jay Tumlinson	POSGCD
Tommy Tietjen	POSGCD
Jim Hodson	POSGCD
Nathan Ausley	POSGCD
Robert Ware	POSGCD
Dwayne Jekel	POSGCD
Lee Alford	POSGCD

Entity

Board Members Absent

Jay Wilder	POSGCD
Carroll Glaser	POSGCD
Kerry Starnes	POSGCD

POSGCD Staff

Gary Westbrook	POSGCD
Elaine Gerren	POSGCD
Bobby Bazan	POSGCD

Others Present

Barney Knight	McKamie Krueger
Barbra Boulware-Wells	McKamie Krueger
Dave Barkemeyer	Milam County
Bill Graham	Land Owner
Travis McPhaul	LPGB
TL Hansberger	LPGB
Veronica Jones	Land Owner
Candace Velvin	Cameron Herald
Curtis Chubb	Self
Patty Miller	TDL
Terry Zrubek	Land Owner

Entity

BOARD MEETING & PUBLIC HEARINGS

1.) Call to Order and establish quorum

Nathan Ausley, Board President called the Board Meeting to order and established a quorum at 5:40 p.m.

2 Election of Board Officers

Board President Nathan Ausley asked for nominations for board Officers. A motion was made by Director Jay Tumlinson to re-elect the current slate of officers by acclamation. The current officers are Nathan Ausley as President, Dwayne Jekel as Vice-President, and Kerry Starnes as

Secretary/Treasurer. The motion was 2nd by Director Lee Alford. President Ausley asked for any discussion. None was offered. The motion passed unanimously.

3 Public Comment

Board President Nathan Ausley asked for public comment. No Public comment was offered.

4 Minutes of October 9, 2012 & November 13, 2012 Board Meetings & Hearings

A motion was made by director Jim Hodson to approve the minutes of October 9, 2012 & November 13, 2012 Board Meetings & Hearings. The motion was 2nd by Director Jay Tumlinson. The motion carried unanimously.

5 Requests for rehearing presented by James McDaniel and Curtis Chubb on application for Drilling and Operating Permits for Aluminum Company of America (ALCOA), to allow production of groundwater in an amount not to exceed 25,000 acre feet per year from 32 existing wells and 24 new wells for industrial use, as previously noticed and approved November 13, 2012.

Director Jim Hodson recused himself from all discussion and action on this item. Director Ausley noted that the applications were uncontested and that in an uncontested hearing only the applicant can request a rehearing. In review and discussion of this agenda item, Director Robert Ware specifically brought up the point in one of the requests concerning an issue with the quorum. After brief discussion between Director Ware and Director Ausley on this item, including a clarification from the District's general counsel, it was agreed that the Board did indeed have a proper quorum present for the November 13, 2012 meeting, and that the necessary 6 votes were cast in favor of the approval of the applications. Director Robert Ware made a motion to deny both of the requests for rehearing. The motion was 2nd by Director Jay Tumlinson. The motion passed 6-0 with Director Hodson abstaining.

6 Request from Marlow WSC for amendments to Groundwater Conservation Grant applications, awards, and contracts with the District

Director Dwayne Jekel recused himself from all discussion and action on this item. A motion was made by Director Jim Hodson to approve this request contingent on information being provided by Marlow WSC establishing the amount of water savings realized by this request. The motion was 2nd by Director Tommy Tietjan. The motion passed 6-0 with Director Jekel abstaining.

7 Request from Cade Lakes WSC for amendments to Groundwater Conservation Grant Applications, Awards, and contracts with the District

A motion was made by Director Jim Hodson to approve this request contingent on information being provided by Cade Lakes WSC establishing the amount of water savings realized by this request. The motion was 2nd by Director Lee Alford. The motion carried unanimously.

8 Continuation of coverage and participation in TML Intergovernmental Employee Benefits Pool

A motion was made by President Nathan Ausley to approve the continuation of coverage and participation in TML Intergovernmental Employee Benefits Pool. The motion was 2nd by Director Jim Hodson. The motion carried unanimously.

9 Engagement Letter with Alton Thiele, CPA for auditing services for 2013

A motion was made by Director Robert Ware to approve the engagement with Alton Thiele, CPA for auditing services for 2013. The motion was 2nd by Director Jay Tumlinson. The motion carried unanimously.

