

POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT
Board of Directors Meeting
Post Oak Savannah Ground Water District Offices
310 East Avenue C
Milano, Texas 76556
November 13, 2007 – 5:30 p.m.

MINUTES

Members Present

President /Nathan Ausley
Vice-President/Dwayne Jekel
Kerry Starnes/Secretary-Treasurer
Jay Wilder
Jim Hodson
John Malazzo
Jay Tumlinson
Gary Westbrook
Elaine Gerren
Barney Knight
Kerry Russell
Steve Young
Larry French

Entity

POSGCD
POSGCD
POSGCD
POSGCD
POSGCD
POSGCD
POSGCD
POSGCD District Manager
POSGCD
POSGCD Legal
POSGCD Legal
POSGCD Hydrologist
POSGCD Hydrologist

Members Absent

Carroll Glaser
Robert Ware
Andy Hovorak

POSGCD
POSGCD
POSGCD

Others Present

Curtis Chubb
Ross Cummings
Court Reporter
Scott Carlson
Ridge Kaiser
Stephanie Leavell
Ron Freeman
Charles Reed
Sarah Canady
Bill Graham
Dick Burns
Bob Barre
Tommy Hodges
Dwight Mahoney
Jackie Scott
T.A. Peek
Bob Loehr
Elaine Van Horn
Wesley Van Horn
Ella Nelson
Chester Canady
Robbie Nell Thompson
Joseph Thompson
Kerry Clay Meyers I

The Cameron Herald
Blue Water
Central Texas Legal Video
Metropolitan Water
RW Hardin
Senator Steve Ogden
Freeman & Corbett/Blue Water
Self
Self
Land Owner
Alcoa
Brazos Valley Water
Alcoa
BRA
BRA
Self
Self
Self
Self
Self
Self
Self
Self
Self

PUBLIC HEARINGS

1. Call to Order

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

2. Public Hearing on District 2008 Budget

Board President Nathan Ausley called the Public Hearing on District 2008 Budget to order at 5:30 p.m. No public comment was heard. The Public Hearing on the District 2008 Budget was closed at 5:32

3. Public Hearing on District Production Fees

Board President Nathan Ausley called the Public Hearing on District Production Fees to order at 5:32 p.m. No public comment was heard. The Public Hearing on the District Production Fees was closed at 5:33 p.m.

4. Public Hearing on District Transport Fees

Board President Nathan Ausley called the Public Hearing on District Transport Fees to order at 5:33 p.m. No public comment was heard. The Public Hearing on the District Transport Fees was closed at 5:34 p.m.

5. Public Hearing on District Fee Schedule

Board President Nathan Ausley called the Public Hearing on District Fee Schedule to order at 5:34 p.m. No public comment was heard. The Public Hearing on the District Fee Schedule was closed at 5:35 p.m.

6. Public Hearing on Drilling and Operating Permit Application for Rockdale ISD Well to be located near intersection of Highway 79 West and CR 308 near Rockdale, TX to produce less than or equal to 100 gallons per minute, 5350 gallons per day, and less than or equal to 5.9 acre feet per year for irrigation

Board President Nathan Ausley called the Public Hearing on the Rockdale ISD Well to be located near intersection of Highway 79 West and CR 308 near Rockdale, TX to produce less than or equal to 100 gallons per minute, 5350 gallons per day, and less than or equal to 5.9 acre feet per year for irrigation to order at 5:35 p.m. No public comment was heard. The Public Hearing on Rockdale ISD Well to be located near intersection of Highway 79 West and CR 308 near Rockdale, TX to produce less than or equal to 100 gallons per minute, 5350 gallons per day, and less than or equal to 5.9 acre feet per year for irrigation was closed at 5:36 p.m.

7. Public Hearing on Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-1 to increase rate of production from 860 gpm to 2800 gpm, and to increase daily permitted production from 1,238,400 gallons per day to 4,032,000 gallons per day to be transported out of the district.

Board President Nathan Ausley called the Public Hearing on the Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-1 to increase rate of production from 860 gpm to 2800 gpm, and to increase daily permitted production from 1,238,400 gallons per day to 4,032,000 gallons per day to be transported out of the district to order at 5:36 p.m.. Public comment was heard from T.A. Peek stating that he had leased his water rights. Questions were asked by Chester Canaday, Sarah Canaday, and Charles Reed requesting clarification on notice letters received. The Public Hearing on the Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-1 to increase rate of production from 860 gpm to 2800 gpm, and to increase daily permitted production from 1,238,400 gallons per day to

4,032,000 gallons per day to be transported out of the district was closed at 5:40 p.m.

