

**POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting
POSGCD District Offices
310 East Avenue C
Milano, TX 76556
September 12, 2023 – 5:30 p.m.**

MINUTES

POSGCD Board Members Present

Ward Roddam
Clayton Pelzel
Becky Goetsch
Bob Wilson
Ed Savage
Tommy Tietjen
Buster Evers
Kit Worley
John Redington - online

Board Members Absent

Jay Wilder

POSGCD Staff Present

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

POSGCD Consultants Present

Barbara Boulware-Wells The Knight Law Firm

Public Attendance

| | |
|-----------------|-------------------|
| Stefan Schuster | EPCOR |
| Jaclyn Wise | TWRI/AgriLife |
| Brent Covert | Thornhill Group |
| Kristen Fancher | Fancher Legal |
| Shan Rutherford | Terrill & Waldrop |
| Mark Janay | Ridgewood |

Public Attendance via online

Amy Jurica
Amy Ochello
Andy Wier
Bart White
Glynnis
Jacob
Jennifer Windscheffel
John Redington
Victor
(254) 482-0545

Board Meeting

1. Pledge of Allegiance

Director Tommy Tietjen 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 5:31 p.m. Barbara Boulware-Wells, general counsel, confirmed that a quorum was present.

4. Public Comment

No public comments were offered.

5. Administer Oath of Office for Director Clayton Lee Pelzel

President Roddam introduced POSGCD's new Board Member, Clayton Pelzel and administered the Oath of Office to Director Pelzel.

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 August 8, 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. Milam and Burleson Counties Groundwater Summit August 17, 2023**
 - b. Groundwater Management Area 12 meeting of August 24, 2023**
 - c. Texas Groundwater Summit of August 29-31, 2023**

President Roddam asked GM Westbrook to make comment regarding the 2023 Milam and Burleson Counties Groundwater Summit and the Texas Groundwater Summit. GM Westbrook noted that the Milam and Burleson Counties Groundwater Summit had around 320 attendees. He thought the panel on Vista Ridge was very well set up and was happy with how the 2023 Milam and Burleson Counties Groundwater Summit went overall. He encouraged those who weren't able to attend the 2023 Milam and Burleson Counties Groundwater Summit to view the videos on the POSGCD website. GM Westbrook stated that the Texas Groundwater Summit had around 420 attendees and was a successful Summit. He thanked everyone who was able to attend both Summits and thanked the Board for their support in encouraging staff to attend the Texas Groundwater Summit.

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

7. Regular Agenda

a) Report from Rules Committee on Rules amendments required by recent legislation

GM Westbrook stated that there were several Bills that passed and became law this session; HB1971, HB2443, SB1746, HB3059, HB3278, HB3440. Some of these bills will require amendments to the POSGCD Rules. All of the bills are being reviewed and District staff will prepare language to amend the Rules to address the changes. He stated he hopes to have a Rules Committee meeting in the next couple of weeks in order to bring back recommended Rules amendments to the Board to review in October for a November Public Hearing.

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

Stefan Schuster, Director of Operations for EPCOR, gave an update on Vista Ridge activities through the end of August. He stated that Vista Ridge exercised the instantaneous permit limits under the temporary amendment through the end of August, which resulted in a 77% Simsboro/23% Carrizo blend. The project was able to deliver full summer flows at 48.6 million gallons per day and was able to rotate up to 3 Carrizo wells off at a time. A 19th well installation was part of Vista Ridge's temporary amendment. Vista Ridge has received an estimate of \$8 million for construction of the 19th well and a timeframe of 10-12 months if construction started immediately. Mr. Schuster expressed concern regarding the timeline of September 2024 to drill the 19th well in the temporary amendment. He stated that ultimately, the temporary amendment was a success in terms of reducing Carrizo pumpage and maximizing the capacity of the Simsboro wells. He noted that one of the reasons Vista Ridge did not file an application to make the permit amendment permanent was because it would have created an issue by pumping about 12,500 ac/ft of Carrizo pumpage and would violate a permanent permitted amount of 10,000 acre feet from the Carrizo in 2023. Vista Ridge wants to work with District to come up with viable solution, but needs more time. Vista Ridge has engaged SAWS and believes SAWS would like all interested parties to work together to figure out path towards adding 19th well.

