

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting
POSGCD District Offices
310 East Avenue C
Milano, TX 76556
May 7, 2019 – 5:30 p.m.

MINUTES

Directors Present

Chris Whittaker
Durwood Tucker
Steven Wise
Lee Alford
Tommy Tietjen
Becky Goetsch
Sidney Youngblood
Bob Wilson
Jay Wilder
Ed Savage

Directors Absent

None

Staff Present

Gary Westbrook
Bobby Bazan
Elaine Gerren
Ralph Sifuentes
Doug Box

Others Present

<u>Others Present</u>	<u>Entity</u>
Gabbo Goetsch	Landowner
Pat Reilly	Blue Water System
Dan Fischer	Landowner
Mike Rubinov	R.W. Harden
Shan Rutherford	Terrill & Waldrop
Nathan Ausley	Landowner
Amy Jurica Hinnant	Burleson County Landowner
Alton Thiele	Alton Thiele CPA
Vincent J. Garza	SAWS
Allen Berthold	TWRI
Steve Young	Intera
Barbara Boulware-Wells	The Knight Law Firm, LLP
Chanyn Wise	Self
Nathan Ausley	Self

BOARD MEETING

1. Pledge of Allegiance

President Sidney Youngblood asked Doug Box to lead the pledges to the flags of the United States and Texas and he did so.

2. Invocation

President Sidney Youngblood asked Gary Westbrook to lead the invocation and he did so.

3. Call to Order and establish quorum

The meeting was called to order and a quorum established at 5:57 p.m. by President Sidney Youngblood.

4. Minutes of April 2, 2019

GM Westbrook noted one correction of spelling of Luminant in item 8 of the draft minutes. After brief discussion a motion was made by Director Lee Alford to approve the minutes of the April 2, 2019 board meeting as corrected. The motion was 2nd by Director Chris Whittaker. The motion carried unanimously.

5. 2018 District Audit

Alton Thiele of Alton Thiele, PC gave a slide presentation and overview of the 2018 Audit, and stated the District received a clean audit. Director Steven Wise asked Mr. Thiele to explain certain accounting of obligations for amounts awarded in the District's Grant programs. Following explanation, Mr. Wise requested direction for adding the GWAP and the ACP funding as obligations. Mr. Thiele explained and gave examples under current accounting standards required by government entities. Mr. Wise asked GM Westbrook to begin accounting for this in monthly financial reports to the Board. After discussion by the Board a motion was made by Director Tommy Tietjen to accept the 2018 Audit. The motion was 2nd by Director Durwood Tucker. The motion carried unanimously.

6. Update on Water Level Monitoring Work and areas of focus

- a. Deenville area**
- b. 22 Hills and Gause area**
- c. Blackjack area on FM908**

GM Westbrook and Water Resource Manager, Bobby Bazan provided an update on investigations into water levels in the Deenville and Blackjack-FM 908 areas. Mr. Bazan stated the District had monitoring network is up to 212 wells so far, and expected to add some in the next few weeks as weather permits first visits to wells recently added. He also noted all annual measurements had been completed on wells where access had not been a problem due to owner or weather issues. The number of wells yet to be measured due to these issues was approximately 20. Steve Young with Intera provided a written overview of the status report that he presented to the DFC Committee on the Hydrogeological Investigation for the 22 Hills Area.

7. Board Dashboard, Committee Reports and Recommendations

- a. DFC Committee**
- b. Rules Committee**
- c. Legislative Committee**

A report was given by Steven Wise on the DFC Committee Meeting of earlier in the day. No action was taken.

General Manager Gary Westbrook gave an overview of the recommended amendments to the District Rules reviewed earlier by the Rules Committee. After discussion by the Board a motion was made by Director Becky Goetsch to post the updated proposed rules amendments to the website and set public hearings for amending the Rules on the same date as the next Board Meeting. The motion was 2nd by Director Tommy Tietjen. The motion carried unanimously.

General Manager Gary Westbrook briefly discussed the most recent Legislative committee meetings, and actions directed by the committee. No action was taken.

