

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Public Hearings and Board of Directors Meeting
POSGCD District Offices
309 East Avenue C
Milano, TX 76556
July 12, 2016 – 5:30 p.m.

MINUTES

Directors Present

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

Directors Absent

Jay Wilder

Staff Present

Gary Westbrook
Bobby Bazan
Elaine Gerren

Others Present

Barney Knight
Steve Young

Entity

Knight & Partners
Intera

Pat Riley	Blue Water Systems
Ross Cummings	Blue Water Systems
Mike Irlbeck	EPCOR Water
Becky Goetsch	Self
Gabbo Goetsch	Self
Rosa Lee Perry	Self
John W. Perry	Self
Kodi Sawin	Self
Donald Schuerman	Self
Mike Korneagy	Self
Melanie Jeul	Self
David McCleran	CTS America
Lauren Ice	SOS/Landowner Representative
Bill Graham	Rancher
Ronny Coleman	Rancher
Curtis Chubb	Landowner
Shawna Fitzsimmons	Sledge Law Group LLC
Pamela Hornby	Landowner
Judith McGeory	Farm & Ranch Freedom Alliance
Phyllis C. Waring	Self
Dave Barkermeier	Milam County Judge
Sidney Zgabay	Self
Harry Jordan	Self

BOARD MEETING

1. Call to Order and establish quorum

The meeting was called to order and a quorum established at 5:30 p.m. by Board President, Nathan Ausley.

2. Public Hearings on Proposed Desired Future conditions for GMA 8

President Nathan Ausley opened the Public Hearing at 5:30 pm. Steve Young with Intera gave a summary of the proposed DFC's for the GMA 8. President Nathan Ausley asked for public comment. No public comment was heard. President Nathan Ausley closed the Public Hearing at 5:33 pm

3. Public Hearings on Proposed Desired Future Conditions for GMA 12

President Nathan Ausley opened the Public Hearing at 5:33 pm. Steve Young with Intera gave a summary of the proposed DFC's for the GMA 12. Curtis Chubb asked for clarification and explanation on DFC values. Dr. Young responded. Director Wise asked for clarification on the content of the proposed DFCs. Dr. Young responded. President Nathan Ausley asked for public comment. No public comment was heard. President Nathan Ausley closed the Public Hearing at 5:40 pm

4. Public Hearings on Proposed Rules

President Nathan Ausley opened the Public Hearings at 5:40 pm. Barney Knight with Knight & Partners commented that most of the proposed rule changes were due to changes in Chapter 36, with a few additions to this. GM Westbrook reported the District had exceeded posting requirements for these hearings, that proposed changes to the Rules had been available by request and on the District's website in excess of the required time, and offered a printed copy of the recommended amendments to anyone present. President Ausley noted all of these amendments had been covered and discussed at the Board's previous meeting May 10, 2016. President Nathan Ausley asked for public comment. No public comment was heard. President Nathan Ausley closed the Public Hearing at 5:41 pm

5. Testimony before Senate Committee on Agriculture, Water and Rural Affairs of June 20, 2016

President Nathan Ausley opened item # 5 and stated there was a request to address the Board on this item. Ronnie Coleman, Milam county Landowner, voiced appreciation to the Board for the opportunity to address them with concerns, and introduced Lauren Ice, representing Milam/Burleson County Landowners. Ms. Ice said she was an attorney with Save Our Springs Alliance, and stated there were many landowners who were not happy with the testimony that General Manager Gary Westbrook had given before the Senate Committee on Agriculture, Water and Rural Affairs. Ms. Ice stated she desired to ask questions of the Board to receive answers. Mr. Knight stated this was not appropriate. President Ausley called the meeting to order and noted that Board members would hear Ms. Ice's comments, and then ask either her or Mr. Westbrook questions. He then asked Ms. Ice to continue. In her statements Ms. Ice stated Mr. Westbrook had explained the current process and how Modeled Available Groundwater (MAG) was used as a cap in Regional Water Planning, and he had lobbied the Senate Committee to change the MAG in favor of Water Marketers, and he had encouraged the Texas Water Development Board to change the way MAG is addressed and used in their rules which govern regional planning. She then stated Mr. Westbrook and the Board did not understand the importance of MAG in protection of the aquifers of the District. She then stated Mr. Westbrook explained to the Senate Committee how Post Oak Savannah works around the MAG and the MAG is the suggested maximum allowed for permitting for a GCD. Ms. Ice then criticized the Board for the District's reputation as, "approve all permits requested." She then stated the testimony of Mr. Westbrook is not the words of a general manager working to protect the aquifers of the District, and the group requests the Board dismiss him from his position.

