

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT

Board of Directors Meeting

POSGCD District Offices

310 East Avenue C

Milano, TX 76556

May 12, 2015 – 5:30 p.m.

MINUTES

Directors Present

Nathan Ausley
Kerry Starnes
Bob Ware
Steven Wise
Tommy Tietjen
Durwood Tucker
Bob Wilson
Lee Alford

Others Present

James Bené
Barney Knight
Robert Jekel
Darren Thompson
Chuck Ahrens
Tim Shoglund
Kodi Sawin

Entity

RW Harden & Associates
Knight & Partners
Milano Water Supply
SAWS
SAWS
SAWS
Sawin Group

Directors Absent

Jay Wilder
Sidney Youngblood

Staff Present

Gary Westbrook
Bobby Bazan
Elaine Gerren
Meredith Earwood

BOARD MEETING

1. Call to Order and establish quorum

Nathan Ausley, Board President called the Board Meeting to order and established quorum at 5:30 p.m.

2. Public Comment

President Ausley opened the floor for public comment. None was offered.

3. Minutes of April 14, 2015 Board Meeting

A motion was made by Director Bob Wilson to approve the minutes of the April 14, 2015 Board meeting. The motion was 2nd by Director Durwood Tucker. The motion passed unanimously.

4. Draft Groundwater Sampling and Analysis Plan

General Manager, Gary Westbrook presented the completed Groundwater Sampling and Analysis Plan to the Board, and gave a brief summary of its purpose. He then recommended to post notice to invite comments on the plan for 90 days, and then consider the plan for adoption by the Board. A motion was made by President Ausley and 2nd by Director Lee Alford to post notice to receive comment as recommended. The motion passed unanimously.

5. District Groundwater Conservation Grant Program

Directors Wilson and Ware stated that they would be abstaining from voting and discussion. President Ausley noted the Grant Committee met prior to this Board meeting, and after deliberation, recommended the following awards based on consideration and scoring of all applications received for the 2015 Grant Program:

Burleson Co. MUD #1	\$388,780.00
Minerva WSC	\$ 50,618.00
Lyons WSC	\$137,000.00
Birch Creek Rec. WSC	\$287,600.00
Gause WSC	\$122,018.00
Total:	\$986,016

Director Tucker moved to approve the recommendations, and Director Alford 2nd the motion. After brief discussion about the grant process, including awards in the past, the motion passed unanimously. President Ausley stated that the Grant Committee will meet again to discuss ideas to improve the application process for grants and scoring in the future, and bring recommendations to the Board for approval.

President Ausley introduced an amended contract for use between the District and Grant Recipients which included recommended amendments from General Counsel, Barney Knight. After brief discussion, President Ausley moved to accept the changes, and Director Tietjen 2nd the motion. The motion passed unanimously.

6. Requests for amendments to Groundwater Conservation Grant applications, awards, and contracts with the District

General Manager, Gary Westbrook gave a summary of the final reconciliation for the City of Rockdale concerning its 2009 and 2013 grants. Mr. Westbrook requested that the Board approve an amendment to the 2014 Birch Creek Rec. grant application, award, and contract. He explained the

amendment which was contained in a letter from Birch Creek Rec. After discussion, President Ausley moved to approve the amendment and Director Teitjen 2nd the motion. The motion passed unanimously.

7. Consider North Milam WSC service to customers located outside the District

President Ausley introduced this item, and noted that North Milam WSC had found and identified the problem and presented it to the District, and had paid \$650 which represented the amount of transport permit they would have owed and paid since the District first adopted rules and fees for transport. General Manager Gary Westbrook noted North Milam WSC is working toward compliance with the District by filing an application for a transport permit. Director Ware moved to not levy a fine and accept payment and consider North Milam current on fees and compliant with District rules pending timely completion of application for transport and successful receipt of a permit to transport from the District. Director Starnes 2nd the motion. Director Wilson asked if a public hearing would be required to consider the application for transport. General Manager General Manager Westbrook replied yes. After brief discussion the motion passed unanimously.

8. Joint planning process and Desired Future Conditions (DFCs), groundwater resources in the District, and future process for evaluating District DFCs for Groundwater Management Area 12 (GMA 12) and Groundwater Management Area 8 (GMA 8)

General Manager Westbrook gave a brief summary of the most recent GMA 12 meeting of April 30th 2015. This discussion included a summary of comments received from stakeholders of GMA 12 concerning GAM run PS4. He also noted several items which will be included on the next GMA 12 agenda.

