

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting & Public Hearings
 Post Oak Savannah Ground Water District Offices
 310 East Avenue C
 Milano, Texas 76556
 November 11, 2008 – 5:30 p.m.

MINUTES

Members Present

President /Nathan Ausley
 Jay Tumlinson
 Dwayne Jekel
 Robert Ware
 Jay Wilder
 Lee Alford III
 Andy Hovorak
 Carroll Glaser
 Kerry Starnes
 Carroll Glaser

Entity

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 POSGCD District Manager
 POSGCD
 POSGCD
 Legal Counsel

Gary Westbrook
 Elaine Gerren
 Clay Ohlendorff
 Barney Knight

Members Absent

None

Others Present

Scott Carlson	Metropolitan Water
Bill Graham	Self
Curtis Chubb	Cameron Herald
Dick Burns	Alcoa
Bob Barrie	BVWA
Ridge Kaiser	R.W. Hardin & Associates
Ross Cummings	Blue Water
Robert Gresham	Mid East Texas GCD
Sal Zaccagnin	BCIF
John Burke	Aqua Water
Ron Terrill	The Terrill Firm
Roger Nevola	Alcoa
Steve Young	URS
Matt Sequera	URS

BOARD MEETING & PUBLIC HEARINGS

1. Call to Order

Board President Nathan Ausley called the meeting to order at 5:30 p.m.

2. Public Hearing on the District 2009 Budget

The public hearing on the District 2009 Budget was opened at 5:31 p.m. General Manager, Gary Westbrook presented the 2009 budget as recommended by the District's Advisory Committee. President, Nathan Ausley asked for questions or comments and there were none. The public hearing on the District 2009 Budget was closed at 5:31 p.m.

3. Public Hearing on District Production Fees:

The public hearing on the District Production Fee was opened at 5:31 p.m. General Manager, Gary Westbrook recommended that the Board set a \$ 10.00 fee per year for Limited Production Wells. President, Nathan Ausley noted that the Advisory Committee had recommended that production fees remain at the current rate of \$.02/1000 gallons. President, Nathan Ausley asked for questions or comments and there were none. The public hearing was closed at 5:34 p.m.

4. Public Hearing on District Transport Fees

The public hearing on the District Transport Fee was opened at 5:34 p.m. Public comment was heard from Ross Cummings of Blue Water, with regard to the additional permit requested by Blue Water. Brief discussion was held by the board. President, Nathan Ausley noted that the advisory committee had recommended that the transport fees remain at the current rate of \$.06/1000 gallons. President, Nathan Ausley asked for questions or comments and there were none. The public hearing was closed at 5:35 p.m.

5. Public Hearing on District Fee Schedule

The public hearing on the District Fee Schedule was opened at 5:35 p.m. General Manager, Gary Westbrook recommended that the fee for Limited Production Wells be added to the fee schedule, and presented an amended fee schedule with the Limited Production Wells included. President, Nathan Ausley asked for questions or comments and there were none. The public Hearing was closed at 5:36 p.m.

6. Public Comment

No public comment was heard.

7. Approve Minutes of October 14, 2008 Board Meeting

Director Dwayne Jekel made a motion to approve the Minutes of October 14, 2008. The motion was 2nd by Director Jay Wilder. The motion carried unanimously.

8. District 2009 Budget

Director Robert Ware made a motion to approve the 2009 Budget as presented and discussed including revenue from District reserves to balance. The motion was 2nd by Director Jay Wilder. The motion carried unanimously.

9. District Production Fees

Director Andy Hovorak made a motion to continue the District Production Fees at \$.02/1000 gallons and to approve the production fee for Limited Production Wells to be set at \$ 10.00 per year to be billed annually. The motion was 2nd by Director Jay Tumlinson. The motion carried unanimously.

10. District Transport Fees

Director Lee Alford made a motion to continue the District Transport Fees at \$.06/1000 gallons. The motion was 2nd by Director Kerry Starnes. The motion carried unanimously.

11. District Fee Schedule

President Nathan Ausley made a motion to approve the District Fee Schedule as presented with the addition of the fee for Limited Production Wells. The motion was 2nd by Director Dwayne Jekel. The motion carried unanimously.

12. Amend District 2008 Budget

General Manager, Gary Westbrook presented recommended amendments to the

District's 2008 Budget. Director Dwayne Jekel made a motion to Amend the District 2008 Budget as presented. The motion was 2nd by Director Robert Ware. The motion carried unanimously.

