

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting
Post Oak Savannah Ground Water District Offices
310 East Avenue C
Milano, Texas 76556
March 10, 2009 – 5:30 p.m.
MINUTES

Members Present

Nathan Ausley	POSGCD
Jim Hodson	POSGCD
Jay Tumlinson	POSGCD
Dwayne Jekel	POSGCD
Robert Ware	POSGCD
Lee Alford III	POSGCD
Andy Hovorak	POSGCD
Carroll Glaser	POSGCD
Kerry Starnes	POSGCD

Gary Westbrook	POSGCD
Elaine Gerren	POSGCD
Clay Ohlendorf	POSGCD
Barney Knight	Knight & Partners

Board Members Absent

Jay Wilder	None POSGCD
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Others Present

	<u>Entity</u>
Jackie Scott	BRA
Scott Carlson	Metropolitan Water
Curtis Chubb	Cameron Herald
Bill Graham	Land Owner
Colleen Waring	Berry Hill Farms
Ross Cummings	Blue Water
Paul Terrill	Terrill Firm
Ken Cooke	The Rockdale Reporter
Bob Barrie	BVWA
Erin Zoch	Aqua Systems

BOARD MEETING

1. Call to Order

Board President, Nathan Ausley called the meeting to order @ 5:32 p.m.

2. Public Comment

There was no public comment.

3. Minutes of February 10, 2009 Board Meeting

A motion was made by Director Jay Tumlinson to approval the minutes of the February 10, 2009 Meeting. The motion was 2nd by Director Robert Ware. The motion carried unanimously

4. Correct Minutes of January 13, 2009 Board Meeting

General Manager Gary Westbrook advised the Board that an error was discovered after approving the minutes for the January Board meeting. Director Glaser was listed both as being present and absent. The minutes should reflect Director Glaser as absent. A motion was made by Director Dwayne Jekel to correct the minutes of the January 13, 2009 Meeting to reflect this correction. The motion was 2nd by Director Lee Alford. The motion carried unanimously

5. Enforcement actions and direction to the general manager regarding violations of the District Rules by Siegert Water Wells for drilling water wells for persons without appropriate permits or certificates to proceed with drilling for drilling water wells from the District, and failing to file well logs and completion forms with the District.

General Manager advised the Board of the violations concerning Siegert Water Wells and the recommendations made to the Board by the Advisory Committee. The recommendation to the Board from the Advisory Committee is that the General Manager work with Mr. Siegert to resolve this issue and bring that resolution back to the Board to meet the Board's satisfaction or the Advisory Committee recommends that the District fine Siegert Water Wells \$1000.00 per violation of the District's Rules. Discussion was heard from the Board. A motion was made by Director Ausley to accept the recommendations of the Advisory Committee and grant a continuance until the next scheduled meeting. The motion was 2nd by Director Dwayne Jekel. The motion carried unanimously.

6. Request for waiver of spacing under District Rule 12.2.4 from Jackie Odstricil

The Board reviewed a letter requesting the waiver and discussed current State law and the intent of the District's Rules. A motion was made by Director Robert Ware to grant the waiver of spacing under District Rule 12.2.4 for Jackie Odstricil. Let the record show that the well will have to be in compliance with current State law (cemented 100 feet down). The motion was 2nd by Director Kerry Starnes. The motion carried unanimously.

7. District Manager Report on recent District activities and take appropriate actions.

A. Permit applications filed with the District and possible Hearing Dates for those applications

1. No permits were filed that require a hearing

B. Emergency Permits Granted, well recordings, & new well applications and completions

District GM Gary Westbrook reported no emergency permits issued, 4 wells recorded, 9 new applications for exempt wells, and 2 exempt wells completed.

