

**POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting
POSGCD District Offices
310 East Avenue C
Milano, TX 76556
August 8, 2023 – 5:30 p.m.**

MINUTES

POSGCD Board Members Present

Ward Roddam
Jay Wilder
Steven Wise
Becky Goetsch
Bob Wilson
Ed Savage - online
Tommy Tietjen
John Redington

Board Members Absent

Buster Evers
Kit Worley

POSGCD Staff Present

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

POSGCD Consultants Present

Barbara Boulware-Wells	The Knight Law Firm
Steve Young	Intera

Public Attendance

Stefan Schuster	EPCOR
Jaclyn Wise	TWRI/AgriLife
Andy Wier	SAWDF
Eric Ede	Ede & Co.
Kevin Ede	Ede & Co.
Casey Cooper	Terrill and Waldrop
Dan Fischer	Landowner

Brian Limoges
Ronnie Crump

Landowner
Landowner

Public Attendance via online

Amy Jurica
Amy Ochello
Tony Elkins
(254) 482-0545

Board Meeting

1. Pledge of Allegiance

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

2. Invocation

General Manager Gary Westbrook gave the invocation.

3. Call to Order and establish quorum

Board President Ward Roddam called the meeting to order at 5:33 p.m. GM Westbrook confirmed all notices had been properly posted and noticed. Barbara Boulware-Wells, general counsel, confirmed a quorum was present. Director Ed Savage attended the Board Meeting online.

4. Public Comment

No public comments were offered.

5. Receive and accept 2022 Audit

Eric Ede of Ede & Co., LLC presented the 2022 audit to the Board. President Roddam asked the Board for a motion to accept the 2022 audit. Director Wise moved to accept the 2022 audit with the correction of a typo on page 23, note #7. Director Tommy Tietjen seconded the motion. Approval of the 2022 audit, including correction to the typo on page 23, note #7 was unanimous of all present.

6. 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 June 13, 2023 Board Meeting

b) Update on Aquifer Conservancy Program (ACP) enrollments

c) Water Well Monitoring Update: Number of wells and frequency of measurements

d) Groundwater Well Assistance Program (GWAP) Update: Investigations and corrective actions taken

e) Bills received, current financial status, Investment Officer Report

f) Review of Recent Education Efforts and Activities

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, plugging, inspections

3. Recent and future District presentations and activities

a. Texas Alliance of Groundwater Districts Meetings of June 6-7, 2023

b. Texas Water Conservation Association (TWCA) Conference of June 14-16, 2023

c. Groundwater Rights and Real Estate Seminar of June 27, 2023

d. Training for Milam and Burleson Counties environmental offices of June 30, 2023

e. Milam and Burleson Counties Groundwater Summit August 17, 2023

f. Texas Groundwater Summit of August 29 – 31, 2023

g. Groundwater Management Area 8 meetings of June 27, 2023

h. Groundwater Management Area 12 meetings of June 29, 2023 and August 24, 2023

GM Westbrook noted that for agenda item 6d., a separate column for the month of July was added to the handout.

President Roddam asked for a motion to approve the Consent Agenda as presented. Director Jay Wilder moved to approve the Consent Agenda as presented and was seconded by Director Becky Goetsch. Approval of the Consent Agenda as presented was unanimous of all present.

7. Regular Agenda

a) Report from EPCOR on recent events and activities concerning Vista Ridge Pipeline and Permits

Stefan Schuster, EPCOR, provided an update on the temporary amendment to the Vista Ridge permit issued by the Board in April. Vista Ridge ran into some production capacity issues with the Simsboro wells as they were not designed to be able to produce the full amounts required to achieve the 82-18% Simsboro-Carrizo blend they were hoping to achieve. There were 5 Simsboro wells on which instantaneous pumpage was increased under temporary amendment. Of those 5 wells only 4 produced as anticipated. There were limits on one of the Simsboro wells due to the pump and configuration. Vista Ridge was able to achieve the desired 82-18% blend in May by adjusting production rates. Flow had to be reduced by 4.7% to achieve the 82-18% blend. All water quality

parameters were tested and passed, so the test was successful. Under maximum production a 77-23% blend was achieved. Mr. Schuster stated that to achieve the full 82-18% blend, it would take the installation of the permitted 19th well to the system, which would be a Simsboro well. The timeline for installing this well in the system and putting into production would be about 10 months. He said the temporary amendment certainly helped in reducing dependence on the Carrizo aquifer.

