

**POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting
POSGCD District Offices
310 East Avenue C
Milano, TX 76556
June 14, 2022 – 5:30 p.m.**

MINUTES

POSGCD Board Members Present

Sidney Youngblood
Steven Wise
Becky Goetsch
Ward Roddam
Bob Wilson
Jay Wilder
Ed Savage
Buster Evers

Board Members Absent

Tommy Tietjen
Dana McClaren

POSGCD Staff Present

Gary Westbrook
Doug Box
Courtney Gentry
Bobby Bazan
Jeff Fisher – online
Craig Andrews – online

POSGCD Consultants

Barbara Boulware-Wells The Knight Law Firm

Public Attendance

Bill Whitmire	
Shan Rutherford	Terrill & Waldrop
Alan Gardenhire	SLR
Michael Redman	
Eric Ede	Ede & Co.
James Denman	
Patty Miller	
Nathan Ausley	
Stefan Schuster	EPCOR

Public Attendance via online

Andy Wier	SAWDF
Blaire Parker	SAWS
Amy Jurica	
James Bené	RW Harden
Jennifer Windscheffel	SAWS
210-602-2220	

Board Meeting

1. Pledge of Allegiance

Director Steven Wise led the pledges to the flags of the United States and Texas.

2. Invocation

Stefan Schuster gave the invocation.

3. Call to Order and establish quorum

Board President Sidney Youngblood called the meeting to order at 5:33 pm and noted that eight out of ten directors were present in person. President Youngblood introduced and welcomed Buster Evers, the newly appointed Industrial Representative for Burleson County and POSGCD Board Director.

4. Public Comment

President Youngblood asked if there were any public comments. There were no comments or questions offered by anyone attending in person or online.

5. Consent Agenda

All of the following items on the Consent Agenda are considered to be self-explanatory by the Board and will be enacted with one motion. There will be no separate discussion of these items unless a Board Member requests.

- a) **Minutes of May 10, 2022 Public Hearings and Board Meeting**
- b) **Bills received, current financial status, Investment Officer Report**
- c) **Update on Aquifer Conservancy Program (ACP) enrollments and amendments to terms**
- d) **Review of Recent Education Efforts and Activities**
- e) **Water Well Monitoring Update: Number of wells and frequency of measurements**
- f) **Groundwater Well Assistance Program (GWAP) Update: investigations and corrective actions taken**
- g) **Receive report from General Manager on recent District activities and take appropriate actions.**

1. **Permit applications filed with the District and Hearing Dates; Emergency Permits Granted**
2. **Well Drilling activities: registrations, applications, completions, plugging, inspections**
3. **Recent and future District presentations and activities**
 - a. **Texas Alliance of Groundwater Districts Meetings of May 16-18, 2022**
 - b. **Texas Water Conservation Association (TWCA) Conference June 15-18, 2022**
 - c. **Groundwater Rights for Real Estate Seminar of June 21, 2022**
 - d. **Groundwater Management Area 12 meeting of June 24, 2022**
 - e. **Milam and Burleson Counties Groundwater Summit of August 18, 2022**
 - f. **Texas Groundwater Summit of August 30 – September 1, 2022**

President Youngblood asked for a motion to approve the Consent Agenda. Director Bob Wilson moved to accept the Consent Agenda and was seconded by Director Jay Wilder. The approval of the Consent Agenda was unanimous.

6. Regular Agenda

a) 2021 District Audit

General Manager Gary Westbrook introduced Mr. Eric Ede of Ede & Company, LLC, to provide the results of the audit. Mr. Ede provided an audit report to each director and gave an overview and report on the 2021 audit that was conducted. Mr. Ede stated there were no disagreements with management and that all requested information was provided. Mr. Ede stated POSGCD received an unmodified opinion and in their opinion the financial statements are presented fairly and conformative with general accepted accounting principles. Mr. Ede stated this is the best result of an audit that can be received and proceeded to summarize the financial details of the audit report. When he was finished, Mr. Ede welcomed questions from the Board. Vice-President Ward Roddam thanked Mr. Ede for his detailed report. Vice-President Roddam stated that 56% of our expenses were spent on conservation grants. He stated that speaks volumes about the commitment of the District, Board Members and all the consultants that work with the District. President Youngblood asked for any further comments or questions. No comments or questions were offered. Director Wise moved to accept the 2021 audit report. The motion was seconded by Director Ed Savage. The motion passed unanimously.

b) Report from EPCOR on recent events and activities concerning Vista Ridge and I-130 Pipelines