Mr. Schuster gave a corrosion update. He also stated that SAWS has a major repair on the treatment side of their project and asked Vista Ridge to move their typical 7-day shut down from December to early February with a 14-day shut down instead. Mr. Schuster said this would provide an opportunity to continue work to perform the additionally required replacement of items at risk of falling due to corrosion issues and to evaluate any kind of existing well modifications to increase Simsboro capacity.

Director Goetsch asked Mr. Schuster if Vista Ridge will go back to pumping full Carrizo as permitted. Mr. Schuster stated they went back to existing permit values, including reduced instantaneous rates from the Simsboro as of September 1st and are pumping back to permit levels in the Carrizo. GM Westbrook asked Mr. Schuster to clarify that this request was for an extension of terms under the temporary amendment, which would continue at a higher instantaneous rate in the Simsboro but lower rates of total production in the Carrizo as well as additional time to file a permanent amendment application, including how much more time he might need. Mr. Schuster stated that that clarification was correct and that he requests 30-60 days.

c) Asserted Violation of Rules and fines assessed thereunder to Deep Water Holdings, Inc., doing business as Big Creek Marina

This topic was discussed briefly at the last Board Meeting and then turned over to the Advisory Committee. A letter was sent out to Deep Water Holdings, Inc., dba Big Creek Marina at the instruction of the Advisory Committee. Mr. White is the owner and operator of Big Creek Marina and has been since 2007. Mr. White and Mrs. White spoke to the Board and requested the fines assessed by the

Advisory Committee be reconsidered as there was never malicious intent to be non-compliant with the District. They stated they have been cooperative with the District since being notified that they were operating in a groundwater conservation district without a permit and want to be in good standing with the District. They thanked the Board for considering their request.

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

A meeting with GLS this Thursday will take place to select materials to be used to put out for bids. GM Westbrook stated that POSGCD is still on track to get bids out in October. After Thursday's meeting, he believes there will be specifics to take to the Building Committee to approve for bids.

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. 965-23-212

18 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 – Discussion concerning Legal Services for the Board.

b. Temporary Amendment to Vista Ridge Permit and Vista Ridge Permits.

c. Deep Water Holdings, Inc., dba Big Creek Marina – Discussions about asserted violations of Rules and possible fines assessed thereunder.

President Roddam convened the Board into Executive Session at 5:55 p.m. with GM Westbrook and Mrs. Boulware-Wells recusing themselves from Executive Session for agenda item 8.a.

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 – Discussions concerning Legal Services for the Board.

President Roddam reconvened the Board into Regular Session at 6:33 p.m. and stated no action was taken during Executive Session.

President Roddam asked the Board for action regarding obtaining attorney Kristen Fancher as representation for the Board during the SOAH Hearings. Director Kit Worley moved to engage Kristen Fancher to represent the Board

during the SOAH Hearings and was seconded by Director Buster Evers. The motion passed unanimously.

b. Temporary Amendment to Vista Ridge Permit and Vista Ridge Permits.

Director Evers moved to approve the temporary amendment to the Vista Ridge permit extension to 60 days. He was seconded by Director Tietjen. The motion passed unanimously.

c. Deep Water Holdings, Inc., dba Big Creek Marina – Discussions about asserted violations of Rules and possible fines assessed thereunder.

Director Ed Savage moved that the Board maintain the fine of \$1000 as assessed resulting in a total amount of \$1,037.49 to Deep Water Holdings, Inc. dba Big Creek Marina. He was seconded by Director Tietjen. President Roddam stated that when the Advisory Committee took this issue under consideration, the responsive actions of Mr. White were taken into account which resulted in a lesser fine than might have otherwise been assessed. The motion to assess the fines as stated resulting in an amount due of \$1,037.49 passed unanimously of all present.

10. Dates, locations, and times of future meetings

The next Board Meeting is scheduled for Tuesday, October 10th at 5:30 p.m. at the POSGCD Offices.

11. Adjourn Board Meeting

The Board Meeting was adjourned at 6:36 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON SEPTEMBER 12, 2023 WERE APPROVED AND ADOPTED BY THAT BOARD ON _____, 2023

Ward Roddam, President

Attest:

Gary Westbrook, General Manager

Date_____