8. Public Hearing on Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-6 to move the location of the well

Board President Nathan Ausley called the Public Hearing on the Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-6 to move the location of the well to order on 5:40 p.m. No Public comment was heard. The Public Hearing on the Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-6 to move the location of the well was closed at 5:41 p.m.

9. Public Hearing on Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-7 to move the location of the well.

Board President Nathan Ausley called the Public Hearing on the Amendment to Current Permit for Blue Water Systems, LP, and well designated PW-7 to move the location of the well to order at 5:41 p.m. No Public comment was heard. The Public Hearing on the Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-7 to move the location of the well was closed at 5:42 p.m.

10. Public Hearing on Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-8 to move the location of the well.

Board President Nathan Ausley called the Public Hearing on the Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-8 to move the location of the well to order at 5:42 p.m. No Public comment was heard. The Public Hearing on the Amendment to Current Permit for Blue Water Systems, LP, Well designated PW-8 to move the location of the well was closed at 5:43 p.m.

11. Public Hearing on Amendment to Current Permit for Blue Water Systems, LP, Transport Permit to change production rate of Well designated PW-1, and the move locations of Wells designated PW-6, PW-7, and PW-8.

Public Hearing on Amendment to Current Permit for Blue Water Systems, LP, Transport Permit to change production rate of Well designated PW-1, and the move locations of Wells designated PW-6, PW-7, and PW-8 was opened at 5:43 p.m.. No Public comment was heard. General Manager, Gary Westbrook presented clarification on the application. The Public Hearing on the Amendment to Current Permit for Blue Water Systems, LP, Transport Permit to change production rate of Well designated PW-1, and the move locations of Wells designated PW-6, PW-7, and PW-8 was closed at 5:45 p.m.

The Public Hearings were adjourned at 5:45 p.m.

BOARD MEETING

Board President, Nathan Ausley, called the Board Meeting to order at 5:45 p.m.

12. Public Comment

No public comment was heard.

13. Approve Minutes of September 11, 2007 Board Meeting

A motion was made by Director Dwayne Jekel to approve the minutes of the September 19, 2007 Board Meeting. The motion was 2nd by director John Malazzo. The motion carried unanimously.

14. District 2008 Budget

A motion was made by Director Jay Wilder to accept the 2008 Budget as presented and recommended by the Advisory Committee. The motion was 2nd by Director Jay Tumlinson. The motion carried unanimously.

15. District Production Fees

A motion was made by Director Jay Wilder to retain the current production fees as presented and recommended by the Advisory Committee. The motion was 2nd by Director Kerry Starnes. The motion carried unanimously.

16. District Transport Fees

A motion was made by Director Dwayne Jekel to retain the current transport fees as presented and recommended by the Advisory Committee. The motion was 2nd by Director Jay Tumlinson. The motion carried unanimously.

17. District Fee Schedule

Recommendation was made to retain the current fee schedule as presented and recommended by the Advisory Committee. General Manager, Gary Westbrook stated that the fee schedule had remained unchanged since December 2004. A motion was made by Director Jay Wilder to retain the current fee schedule. The motion was 2nd by Director John Malazzo. The motion carried unanimously.

18. Consider Drilling and Operating Permit for Rockdale ISD Well to be located near intersection of Highway 79 West and CR 308 near Rockdale, TX to produce less than or equal to 100 gallons per minute, 5350 gallons per day, and less than or equal to 5.9 acre feet per year for irrigation

A motion was made by Director Kerry Starnes to approve the Drilling & operating Permit for the Rockdale I.S.D. well to be located near intersection of Highway 79 West and CR 308 near Rockdale, TX to produce less than or equal to 100 gallons per minute, 5350 gallons per day, and less than or equal to 5.9 acre feet per year for irrigation. The motion was 2nd by Director Jim Hodson. The motion carried unanimously.

19. Consider Amendment to Existing Operating Permit for Blue Water Systems, LP, Well designated PW-1 to increase rate of production from 860 gpm to 2800 gpm, and to increase daily permitted production from 1,238,400 gallons per day to 4,032,000 gallons per day to be transported out of the district.

A motion was made by Director Jim Hodson to approve the Amendment to Existing Operating Permit for Blue Water Systems, LP, Well designated PW-1 to increase rate of production from 860 gpm to 2800 gpm, and to increase daily permitted production from 1,238,400 gallons per day to 4,032,000 gallons per day to be transported out of the district. The motion was 2nd by Director Jay Tumlinson. The motion carried unanimously.