10 Request from Burleson County for waiver of application fee and annual production fee for limited production well

Following discussion of this request, a motion was made by President Nathan Ausley to approve the request from Burleson County for waiver of application fee and annual production fee for limited production well. The motion was 2nd by Director Robert Ware. The motion failed by a show of hands with 3 directors for and 4 directors against.

11 District Education Program- Burleson County Big Spring Clean, Texas Water Conservation Association, and Workshops for Local Water Utilities in the District

General Manager Gary Westbrook presented requests from BCBSC and TWCA to maintain sponsorships at the 2012 levels under the District's education program. He also reported on the recent programs and attendance at the District's workshops for Local Water Utilities. A motion was made by President Nathan Ausley to continue the sponsorships for the Burleson County Big Spring Clean and Texas Water Conservation Association, as well as Workshops for Local Water Utilities in the District. The motion was 2nd by Director Jay Tumlinson. The motion passed unanimously.

12 Comments from General Counsel and introduction of Partner

Barney Knight, legal counsel for the District introduced Barbra Boulware-Wells and notified the Board that she is a partner with his law firm and that she would be working closely with him on certain parts of the district's business.

13 Receive report from District Manager on recent District activities and take appropriate actions

A. Permit applications filed with the District and Hearing Dates; Emergency Permits Granted

General Manger Gary Westbrook reported that no application had been filed which would require hearings, and that no emergency permits had been issued.

B. Well recordings and registrations, New well applications and completions, Wells plugged

General Manger Gary Westbrook reported that there were 30 wells registered, 23 new well applications, 20 new wells completed, and 0 wells plugged

C. Recent and future District presentations and activities

1.) Annual Report from General Manager

General Manger Gary Westbrook presented his annual report to the Board and noted that the District had satisfied all requirements of statute and the District's policies and Management Plan.

2.) Annual Reports to the Commissioners Court of Milam and Burleson Counties

Mr. Westbrook reported that he had given the Annual Report to Burleson County on January 25, 2013, and that he will be giving the Annual Report to Milam County on February 25, 2013.

3.) Groundwater Management Plan

Mr. Westbrook reported that the Groundwater Management Plan was approved by the TWDB on December 17, 2012.

4.) Groundwater Management Area 12 Meeting of October 18, 2012

General Manager Gary Westbrook advised the Board that the GMA 12 was working toward discussing future management strategies to satisfy the DFC's and that all were in agreement that improvements were needed to the Groundwater Availability Model. He also reported that GMA 12 members would share their annual reports for 2012 at the next meeting to satisfy the requirements of Chapter 36.108, Texas Water Code.

5.) Texas Water Smart awareness program

General Manager, Gary Westbrook reported that this program was established last year and that it has received statewide support, including from all of the legislators representing Milam and Burleson Counties. After briefly discussing the materials handed out and the Texas Water Smart website, he then asked for a vote to approve the District's joining as a member of the program. He also noted that there was no cost for membership. A motion was made by President Nathan Ausley to join the Texas Water Smart awareness program. The motion was 2nd by Director Tommy Tietjen. The motion carried unanimously.

6.) Well Monitoring Network and Water Level Well Monitoring Work

General Manager, Gary Westbrook introduced Water Resource Management Specialist, Bobby Bazan, and noted that he and Drew Gholson had begun the District's well monitoring for this year. He also reported that the District was working with Texas A&M to monitor their wells in the Alluvium area as part of an effort to assist the Texas Water Development Board in efforts to gather information for the creation of a groundwater availability model of the Brazos Alluvium. He also reported that the District had recently installed a monitor well in the Yegua Jackson aquifer on Burleson County property near Lyons, TX, and that an abandoned oil and gas well on property owned by Royalty Pecan Farms had been converted into a Simsboro monitoring well.

7.) Codification of HB1784, 77th Legislative Session

Mr. Westbrook reported that he and the District's general counsel had reviewed the work of codification performed by Legislative Counsel in codifying the District's enabling legislation, HB 1784, 77th Legislative Session. He reported that both were in agreement that the intent of the District's enabling act remained unchanged.

