

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Public Hearing & Board of Directors Meeting
POSGCD District Offices
310 East Avenue C
Milano, TX 76556
May 3, 2017 – 5:30 p.m.

MINUTES

Directors Present

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

Directors Absent

Jay Wilder

Staff Present

Gary Westbrook
 Bobby Bazan
 Elaine Gerren

Others Present

Bill Graham	<u>Entity</u> Self/Landowner
Kodi Sawin	Sawin Group
Amy Jurica Hinnart	Landowner
Judith McGeary	Farm & Ranch Freedom Alliance

Michele Gangnes	Simsboro Aquifer Water Defense League of Ind. Voters
Colleen Waring	Landowner
Steve Young	Intera
Andy Hovorak	Landowner
Barbara Boulware	The Knight Law Firm
Lois Shellenberger	Self
Pat Reilly	Blue Water Systems
Mike Conner	Landowner
Joyce Conner	Landowner
Ron Martens	League of Ind. Voters
Judy Martens	Burleson County Landowner
Earl Campbell	Self – Landowner
Scott Carlson	Metropolitan Water
Bob Harden	R.W. Harden & Associates
James Bene'	R.W. Harden & Associates
Jevon Harding	Intera
Odes Foster	Self
Charles Truitt	Self
Alton Thiele	Alton Thiele CPA
Russel Krumnow	Alton Thiele CPA
Alana Coleman	Self
Ronney Coleman	Self
Bobby Walker	Landowner

BOARD MEETING

1. Pledge of Allegiance

President Youngblood asked GM Westbrook to lead the meeting in the pledges to the flags of the United States and Texas, and he did so.

2. Invocation

President Youngblood asked GM Westbrook to offer an invocation, and he did so.

3. Call to Order and establish quorum

The meeting was called to order and a quorum established at 5:38 p.m. by Board President, Sidney Youngblood.

4. Public Hearing on Rules, Rule 1.1 Definition of Terms, Rule 4.1 Required Spacing, Rule 12.1 Responsibility, and most of Section 16 Management of Water Availability and Production.

President Youngblood opened the public hearing at 5:39 pm, and invited Director Nathan Ausley, as Chair of the Rules Committee, to lay out the proposed amendments to the Rules. Director Ausley stated the Committee had met in a posted meeting, open to the public, March 29, 2017 to consider amendments to the Rules which had been forwarded from the Liaison Committee, due to their efforts with citizens of the District, as well as recommended amendments from staff and the District's Counsel, Barney Knight, which had been previously discussed at Board meetings during 2016. He stated the committee had considered and discussed these proposed amendments, and, after lengthy discussion, had compiled their proposed rule changes to be reviewed by the Board at the Board's regular April 4, 2017 meeting. He further noted the Board had directed the General Manager to post these amendments for public hearing at its April 4, 2017 Board meeting. He then asked GM Gary Westbrook to review the proposed amendments on the screens for the Board and public. Mr. Westbrook noted comments had been received, which, after discussion between staff and general counsel, lead to staff and counsel recommending the proposed Rule 4.1.7 could be withdrawn from consideration. After GM Westbrook's review, the Board discussed the proposed changes. Director Nathan Ausley asked about 2 changes that were added after the twenty (20) day notice had been posted. Legal Counsel stated that these changes could be voted on since they are directly related to the noticed changes. Steven Wise asked for clarification on the Rule 12.1 with regards to the 250' spacing. After discussion, Director Ausley invited input from the public.

President Youngblood then recognized the following who had signed up to address the Board during this item:

Colleen Waring, stated that she supports the Rule 16 changes, but would like to see that the wording Independent Hydrologist added back into this rule. She opposed Rule 4.1.7 and stated it is less transparency and does not provide accountability.

Ronney Coleman, echoes Colleen Waring about leaving the term Independent Hydrologist in the Rule 16. He said he appreciated the efforts of the Board, and working with the Liaison Committee and on proposed Rules changes.

Judith McGeary, speaks on Section 16, stated the citizens group working with the Liaison Committee called for an Independent Hydrologist so there would be full review. She stated that Steve Young with Intera is developing the model so another set of eyes should be used as an auditing measure, and this was not an insult to Steve Young or Intera. She stated that Rule 4.1.7 undercuts the District's spacing rules and feels this rule would allow wells to be drilled any place other than the location indicated in the application. She states that Rule 12.1 is better than Rule 4.7.1. She also states the proposed definition of property line is vague and confusing, and it sets the District up for law suits.