President Ausley then recognized Judith McGeory, Milam County Landowner, who voiced her disagreement with the testimony that General Manager Gary Westbrook presented and stated that his comments represented the Board and that she felt that his testimony was not representative of the best interest of the citizens of Milam and Burleson counties.

President Ausley then recognized Dr. Steve Young of Intera, District hydrologist, who clarified how the MAG was derived and the role of MAG as a tool to be used for evaluations by GCD, but not as a cap for permitting. He then clarified the current role of MAG as a cap for planning at the regional planning groups.

President Ausley asked if any of the Board had questions for either Ms. Ice or Mr. Westbrook. Director Wise asked Mr. Westbrook for clarification about the use of MAG in his testimony. Mr.

Westbrook answered by quoting language of Chapter 36.1132(a) concerning the use of MAG in permitting decisions by a GCD. Ms. Ice argued this was not correct. Mr. Westbrook reminded he was invited specifically to testify on the issue of the Desired Future Condition process and the use of MAG in regional water planning, and to contrast how Post Oak Savannah utilized MAG in management of groundwater resources in the District. He then gave examples of issues which had arisen at the Brazos Region G during the latest round of planning, and noted these issues were happening across the state, which was the reason for the panel. He also noted there were other panels testifying that day on other aspects of issues in state water planning. He further stated his efforts were directed toward describing and explaining the issues incurred, and requesting that if any changes in use of MAG for regional planning were developed, it be referred back to either the affected GMA or GCD.

Barney Knight then commented that his understanding of Mr. Westbrook's testimony was that it was professional and well done. Generally stated, Mr. Westbrook simply encouraged work be done to resolve the conflict between how MAG is defined for planning purposes and how it is defined for management purposes. Knight mentioned it was unusual to require planning be done using one definition and the use of that plan be done using a different definition. He said that his understanding of Mr. Westbrook's comments was the inconsistency should be resolved and that such resolution should be made by the TWDB or other agency and preserve the local control and management of groundwater conservation.

President Ausley asked if any other Board members had questions. With no response, President Ausley moved to the next item on the agenda.

6. Public Comment

President Ausley asked for public comment.

Sydney Zgabay stated he was concerned because Alcoa was splitting their land into 3 parcels so that they can sell it and the water rights. He also stated that he wanted the larger wells in his area to be placed in strategic locations and not all so close together in one area.

Judith McGeory voiced concern that we will not be able to reach the desired future conditions and that maybe what the Board should do is redistribute the permits that are not being used.

Director Steven Wise voiced concern with the perception of those present that this Board does not care about the Citizens of Milam and Burleson Counties. He stated that every Member of the Board has a vested interest in these counties, and that the most important thing is the level of the aquifers, and not necessarily the MAG or amounts permitted. He also stated that it is not and has never been the Board's intention to drain the aquifers. He stated he had watched the general manager's testimony and did not see any lobbying.

Milam County Judge Dave Barkemeyer stated that the Directors are appointed according to the State Legislature Laws. He also stated that the directors have been rotated with the exception of Mr. Starnes who was on the original Board. He said he believed the Board's intentions are to preserve the aquifers of the District, and that the citizens of Milam county need to be careful how they proceed so as not destroy what we have, and loose local control, and to remember that the Legislature is often swayed by Metropolitan Areas.

Andrew Hovorak a Burleson County land owner voiced his concern and that he felt the Mr. Westbrook's testimony was an effort to lobby for and facilitate more water for Water Marketers. He also stated he did not want to see efforts which would lead to losing local control.

