

December 9, 2008 – 5:30 p.m.
MINUTES

[illegible]

Marie ????	Land Owner
Jesse Mayo	Land Owner
Roxy Mayo	Land Owner
Jessica Armstrong	Land Owner
Jerry Armstrong	Diamond A. Ranch
John Burke	Aqua Water
Mike Gershon	Aqua Water
Kodi Sawin	Sawin Group
Wayne Wolz	Self
Mildred Miman	Self
Margaret Williams	Self
Harry Vowell	Self
Duke Turner	Land Owner
Jack Koclrex	Land Owner
Pablo Garcia	Self
Denetrio Garcia	Self
Robert Campbell	Land Owner
C.D. Perry	Land Owner
J. T. Talley	Land Owner
Verna Dement	Land Owner
Joe Urbanowsky	Land Owner
Barbara Urbanowsky	Land Owner
Randy Holly	City of Rockdale
?James Miller?	City of Bastrop
Bob Barrie	Brazos Valley Water Alliance
Becky Goetsch	Landowner/Rancher
Todd Reynolds	Self
April Reynolds	Self
Donnie Guffee	Land Owner
Terry Guffee	Land Owner
Sharon Jones	Self
??????????	Land Owner
Steve Box	Environmental Stewardship
Kit Worley	

PUBLIC HEARING

1. Call to Order

President Nathan Ausley called the Public Hearings to order at 5:30 p.m. and announced that he would turn the meeting over to Vice-President Dwayne Jekel, and that he would refrain from all discussions or decisions on the Blue Water applications due to possible conflict of interest. Vice-President Dwayne Jekel assumed the chair and opened the Public Hearings on item 2.

2. Public Hearing on Amendment to Current Permits for Blue Water Systems, LP, to include the addition of thirty three new water wells to be operated in the aggregate with the existing eight permitted wells (PW-1 through PW-8). The amendment application seeks to allow the drilling and production of new wells PW-9 through PW-20 and CW-1 through CW-21, as previously noticed. The requested amendment would increase the total permitted production amount that the well field may produce from 30,993 acre feet per year to an amount not to exceed approximately 71,000 acre-feet of groundwater per year for transport outside the District for Municipal Use.

Paul Terrill of Blue Water Systems stated that the applicant had filed completed applications with the District and that all notices had been timely posted in newspapers and also sent out to landowners in the District according to District Rules. He provided affidavits of such proof to the District. Mr. Terrill further stated that Blue Water had completed all responses to the District's General Manager and technical staff, as had been requested.

Ridge Kaiser, of R.W. Harden and Associates, gave a presentation on the applications and applicant, including locations of wells, amounts of production, maps of groundwater leases, and projected drawdown schematics.

General Manager (GM) Gary Westbrook gave a presentation on the District's Groundwater Management Plan (GWMP) and Rules and an explanation of the District's management strategies in different management zones within the District, noting the District's work in determining management zones and the trigger points in each zone, which provides protections for wells in each management zone, including the District's ability to curtail and cut back permitted production in adjoining management zones in instances where trigger points were realized in a management zone due to production from those adjacent management zones.

Steve Young of URS, the District's hydrologist stated that the applicant had submitted all information requested by the District, with regard to the applications, and that all information was in order to satisfy the District's Rules.

Jesse Mayo asked what impacts these permits would have on Deanville WSC, its most recent well, and its ability to serve its customers. GM revisited the GWMP and addressed the protections offered by the trigger points in the management zones which lead to curtailment of production in those zones and protection provided to all historic users, as well as landowners, in the District.

Colleen Waring asked why should POSGCD issue the permits now, instead of waiting for more information.

Bruce Brinkman asked who pays for problems for landowners' wells.

Roxanna Mayo asked who looked out for Deanville WSC's wells. GM revisited the GWMP and addressed the protections offered by the trigger points to all existing users in the District.

Todd Reynolds stated that a mitigation plan should be in place before issuing permits.

Wayne Wolz stated that he would like to see more research in place before permits were issued.

District counsel Barney Knight gave a brief explanation of the District's Rules as they applied to protecting landowner's rights and water levels in the District's aquifers.

Todd Reynolds stated that he believed there were fraudulent leases filed. GM stated that he and Mr. Reynolds had discussed this previously, and that no evidence of fraud had been presented at this time in any of the applicant's applications.

Wayne Wolz expressed concerns over impacts to wells in the Deanville area.