Lois Shellenberger, thanked the committees and Board for the changes to Rules, but states that she has concerns about Rule 3 not allowing public comment.

President Sidney Youngblood noted there were no further persons signed up to address the Board on this item. Director Ausley asked if anyone else would like to address the Board at this time. After no

one responded, President Youngblood closed the Public Hearing at 6:20 pm, and proceeded to the next item in the meeting agenda.

5. Public Comment

President Youngblood opened this item and stated that the Board would hear public comment from all parties that have signed up to speak. He noted only one additional person had signed up, and invited Mr. Odes Foster to address the Board.

Odes Foster, approached the Board with questions to his billing for production fees. He said he was not clear about the billing on his well. President Youngblood noted that staff would address this before the meeting was over.

President Sidney Youngblood thanked all the citizens for their comments.

6. Consider Rules: Rule 1.1 Definition of Terms, Rule 4.1 Required Spacing, Rule 12.1 Responsibility, and most of Section 16 Management of Water Availability and Production.

President Sidney Youngblood asked for clarification that all requirements had been met for ruling on this item. GM Gary Westbrook verified that all requirements of posting and notice had been met. He then invited Director Nathan Ausley to lead discussion on this item. After discussion, a motion was made by Director Nathan Ausley to amend the Rules by accepting all of the changes as posted and presented with the exception of the 2 changes that were not added before the twenty (20) day notice had been posted. The motion was 2nd by Director Robert Ware. Discussion was held by the Board with Director Steven Wise asking for clarification on the proposed change for wells drilled within the same property owner's land. Director Lee Alford spoke in agreement of this change, and stated that if the well was on the same property and that the property met the spacing requirements, it should not matter where the well is drilled. Director Steven Wise stated that he opposed the proposed definition of Property Line, changing the limit of 250 feet in Rule 12.1, and he desired to include a second independent hydrologist as discussed in earlier Liaison Committee meetings with concerned citizens. After lengthy discussion, Director Nathan Ausley called for the question on this item. President Sidney Youngblood called for the vote. The vote was 8 to 1 with Director Steven Wise opposed. The motion passed.

Item # 9 was opened to allow for the Auditor to make his presentation and be able to leave.

7. Consider Board Policies: Section 4. B. Administration

GM Gary Westbrook presented recommended amendments to the Board Policies in Section 4.B to assist staff in being better able to serve the public and manage records review. After discussion, a motion was made by Director Durwood Tucker to add this to the Board Policies. The motion was 2nd by Director Lee Alford. The motion carried unanimously.

8. Consider Personnel Policies: Sections on Comp-Time and Accounting of Annual Leave

GM Westbrook reported that during the audit it was suggested by the auditing firm that clarification to our Personnel Policies need to be made in regards to accounting for Comp Time and Vacation Time. GM Westbrook presented recommended amendments to the Personnel Policy Manual to address these issues. After discussion, a motion was made by Director Steven Wise to adopt these changes to the Personnel Policy. The motion was 2nd by Director Bob Wilson. The motion carried unanimously.

9. 2015 and 2016 Audits

President Youngblood invited Alton Thiele with Alton Thiele, PC to give a presentation of the District's Financial Audit. He stated that corrections had been made to the 2015 Audit and that the 2016 Audit had been completed. He stated the District was in good standing and received a clean report, and staff was to be commended. After discussion, a motion was made by Director Steven Wise to accept the 2015 and 2016 Audit as presented. The motion was 2nd by Director Nathan Ausley. The motion carried unanimously.

10. Minutes of April 4, 2017 and April 18, 2017 Board Meetings

President Youngblood noted the meeting minutes were emailed to each Director. After discussion, a motion was made by Director Tommy Tietjen to approve both sets of meeting minutes. The motion was 2nd by Director Nathan Ausley. The motion passed unanimously.