Ronnie Coleman said he felt the Board wanted to give away more water and that they did not represent the interest of the Milam and Burleson county landowners. He said actions speak louder than words, and water is needed for economic development of Milam County.

Mike Kornegay a Milam county landowner stating he did not hear a problem with Mr. Westbrook's testimony until the end, and then there was a lobbying effort to come up with more water for Region G. He reminded the Board the name of the District has conservation in it.

David McClaren stated he believes the Board is made up of great people, and it seems Mr. Westbrook does more speaking outside of the District and should do more speaking within the District. He stated the board should clarify what is appropriate for Mr. Westbrook to say when he represents the Board.

No further comment was offered.

7. Minutes of May 10, 2016 Board Meeting

A motion was made by Director Lee Alford to approve the minutes of the May 10, 2016 Board meeting with the exception of 2 Typographical errors being corrected. The motion was 2nd by Director Kerry Starnes. The motion passed unanimously.

8. Proposed Desired Future Conditions GMA 8

Board President Nathan Ausley opened item # 8. After discussion, a motion was made by President Nathan Ausley to adopt the Proposed Desired Future Conditions for GMA8. The motion was 2nd by Director Tommy Tietjen. The motion carried unanimously.

9. Proposed Desired Future Conditions GMA 12

Board President Nathan Ausley opened item # 9. After discussion, a motion was made by Director Tommy Tietjen to adopt the Desired Future Conditions for GMA12. The motion was 2nd by Director Durwood Tucker. The motion carried unanimously.

10. District Rules

Board President Nathan Ausley opened item # 10. After discussion, a motion was made by Director Bob Wilson to approve the recommended amendments to the District Rules as presented and posted. The motion was 2nd by Director Durwood Tucker. The motion carried unanimously.

11. Board Policies

Board President Nathan Ausley opened item # 11. GM Westbrook explained the need for the amendment having risen from an unforeseen addition to the Board Policies at the May 10, 2016 Board Meeting. After discussion, a motion was made by Director Tommy Tietjen to approve the Board Policies as presented. The motion was 2nd by Director Robert Ware. The motion carried unanimously.

12. Groundwater Conservation Grant Contract with HDU Services

General Manager Gary Westbrook commented that since there was language that had to be added to their Board Policies, there was a delay in getting this contract executed within the required 30 days. After discussion, a motion was made by President Nathan Ausley to waive the 30 day requirement and to accept their grant contract. The motion was 2nd by Director Durwood Tucker. The motion carried unanimously.

- 13. Rescind and cancel the 2014 amendments of the following Historic Use Production Permits for which Holland Porter was listed as the Permittee: (a) Historic Certificate # POS-HUP-0204; (b) POS-HUP-0205; (c) POS-HUP-0206; and (d) POS-HUP-0207.**

GM Westbrook reviewed the facts at issue, and noted that all parties were in agreement this resolution was acceptable, and this could be handled by this and the next two agenda items. After discussion, a motion was made by Robert Ware to rescind and cancel the prior amendments made to these four listed permits. The motion was 2nd by director Kerry Starnes. The motion carried unanimously.

- 14. Transfer and amend the following Historic Use Production Permits, as originally issued to Holland Porter, Permittee (a) Historic Certificate # POS-HUP-0204; (b) POS-HUP-0205; (c) POS-HUP-0206; and (d) POS-HUP-0207, to MSP/JHP Properties, Ltd. as the Permittee.**

After discussion, a motion was made by Director Robert Ware to amend these four listed permits to state the name of the Permittee as MSP/JHP Properties, LTD. The motion was 2nd by President Nathan Ausley. The motion carried unanimously.

- 15. Rescind and terminate the following now expired permits issued to Anadarko E & P Onshore, LLC: (a) POS-O&G-0086; (b) POS-O&G-0087; (c) POS-O&G-0088; and (d) POS-O&G-0089.**

After discussion, a motion was made by Robert Ware to Rescind and terminate these four listed permits. The motion was 2nd by Director Tommy Tietjen. The motion carried unanimously.

