

**POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board Meeting and Public Hearings
POSGCD District Offices
310 East Avenue C
Milano, TX 76556
January 19, 2023 – 5:30 p.m.**

MINUTES

POSGCD Board Members Present

Ward Roddam
Jay Wilder
Tommy Tietjen
Steven Wise
Becky Goetsch
Bob Wilson
Kit Worley
John Redington
Buster Evers
Ed Savage (Via online)

Board Members Absent

None

POSGCD Staff Present

Gary Westbrook
Doug Box
Courtney Gentry
Michael Redman
Kelli Timmerman
Gregory Perry
Craig Andrews
Jeff Fisher

POSGCD Consultants Present

Barbara Boulware-Wells	The Knight Law Firm
Dr. Steve Young	Intera

Public Attendance

Shan Rutherford	Terrill & Waldrop/BlueWater 130 Project
Jaclyn Wise	TWRI/AgriLife
Kirk Rhum	Landowner
Sophia Rhum	Landowner
Andy Wier	SAWDF
Roy Simpson	Landowner

Michele Gangnes	SAWDF/Landowner
Thomas Williamson	
Steve Raught	
Bill Whitmire	Milam County Judge
Bob Harden	HHE
Jeff Howell	Landowner
Stephen Batcheldir	Landowner
Pamela Batcheldir	Landowner
Brian Limoges	Landowner
Nonny Limoges	Landowner
Alan Gardenhire	SLR
Debbie Stauffer	Landowner
Ronnie Stauffer	Landowner
Jerald Brunson	City of Rockdale
Ronnie Crump	Landowner
Barbara Holly	City of Rockdale
Roy Sanders	Burleson County Tribune
Crystal Denman	
James Denman	Precinct 2 Commissioner
Roger Nevola	SLR
Molly Cagle	Baker Botts

Public Attendance via online

James Bené	RW Harden
Amy Jurica	
Colby Coerver	
Stanley Mitchell	
Blaire Parker	
Curtis Chubb	
Ellen Berky	
Linda Curtis	
Lyn Clancy	
(210) 863-9280	
(254) 239-4767	
(254) 482-0545	
(512) 430-0891	
(512) 430-0944	
(972) 352-0225	

Board Meeting

1. Pledge of Allegiance

Director Becky Goetsch led the pledges of Allegiance to the Unites States and Texas flags.

2. Invocation

GM Westbrook gave the invocation.

3. Call to Order and establish quorum

Board President Ward Roddam called the meeting to order at 5:35 pm. The Board convened into executive session at 5:35 pm under section 551.072.

The Board reconvened into regular session at 6:21 pm. No decisions were made during executive session.

President Roddam read a letter dated January 18, 2023 from SLR's counsel requesting to have the preliminary hearing sent to SOAH. President Roddam asked for a motion to move the preliminary hearing to SOAH. Director Steven Wise moved to approve the request and was seconded by Director Tommy Tietjen. President Roddam then asked for any discussion from the Board.

Director Goetsch stated she didn't believe SLR's request to move the preliminary hearing to SOAH was submitted in a timely manner as the POSGCD Rules require a 14-day notice to make such request. POSGCD Attorney, Barbara Boulware-Wells noted that Chapter 36.416 subsection B states that there is a requirement of 14 days prior to date of evidentiary hearing. Mrs. Boulware-Wells said she concurred that there is a timeliness issue but believed the issue could be overcome by applicant with other request made today or by discovery.

Molly Cagle, attorney for SLR, stated she didn't believe the request was untimely. She said the notice posted by POSGCD on the District website stated requests for contested cases had to be submitted 5 days in advance of the Public Hearing. On January 13, 2023 the District published an agenda on the website that included an evidentiary hearing. Mrs. Cagle said that was in direct conflict with the original notice posted by POSGCD and SLR was not given 14 days to make the request of having the preliminary hearing moved to SOAH.

After discussion between the Board, Mrs. Boulware-Wells and Mrs. Cagle, President Roddam asked for a vote on the motion to approve the request to have the preliminary hearing sent to SOAH. After the voice vote President Roddam called for a roll call vote. The motion passed with 5 to 4, with Directors Wilder, Wise, Tietjen, Wilson, and Roddam voting in favor, and Directors Evers, Redman, Goetsch, and Worely voting against.

4. Public Comment

President Roddam opened up public comment.

Stan Mitchell made public comment regarding concerns of permitting and the Modeled Available Groundwater (MAG) in the Simsboro aquifer and the affects approval of these permits might have on aquifer conditions.

President Roddam recognized Jeff Howell's request to make public comment. Mr. Howell decided not to make any comment at this time.

Andy Wier provided a presentation regarding drawdowns that would occur in the Simsboro aquifer if the SLR permit applications were approved and stated the GAM is not able to properly predict impacts.