8. Aquifer Conservancy Program

- a. Administration**
- b. Banking and Accounting**
- c. Ambassador Program**

General Manger Gary Westbrook and Education Coordinator Doug Box introduced a mock website outlining the capability the District could use for landowners to fill out applications for participation in the Aquifer Conservancy Program (ACP) online on the District's website. Mr. Box stated that 2 companies had been contacted for estimates to perform this work. Excelisys had estimated between \$10,000 and \$13,000 to prepare and implement this work. Iwebcrafter, who currently manages the District's website, provided a firm estimate and offered a contract to perform the work and incorporate into the website for a total of \$3600, and that they could have it up and running in time for staff to be able to use it and work out any issues before the June 1st sign-up date for the ACP. After discussion by the Board a motion was made by Steven Wise to enter into the contract to retain the services of Howard Sandler of Iwebcrafter for development and incorporation of the website application. The motion was 2nd by Director Chris Whittaker. The motion carried unanimously. Mr. Westbrook also provided a copy of the draft application for landowners to use in signing up for the ACP and stated landowners could either sign up online or in person at the office and could use the paper form to sign up as well.

GM Gary Westbrook then stated the District would need to set up a new Bank Account to handle ACP payments. Director Steven Wise Abstained from discussion and voting. After discussion by the Board a motion was made by Director Chris Whittaker to establish a new bank account with the current bank signers being added as signers to this account. The motion was 2nd by Director Jay Wilder. The motion carried 9 to 0 with Director Steven Wise abstaining.

GM Gary Westbrook stated the District would update the ambassadors on the progress and provide additional support to be prepared for signup to begin on June 1st. President Youngblood encouraged staff to make every effort to ensure success of the launch of the ACP.

9. Agreement with Texas A&M AgriLife and Texas Water Resources Institute

GM Gary Westbrook introduced Alan Berthold with Texas Water Resources Institute TWRI and stated Alan would assume leadership in the District's Rain Water Harvesting and associated education programs previously provided by Dr. Drew Gholson. Mr. Berthold expressed appreciation for being able to continue to work with Post Oak Savannah on this project. Mr. Berthold reviewed the draft proposal and scope of work which had been provided to the Board, and stated TWRI would be hiring a part time employee to implement the programs. Director Steven Wise asked if that person

had been hired yet and Mr. Berthold replied not at this time. After discussion by the Board a motion was made by Director Jay Wilder to enter into an agreement with TWRI for the coming year as outlined in the proposal and scope of work. The motion was 2nd by Director Ed savage. The motion carried unanimously.

10. Reschedule June Board Meeting

GM Gary Westbrook requested the June Board meeting be rescheduled due to conflicts with other conferences. After discussion by the Board it was agreed to move the date to Thursday, June 6, 2019.

11. Texas County and District Retirement System Employer Contribution Rate

GM Gary Westbrook stated that the rates for the TCRDS Retirement system for the 2020 year had been sent and he needed board approval to set the new rates for 2020 as given by TCDRS. After discussion by the Board a motion was made by Steven Wise to accept the new TCDRS rates of 3.59% for the 2020 year. The motion was 2nd by Director Bob Wilson. The motion carried unanimously.

12. Update on Application to Dispose of Oil and Gas Waste by Injection, number 1186984, filed by Wildhorse Resources Management Company, LLC

GM Gary Westbrook gave the Board a final update that the application had been approved by the Railroad Commission of Texas without any of the District's concerns as outlined in the proceedings being addressed. No action was taken.

13. Review of Recent Educational Efforts and Activities

A report was given by Doug Box on all recent efforts of the District. Mr. Box also stated that he was working with the new online systems for the ACP and the mail out materials will be included in the newsletters that will be distributed to 8657 homes in the rural areas of the District.

14. Joint planning process and Desired Future Conditions (DFC's), groundwater resources in the District, and future process for evaluating District DFC's for Groundwater Management Area 12 (GMA12) and Groundwater management Area 8 (GMA8)

GM Gary Westbrook stated that he had attended the GMA 8 meeting that was on May 6, 2019, and GMA 8 GCDs had entered into an Interlocal Agreement to begin this round of joint planning. He stated that the next scheduled meeting will be on July 26, 2019.

