

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting
Post Oak Savannah Ground Water District Offices
310 East Avenue C
Milano, Texas 76556
April 8, 2008 – 5:30 p.m.

MINUTES

Members Present

President /Nathan Ausley
Treasurer/Kerry Starnes
Robert Ware
Jay Tumlinson
Jay Wilder
Lee Alford III
Dwayne Jekel

Entity

POSGCD
POSGCD
POSGCD
POSGCD
POSGCD
POSGCD
POSGCD

Gary Westbrook
Elaine Gerren

POSGCD District Manager
POSGCD

Members Absent

Carroll Glaser
Jim Hodson
Andy Hovorak

POSGCD
POSGCD
POSGCD

Others Present

Jackie Scott
Scott Carlson
James A. Touchstone
Chuck Owen
Bob Barrie
Curtis Chubb
Ross Cummings

BRA
Metropolitan Water
For Stephen Kucurek
Chuck's Oilfield Service
BVWA
Cameron Herald
Blue Water

BOARD MEETING

1. Call to Order

Board President Nathan Ausley called the meeting to order at 5:30 p.m. and opened the Public Hearing on item # 2 at 5:30 p.m.

- 2. Public Hearing on Operating Permit Application for Chuck's Oilfield Service, LLC, Well located approximately 1400 feet south of the intersection of SH 36 and FM 976, approximately 8 miles south of Caldwell, in Burleson County Texas to produce less than or equal to 68 gallons per minute, 97,920 gallons per day, and less than or equal to 2.5 acre feet per year for oilfield service use.** No public comment was heard. Board President Nathan Ausley closed the Public Hearing on Item # 2 at 5:32 and opened the public hearing item # 3 at 5:32.

- 3. Public Hearing on Operating Permit Application for Chuck's Oilfield Service, LLC, Well located approximately 1500 feet south of the intersection of SH 36 and FM 976, approximately 8 miles south of Caldwell, in Burleson County Texas to produce less than or equal to 98 gallons per minute, 141,120 gallons per day, and less than or equal to 3.5 acre feet per year for oilfield service use.**

Public comment was heard from James Touchstone on the behalf of Stephen Kucurek. Director Robert Ware had questions concerning previous production of the subject wells. General Manager, Gary Westbrook answered those questions and presented facts concerning the wells. There being no further comments or questions, President Nathan Ausley closed the Public Hearing on item # 3 at 5:37 and opened Public Hearings on item # 4.

- 4. Public Hearing on Amendments to the District Rules applicable to injection wells, and wells previously permitted by a state agency; the continued validity of permits being contingent on compliance with District Rules and payment of fees; the Board establishing fees by a fee schedule; applicants may be required to pay professional fees incurred by the District; well closings; forms for permits, applications and reports; registration of exempt wells; and to clarify certain Rules by making non-substantive amendments.**

General Manager, Gary Westbrook gave a brief summary review of the proposed amendments to the rules and stated for the record that these proposed amendments had been discussed at the Board's March 11, 2008 meeting and had been posted for hearings and comment since that time. There being no further comments or questions, President Nathan Ausley closed the Public Hearings at 5:40 and opened the Board Meeting.

- 5. Public Comment**

No Public comment was heard.

- 6. Approve Minutes of March 11, 2008 Board Meeting**

Director Jay Tumlinson mad a motion to approve the Minutes of January 8, 2008. The motion was 2nd by Director Kerry Starnes. The motion carried unanimously.

- 7. Consider Operating Permit Application for Chuck's Oilfield Service, LLC, Well located approximately 1400 feet south of the intersection of SH 36 and FM 976, approximately 8 miles south of Caldwell, in Burleson County Texas to produce less than or equal to 68 gallons per minute, 97,920 gallons per day, and less than or equal to 2.5 acre feet per year for oilfield service use.**

A motion was made by Director Robert Ware to approve the operating Permit Application for Chucks Oilfield Service, LLC, Well located approximately 1400 feet south of the intersection of SH 36 and FM 976, approximately 8 miles south of Caldwell, in Burleson County Texas to produce less than or equal to 68 gallons per minute, 97,920 gallons per day, and less than or equal to 2.5 acre feet per year for oilfield service use. The motion was 2nd by Director Dwayne Jekel. The motion carried unanimously.

- 8. Consider Operating Permit Application for Chuck's Oilfield Service, LLC, Well located approximately 1500 feet south of the intersection of SH 36 and FM 976, approximately 8 miles south of Caldwell, in Burleson County Texas to produce less than or equal to 98 gallons per minute, 141,120 gallons per day, and less than or equal to 3.5 acre feet per year for oilfield service use.**

A motion was made by Director Dwayne Jekel to approve the Operating Permit Application for Chuck's Oilfield Service, LLC, Well located approximately 1500 feet South of the intersection of SH 36 and FM 976, approximately 8 miles south of Caldwell, in Burleson County Texas to produce less than or equal to 98 gallons per minute, 141,120 gallons per day, and less than or equal to 3.5 acre feet per year for oilfield service use. The motion was 2nd by Director Jay Wilder. The motion carried unanimously.

