

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting
POSGCD District Offices
309 East Avenue C
Milano, TX 76556
May 10, 2016 – 5:30 p.m.

MINUTES

Directors Present

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

Directors Absent

None

Staff Present

Gary Westbrook
Bobby Bazan
Elaine Gerren

Others Present

Barney Knight
Steve Young
Jevon Harding
Robert Jekel
Pat Riley
Kodi Sawin
Blake Stapp

Entity

Knight & Partners
Intera
Intera
D&L Services
Blue Water Systems
Sawin Group
LTMS, PC

BOARD MEETING

1. Call to Order and establish quorum

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

2. Public Comment

President Ausley asked for public comment. No public comment was heard. GM Westbrook noted that the Board received 2 signed form letters which were handed out by the League of Independent Voters at a recent meeting in Caldwell, both representing Burleson County landowners. He also noted the Board had received one hand written letter opposing the award of SWIFT funding from the Texas Water Development Board to San Antonio Water Systems.

3. Minutes of March 8, 2016 Board Meeting

A motion was made by Director Robert Ware moved to approve the minutes of the March 8, 2016 Board meeting. The motion was 2nd by Director Tommy Tietjen. The motion passed unanimously.

4. District Audit

The District audit was presented by Blake Stapp of Ludwick, Templin, Montgomery & Stapp, P.C. The auditor stated that records of the District were audited and they found the financial records to be in good standing with no deficiencies. After discussion, a motion was made by Director Bob Wilson to approve and accept the audit as presented. The motion was 2nd by Director Jay Wilder. The motion carried unanimously.

5. Open and award bids for building remodel

Legal Counsel, Barney Knight noted some deficiencies had been identified by staff in the specs made available for bidding on the work to be performed. Due to these deficiencies, he recommended the Board reject, and not open, any bids received, and begin the advertisement process anew as soon as complete specs were in hand. After brief discussion, a motion was made by President, Nathan Ausley to accept legal counsel's advice, and reject all submitted bids and begin the advertisement process anew as soon as complete specs were in hand. The motion was 2nd by Director Tommy Tietjen. The motion passed unanimously.

6. Application of North Milam Water Supply Corp. (NMWSC) to transport water to customers in NMWSC Certificate of Convenience and Necessity

General Manager, Gary Westbrook, briefed the Board on updates to the application submitted by North Milam Water Supply Corp. to transport groundwater to customers in their CCN in an adjoining county. He then stated the application was complete. The General Counsel then expressed his opinion that, based on the Resolutions and Rules in effect at the time NMWSC received its original permit, the original permit granted to NMWSC included a permit to serve its retail water customers within its CCN including those that are within a County abutting the District. After discussion by the board concerning Rule 5.5, its intention, and application, a motion was made by Robert Ware that no permit be necessary, and therefore no hearing would be needed, but that transport fees would continue to be paid. The motion was 2nd by President Nathan Ausley. The motion carried unanimously.

7. Groundwater conservation Grant Program

Chairman Ausley, on behalf of the Grant Committee, advised the Board the committee had received eight applications for funding, had discussed and scored each, and recommended the five highest scoring entities be awarded grant funding for 2016. He noted these recommended award amounts were 95% of the amounts requested by the applicants, that the applicants would be required to pay the additional 5%, and would total \$1,048,505.50, which might require an amendment to the 2016

Budget. He also advised the Board the committee recommended the Board Policies be amended concerning the allowance of public owned entities being allowed to participate in, and receive, grant funds. After discussion, a motion was made by Kerry Starnes to approve the 5 Entities recommended by the Grant Committee for the 2016 Grants as follows:

North Milam WSC	\$ 151,247.60
City of Rockdale	\$ 285,000.00
City of Snook	\$ 118,750.00
HDU Services/Enchanted Oaks	\$ 288,307.90
City of Somerville	\$ 205,200.00

The motion was 2nd by Director Durwood Tucker. The motion carried unanimously.