He stated the next GMA 12 meeting is scheduled for May the 30 and the updated pumping files and model runs will be reviewed at that time, and that information would be returned to the District's DFC Committee to be evaluated.

15. 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 Emergency Permits were filed, and no applications filed which require hearings.

B. Well Drilling activities: registrations, applications, completions, plugging, inspections
There were 37 wells registered, 11 new well applications, 7 wells completed, 2 wells plugged and 0 well inspections.

C. Recent and future District presentations and activities

1. Legislative Update

GM Westbrook briefly discussed concerns of several bills which are moving through the

legislature at this time, most notably HB1066 and SB1010. He noted POSGCD was the only GCD to oppose HB1066 and that in his recent visit to the capital he reinforced the District's concerns and position to each of the legislators representing the District. He also discussed concerns of SB1010 requiring GCDs over common aquifers to manage similarly, which could force POSGCD to manage less restrictively. He stated he is working with other GCDs to resolve issues which would affect the District's ability to effectively manage the aquifers of the District under this legislation.

2. Texas Alliance of Groundwater Districts Meeting of June 3-4, 2019

GM Gary Westbrook stated staff would be attending the Texas Alliance of Groundwater Districts Meeting of June 3-4, 2019.

3. Texas Groundwater Summit of August 20-22, 2019

Gm Gary Westbrook stated that the staff was registered for the Texas Alliance of Groundwater Districts Meeting of August 20-22, 2019 and extended an invitation to any of the Board members that would like to attend. He noted Director Goetsch had previously registered. Directors Chris Whittaker, Ed Savage and Sidney Youngblood requested to be registered to attend.

4. Asset Retirement

GM Gary Westbrook stated that three asset items that needed to be retired. These items including 2 ono-functional office chairs and 1 water fountain that were donated to the Milano VFD.

5. Texas Aquifer Conference of June 12-13, 2019

GM Gary Westbrook stated that he and Mr. Bazan would be attending this conference.

6. Meeting with Luminant and other groundwater conservation districts of May 15, 2019

GM Gary Westbrook stated that he and Mr. Bazan would be attending this meeting to review the issues and Luminant's recent and future work, as well as to encourage Luminant to attend the next Board meeting to provide a presentation on these issues to the Board. He also noted and that he and Mr. Bazan would travel to the Texas Commission on Environmental Quality (TCEQ) May 10th in Austin to review regulatory efforts by TCEQ in these situations.

7. Texas Water Conservation Association Conference of June 19-21, 2019

GM Gary Westbrook stated that he will be attending this conference, and by this time we should have final resolution on bills related to groundwater.

8. Milam and Burleson Counties Groundwater Summit of August 14, 2019

GM Westbrook reminded all about the District's Summit of August 14. He also stated he would like support from the Board to have a presentation at the Summit by Intera using the newly updated Groundwater Availability Model (GAM) on future production and impacts in the District and GMA 12 since there is much interest in the fact that the Vista Ridge project is scheduled to begin production next March or April. All on the Board agreed this would be a good exercise and were in support. President Youngblood encouraged Mr. Westbrook to extend invitations to appropriate groups to have a booth at the summit.

9. Little River Basin Master Gardeners Classes of April 17, 2019

GM Gary Westbrook reported this class was very well received and that he received a lot of positive feedback. He called attention to the letter of appreciation which had been received from the Master Gardeners.

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

After discussion by the board, a motion was made by Director Tommy Tietjen to approve payment of bills and accept the financial report. The motion was 2nd by Director Bob Wilson. The motion passed unanimously.

17. Public Comment

President Sidney Youngblood invited public comment.

Public comment was heard from Gabbo Goetsch requesting that a QC monitor be installed at the Wildhorse injection site. No other comment was offered.

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

The next scheduled regular meeting will be on June 6, 2019 at the District Office at 5:30 pm.

20. Adjourn Board Meeting

President Sidney Youngblood adjourned the meeting at 7:56 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON MAY 7, 2019 WERE APPROVED AND ADOPTED BY THAT BOARD ON JUNE 6, 2019.

Sidney Youngblood, President

Attest:

Tommy Tietjen, Secretary/Treasurer

Date _____