- 9. Enforcement actions and direction to the general manager regarding violations of the District Rules by Chuck's Oilfield Service, LLC with respect to the operation of two (2) water wells, located approximately 1400 and 1500 feet, respectively, south of the intersection of SH 36 and FM 976, approximately 8 miles south of Caldwell, in Burleson County Texas**

General Manager, Gary Westbrook presented recommendation to accept a settlement of \$ 250.00 in lieu of a fine offered by Chuck's Oilfield Services, LLC, for violations of District Rules and to charge production fees based on the 858,270 gallons of water produced. Public comment was heard from James Touchstone. A motion was made by President Nathan Ausley to accept the offer of \$ 250.00 in lieu of a fine and to bill Chuck's Oilfield Services for 858,270 gallons of water sold. The motion was 2nd by Director Jay Tumlinson. The motion carried unanimously.

- 10. Amendments to the District Rules applicable to injection wells, and wells previously permitted by a state agency; the continued validity of permits being contingent on compliance with District Rules and payment of fees; the Board establishing fees by a fee schedule; applicants may be required to pay professional fees incurred by the District; well closings; forms for permits, applications and reports; registration of exempt wells; and to clarify certain Rules by making non-substantive amendments.**

A motion was made by Director Dwayne Jekel to accept the Amendments to the District Rules applicable to injection wells, and wells previously permitted by a state agency; the continued validity of permits being contingent on compliance with District Rules and payment of fees; the Board establishing fees by a fee schedule; applicants may be required to pay professional fees incurred by the District; well closings; forms for permits, applications and reports; registration of exempt wells; and to clarify certain Rules by making non-substantive amendments. The motion was 2nd by director Jay Tumlinson. The motion carried unanimously.

- 11. Consider issues and performance related to the General Land Office**

General Manager, Gary Westbrook reported that all applications had been signed and received along with a letter that had received the Board's approval at the March Meeting.

- 12. Workers' Compensation Payroll Adjustment**

A motion was made by President Nathan Ausley to make a correction to the paperwork to reject the Workers' Compensation Payroll coverage for District Directors. The motion was 2nd by Director Kerry Starnes. The motion carried unanimously.

- 13. Enforcement actions and direction to the general manager regarding violations of the District Rules by certain drillers, including Brien Water Wells and Siegert Water Wells for delay in filing well logs and completion forms with the District.**

A report was given by General Manager, Gary Westbrook on violations of District rules for filing well logs and completion reports for completed wells by these drillers. General Manager, Gary Westbrook recommended that letters of notice be sent to these drillers and be kept on file at the District. Director Robert Ware moved to accept General Manager, Gary Westbrook's recommendation. Director Dwayne Jekel 2nd the motion. The motion carried unanimously.

- 14. Receive report from District Manager on recent District activities and take appropriate actions.**

A. Permit applications filed with the District and possible Hearing Dates for those applications

General Manager, Gary Westbrook reported that Burleson County MUD # 1 had filed permit applications with the District and that the hearing date would be May 13, 2008.

B. Emergency Permits Granted, well recordings, & new well applications and completions

There were -0- emergency permits filed, -0- wells recorded, -5- new well applications, and -12 new wells completed

C. Recent and future District presentations and activities

1. TAGD quarterly meeting April 29-30, 2008

General Manager, Gary Westbrook reported that the TAGD Quarterly meeting will be April 29-30 in San Angelo with HNR Chair Mike Hamilton addressing the group.

2. GMA 8 Progress report

General Manager, Gary Westbrook reported that the next meeting is tentatively set for May 5, 2008. The Desired Future Conditions are slated to be adopted on May 19, 2008.

3. GMA 12 Progress report

General Manager, Gary Westbrook reported that the next meeting will be late May or early June.

15. Request from Southwest Milam WSC for amendment to scope of work contained in their 2007 Groundwater Conservation Grant application, award, and contract with the District

General Manager, Gary Westbrook reported that savings on the final bid could allow Southwest Milam WSC to replace 1400 more feet than the original grant application for the same dollar amount and Southwest Milam WSC request the grant be amended to reflect this change. A motion was made by Director Jay Tumlinson to grant the Request from Southwest Milam WSC for amendment to scope of work contained in their 2007 Groundwater Conservation Grant application, award, and contract with the District. The motion was 2nd by Director Jay Wilder. The motion carried unanimously.

16. Request from North Milam WSC for amendment to pledged participation contained in their 2007 Groundwater Conservation Grant application, award, and contract with the District

The Board reviewed a request from North Milam WSC to amend their Groundwater Conservation Grant application award and amount. A motion was made by Director Robert Ware to approve the request from North Milam WSC for amendment to pledged participation contained in their 2007 Groundwater Conservation Grant application, award, and contract with the District. The motion was 2nd by Director Kerry Starnes. The motion carried 6 to 0 with Director Dwayne Jekel abstaining.

17. Consider participation through TWCA in certain Amicus Briefs concerning water issues

No action was taken on this item.

18. Bills received and current financial status

A motion was made by President Nathan Ausley to approve the bills. The motion was 2nd by Director Jay Tumlinson. The motion carried unanimously.

19. Dates, locations, and times of future meetings

The next scheduled Board Meeting will be on May 13, 2008 at the District office in Milano, Texas at 5:30 p.m.

13. Adjourn

The meeting adjourned at 6:10 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON APRIL 8, 2008 WERE APPROVED AND ADOPTED BY THAT BOARD ON MAY 13, 2008.

Nathan Ausley, President

Attest:

Kerry Starnes, Secretary/Treasurer _____ Date _____

A meeting recording of this meeting is available on CD.