9. 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 Manager Gary Westbrook advised the Board that currently there were no applications before the District which would require a hearing, but noted that upon completion, the North Milam WSC application for transport would require a hearing. He also noted that an application had been received from Blue Water/Vista Ridge to drill four rig supply wells. He explained that Steve Young and Barney Knight had evaluated the applications for spacing and completion, which included groundwater leases for the affected parcels. He noted that both agreed that issuance of the permits for these four wells was appropriate based on information included in these and the original applications for production permits received from, and permits issued to Blue Water Systems.

B. Well Drilling activities: GM Westbrook reported 17 new registrations, 2 new applications, 8 well completions, 0 wells plugged, and 1 well inspection since the last meeting.

C. Recent and future District presentations and activities

1. Brazos Region G Water Planning Group

GM Westbrook handed out a map of the proposed Little River Off channel reservoir site, contained in the initially prepared plan of Region G. He advised the Board that many local landowners were opposed to the project, and he would be assisting local land owners in their efforts to understand the process, comment on this proposed project, and oppose its inclusion in the final Region G plan. The Board was supportive.

2. Legislative Update

GM Westbrook reported on the following bills:

HB 3720 - Still in HNR Committee and opposed by Coastal regional water supply Corp.

HB 200 - DFC appeals process is on its way to the Senate floor

HB 40 - Concerning oil and gas exemptions is on the Governor's desk

HB 30 - Concerning brackish groundwater, is on its way to the Senate Committee

HB 950 – Concerning GCD’s being audited by the SAO, currently in Senate Committee

HB 930 – Reinstates an apprentice program for drillers, currently in Senate Committee

3. Texas Alliance of Groundwater Districts quarterly meeting of June 3-4, 2015

GM Westbrook noted that staff will be in attendance at this meeting.

4. Texas Water Conservation Association quarterly meeting of June 17-19, 2015

GM Westbrook will be in attendance.

5. Milam and Burleson Counties Groundwater Summit of August 12, 2015

General Manager presented to the Board an agenda and noted that this year’s budget for expenses would exceed last years by approximately \$1000- 2,000. After brief discussion, the Board was supportive of the line-up and budget. GM Westbrook asked the Board to consider the use of sponsors at the event. After discussion, the Board was supportive of sponsorships to assist in covering expenses of the upcoming Groundwater Summit, and agreed that General Counsel Barney Knight and GM Westbrook would develop guidelines for appropriate participation of exhibitors for booths at the event.

6. Texas Alliance of Groundwater Districts Groundwater Summit of August 25-27, 2015

GM Westbrook handed out an agenda for the upcoming TAGD Groundwater Summit and requested Directors who wish to attend to confirm by Friday, May the 15th.

7. Office needs and improvements

Director Ware requested direction from the Board to the Building Committee concerning office needs and improvements. Discussion ensued concerning present property and building needs and improvements. After discussion, the Board directed the Building Committee to proceed with site evaluations for future needs of the District, and return with recommendations to the Board.

- 10. Convene into Executive Session pursuant to Sections 551.072 and 551.071, Texas Government Code, and Section 1.05 Texas Disciplinary Rules of Professional Conduct, to deliberate the acquisition, exchange and value of real property and to consult with legal counsel regarding legal issues related to a possible acquisition of real property.**

The Board waved the need for executive session and, after explanation from General Counsel Knight, President Ausley moved and Director Tucker seconded to wave conflict of interest for Knight. After brief discussion, the motion passed unanimously.

- 11. Reconvene from Executive Session to consider the acquisition of real property.**

Executive Session having been waived, President Ausley presented the appraisal performed on the alley between the front and rear lots of the Districts property which had been acquired for the purpose of purchasing the alley from the City of Milano. He also noted that an interlocal agreement with the City would be necessary to improve and develop part of 2nd street, which abuts the District’s property, for future use of the District for parking needs. General Counsel Knight explained the agreement. After further discussion, Director Alford moved and Director Tucker seconded to proceed with purchase of the alley from the City at the appraised price including payment of all associated costs, and entering into the interlocal agreement with the City of Milano concerning 2nd street. The motion passed unanimously.

- 12. 2015 Budget**

After discussion, Director Wilson moved and Director Teitjen 2nd to amend the budget to include \$10,000 for professional services for the Building Committee to proceed as directed by the Board. The motion passed unanimously.

- 13. Bills received, current financial status, Investment Officer Report.**

After discussion, President Ausley moved to approve the financial report and payment of bills. Director Alford seconded the motion and it passed unanimously.

14. Dates, locations, and times of future meetings.

President Ausley noted the next regularly scheduled meeting will be June 9th, 2015, if needed.

15. Adjourn Board Meeting

President Ausley adjourned the meeting at 7:05pm

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON MAY 12, 2015 WERE APPROVED AND ADOPTED BY THAT BOARD ON JUNE 9, 2015.



Nathan Ausley, President

Attest:



Kerry Starnes, Secretary/Treasurer

Date JUNE 9, 2015