Director Lee Alford stated that the District's Rules and GWMP provide protection for those wells and that the Board would make sure these protections were executed.

Lon Williams asked the Board if it believed it had the authority to cut back pumping from these permits when needed to protect existing users in the District. The Board responded that they did.

Randy Holly, city manager of Rockdale recognized the Board for its difficult situation and task and commended the Board for its work and accomplishments. Mr. Holly then introduced an agreement between Blue Water Systems and the City of Rockdale to the Board and stated that the City of Rockdale supported the applications of Blue Water Systems.

Curtis Chubb asked Mr. Holly if this agreement would encourage overpumping by the applicant.

Mike Gershon, representing Aqua Water Supply, began discussion with the Board and re-stated the request filed by Aqua Water to obtain party status in a contested case hearing.

Paul Terrill filed an objection to Aqua Water's request to party status. He further noted and read a brief excerpt from Aqua's previous pleadings to the Lost Pines GCD Board and Chapter 36, Sec. 36.415.

Bruce Brinkman objected to the objection of Blue Water Systems.

District counsel was asked to comment and stated that he agreed that Aqua should not be considered for party status as they did not have an affected interest to give them standing.

Mike Gershon stated that since Lost Pines had denied their requests that Aqua was seeking relief from POSGCD.

Steve Box of Environmental Stewardship gave a statement on possible impacts of this permit to contributions from the Carrizo-Wilcox aquifer to the Colorado River, and gave comment on the District's GWMP and Rules and work performed to establish them. He further charged that the District should protect regional interests and that adequate considerations had not been given before considering this application.

Director Bob Ware asked several questions of Mr. Box, then stated that this Board was also created to consider many things including protection of existing wells and users and also property owners rights in our District.

Mr. Box then requested party status.

At that point several other individuals also requested party status.

Robert Campbell gave comment on the notice given.

District counsel gave an explanation of requirements for notice according to statute.

This ended the hearing on item 2.

District counsel Barney Knight explained the necessary requirements for party status and stated that no one at the hearing met those requirements and therefore recommended that the Board grant no one party status.

As presiding officer, Mr. Jekel announced that he was denying party to status to all those that had requested party status, including Aqua and Environmental Stewardship.

3. **Public Hearing on Amendment to Current Transport Permit for Blue Water Systems, LP, to allow groundwater to be transported to additional locations to include Bell, Burnet and Lee counties for Municipal Water Use and to increase the total amount of groundwater permitted to be transported out of the District from 30,993 acre feet per year to an amount not to exceed approximately 71,000 acre-feet of groundwater per year to be transported out of the district, as previously noticed.**

At 8:00 p.m. Mr. Jekel opened the hearing on item 3.

Steve Box requested that the Board postpone action for 30 days.

Colleen Waring stated that she did not understand why we would allow export of water from this District to some other location.

District counsel explained statute that governs GCDs.

Jesse Mayo inquired about the status of the transport pipeline.

Wayne Wolz inquired about the impact of the pipeline crossing his property.

As presiding officer, Mr. Jekel again announced that no one was given party status.

The public hearings were closed at 8:10 p.m.

Due to crowded conditions and many individuals leaving the meeting, there was much noise so the Board waited approximately 4 minutes to resume.

BOARD MEETING

4. Public Comment

A question was raised as to whether anyone was recognized as having party status in the hearings and Mr. Jekel again announced that no one was given party status. There was no public comment.

5. Minutes of November 11, 2008 Board Meeting

Director Jim Hodson moved approval of the minutes from the November 11, 2008 meeting, Director Kerry Starnes seconded and the motion passed unanimously.

6. **Consider Amendment to Current Permits for Blue Water Systems, LP, to include the addition of thirty three new water wells to be operated in the aggregate with the existing eight permitted wells (PW-1 through PW-8). The amendment application seeks to allow the drilling and production of new wells PW-9 through PW-20 and CW-1 through CW-21. The requested**

amendment would increase the total permitted production amount that the well field may produce from 30,993 acre feet per year to an amount not to exceed approximately 71,000 acre-feet of groundwater per year for transport outside the District for Municipal Use.

