

**POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting & Public Hearing
POSGCD District Offices
310 East Avenue C
Milano, TX 76556
November 12, 2024 – 5:30 p.m.**

MINUTES

POSGCD Board Members Present

Jay Wilder
John Redington – online
Becky Goetsch
Lee Pelzel
Jeffrey Zgabay
Robert Jekel – online
Brian Wallis
Kit Worley
Ed Savage
Buster Evers

Board Members Absent

None

POSGCD Staff Present

Gary Westbrook
Courtney Gentry
Michael Redman
Kelli Timmerman
Jaclyn Wise
Jeff Fisher - online
Craig Andrews - online

POSGCD Consultants Present

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

Public Attendance

Alan Gardenhire	SLR
Anthony Bennett	EPCOR
Stefan Schuster	EPCOR
Fred Kaenigs	EPCOR
Sandra Nordhausen	Landowner
Brad Burkhart	Landowner
Jack Luckey	4-H Water Ambassador

Paul Luckey
Casey Cooper

Terrill & Waldrop

Public Attendance via online

Andy Wier
Kaleigh Nuyttens

Board Meeting

1. Pledge of Allegiance

Director Ed Savage 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 Jay Wilder called the Board Meeting to order at 5:32 p.m. He noted that 8 voting members of the Board were present in person. Directors John Redington and Robert Jekel were present online.

4. Public Comment

Alan Gardenhire, SLR, made comments regarding the 2025 District Budget and transport fees and how those fees should be used to fund the District. He also made comment stating that he would like to see the District include an increased percentage of the budget into the Groundwater Well Assistance Program.

5. Public Hearing on District 2025 Budget

President Wilder opened the Public Hearing at 5:35 p.m. GM Westbrook overviewed the draft 2025 Budget, and noted this draft 2025 Budget was discussed in detail at the October 8, 2024 Board Meeting, and there had been no changes to the draft 2025 Budget since that time. He also noticed this item has been properly posted for this public hearing. He then asked that when the time came to vote on this item, the Board include to continue to encumber amounts for GWAP, ACP, Monitoring, Conservation Grants and future projects as noted moving forward from 2024 to 2025 to be consistent with Board Policies. He also noted that if the 2025 Budget was adopted as posted an amendment to the Board Policies concerning Reserve Funds would be necessary to balance the budget.

President Wilder asked if there were any public comment on the draft 2025 Budget. No one offered comment.

President Wilder closed the Public Hearing at 5:39 p.m.

6. Public Hearing on District Production Fees

President Wilder opened the Public Hearing at 5:39 p.m. Production fees were previously 1.8 cents per 1,000 gallons permitted. To balance the draft budget, the

recommendation for production fees would be 3 cents per 1,000 gallons permitted.

President Wilder asked if there were any public comment on the Production fees. No one offered comment.

President Wilder closed the Public Hearing at 5:41 p.m.

7. Public Hearing on District Transport Fees

President Wilder opened the Public Hearing at 5:41 p.m. Transport fees were 12 cents per 1,000 gallons permitted. As allowed by law and recommended to balance the 2025 draft budget, Transport Fees would change to 20 cents per 1,000 gallons based on permitted amounts. GM Westbrook answered questions from the Board.

President Wilder asked if there were any public comment on the Transport fees. No one offered comment.

President Wilder closed the Public Hearing at 5:42 p.m.

8. Public Hearing on District Fee Schedule

President Wilder opened the Public Hearing at 5:42 p.m. The only change in the District fee schedule would reflect Board action on transport fees and production fees. There are no other recommended changes, but transport and production fees are included on the schedule of fees posted on the website. The change would need to be made on the fee schedule based on action of the Board on these two items.

President Wilder asked if there were any public comment on the District Fee Schedule. No one offered comment.

President Wilder closed the Public Hearing at 5:43 p.m.