Stefan Schuster, the Director of Operations for EPCOR and Vista Ridge, spoke about an incident that occurred on June 8, 2022 where a blow-off valve separated. Mr. Schuster gave an overview presentation with questions from the POSGCD Board, EPCOR's answers and photos of the event. He stated a possible cathodic protection issue was a contributing factor. EPCOR will be meeting with a contractor to test the system next week. EPCOR's investigation identified corroded flanges as the root cause of this incident. EPCOR was notified at about 8:30 pm on June 8, 2022. Approximately 3 million gallons were lost during a 3-hour duration. A new valve and bolts were installed. No one was injured due to this incident and the majority of water was contained and drained into a natural waterway with no impact to any other waterflows or properties. The line was fixed within a 24-hour period, but was down for about 72 hours due to required bacterial testing by TCEQ.

Mr. Schuster welcomed questions from the Board. Vice-President Roddam thanked Mr. Schuster for his report. He asked Mr. Schuster for clarification about the identification of the root cause. Mr. Schuster confirmed it was corrosion. Vice-President Roddam asked if EPCOR looked even deeper to ensure the failure of cathodic protection was the only contributing factor and if more investigations are being done. Mr. Schuster confirmed there will be ongoing, much more detailed investigations performed as soon as a vendor can make it to the site. Director Buster Evers asked questions about the overall construction of the pipeline and cathodic protection, as well as original line testing. Mr. Schuster stated he would investigate and return answers to the Board.

GM Westbrook thanked Mr. Schuster for notifying the District and answering questions. GM Westbrook confirmed EPCOR continues to maintain 100% compliance with the terms of the permit and the Rules of the District.

c) Introduction of Michael Redman as District Regulatory Compliance Specialist

GM Westbrook introduced POSGCD's new Compliance Manager, Michael Redman. Michael gave a brief overview of his work history and career. He was welcomed by the Board. He will begin work at the POSGCD Offices on July 1st, 2022. The Board welcomed Mr. Redman to the staff.

d) Interlocal agreements with Milam and Burleson Counties

GM Westbrook reported that the amended version of the Interlocal agreement has been executed by Burleson County and has been sent to Milam County. Milam County will return the executed version in the near future.

e) Requirements for monitoring wells and request from SLR for waiver from requirements of public hearings

GM Westbrook gave a brief overview of the application submitted by SLR. SLR requested 10 temporary rig-supply wells that produce no more than 50,000 gallons/day and less than 5 acre-feet per well. These wells will be single use wells for supplying water to drill larger Simsboro wells that are part of permit # POS-D&O-0148. SLR requested the Public Hearing requirement be waived as the wells will be temporary, small volume and abandoned or used for monitoring wells after completion.

GM Westbrook stated discussions about SLR's request were held at a DFC Committee workshop last week where the SLR request was reviewed and technical questions were asked to Intera and the District's General Counsel.

GM Westbrook stated the recommendation from the Staff and Consultants is that, if approved, the approval be contingent upon an executed agreement that would include:

1. SLR and District Staff and Consultants will coordinate, identify and agree on screen depths and location for the rig wells prior to drilling;
2. SLR, or its assigns, agree to install and maintain monitoring equipment as identified by District Staff on all wells within 30 days of completion (Currently WellIntell units would be recommended);
3. These 10 wells, identified in Exhibit A, attached hereto and incorporated herein, shall remain separate and apart from any other agreement or agreed upon monitoring locations within the District; and,
4. These requirements become binding additions to the current Operating Permit POS-D&O-0148.

Director Savage asked GM Westbrook how technology upgrades would be maintained in this agreement if technology changed. GM Westbrook confirmed this is incorporated into the agreement and that upgrades are to be made if required by the District.

Director Wise asked GM Westbrook to elaborate further on the benefits of this agreement for the District. GM Westbrook stated that having additional monitor wells in key locations, not producing and located between producing wells, will benefit monitoring and measuring impacts and enhance the science used by the District.

Director Becky Goetsch asked if the 10 monitoring wells would be in addition to the already placed 22 monitor wells on SLR property. GM Westbrook confirmed that is correct. Director Goetsch asked what aquifers the 22 wells are in. GM Westbrook confirmed they are in a mixture of aquifers.

President Youngblood asked if representatives of SLR had any information to add to the discussion. Alan Gardenhire identified himself and Bob Harden as in person representatives of SLR and stated they had no further information to add and they supported the items included in the recommendation for inclusion in the agreement.