Kirk Rhum made public comment about the impacts to his groundwater that would occur if the SLR permit applications were approved.

Barbara Holly, City Manager for the City of Rockdale stated she would not provide comment at this time.

Colby Coerver made public comment about the effects of regional pumping on the aquifers and wells of local landowners if the SLR permit applications were approved.

Don Schuerman made public comment regarding concerns of subsidence which might be caused by production under an approved permit and asked the Board to establish requirements on the applicant to monitor subsidence if approved.

Curtis Chubb made public comment regarding contamination of the groundwater surrounding Alcoa/SLR properties and asked the Board to require monitoring wells to insure contamination would be contained in current locations should the Board approve the applications.

President Roddam asked if anyone else desired to provide comment. No comment was offered.

Alan Gardenhire, with SLR, requested to make comment. President Roddam stated he would allow Mr. Gardenhire to present to the Board as long as it did not include topics that would've taken place during the Public Hearing. Mr. Gardenhire overviewed a presentation, spoke about the history of Alcoa, the purchase of Alcoa property by SLR, and the economic benefits provided by SLR's ownership of the property.

With the motion to approve moving the hearings to SOAH, President Roddam moved to Agenda item 6.

5. Public Hearings will be held in accordance with Section 7, Section 8 and/or Section 14, Post Oak Savannah Groundwater Conservation District Rules concerning:

a. October 14, 2022 Application by SLR Property I, LP (SLR) for a new 15,000 AF/Yr Simsboro Operating Permit

b. October 14, 2022 Application by SLR Property I, LP (SLR) for a new 9,000 AF/Yr Simsboro and Hooper Drilling and Operating Permit

Items 5(a) and 5(b) may be taken-up together at the discretion of the Presiding Officer or Board.

Any Contested Case Hearings shall follow the procedure set out in Section 14.5, Post Oak Savannah GCD Rules. Opportunity for Public Comments in accordance with Section 551.007, Texas Government Code, on the Permits shall take place after the above-referenced, applicable procedures for the Public Hearings are completed but before the District's Board takes action.

a. Preliminary Hearing – Taking up by Presiding Officer any requests for affected party status and a contested case hearing for both applications.

• District will explain the requirements set out in Rule 14.5.3(b).

• Each individual or entity that desires to be considered for party status and participation during a contested case shall present

• Applicant shall have an opportunity to present why such individual or entity should or should not be considered for party status and participation during the hearing.

• District shall have an opportunity to present why such individual or entity should or should not be considered for party status and participation during the hearing.

• Each individual or entity shall have an opportunity to respond to any of the comments or reasons why they should not be considered as an affected party status to be included in a contested case hearing.

• Board shall decide whether an individual or entity shall be granted party status or some other suggested course of action to resolve concerns of such individual or entity.

b. Public Hearing on October 14, 2022 Application by SLR Property I, LP (SLR) for a new 15,000 AF/Yr Simsboro Operating Permit

• Present Application for new 15,000 AF/YR Simsboro Operation Permit from SLR. SLR, whose address is 2100 Ross Ave., Ste. 895, Dallas, TX 75201, submitted an application on October 14, 2022, for a new 15,000 af/yr Simsboro Operating Permit to be used in conjunction with SLR's 15,000 af/yr Simsboro Historic Use Permit No. 0330 ("Permit 0330") for the next fifteen (15) years until Permit No. 0330 ends in 2038, and the remaining 25 years will be solely under the new Operating Permit. As noted in the application, SLR requests that upon issuance of the new 15,000 af/yr operating permit, the entire 15,000 af/yr will be assigned to the Permit 0330 and 0 af/yr per year will be assigned to the new Operating Permit. From time to time thereafter SLR will notify the

District of the portion of the 15,000 af/yr assigned to the new Operating Permit and noting the remaining portion of the 15,000 af/yr that will remain assigned to the Permit 0330. The amount assigned to the Permit 0330 may never be increased above the last amount assigned. Water produced under the new Operating Permit will be pumped from the Simsboro formation using the same 61 wells authorized under the Permit 0330. If an authorized well operating at the approved production capacity for water produced under the Permit 0330 does not meet current District property line setback or well spacing regulations for new wells, the District may approve a lower production capacity for water produced from that well under the new 15,000 af/yr Simsboro Operating Permit.