C. Recent and future District presentations and activities

1. Blue Water Systems, L.P. communications and request concerning permit amendments approved January 13, 2009

General Manager advised the Board of recent communications with Blue Water, including an email received by the District's directors on February 22, 2009, a letter sent to Blue Water by the District on February 25, 2009, and a letter of request from Blue Water given out at this Board meeting. President Nathan Ausley recused himself from participation in discussion and voting on this item due to a possible conflict of interest and handed the meeting over to Vice

President Dwayne Jekel. Discussion was held between Ross Cummings of Blue Water and the Board. Mr. Cummings stated that Blue Water could not continue with their permits under the current District fee schedule and that Blue Water believed that the District's fee schedule for production and transport fees would be reduced after Blue Water's amendments for the additional water were issued. Mr. Cummings stated that Blue Water has received no payments from Chisholm Trail WSC although it was listed as their end user and co-applicant in the permit amendment applications, and that Chisholm Trail WSC is under no obligation to purchase the water from the amended permit, and that Blue Water only has a memorandum of understanding with Chisholm Trail WSC for this water. Mr. Cummings stated that Chisholm Trail could not afford to pay the fees on the additional 40,000 acre feet of permitted water from the amendments. District Counsel Barney Knight advised the Board that Chisholm Trail WSC was not actually a qualified co-applicant for the permits, did not have any known water rights in the District and did not participate as an applicant in the hearing process. Mr. Cummings agreed that Chisholm Trail WSC was not a co-applicant for the permits. District Counsel Barney Knight advised the Board that the amendments to the original permit were otherwise applied for under the District's Rules, granted by the Board, and that the restated and amended permits were issued, and that these permits were not subject to acceptance by any party. Director Hodson asked Mr. Cummings if he was aware of the District's fees when Blue Water applied for these recent amendments. Mr. Cummings replied that he was.

Director Ware stated that he found it hard to believe that someone would enter into the process involved in filing such applications without first knowing the outcome or receiving assurances that the fees would be reduced. Mr. Cummings stated that he agreed, and that he shared Director Ware's sentiments. Director Alford stated that he believed Blue Water should have known this information on the fees before applying for the amendments. Mr. Cummings agreed and stated that it was Blue Water's responsibility to know that before going into the process. Again District Counsel Barney Knight reminded the Board that the amended permits and all applicable fees are in existence, legally binding, and remain in place until such a time as Blue Water should request that the Board amend the permits. Mr. Cummings stated that he was now aware that Blue Water had no legal right to refuse the amended permits and that Blue Water is financially obligated to the amount of the fees charged since the time the permits were approved until the time when Blue Water should request to amend them. Mr. Cummings also stated that the General Manager of the District had informed him of these facts shortly after Mr. Cummings had sent the email, and that he understood this.

A motion was made by Director Carroll Glaser to have the Advisory Committee meet once more with Blue Water in an attempt to resolve this before the next Board meeting and to bring this before the Board at the next scheduled meeting. The motion was 2nd by Director Kerry Starnes. The motion carried 8-0, with Director Nathan Ausley abstaining.

Vice President Jekel then returned the meeting to President Ausley.

2. Presentation on District Management Plan and strategies for Rockdale Community Forum, 6:30 p.m., March 26, 2009 at the Paterson Center in Rockdale

General Manager Gary Westbrook stated that he is scheduled to make a presentation on the District's Management Plan to the Rockdale Community Forum on March 26, 2009 at 6:30 p.m. Director Ausley instructed the General Manager to post the meeting so that as many Directors could attend as possible.

3. Texas Water Conservation Assoc. meetings in Austin February 25-27, 2009

General Manager, Gary Westbrook reported on the Texas Water Conservation Assoc. meetings in Austin February 25-27, 2009

4. Legislation filed during current session of State legislature

General Manager, Gary Westbrook gave a report on the current legislation that had been filed during the current session of the State legislature.

13. Bills received and current financial status.

A motion was made by Director Jim Hodson to approve payment of the bills. The motion was 2nd by Director Lee Alford. The motion passed unanimously.

14. Dates, locations, and times of future meetings.

President Nathan Ausley announced that the next regularly scheduled meeting would be April 14, at the District's offices at 5:30 p.m.

15. Adjourn Board Meeting

President Nathan Ausley adjourned the meeting at 6:34 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON MARCH 10, 2008 WERE APPROVED AND ADOPTED BY THAT BOARD ON APRIL 14, 2009.

Nathan Ausley, President

Attest:

Kerry Starnes, Secretary/Treasurer

Date_____

A meeting recording of this meeting is available on CD.