After this discussion, President Youngblood asked if there was any action by the Board to approve the request for waiver, subject to the agreement as outlined. Director Wise moved to approve the request for waiver and was seconded by Director Bob Wilson. SLR's request for a waiver was unanimously approved.

Later in the meeting, Director Wise stated he would like to move to amend his original motion to include that the application would now become administrative in nature and the General Manager can now approve administratively. The motion was seconded by Director Roddam. The motion for the amendment passed unanimously.

f) Update on process and progress of updating the Management Plan

GM Westbrook stated the update to the Management Plan was also discussed in the DFC Committee Workshop last week. POSGCD's Management Plan will hit it's 5-year anniversary in December of 2022. GM Westbrook overviewed a short presentation that showed the schedule and suggested modifications of the Management Plan. The intent is to bring the final version, after hearings, back to the Board of Directors for approval in November of 2022. It will be submitted to Texas Water Development Board (TWDB) once approved by the Board.

GM Westbrook overviewed the modifications. Joint Planning and DFCs just recently finished their most recent round. The DFC Committee is in the process of considering PDLs and how they would be expressed in the future. This update will be included in Management Plan as well. Information to be added to the Management Plan would also include Aquifer assignment information, as well as assessment of unreasonable impacts that have been adopted recently by the Rules Committee. The Management Plan will also place emphasis on encouraging aquifer storage and recovery and conjunctive use for permittees. The District will also add a statement in the Management Plan noting that we will use our own

operational model which is an improvement of the State's Groundwater Availability Model.

g) Review District Committees Dashboard

GM Westbrook stated he believed the Dashboard is now up to date.

Director Wise gave a DFC Committee update. For several years, the committee has reviewed different options for future management in the District, which included several different means to manage in the future. The District has mainly used the 2 acre-foot/year permitting method. They have considered fair share and tried to find other alternative methods that could be used. During the committee workshop, methods of managing that dealt with different aquifers were reviewed. Director Wise stated it could be possible to permit based on the aquifer. He stated the DFC Committee is seriously considering this data. He then welcomed any questions.

President Youngblood asked GM Westbrook to report on the POSGCD Groundwater Summit on August 18, 2022 and the Overseeing of District Budget on December 31, 2022. GM Westbrook overviewed the draft schedule of the August 18th Groundwater Summit. GM Westbrook also stated that we are in-line with the 2022 budget. He stated he knows the District will likely have to make some amendments later in the year, one being to payroll. Since we have finally hired a Compliance Manager, may require a change to payroll. The Well Assistance Program will require a few minor adjustments, including the rolling of fees collected from violations into the Well Assistance Program.

President Youngblood asked for any further committee updates. GM Westbrook gave an update on the Real Estate Seminar scheduled for June 21st, 2022. He stated registration is going well. Dr. Charles Porter will be the keynote speaker and real estate expert at the event.

7. Executive Session – *Closed session in accordance with Texas Government Code, Section 551.071 (Advice of Counsel) and Section 551.072 (Real Estate), and Section 1.05 Texas Disciplinary Rules of Professional Conduct regarding:*

- a) Discussion concerning future needs of the District's property and/or buildings, and resolution for acquisition of property.**
- b) Discussions with District Staff and Consultants on studies for compliance with DFCs and actions to be taken pursuant to Rules.**
- c) Discussions with District Staff and Consultants on correlative rights, maximum allowable production, and unreasonable impacts.**

President Youngblood moved The Board into executive session at 6:37 pm. He noted there would be no action taken during the executive session.

8. Reconvene – *Reconvene into regular open session and consider action, if any, on items discussed in executive session*

The Board reconvened at 7:19 pm. President Youngblood confirmed there was no action was taken during the Executive Session. For agenda item 7a), President Youngblood asked for consideration of a Resolution. Director Wilder moved to approve a Resolution to designate President Youngblood and GM Westbrook to acquire property for the District. The motion was seconded by Director Evers. The motion passed unanimously.

No action was taken on agenda item 7b).

No action was taken on agenda item 7c).

9. Dates, locations, and times of future meetings

The next Board Meeting will be held on July 12, 2022 at 5:30 pm.

10. Adjourn Board Meeting

The Board Meeting was adjourned at 7:22 pm.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON JUNE 14, 2022 WERE APPROVED AND ADOPTED BY THAT BOARD ON JULY 12, 2022

Sidney Youngblood, President

Attest:

Gary Westbrook, General Manager

Date _____