8.) Texas Alliance of Groundwater Districts quarterly meeting of February 26-27, 2013

Reported that he and Mr. Bazan would attend the Texas Alliance of Groundwater Districts quarterly meeting of February 26-27, 2013, and that he would be working with District Hydrologist, Dr. Steven Young of Intera, to give a presentation to the TAGD membership entitled, "Evaluating the Contributions of Existing and Proposed Pumping to Future Drawdowns at a Regional Scale (Impacts on Desired Future Conditions) and at a Local Scale (Drawdowns at Specific Wells)"

9.) District Groundwater Conservation Grant Program

Mr. Westbrook presented an application form to be used by fire departments of the District who use groundwater to fight fires and who wish to be reimbursed for exact amounts of purchases of foam, and equipment used in the disbursement of foam. He also asked the Board to set limits on the amount which could be reimbursed for nozzles, with the recommendation being not to limit the amount for foam and a limit of \$1000 per fire department per year for nozzles specifically designed to disburse foam. Director Ware noted that other equipment needs for foam were not expensive like the special foam nozzles and that he supported the recommendation. He further explained the

benefits of using foam to reduce the amount of water required to extinguish a fire. Director Jim Hodson asked how water savings might be accounted for and proven so that an expenditure by the District might be proven to save groundwater. Mr. Westbrook stated that there are certain standard amounts of savings of water, which could reasonably be assumed when assisted by the use of foam, which could be used. After further discussion, a motion was made by Director Hodson to approve both the recommendation and the application form, as presented with the addition of language to the form requiring an annual report of the amount of water used and an estimate of the amount of water saved by the fire department filing an application. The motion was 2nd by Director Jay Tumlinson. The motion carried unanimously. Mr. Westbrook then reported that the Groundwater Conservation Grant applications from local water utilities of the District are due back to the District by March 15, 2013.

10.) Proposed Rules of the Railroad Commission of Texas

Mr. Westbrook reported that the Railroad Commission of Texas was accepting comments on their Draft Rules, and that it was noted that water used for fracturing had been included under the definition of 'Exploration'. He reported that since this change might affect the ability of a groundwater conservation district to regulate water produced for fracturing, several members of TAGD had filed comment on this point. He stated that the RRC Rules have not been approved to date, and that he would continue to monitor the situation.

11.) Meet with legislators and staff on January 22, 2013 and Legislation filed in the 83rd Legislature.

General Manager, Gary Westbrook reported that he had traveled to Austin with both of the County Judges to meet with legislators and staff on January 22, 2013. He reported that his role was to serve as a resource to the judges and answer any questions about the District which might arise. He then discussed legislation filed in the 83rd Legislature.

12.) Presentation at Rockdale Rotary Club January 8, 2013 and Snook 4-H Club Feb, 11, 2013

Mr. Westbrook reported that he had given educational presentations at the Rockdale Rotary Club January 8, 2013 and Snook 4-H Club Feb, 11, 2013

13.) Rockdale City Council Meeting of December 10, 2012 and January 14, 2013

Mr. Westbrook reported that at the request of the Rockdale City Council he had attended their December 10, 2012 meeting to answer questions about the creation of the District, as well as questions about groundwater conservation districts whose directors are appointed and elected. This request was given by the Council to gather information due to a request from Curtis Chubb and Joy Graham to have the Council support a resolution to the Milam County Commissioner's Court to request the Court to take action to require POSGCD directors to be elected rather than appointed. That meeting was canceled due to lack of a quorum, so he attended the January 14, 2013 Rockdale City Council Meeting and did participate in answering questions and discussion. He then reported that the Council passed a motion to take no action with the vote being 4 to 3.

14.) Work with Milam County Extension Agents to develop water education program.

Mr. Westbrook reported that he had worked with the Milam County Extension Agents to develop water education program for the near future with an emphasis on third grade.

14 Bills received and current financial status.

After discussion of the current bills, a motion was made by Director Jim Hodson to approve payment of the bills. The motion was 2nd Director Jay Tumlinson. The motion carried unanimously.

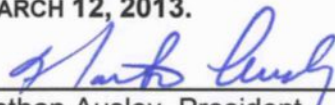
15 Dates, locations, and times of future meetings.

President Nathan Ausley announced that the next regularly scheduled meeting would be, March 12, 2013, at the District Office at 5:30 p.m.

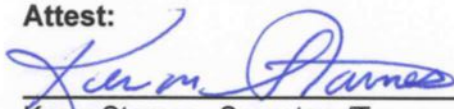
16 Adjourn Board Meeting

President Nathan Ausley adjourned the meeting at 6:32 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON FEBRUARY 12, 2013 WERE APPROVED AND ADOPTED BY THAT BOARD ON MARCH 12, 2013.


Nathan Ausley, President

Attest:


Kerry Starnes, Secretary/Treasurer

Date 4/9/13

A meeting recording of this meeting is available on CD.