13. ALCOA application to Railroad Commission of Texas for amendment to ALCOA permits regarding filling of endlakes with groundwater

Explanation of the situation and filing of a letter with the Railroad Commission of Texas for a hearing on Alcoa's applications was heard from Legal Counsel, Barney Knight. Comment was heard from General Manager, Gary Westbrook expressing concerns over the State's requirement that ALCOA use almost 15,000 acre feet of groundwater to fill endlakes as part of ALCOA's reclamation process. General Manager, Gary Westbrook stated he asked The District's counsel to file the request because of potential loss of groundwater when used in this manner. Discussion was held by the Board. Comment and a letter was presented from Tommy Hodges of Alcoa stating that ALCOA would have no choice but to use groundwater according to their existing permit with the Railroad Commission of Texas and the TCEQ. After discussion the District's counsel and staff recommended that the letter of October 13, 2008 requesting the hearing be withdrawn. A motion was made by Director Carroll Glaser to withdraw the request for hearings with regard to filling of endlakes with groundwater. The motion was 2nd by Director Kerry Starnes. The motion carried 9 to 0, with Director Jim Hodson abstaining from discussion and voting. Director Dwayne Jekel moved to support and ratify all actions of the General Manager in this matter. The motion was 2nd by Director Lee Alford. The motion passed 9-0 with Director Jim Hodson abstaining from discussion and voting

14. Report and discussion on GMA 12 Stakeholder Meeting of October 30, 2008

15. Direction to President of the Board and General Manager concerning Desired Future Conditions of aquifers in the District and GMA 12

Item 14 and 15 were opened together. President Nathan Ausley gave a brief summary on the GMA 12 Stakeholder Meeting of October 30, 2008. Comment was made by General Manager, Gary Westbrook concerning presentations and comments from stakeholders in the GMA 12 process. The board discussed input from the stakeholders at the stakeholder meeting. District Counsel discussed current management strategy and rules of the District. President Nathan Ausley asked for comment or direction if the Board desires any changes. Jim Hodson commented that the current management was appropriate. A suggestion was made by Steve Young with URS for the District to give an explanation and clarification of management strategies and Desired Future Conditions of the District

16. 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

No applications were filed that require hearings.

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

There were -0- emergency permits filed, -2- wells recorded, -2- new well applications, and -5- new wells completed, and -0- well plugged

C. Recent and future District presentations and activities

1. Discussion and possible action relating to approving financial support for amicus curiae briefs to be filed by the Texas Alliance of Groundwater Districts in the case of Rolling Plains GCD v. City of Aspermont and Day and McDaniel v. Edwards Aquifer Authority

General Manager, Gary Westbrook presented information on the briefs to be filled. District Counsel, Barney Knight commented to the Board on the importance of these cases. A request for \$ 500.00 to pay for ½ of the 1st brief was presented to the Board. General Manager, Gary Westbrook also presented a request for \$ 1000 for the brief that would be submitted by Former Chief Justice, Tom Phillips and \$ 500 dollars for the brief concerning Day and McDaniel v. Edwards Aquifer Authority. A motion was made by Nathan Ausley to approve funds for the above \$ 500 briefs and to bring the \$ 1000 brief back to the board at a later time. The motion was 2nd by Director Andy Hovorak. The motion carried 9 to1 with Director Jim Hodson opposed.

2. Texas Water Law Institute Conference in Austin December 3-5, 2008

General Manager, Gary Westbrook advised the board that he would attend this conference in December.

3. Issues affecting groundwater conservation districts in the next legislative session

General Manager, Gary Westbrook advised the board on the issues affecting groundwater conservation districts in the next legislative session.

17. Bills received and current financial status

A motion was made by Director Jim Hodson to approve the bills. The motion was 2nd by Director Dwayne Jekel. The motion carried unanimously.

18. Dates, locations, and times of future meetings

The next scheduled Board Meeting will be on December 9, 2008 at the District office in Milano, Texas at 5:30 p.m.

19. Adjourn

The meeting adjourned at 6:45 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON NOVEMBER 11, 2008 WERE APPROVED AND ADOPTED BY THAT BOARD ON DECEMBER 9, 2008.

Nathan Ausley, President

Attest:

Kerry Starnes, Secretary/Treasurer _____ Date _____

A meeting recording of this meeting is available on CD.