8. 2016 budget

After discussing the previous item, the Board took no action on this item at this time.

9. Request Amendments to Groundwater Conservation Grant applications, awards, and contracts with the District.

a. Burleson County MUD # 1

Director Robert Ware abstained from discussion and voting on this item due to his affiliation with the Burleson County MUD # 1. GM Westbrook presented a request from Burleson County MUD # 1 to amend the scope of work for their grant from 2015 to include replacement of an additional 1020' of lines, 2 valves, and 2 service lines. This work would be performed within the original award of District funds. After discussion, a motion was made by Director Tommy Tietjen to approve this request with the stipulation that the Burleson County MUD # 1 submit in writing the groundwater savings that this amendment to the project scope of work will provide. The motion was 2nd by Director Lee Alford. The motion passed 9 to 0 with director Robert Ware abstaining.

b. Lyons WSC

GM Westbrook presented a request from Lyons WSC to amend the scope of work on their grant from 2015 to rehabilitate ground storage tanks with aeration equipment. This work would be performed within the original award of District funds, and would save an estimated 600,000 gallons of water per year. After discussion by the Board the motion was made by Director Durwood Tucker to approve this request. The motion was 2nd by Director Jay Wilder. The motion passed unanimously.

10. Consider Membership in Association of Rural Communities in Texas

General Manager Gary Westbrook noted that this item had been discussed previously with no action being taken. After discussion from the Board, a motion was made by Director Bob Wilson to decline this membership. The motion was 2nd by Director Sidney Youngblood. The motion passed unanimously.

11. 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, Gary Westbrook advised the Board that both GMA 12 and GMA 8 had recently adopted proposed DFCs, and both were in the required 90 day comment period for accepting comments on those proposed DFCs. He also noted the District would need to set a hearing during

that time to receive comments on these Proposed DFCs, and recommended the hearing be held at the July 12 Board meeting. Next, he noted the DFC committee had met and reviewed work from Intera, the District's hydrologist, as directed by the Board. He stated the committee recommended the Board move forward with redefining the shallow management zones in the District's aquifers to include wells with well screens no deeper than 400 feet, and send this to the Rules Committee as the District's management plan would need to be readopted in 2017. A motion was made by President Nathan Ausley to approve the recommendations of the DFC Committee as requested. The motion was 2nd by Director Steven Wise. The motion carried unanimously.

12. Set Dates for hearings to receive comments on Proposed DFC's of GMA 8 and GMA 12

After discussion by the Board a motion was made by President Nathan Ausley to set the hearing date to be July 12th 2016. The motion was 2nd by Director Durwood Tucker. The motion carried unanimously.

13. Well Monitoring Network and Water Level Monitoring Work

An update on the monitoring network and monitoring work to date for 2016 was given by Bobby Bazan, Water Resource Management Specialist for the District. He stated that the District has a total of 110 monitoring wells and that 75 of those wells have been monitored to date for this year. Inaccessibility and weather have been factors in accessing some wells. He stated that the Brazos River Alluvium had the most change this year and that was due to the heavy rains we had encountered in the first part of 2016.

14. Consider conveyance of surplus air conditioner units and other materials from remodel to non-profit entities.

General Manager Gary Westbrook advised the Board that a request had been made by the Birch Creek Fire Department for 3 of the wall AC/Heat units, from the recently acquired building to be remodeled, to be donated to their organization for use in a building owned by the Birch Creek Fire Department. After discussion from the Board a motion was made by Director Steven Wise to donate 3 of the units to the Fire Department as requested. The motion was 2nd by Director Bob Wilson. The motion carried unanimously.

15. Report from Rules Committee

GM Westbrook and Mr. Knight presented draft language to be considered for inclusion in the Rules which had been discussed and recommended by the Rules Committee to be brought to the Board for consideration to be placed for hearings. These included amendments to several sections in the rules. After much discussion a motion was made by President Nathan Ausley to move forward and to set hearings on the rules. The motion was 2nd by Director Robert Ware. The motion carried unanimously.