20. Consider Amendment to Existing Drilling and Operating Permit for Blue Water Systems, LP, Well designated PW-6 to move the location of the well

A motion was made by Director Jim Hodson to approve the Amendment to Existing Drilling and Operating Permit for Blue Water Systems, LP, Well designated PW-6 to move the location of the well. The motion was 2nd by Director Dwayne Jekel. The motion carried unanimously.

21. Consider Amendment to Existing Drilling and Operating Permit for Blue Water Systems, LP, Well designated PW-7 to move the location of the well

A motion was made by Director Dwayne Jekel to open items 21, 22, & 23 up together and to approve the Amendment to Existing Drilling and Operating Permit for Blue Water Systems, LP, Well designated PW-7 & PW-8 , to move the location of the wells, and to Consider Amendment to Current Permit for Blue Water Systems, LP, Transport Permit to change production rate of Well designated PW-1, and the move locations of Wells designated PW-6, PW-7, and PW-8. The motion was 2nd by Director Kerry Starnes. The motion carried unanimously.

22. Consider Amendment to Existing Drilling and Operating Permit for Blue Water Systems, LP, Well designated PW-8 to move the location of the well

This item was opened and approved with item # 21

23. Consider Amendment to Current Permit for Blue Water Systems, LP, Transport Permit to change production rate of Well designated PW-1, and the move locations of Wells designated PW-6, PW-7, and PW-8.

This item was opened and approved with item # 21

24. Settlement Agreement with ALCOA, Inc. (Executive session and action item)

A request for details of the proposed settlement was made by Curtis Chubb. A summary of the process and agreement was given by Barney Knight, Legal Counsel for the District. A motion was made by Director Kerry Starnes to approve the settlement agreement with Alcoa, Inc. The motion was 2nd by Director Dwayne Jekel. The motion carried 6 to 0 with Director Jim Hodson abstaining. Comment was heard from Tommy Hodges of Alcoa, expressing appreciation to the Board for their actions.

25. Amend 2007 Budget

A motion was made by Director Jim Hodson to approve the amendments to the 2007 Budget as presented and recommended by the Advisory Committee. The motion was 2nd by Director John Malazzo. Clarifications of the amendments were presented by General Manager, Gary Westbrook. The motion carried unanimously.

26. Consider Engagement Letter with Alton Thiele, CPA for auditing services for 2008

A motion was made by Director, Jay Tumlinson to approve the engagement letter with Alton Thiele, CPA for auditing services for 2008. The motion was 2nd by Director Kerry Starnes. The motion carried unanimously.

27. Receive report from District Manager 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 required a hearing.

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

There were -0- emergency permits filed, -10- applications for new exempt wells filed, 4 new well permits completed, and 36 exempt wells recorded.

C. Recent and future District presentations and activities

1. Letter from Joe Cooper to Nathan Ausley of October 15, 2007 concerning GMA 12 and setting DFCs and Letter of response from District General Manager

2. Summary of GMA 12 progress towards setting DFCs

3. Discuss process of setting Desired Future Conditions in GMA 12

4. Joint Planning meetings for GMA #12

Comment was heard from Larry French of U.R.S. and Ridge Kaiser of R.W. Hardin & Associates. General Manager, Gary Westbrook explained the

reason for the District's response to the letter from Joe Cooper.

5. Joint Planning meetings for GMA #8 of November 15, 2007

The joint planning meeting for GMA# 8 of November 15, 2007 has been moved to November 27, 2007

6. Discussion and possible action relating to approving financial support for an amicus curiae brief to be filed by the Texas Alliance of Groundwater Districts in the case of Guitar Holding, Inc. v. Hudspeth County UWCD.

General Manager, Gary Westbrook explained the need for this brief.

Comment was heard from Barney Knight, Legal Counsel for the District. A motion was made by Director Jim Hodson to participate at the \$500.00 amount. The motion was 2nd by Director Nathan Ausley. The motion carried unanimously.

7. Consider Historic Use and Exempt Well Registration Deadlines of December 31, 2007

A motion was made by President, Nathan Ausley to drop the exempt well registration deadline date in our rules. The motion was 2nd by Director Jim Hodson. The motion carried unanimously.

28. Bills Received and current financial status

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

29. Dates, locations, and times of future meetings

The next scheduled Board Meeting will be on December 11, 2007 at the District office in Milano, Texas at 5:30 p.m.

30. Adjourn

The meeting adjourned at 6:21 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON NOVEMBER 13, 2007 WERE APPROVED AND ADOPTED BY THAT BOARD ON DECEMBER 11, 2007.

Nathan Ausley, President

Attest:

Kerry Starnes, Secretary/Treasurer _____ Date _____

A meeting recording of this meeting is available on CD.