9. 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 October 8, 2024 Board Meeting**
- b) Adoption of Resolution naming the District's bank account signatories**
- c) Adoption of Resolution to Issue Debit Card for District Expenses for Travis Wood**
- d) Completion of Employee Annual Evaluations**
- e) Update on Aquifer Conservancy Program (ACP) enrollments and amendments to terms**
- f) Water Well Monitoring Update: Number of wells and frequency of measurements**

- g) Groundwater Well Assistance Program (GWAP) Update: investigations and corrective actions taken**
- h) Bills received, current financial status, Investment Officer Report**
- i) Review of Recent Education Efforts and Activities**
- j) 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. Groundwater Well Assistance Program (GWAP) Update: investigations and corrective actions taken**
 - 4. Recent and future District presentations and activities**
 - a. District Local Water Utility Workshop of November 20, 2024**
 - b. Brazos Region G Water Planning Group meeting of November 7, 2024**
 - c. Training for Staff of Environmental Offices of Burleson and Milam Counties**
 - d. Workshop on Brazos River Groundwater-Surface Water Interactions of December 9, 2024**
 - e. Bell County Water Symposium of November 13, 2024**
 - f. Groundwater Management Area 12 Meeting of December 13, 2024**

Director Savage moved to approve the Consent Agenda as presented and was seconded by Director Lee Pelzel. The motion passed unanimously of all present.

10. Regular Agenda

a) District 2025 Budget

This budget was reviewed at last month's meeting and has been on the website since then with properly posted notices. If approved, to balance the 2025 budget, it would require an amendment to the Board Policies to reduce the amount of required reserves from 35% of the most recently adopted new expenses for a year to 25%. This would keep the amount in reserves consistent and would also balance the 2025 budget.

Director Kit Worley moved to adopt the 2025 budget and encumber GWAP, ACP, Monitoring, Conservation Grants and future projects as noted on budget draft. He was seconded by Director Pelzel. Approval of the motion was unanimous of all present.

b) District Production Fees

The 2025 Budget adoption requires a 3 cents per 1,000 gallon production fee on permitted amounts to fund the budget. Director Buster Evers moved to approve a production fee of 3 cents per 1,000 gallons on permitted amounts effective January 1, 2025, and was seconded by Director Becky Goetsch. The motion passed unanimously of all present.

Director Worley abstained from voting due to his affiliation with Southwest Milam Water Supply Corporation.

c) District Transport Fees

The 2025 Budget adoption requires a 20 cents per 1,000 gallon transport fee based on permitted amounts to fund the budget. Director Evers moved to approve a Transport fee of 20 cents per 1,000 gallons on permitted amounts effective January 1, 2025, and was seconded by Director Goetsch. The motion passed unanimously of all present.

Director Worley abstained from voting due to his affiliation with Southwest Milam Water Supply Corporation.

d) District Fee Schedule

Director Goetsch moved to approve the District Fee Schedule effective January 1, 2025, with changes to the Production Fees and Transport Fees as posted, and was seconded by Director Savage. The motion passed unanimously of all present.

e) Amend Board Policies

In section 12, item F of the Board Policies, reserve funds are addressed. To balance the budget, the Board Policies would need an amendment in that section. Director Zgabay moved to approve the recommended amendment to change the requirement of 35% to 25% for Reserves in the Board Policies, and was seconded by Director Goetsch. The motion passed unanimously of all present.

f) Amend Personnel Policies

The Board previously instructed Staff to add a bereavement policy that would incorporate three days of bereavement time for immediate family. GM Westbrook discussed the recommended language. Director Zgabay moved to approve the amendment to the Personnel Policies as presented and was seconded by Director Evers. The motion passed unanimously of all present.

g) Referral Incentive for enrollments in Aquifer Conservancy Program

The District received a recommendation of implementing a Referral Incentive for people who successfully cause a landowner to enroll into the ACP. The Referral Incentive will be \$5 per acre, if successfully enrolled, with a limit of \$1,000 per landowner regardless of number of parcels. District Staff and Board will not be eligible to participate in the Referral Incentive. This approval would necessitate an amendment to the ACP Guidance Document. After discussion, Director Worley moved to approve the Referral Incentive for the ACP and was seconded by Director Goetsch. The motion passed unanimously of all present.

h) Amend Aquifer Conservancy Program Guidance Document

GM Westbrook overviewed recommended changes to the ACP Guidance Document. During discussion it was decided to add the schedule of amounts to be paid based on length of term to the document. After discussion, Director Worley moved to approve the amendments to the ACP Guidance Document and was seconded by Director Wallis. The motion passed unanimously of all present.

i) Employment of Travis Wood as Field Technician

GM Westbrook introduced POSGCD's new Field Technician, Travis Wood. The Board welcomed him.

j) Report on recent events and activities concerning Vista Ridge Pipeline and Permits

Stefan Schuster, EPCOR, gave an update. On September 17th, an air release valve blew off outside of Bastrop. There were six days of interrupted flows with a total loss of 4.8 million gallons of water. 2.3 million gallons leaked out and 2.5 million gallons were discharged into York Creek to make the repair. There were no other impacts from this incident. During repairs, they were able to repair 20 additional vaults. A regular shut down is planned for the first week of December for electrical and well maintenance. One more section of about 2.8 miles will be drained for repairs of additional air release valves.