16. Board Policies

GM Westbrook and Mr. Knight presented draft language to be considered for inclusion in the Board Policies which had been discussed and recommended by the Rules Committee, and language recommended by the Grant Committee, to be brought to the Board for inclusion in the Board Policies. Much of the discussion centered around a policy concerning privately held water supply corporations which receive grant funding from the District. After discussion a motion was made by President Nathan Ausley to adopt the recommendations from the Rules Committee into the Board Policies, with amendment as discussed of the policy regarding privately owned water utilities paying back a portion of the grant if an interest in the utility is sold within ten years after the date of the grant. The motion was 2nd by Director Tommy Tietjen. The motion carried unanimously.

17. 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 stated no applications were filed which require a hearing.

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

GM Westbrook reported 6 Well Registration received, 6 New Well Applications, 6 Well Completions received, no wells plugged and no inspections.

C. Recent and future District presentations and activities

1. Withdrawal of Denali application WQ0005191000 filed with TCEQ

General Manager, Gary Westbrook advised the Board that this application had been Withdrawn after TCEQ received the District's letter on the matter.

2. Texas Alliance of Groundwater Districts quarterly meetings of May 18-19, 2016

GM Westbrook stated he and Bobby Bazan would attend this meeting on behalf of the District, and that Mr. Bazan would be on the field tech panel at this meeting the first day, but Mr. Bazan would be returning that evening to participate in Ag in the Classroom on the 19th in Cameron with the Extension Service.

3. Texas Aquifer Conference June 9, 2016

GM Westbrook stated he and Mr. Bazan would attend this meeting on behalf of the District.

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

GM Westbrook noted the District would host its annual summit August 11 in Caldwell.

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

GM Westbrook discussed this summit and noted he and Mr. Bazan would attend. He also asked Directors to advise staff if they wished to attend so arrangements could be made.

6. District Education Programs

GM Westbrook advised the Directors on recent efforts of the District's programs including educational videos which would soon be available.

7. Capstone Project at Bush School, Texas A&M

GM Westbrook reported on this final report which was presented by the Capstone students May 9, 2016, at the State Capital.

8. Consideration of water wells with no available well logs

GM Westbrook discussed a situation where an existing water well, for which the District could not locate a valid well log, was found to possibly be out of compliance with District spacing from a septic system, if not completed correctly. GM Westbrook asked for Board direction in this matter. The Board agreed the well was in existence prior to the District and there was no evidence of non-compliance, and therefore no action should be taken until such evidence might be found.

9. Water Conservation efforts in Brazos Region G

GM Westbrook discussed the Goldwater project, which was recently discussed at Region G, and which is designed to assist entities in achieving water conservation goals identified in the regional water plan.

10. Review District website

GM Westbrook gave a brief report on progress to date for the website, and noted most functions would be available to the public in the near future.

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

After review of the bills and brief discussion, a motion was made by President Nathan Ausley to approve payment of bills. The motion was 2nd by Director Jay Wilder 2nd the motion. The motion passed unanimously.

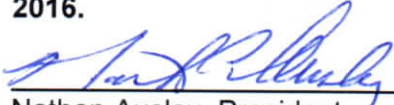
19. Dates, locations, and times of future meetings.

President Ausley announced the next regularly scheduled meeting date, if needed, would be June 14, 2016 at 5:30 pm.

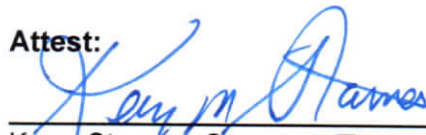
20. Adjourn Board Meeting

President Ausley adjourned the meeting at 9:12 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON MAY 10, 2016 WERE APPROVED AND ADOPTED BY THAT BOARD ON JUNE 14, 2016.



Nathan Ausley, President

Attest:


Kerry Starnes, Secretary/Treasurer

Date 7/12/2016