- Presentation by Applicant of Direct Case
- Cross Examination of Witnesses from Applicant's Direct Case
- Presentation by District of any Direct Case
- Cross Examination of Witnesses from District's Direct Case
- Redirect by Applicant of any additional information or witnesses
- Cross Examination by District of any Redirect
- Redirect by District of any additional information or witnesses
- Cross Examination by Applicant of any Redirect
- Oral Arguments and Closing

c. Public Hearing on October 14, 2022 Application by SLR Property I, LP (SLR) for a new 9,000 AF/Yr Simsboro and Hooper Drilling and Operating Permit

• Present Application for new 9,000 AF/YR Simsboro and Hooper Drilling and Operating Permit from SLR. SLR, whose address is 2100 Ross Ave., Ste. 895, Dallas, TX 75201, submitted an application on October 14, 2022, for a new Drilling and Operating Permit to produce up to 9,000 af/yr from the Simsboro formation, and up to 4,500 af/yr from the Hooper formation, provided that the total production in any one year may not exceed 9,000 acre-feet. SLR requests authorization to drill and operate up to a total of 60 new wells (up to 30 new Simsboro wells and up to 30 new Hooper wells), at 30 defined well sites (OP9-1 through OP9-30 for Simsboro and (OPH9-1 through OPH9-30 for Hooper. To provide flexibility, SLR requests authorization to drill more than one Simsboro well at a given well site, and/or more than one Hooper well at a given well site, depending upon conditions found at each well site. The intent of the final drilling is that the center of each of the 30 defined well sites is a point midway between the location of each proposed new Simsboro well and the location of the same-numbered proposed new Hooper well. The total combined production capacity of all wells constructed at a given well site that are screened into the same formation will be less than or equal to the maximum instantaneous pumping rate defined for the one well identified in the application for production from that formation at that well site.

- Presentation by Applicant of Direct Case
- Cross Examination of Witnesses from Applicant's Direct Case
- Presentation by District of any Direct Case
- Cross Examination of Witnesses from District's Direct Case

- Redirect by Applicant of any additional information or witnesses
- Cross Examination by District of any Redirect
- Redirect by District of any additional information or witnesses
- Cross Examination by Applicant of any Redirect
- Oral Arguments and Closing

d. Public Comments on Public Hearing

e. Presiding Officer shall Close the Record

f. Consideration of Application for new 15,000 AF/YR Simsboro Operation Permit from SLR. SLR, whose address is 2100 Ross Ave., Ste. 895, Dallas, TX 75201, submitted an application on October 14, 2022, for a new 15,000 af/yr Simsboro Operating Permit to be used in conjunction with SLR's 15,000 af/yr Simsboro Historic Use Permit No. 0330 ("Permit 0330") for the next fifteen (15) years until Permit No. 0330 ends in 2038, and the remaining 25 years will be solely under the new Operating Permit. As noted in the application, SLR requests that upon issuance of the new 15,000 af/yr operating permit, the entire 15,000 af/yr will be assigned to the Permit 0330 and 0 af/yr per year will be assigned to the new Operating Permit. From time to time thereafter SLR will notify the District of the portion of the 15,000 af/yr assigned to the new Operating Permit and noting the remaining portion of the 15,000 af/yr that will remain assigned to the Permit 0330. The amount assigned to the Permit 0330 may never be increased above the last amount assigned. Water produced under the new Operating Permit will be pumped from the Simsboro formation using the same 61 wells authorized under the Permit 0330. If an authorized well operating at the approved production capacity for water produced under the Permit 0330 does not meet current District property line setback or well spacing regulations for new wells, the District may approve a lower production capacity for water produced from that well under the new 15,000 af/yr Simsboro Operating Permit.

The Board may:

- grant the Permit;
- grant the Permit with special conditions; or
- deny the Permit.

g. Consideration of Application for new 9,000 AF/YR Simsboro and Hooper Drilling and Operating Permit from SLR. SLR, whose address is 2100 Ross Ave., Ste. 895, Dallas, TX 75201, submitted an application on October 14, 2022, for a new Drilling and Operating Permit to produce up to 9,000 af/yr from the Simsboro formation, and up to 4,500 af/yr from the Hooper formation, provided that the total production in any one year may not exceed 9,000 acre-feet. SLR requests authorization to drill and operate up to a total of 60 new wells (up to 30 new Simsboro wells and up to 30 new Hooper wells), at 30 defined well sites (OP9-1 through OP9-30 for Simsboro and (OPH9-1 through OPH9-30 for Hooper. To provide flexibility, SLR requests authorization to drill more than one Simsboro

well at a given well site, and/or more than one Hooper well at a given well site, depending upon conditions found at each well site. The intent of the final drilling is that the center of each of the 30 defined well sites is a point midway between the location of each proposed new Simsboro well and the location of the same-numbered proposed new Hooper well. The total combined production capacity of all wells constructed at a given well site that are screened into the same formation will be less than or equal to the maximum instantaneous pumping rate defined for the one well identified in the application for production from that formation at that well site. The Board may:

- grant the Application;
- grant the Application with special conditions; or
- deny the Application.

h. Adjourn Public Hearing

6. Adjourn

The meeting adjourned at 7:41 pm.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS AND PUBLIC HEARINGS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON JANUARY 19, 2023 WERE APPROVED AND ADOPTED BY THAT BOARD ON _____

Ward Roddam, President

Attest:

Gary Westbrook, General Manager

Date _____