

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Advisory Committee Meeting
Post Oak Savannah Ground Water District Offices
310 East Avenue C
Milano, Texas 76556
March 25, 2009 – 10:00 p.m.
MINUTES

Members Present

Nathan Ausley
Jim Hodson
Jay Tumlinson
Dwayne Jekel
Robert Ware

Entity

POSGCD Advisory Committee
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POSGCD Advisory Committee

Lee Alford III
Andy Hovorak
Kerry Starnes
Jay Wilder

POSGCD
POSGCD
POSGCD
POSGCD

Gary Westbrook
Elaine Gerren
Clay Ohlendorf
Barney Knight

POSGCD
POSGCD
POSGCD
Knight & Partners

Others Present

Entity

Dwight Mahoney
Scott Carlson
Curtis Chubb
Colleen Waring
Ross Cummings
Paul Terrill
Mike Brown
Judith Slusher
Erin Zoch
Ken Hall
Kit Worley

BRA
Metropolitan Water
Cameron Herald
Berry Hill Farms
Blue Water
Terrill Firm
The Rockdale Report
Landowner
Aqua Systems
Southwest Milam WSC
Southwest Milam WSC

COMMITTEE MEETING

1. Call to Order

Nathan Ausley called the meeting to order @ 10:05 a.m. Nathan Ausley recused himself and turned the meeting over to Board Vice President Dwayne Jekel. District Counsel Barney Knight advised the Board members present that are not on the Advisory Committee to not participate in the

discussions in any way since the meeting was posted as an Advisory Committee meeting and not a Board meeting, even though it was posted as an open meeting according to Texas Open Meetings Act.

2. Hear and consider request from Blue Water, L.P. to reduce District production fees and transport fees

Comment was heard from Ross Cummings with Blue Water Systems, L.P., with regard to lowering the District production and transport fees and the District budget.

The District's General Counsel advised the committee members that the actions taken by the District concerning its fees and budget were accomplished in accordance with state law and the District's Rules.

Director Tumlinson reminded the committee that the District's mission is to conserve groundwater and that our fees are reasonable, and those fees are used to conserve groundwater.

Mr. Cummings questioned the District's budget and stated that these permits have no real value and only gave Blue Water a right to sell water to an end user.

Director Jim Hodson disagreed with Mr. Cummings that these permits have great value and give Blue Water an opportunity to sell water and gain revenue.

Mr. Cummings stated that Blue Water had spent in excess of \$15 million without revenue to this point in the project, and that a large city would fight the District over these fees.

General Counsel Barney Knight stated that cities paid for their water just the same as Blue Water, On permitted amounts, whether they used all of it or not. He also reminded the committee that Blue Water could file a request to amend its permits to a more affordable level and re-apply for this amount of water at a later date.

Director Robert Ware of the Advisory Committee advised the members and the public that he would not recommend any changes in the District transport fees or the District production fees.

Mr. Cummings stated that he had given a written proposal to the Board at the last Board meeting and he would like to continue to negotiate the fees.

General Counsel Knight reminded that the Board could negotiate fees with any permittee.

Director Ware stated that he believed the District's fees are reasonable.

Mr. Cummings commented further on the District's responsibilities and fee structure.

A motion was made by Jay Tumlinson of the Advisory Committee to recommend to the Board of Directors at the next scheduled meeting to retain the current fee schedule for the Production and Transport Fees. The motion was 2nd by Robert Ware. The motion carried 4-0 with Nathan Ausley abstaining..

3. Adjourn Committee Meeting

The committee meeting was adjourned at 10:42 a.m.