- 16. Negotiate and Execute Contract with EBCO Development for General Contractor services**

Director Robert Ware presented a review of the Building Committee work to date. He then outlined recommendations to the Board from the committee for the building remodel. Director Sidney Youngblood added information for the Board to consider. After discussion, Director Ware moved the Board approve EBCO Development as the District's General Contractor, and approve the contract with revisions for the remodel to total \$ 233,718.00, and to add the amount of \$ 24,565.00 for the concrete driveway in the front of the building, as described in the document. The motion was 2nd by Director Durwood Tucker. The motion carried unanimously. A motion was made by Director Bob Wilson to approve and include in the contract \$ 7,000.00 for the crushed stone parking pad in the rear of the building. The motion was 2nd by Director Tommy Tietjen. The motion carried unanimously. It was estimated the remodel would start within 30 days and should be complete within 4 months.

- 17. Texas Counties Districts Retirement System Plan**

GM Westbrook explained the requirement to renew this plan, and the recommendation from the District's Financial Officer, Steven Wise, to reduce the District's participation to the recommended rate necessary to bring the District participation back into balance with the amount needed at renewal. A motion was made by President Nathan Ausley to reduce our TCDRS participation back to the required amount, and renew the plan at the next renewal date. The motion was 2nd by Director Tommy Tietjen. The motion carried unanimously.

- 18. 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)**

Director Steven Wise reviewed recent discussions with GM Westbrook concerning possible considerations of the District's management strategies. After discussion of possible studies to be reviewed, no action was taken.

19. 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

GM Westbrook reported no applications were filed which require a hearing.

B. Well Drilling activities: registrations, applications, completions, plugging, inspections

GM Westbrook reported 9 registrations, 11 new applications, 7 completions, 0 plugging, 2 Wells inspected since the last meeting..

C. Recent and future District presentations and activities

1. Lone Star Healthy Streams: Little River May 24, 2016

General Manager, Gary Westbrook advised the Board that he and Bobby Bazan, District Water Resource Management Specialist, provided discussion of the District's management at this meeting in Cameron, and Director Wise was present for their discussion.

2. Texas Alliance of Groundwater Districts quarterly meetings of May 18-19, 2106

General Manager Gary Westbrook reported he and that Bobby Bazan attended this meeting

3. Texas Aquifer Conference June 9, 2016

General Manager Gary Westbrook reported he and Bobby Bazan attended this meeting, and gave a brief description of the agenda items covered.

4. Milam and Burleson Counties Groundwater Summit of August 11, 2016

General Manager Gary Westbrook stated that the Summit would be from 9 to 4 and reviewed the itinerary, which had been e-mailed to the Directors. He also discussed the District's policy for sponsors and display space at the event.

5. Texas Alliance of Groundwater Districts Groundwater Summit of August 23-25. 2016

General Manager Gary Westbrook stated that he and Bobby Bazan would attend as well as Director Durwood Tucker and President Nathan Ausley

6. Milam County Ag in the Classroom

General Manager Gary Westbrook stated that Bobby Bazan presented to Approximately 320 students and this educational presentation was very informative and that the participation was excellent. Director Tucker was also in attendance and complimented Mr. Bazan as well.

7. District Education Programs

General Manager Gary Westbrook updated the Directors on recent education efforts and activities.

8. District Website

General Manager Gary Westbrook advised the Board the recent work on the website was complete.

20. Bills received, current financial status, Investment Officer Report.

After discussion, a motion was made by Director Kerry Starnes to approve payment of bills. The motion was 2nd by Director Sidney Youngblood. The motion passed unanimously.

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

President Ausley announced the next regularly scheduled meeting, if needed, would be August 9, 2016 at 5:30 pm located at the District Office.

22. Adjourn Board Meeting

President Ausley adjourned the meeting at 7:11 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON JULY 12, 2016 WERE APPROVED AND ADOPTED BY THAT BOARD ON AUGUST 9, 2016.


Nathan Ausley, President

Attest:


Kerry Starnes, Secretary/Treasurer

Date 8/9/16