b) Report from Intera and District Staff concerning effects of temporary amendments to Vista Ridge Permit

GM Westbrook stated that POSGCD has been working with Vista Ridge and monitoring their production and noted that they were able to achieve the 82-18% blend by reducing overall production in May. The temporary amendment runs through the end of August and with the stated success requires Vista Ridge to proceed by moving forward with an application to permanently amend their permits. He also stated the permit allows until September 2024 for Vista Ridge to complete installation of the additional Simsboro well.

GM Westbrook said POSGCD will continue to monitor and anticipates rebounds to water levels in Carrizo wells when the Fall and Winter measurements are taken.

GM Westbrook and Mr. Schuster answered questions from the Board.

c) Reimbursement amount for installation of qualifying rainwater harvesting systems

GM Westbrook stated that the Advisory Committee has already been discussing the budget for next year and are considering the cost increase of rainwater harvesting materials. Amending the total amount to be expended for one family or entity for rainwater harvesting systems has been discussed. Currently, the District reimburses \$1 per gallon of storage up to up to \$3,000 total. The Advisory Committee recommends changing the maximum from \$3,000 to \$5,000.

President Roddam asked for a motion to approve amending the funding for the rainwater harvesting program from a maximum of \$3,000 to a maximum of \$5,000. Director Redington moved to approve amending the funding for the rainwater harvesting program from a maximum of \$3,000 to a maximum of \$5,000 effective immediately. He was seconded by Director Wilder. Approval of the motion was unanimous of all present.

d) Aquifer Conservancy Program Sign-Up Incentive

GM Westbrook stated that the District is aware that there have been additional efforts in the area to acquire water leases. The Advisory Committee has discussed increasing the enrollment incentive for the Aquifer Conservancy Program (ACP) to inspire new enrollment into the ACP and expand the coverage the ACP provides. He noted that POSGCD's Rules require contiguous acreage

for water producers. If enough people sign up for the ACP, less contiguous acreage will be available and more conservation of groundwater and slowing of production of water would occur. The recommendation from the Advisory Committee is to increase the current ACP sign-up incentive to \$25 per acre effective immediately. Director John Redington asked what the anticipated cost of the increase would be. GM Westbrook stated that about a 10% response could be expected based on past trends. Another 4,000 acres above what is currently enrolled could generate the need for \$100,000 added to the budget. If approved, a budget amendment would be needed if 10% additional enrollment is achieved.

Director Goetsch asked, if passed, will this change to the ACP sign-up incentive be addressed at the 2023 Milam and Burleson Counties Groundwater Summit. GM Westbrook stated it would be fully discussed at the upcoming Summit, and also in press releases, social media posts and newsletters.

President Roddam asked for a motion to approve changing the ACP sign-up incentive amount from \$10 per acre to \$25 per acre effective immediately. Director Tietjen moved to approve and was seconded by Director Goetsch. Approval of the motion was unanimous of all present.

e) Pending permit issued under Rule 5.5 to DeepWater Holdings, Inc. doing business as Big Creek Marina for 4,500 gallons per day, maximum production capacity of 45 gallons per minute, not to exceed 5 Acre Feet per Year, and associated penalties for violation of Rules

GM Westbrook stated that the Rules allow for public water utilities to have permits issued upon application under Rule 5.5. It was discovered DeepWater Holdings, Inc., was producing water from a well near the lake, rather than receiving water from a nearby producer that had an existing CCN as previously believed.

The District contacted DeepWater and they provided information showing they had rights to produce water from the Army Corps of Engineers who own lake Somerville. The Corps of Engineers confirmed DeepWater's rights to produce water, and stated DeepWater had the responsibility to be compliant with all regulations. GM Westbrook stated that DeepWater is compliant with TCEQ drinking water standards and is becoming compliant with the Rules. DeepWater has filled out and completed paperwork with the District to obtain the required permit and will receive a permit as per Rule 5.5. The Advisory Committee has reviewed and the recommendation from staff is that a \$1,000 penalty for violating the Rules and assessed past production fees be imposed. That would bring this incident to resolution and DeepWater would be compliant at that point.