Director Robert Ware asked about available amounts of water according to the District's GWMP. There was discussion about the Rules and GWMP. District GM referred to the District's GWMP, Section 17, for amounts of water available from each management zone when evaluating in specified ways and running the GAM under certain conditions, and stated that the amounts shown in this section served as a guideline only and that these amounts of water available were based on that specific work completed, and should not be misunderstood to be an amount to be permitted or a limit on an amount that could be permitted in or for each of these management zones. District counsel was asked to comment, and stated that the applicant's applications meet the requirements of the District's Rules. Director Andy Hovarak asked why we would issue permits that showed a modeled impact that exceeded the District's trigger levels. District GM addressed the District's GWMP and Rules regarding reduction of permitted amounts if trigger points were realized. District counsel stated that the applicant's attorney and CEO had signed a letter recognizing the District's Rules and GWMP in this regard. Director Lee Alford asked if the model included all known projected production in this GMA. District hydrologist answered that it did. Mr. Alford then asked if any landowner could get a permit to use water under their land. District counsel pointed to the Rules and answered that they could.

Further discussion ensued. Director Jim Hodson moved to approve the applications. Director Jay Tumlinson seconded. There was no further discussion. The motion passed with 6 voting for, 1 against (Director Hovarak), and two abstaining (Directors Jekel as presiding officer and Ausley as previously stated)

- 7. Consider Amendment to Current Transport Permit for Blue Water Systems, LP, to allow groundwater to be transported to additional locations to include Bell, Burnet and Lee counties for Municipal Water Use and to increase the total amount of groundwater permitted to be transported out of the District from 30,993 acre feet per year to an amount not to exceed approximately 71,000 acre-feet of groundwater per year to be transported out of the district.**

Director Robert Ware moved to approve the application. Director Jim Hodson seconded. There was no further discussion. The motion passed with 6 voting for, 1 against (Director Hovarak), and two abstaining (Directors Jekel as presiding officer and Ausley as previously stated)

- 8. Amend District 2008 Budget**

District GM requested \$1800 to be moved from GMA 8 hydrologist expense to Advertising expense to cover the additional costs incurred for advertising the recent Blue Water Systems applications. Director Jim Hodson moved to approve the amendment. Director Kerry Starnes seconded. The motion passed unanimously.

- 9. Consider Engagement Letter with Alton Thiele, CPA for auditing services for 2009**

The Board considered the letter with Alton Thiele, CPA. Director Dwayne Jekel moved approval. Director Jay Tumlinson seconded. The motion passed unanimously.

- 10. Report and discussion on District Rules and Management Plan and District DFCs within GMA-12**

District hydrologist Steve Young of URS gave a brief presentation and review of recent Board discussions concerning the District's GWMP and converting it into actual DFCs for the District.

- 11. Direction to President of the Board and general manager concerning District Rules and Management Plan and Desired Future Conditions of aquifers in the District and GMA 12**

After brief discussion, District GM Gary Westbrook requested that the Board send the task in the previous item to the DFC committee, the District hydrologist and the District GM to be brought back

to the Board for final approval. Director Jim Hodson moved to approve the request. Director Kerry Starnes seconded. The motion passed unanimously.

12. 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

District GM Gary Westbrook reported none at this time.

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

District GM Gary Westbrook reported no emergency permits issued, 2 wells recorded, 3 new applications for exempt wells, and 1 exempt well completed.

C. Recent and future District presentations and activities

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

District GM Gary Westbrook reported that the Texas Supreme Court had requested full briefing on this case and recommended that the Board approve an expense of up to \$1000.00 to participate. Director Robert Ware moved approval. Director Lee Alford seconded. The motion passed 8-1 with Director Jim Hodson voting against.

2. General manager participation in MDA lock-up

District GM Gary Westbrook reported participation in the annual MDA event raising \$1605.00, enough to send two children to camp to learn how to deal with their disabilities, from friends and groundwater acquaintances.

13. Bills received and current financial status.

The Board reviewed the bills. Director Jim Hodson moved approval of payment of the bills. Director Jay Wilder seconded. The motion passed unanimously.

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

President Nathan Ausley announced that the next regularly scheduled meeting would be January 13, 2009, at the District's offices at 5:30 p.m.

15. Adjourn Board Meeting

President Nathan Ausley adjourned the meeting at 8:50 p.m.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT HELD ON DECEMBER 9, 2008 WERE APPROVED AND ADOPTED BY THAT BOARD ON JANUARY 13, 2009.

Nathan Ausley, President

Attest:

Kerry Starnes, Secretary/Treasurer

Date_____

A meeting recording of this meeting is available on CD.