EPCOR has had ownership changes in their project company and their permit holder. The project company is now Ulico and the permittee is now Meridien. Mr. Westbrook reminded Mr. Schuster the change in ownership would require an amendment to the permits. Mr. Schuster agreed, and also stated they are still anticipating an application to reduce water from the Carrizo will be submitted before the end of the year.

Mr. Schuster answered questions from the Board. Director Evers asked Mr. Schuster how much total water had been lost to these events over the term of the project. Mr. Schuster was not sure and Director Evers asked him to research that and return that information to the Board. Mr. Schuster agreed to do so.

k) Discussion of timeline and process for Five Year Review to begin on January 2025

GM Westbrook overviewed the timeline and process for the Five Year Review. This document is posted on the website under this meeting material.

l) Memorandum(s) of Understanding with Texas Runs on Water

The Board received a presentation from Texas Runs on Water at the October Board Meeting. Texas Runs on Water is a state-wide campaign that can be tailored to fit individual needs. The intent of partnering with Texas Runs on Water is to raise awareness in the District and draw attention to the ACP. Funding for this campaign is included in the 2025 Budget. After discussions at a previous Advisory Committee Meeting, it is believed it would be appropriate to have two separate campaigns: one for Milam County and one for Burleson County. It costs \$3,000 to enter into each agreement. GM Westbrook answered questions from the Board.

Director Worley moved to sign the Memorandums of Understanding with Texas Runs on Water and was seconded by Director Zgabay. The motion passed unanimously of all present. Director Redington, who attended online, expressed opposition to the motion.

m) Update on Water Level Viewer Tool

Michael Redman, POSGCD Regulatory Compliance Specialist, gave an update on the Water Level Viewer Tool. Currently, they are working on data clean up which should be completed soon, and login information should be sent to the directors soon.

n) Interlocal Agreement for sharing of expenses between Districts of Groundwater Management Area 12

Previously, the Board was agreeable to sharing about 1/3 of the expense of the Explanatory Report. GM Westbrook stated the Interlocal Agreement was broken down as follow: Brazos Valley GCD and POSGCD will pay 33% each, with Lost Pines GCD paying 30%, while Middle East Texas GCD & Fayette County GCD will pay 2% each. Director Goetsch moved to share expenses at 33% and authorize GM Westbrook to sign the agreement. She was seconded by Director Evers. The motion passed unanimously of all present.

o) District investigation into violation of Rules by unknown water provider on Big Creek Forrest Drive, Somerville, TX

Mr. Redman gave an update on the timeline of this investigation and progress made. He answered questions from the Board.

p) Report from DFC Committee on Compliance with Desired Future Conditions/Protective Drawdown Limits

Dr. Young gave a summary of the presentation he gave at the earlier DFC Committee meeting and answered questions from the Board. GM Westbrook added clarification and discussion. He noted that staff and consultants would continue evaluations which would include some items to be included in the 5-year review which is scheduled to begin in January, and then begin to develop recommendations for the Board which might include a schedule for curtailment of some permits based on the results.

q) Report from DFC Committee on Guidance Document for drilling wells and eligibility for Groundwater Well Assistance Program (GWAP) and GWAP Annual Needs Assessment (GANA)

GM Westbrook stated the review of the GANA is not complete at this time. It will be brought back to the next Board Meeting. A change from last year's report is not anticipated.

11. Agenda Items, Dates, locations and times of future meetings

Currently, it is expected that there will be no Board Meeting for December. Staff and Board are invited to the POSGCD Christmas party on Wednesday, December 4th.

12. Adjourn Board Meeting

The Board Meeting was adjourned at 7:08 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON NOVEMBER 12, 2024 WERE APPROVED AND ADOPTED BY THAT BOARD ON _____, 2024

Jay Wilder, President

Attest:

Gary Westbrook, General Manager

Date _____