GM Westbrook and Michael Redman, POSGCD Regulatory Compliance Officer, answered questions from the Board.

f) District investigation into violation of Rules by Wildfire Energy, LLC, and direction to staff

Mr. Redman provided an overview and timeline of this investigation. The recommendation is that the Board approve that the Advisory Committee oversee staff action for this investigation since there are significant violations and extenuating circumstances which may go beyond the intentions of Section 15 of the Rules.

President Roddam asked for a motion to grant the Advisory Committee to oversee the issuance of fines and further action regarding this investigation. Director Goetsch moved to approve granting the Advisory Committee to oversee and guide staff on the issuance of fines and further action regarding this investigation with the addition of a report coming back to the Board once a resolution has been made. Director Wilder seconded the motion. Approval of the motion was unanimous of all present.

g) District investigation into violation of Rules by unknown water provider on Big Creek Forrest Drive, Somerville, TX, and direction to staff

Mr. Redman provided an overview and timeline of this investigation. GM Westbrook recommended that the Board grant the Advisory Committee authority to oversee staff action for this investigation since there are significant violations and extenuating circumstances which may go beyond the intentions of Section 15 of the Rules, with a report coming back to the Board once a resolution has been made.

President Roddam asked for a motion to approve the recommendation. Director Goetsch moved to approve granting the Advisory Committee authority to oversee staff action for this investigation with a report coming back to the Board once a resolution has been made and was seconded by Director Tietjen. Approval of the motion was unanimous of all present.

h) Updates on staff positions and employment

GM Westbrook announced the upcoming retirement of POSGCD's Education Coordinator, Doug Box. Mr. Box will retire at the end of this year. GM Westbrook and the Board thanked Mr. Box for his work with the District.

i) Report from staff concerning progress on work on new POSGCD offices, education and meeting center

GM Westbrook stated that the geotechnical study on the new site has been completed and engineers are now able to move forward with the building design and development of the foundation of the new building. The bidding process for contractors is still on track to take place in October. GM Westbrook showed the Board two renderings of the new building to consider and stated a Building Committee Meeting will be scheduled in the near future.

j) Update on scheduling with State Office of Administrative Hearings (SOAH) for public hearings scheduled for September 6, 2023

GM Westbrook stated this agenda item was added to keep everyone informed about the set date of the upcoming SOAH Hearing.

8. EXECUTIVE SESSION: Pursuant to Section 551.071, Texas Government Code, the Board will consider receiving legal advice on the following matters:

a. Pending SOAH Docket Nos. 965-23-21218 and 965-23-21219, Application of SLR Property I, LP for a new 9,000 acre-foot per year Simsboro and Hooper Drilling and Operating Permit and Application of SLR Property I, LP for a new 15,000 acre-foot per year Simsboro Operating Permit

President Roddam convened the Board into Executive Session at 6:37 p.m. with Director Bob Wilson recusing himself from Executive Session.

9. RECONVENE FROM EXECUTIVE SESSION: Pursuant to Section 551.071, Texas Government Code, the Board will consider receiving legal advice on the following matters:

a. Pending SOAH Docket Nos. 965-23-21218 and 965-23-21219, Application of SLR Property I, LP for a new 9,000 acre-foot per year Simsboro and Hooper Drilling and Operating Permit and Application of SLR Property I, LP for a new 15,000 acre-foot per year Simsboro Operating Permit

President Roddam reconvened the Board into Regular Session at 7:12 p.m. and noted that no action was taken in Executive Session.

10. Dates, locations, and times of future meetings

The next Board Meeting is scheduled for Tuesday, September 12th at 5:30 p.m. at the POSGCD Offices.

11. Adjourn Board Meeting

The Board Meeting was adjourned at 7:13 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON AUGUST 8, 2023 WERE APPROVED AND ADOPTED BY THAT BOARD ON _____, 2023

Ward Roddam, President

Attest:

Gary Westbrook, General Manager

Date_____