11. Amend Board policy on maximum, and percentage participation of expenses for plugging water wells

GM Gary Westbrook stated that our current budget for reimbursement for plugged wells is \$ 25,000 per year with the District contributing up to 75% of the cost to plug a well up to a \$ 1000 maximum expense to the District per well. He asked for a change of 100% cost coverage by the District up to \$ 2500.00 per well. This will allow for more wells to be plugged with little or no cost to the landowner and for the possibility of gaining more monitoring wells. After discussion, a motion was made by Director Steven Wise to approve this change. The motion was 2nd by Director Durwood Tucker. The motion carried unanimously.

12. Board Member Dashboard

GM Gary Westbrook advised the Board that the Board Member Dash board was now on the website. This allows for the public to view our progress on committees and District activity. President Youngblood noted the importance of this tool and it being available to both the Board and public on the District's website so that all could stay current with respect to efforts of the Board's committees. He encouraged the public to use this tool to stay involved with the District. No action was taken on this item.

13. Report from Rules Committee

No report was given and action was taken

14. Report from DFC Committee

An update was provided by Director Steven Wise on all tasks undertaken by this committee, and that the Committee was close to completing the well assistance program. He stated they should have it completed within a sixty (60) day time frame. No action was taken.

15. Report from Grant Committee

No report was given and action was taken

16. Requests for amendments to Groundwater Conservation Grant applications, awards, and contracts with the District by Burleson County Mud #1

Director Robert Ware abstained from discussion and voting. GM Westbrook presented a letter to the Board and discussed changes requested to the Burleson County Mud # 1 grant awarded at the April 4, 2017 Board meeting. The Board discussed the requested changes. A motion was made by Tommy Tietjen to approve the changes. The motion was 2nd by Director Nathan Ausley. The motion carried unanimously.

17. Additional Staff for Education and Outreach

GM Gary Westbrook commented that we have received 6 applications for the advertised position. GM Gary Westbrook asked for guidance on the hiring process desired by the Board. After discussion, a motion was made by Director Tucker to allow the General Manger to conduct the interviews and advise the Advisory Committee of his recommendations. The motion was 2nd by Director Kerry Starnes. 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)

GM Gary Westbrook advised the Board the GMA 8 was on hold at this point. He advised that GMA 12 had adopted the resolution of accepting the DFC's, but that it will need to be re-adopted at the next scheduled meeting on May 25, 2017.

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
No permit received that required hearings.

B. Well Drilling activities: registrations, applications, completions, plugging, inspections
14 Wells registered, 7 new well applications, 11 Completed Wells, 0 wells plugged, 0 well inspections

C. Recent and future District presentations and activities

1. Updates and Improvements to Well Monitoring Network

Bobby Bazan , Water Resource Manager gave an update on the well monitoring network.

2. Update on Current Water Level Well Monitoring Work

Bobby Bazan, Water Resource Manager gave an update on the current water level monitoring network.

3. Texas Alliance of Groundwater Districts Texas Groundwater Summit of August 29-31, 2017

GM Gary Westbrook stated the schedule for this conference was now available and the Board should notify staff if they desired to attend.

4. Update on Legislation

GM Gary Westbrook gave an overview of the legislation in session.

5. Milam and Burleson Counties Groundwater Summit of August 16, 2017

GM Gary Westbrook reported appreciation for input from the citizens group on education topics they would appreciate at this summit, and he hoped to present them to the Education Committee soon.

6. POSGCD Open House of May 18, 2017

GM Gary Westbrook stated that the notices had been placed in newspapers and the we were working on handouts and door prizes. The open House will be from 1 to 6 pm.

7. Local Water Utilities Workshop of June 29, 2017

GM Westbrook reported on progress and this workshop would be hosted by the District.

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

The bills were presented for approval. GM Gary Westbrook stated that the bill for the District Audit to Alton Thiele had been added after the report was compiled. A motion was made by Director Nathan Ausley to pay the amended list of bills. The motion was 2nd by Director Kerry Starnes. The motion carried unanimously.

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

The next scheduled meet will be June 6, 2017 at 5:30 at the District Offices.

22. Adjourn Board Meeting

The meeting was adjourned at 8:18 pm

THE ABOVE MINUTES OF THE HEARING & MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON MAY 3, 2017 WERE APPROVED AND ADOPTED BY THAT BOARD ON JUNE 6, 2017.


Sidney Youngblood, President

Attest:


Tommy Tietjen, Secretary/Treasurer

Date

6/6/17